



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB1977

Introduced 2/17/2021, by Rep. Stephanie A. Kifowit

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-5

from Ch. 24, par. 11-74.4-5

Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. Provides that, prior to the adoption of an ordinance proposing the designation or extension of a redevelopment project area, the municipality must evaluate the potential costs incurred by affected school districts at a public hearing. Effective immediately.

LRB102 13625 HLH 18975 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Municipal Code is amended by
5 changing Section 11-74.4-5 as follows:

6 (65 ILCS 5/11-74.4-5) (from Ch. 24, par. 11-74.4-5)

7 Sec. 11-74.4-5. Public hearing; joint review board.

8 (a) The changes made by this amendatory Act of the 91st
9 General Assembly do not apply to a municipality that, (i)
10 before the effective date of this amendatory Act of the 91st
11 General Assembly, has adopted an ordinance or resolution
12 fixing a time and place for a public hearing under this Section
13 or (ii) before July 1, 1999, has adopted an ordinance or
14 resolution providing for a feasibility study under Section
15 11-74.4-4.1, but has not yet adopted an ordinance approving
16 redevelopment plans and redevelopment projects or designating
17 redevelopment project areas under Section 11-74.4-4, until
18 after that municipality adopts an ordinance approving
19 redevelopment plans and redevelopment projects or designating
20 redevelopment project areas under Section 11-74.4-4;
21 thereafter the changes made by this amendatory Act of the 91st
22 General Assembly apply to the same extent that they apply to
23 redevelopment plans and redevelopment projects that were

1 approved and redevelopment projects that were designated
2 before the effective date of this amendatory Act of the 91st
3 General Assembly.

4 Prior to the adoption of an ordinance proposing the
5 designation of a redevelopment project area, or approving a
6 redevelopment plan or redevelopment project, the municipality
7 by its corporate authorities, or as it may determine by any
8 commission designated under subsection (k) of Section
9 11-74.4-4 shall adopt an ordinance or resolution fixing a time
10 and place for public hearing. At least 10 days prior to the
11 adoption of the ordinance or resolution establishing the time
12 and place for the public hearing, the municipality shall make
13 available for public inspection a redevelopment plan or a
14 separate report that provides in reasonable detail the basis
15 for the eligibility of the redevelopment project area. The
16 report along with the name of a person to contact for further
17 information shall be sent within a reasonable time after the
18 adoption of such ordinance or resolution to the affected
19 taxing districts by certified mail. On and after the effective
20 date of this amendatory Act of the 91st General Assembly, the
21 municipality shall print in a newspaper of general circulation
22 within the municipality a notice that interested persons may
23 register with the municipality in order to receive information
24 on the proposed designation of a redevelopment project area or
25 the approval of a redevelopment plan. The notice shall state
26 the place of registration and the operating hours of that

1 place. The municipality shall have adopted reasonable rules to
2 implement this registration process under Section 11-74.4-4.2.
3 The municipality shall provide notice of the availability of
4 the redevelopment plan and eligibility report, including how
5 to obtain this information, by mail within a reasonable time
6 after the adoption of the ordinance or resolution, to all
7 residential addresses that, after a good faith effort, the
8 municipality determines are located outside the proposed
9 redevelopment project area and within 750 feet of the
10 boundaries of the proposed redevelopment project area. This
11 requirement is subject to the limitation that in a
12 municipality with a population of over 100,000, if the total
13 number of residential addresses outside the proposed
14 redevelopment project area and within 750 feet of the
15 boundaries of the proposed redevelopment project area exceeds
16 750, the municipality shall be required to provide the notice
17 to only the 750 residential addresses that, after a good faith
18 effort, the municipality determines are outside the proposed
19 redevelopment project area and closest to the boundaries of
20 the proposed redevelopment project area. Notwithstanding the
21 foregoing, notice given after August 7, 2001 (the effective
22 date of Public Act 92-263) and before the effective date of
23 this amendatory Act of the 92nd General Assembly to
24 residential addresses within 750 feet of the boundaries of a
25 proposed redevelopment project area shall be deemed to have
26 been sufficiently given in compliance with this Act if given

1 only to residents outside the boundaries of the proposed
2 redevelopment project area. The notice shall also be provided
3 by the municipality, regardless of its population, to those
4 organizations and residents that have registered with the
5 municipality for that information in accordance with the
6 registration guidelines established by the municipality under
7 Section 11-74.4-4.2.

8 At the public hearing any interested person or affected
9 taxing district may file with the municipal clerk written
10 objections to and may be heard orally in respect to any issues
11 embodied in the notice. The municipality shall hear all
12 protests and objections at the hearing and the hearing may be
13 adjourned to another date without further notice other than a
14 motion to be entered upon the minutes fixing the time and place
15 of the subsequent hearing. At the public hearing or at any time
16 prior to the adoption by the municipality of an ordinance
17 approving a redevelopment plan, the municipality may make
18 changes in the redevelopment plan. Changes which (1) add
19 additional parcels of property to the proposed redevelopment
20 project area, (2) substantially affect the general land uses
21 proposed in the redevelopment plan, (3) substantially change
22 the nature of or extend the life of the redevelopment project,
23 or (4) increase the number of inhabited residential units to
24 be displaced from the redevelopment project area, as measured
25 from the time of creation of the redevelopment project area,
26 to a total of more than 10, shall be made only after the

1 municipality gives notice, convenes a joint review board, and
2 conducts a public hearing pursuant to the procedures set forth
3 in this Section and in Section 11-74.4-6 of this Act. Changes
4 which do not (1) add additional parcels of property to the
5 proposed redevelopment project area, (2) substantially affect
6 the general land uses proposed in the redevelopment plan, (3)
7 substantially change the nature of or extend the life of the
8 redevelopment project, or (4) increase the number of inhabited
9 residential units to be displaced from the redevelopment
10 project area, as measured from the time of creation of the
11 redevelopment project area, to a total of more than 10, may be
12 made without further hearing, provided that the municipality
13 shall give notice of any such changes by mail to each affected
14 taxing district and registrant on the interested parties
15 registry, provided for under Section 11-74.4-4.2, and by
16 publication in a newspaper of general circulation within the
17 affected taxing district. Such notice by mail and by
18 publication shall each occur not later than 10 days following
19 the adoption by ordinance of such changes. Hearings with
20 regard to a redevelopment project area, project or plan may be
21 held simultaneously.

22 (b) Prior to holding a public hearing to approve or amend a
23 redevelopment plan or to designate or add additional parcels
24 of property to a redevelopment project area, the municipality
25 shall convene a joint review board. The board shall consist of
26 a representative selected by each community college district,

1 local elementary school district and high school district or
2 each local community unit school district, park district,
3 library district, township, fire protection district, and
4 county that will have the authority to directly levy taxes on
5 the property within the proposed redevelopment project area at
6 the time that the proposed redevelopment project area is
7 approved, a representative selected by the municipality and a
8 public member. The public member shall first be selected and
9 then the board's chairperson shall be selected by a majority
10 of the board members present and voting.

11 For redevelopment project areas with redevelopment plans
12 or proposed redevelopment plans that would result in the
13 displacement of residents from 10 or more inhabited
14 residential units or that include 75 or more inhabited
15 residential units, the public member shall be a person who
16 resides in the redevelopment project area. If, as determined
17 by the housing impact study provided for in paragraph (5) of
18 subsection (n) of Section 11-74.4-3, or if no housing impact
19 study is required then based on other reasonable data, the
20 majority of residential units are occupied by very low, low,
21 or moderate income households, as defined in Section 3 of the
22 Illinois Affordable Housing Act, the public member shall be a
23 person who resides in very low, low, or moderate income
24 housing within the redevelopment project area. Municipalities
25 with fewer than 15,000 residents shall not be required to
26 select a person who lives in very low, low, or moderate income

1 housing within the redevelopment project area, provided that
2 the redevelopment plan or project will not result in
3 displacement of residents from 10 or more inhabited units, and
4 the municipality so certifies in the plan. If no person
5 satisfying these requirements is available or if no qualified
6 person will serve as the public member, then the joint review
7 board is relieved of this paragraph's selection requirements
8 for the public member.

9 Within 90 days of the effective date of this amendatory
10 Act of the 91st General Assembly, each municipality that
11 designated a redevelopment project area for which it was not
12 required to convene a joint review board under this Section
13 shall convene a joint review board to perform the duties
14 specified under paragraph (e) of this Section.

15 All board members shall be appointed and the first board
16 meeting shall be held at least 14 days but not more than 28
17 days after the mailing of notice by the municipality to the
18 taxing districts as required by Section 11-74.4-6(c).
19 Notwithstanding the preceding sentence, a municipality that
20 adopted either a public hearing resolution or a feasibility
21 resolution between July 1, 1999 and July 1, 2000 that called
22 for the meeting of the joint review board within 14 days of
23 notice of public hearing to affected taxing districts is
24 deemed to be in compliance with the notice, meeting, and
25 public hearing provisions of the Act. Such notice shall also
26 advise the taxing bodies represented on the joint review board

1 of the time and place of the first meeting of the board.
2 Additional meetings of the board shall be held upon the call of
3 any member. The municipality seeking designation of the
4 redevelopment project area shall provide administrative
5 support to the board.

6 The board shall review (i) the public record, planning
7 documents and proposed ordinances approving the redevelopment
8 plan and project and (ii) proposed amendments to the
9 redevelopment plan or additions of parcels of property to the
10 redevelopment project area to be adopted by the municipality.
11 As part of its deliberations, the board may hold additional
12 hearings on the proposal. A board's recommendation shall be an
13 advisory, non-binding recommendation. The recommendation shall
14 be adopted by a majority of those members present and voting.
15 The recommendations shall be submitted to the municipality
16 within 30 days after convening of the board. Failure of the
17 board to submit its report on a timely basis shall not be cause
18 to delay the public hearing or any other step in the process of
19 designating or amending the redevelopment project area but
20 shall be deemed to constitute approval by the joint review
21 board of the matters before it.

22 The board shall base its recommendation to approve or
23 disapprove the redevelopment plan and the designation of the
24 redevelopment project area or the amendment of the
25 redevelopment plan or addition of parcels of property to the
26 redevelopment project area on the basis of the redevelopment

1 project area and redevelopment plan satisfying the plan
2 requirements, the eligibility criteria defined in Section
3 11-74.4-3, and the objectives of this Act.

4 The board shall issue a written report describing why the
5 redevelopment plan and project area or the amendment thereof
6 meets or fails to meet one or more of the objectives of this
7 Act and both the plan requirements and the eligibility
8 criteria defined in Section 11-74.4-3. In the event the Board
9 does not file a report it shall be presumed that these taxing
10 bodies find the redevelopment project area and redevelopment
11 plan satisfy the objectives of this Act and the plan
12 requirements and eligibility criteria.

13 If the board recommends rejection of the matters before
14 it, the municipality will have 30 days within which to
15 resubmit the plan or amendment. During this period, the
16 municipality will meet and confer with the board and attempt
17 to resolve those issues set forth in the board's written
18 report that led to the rejection of the plan or amendment.

19 Notwithstanding the resubmission set forth above, the
20 municipality may commence the scheduled public hearing and
21 either adjourn the public hearing or continue the public
22 hearing until a date certain. Prior to continuing any public
23 hearing to a date certain, the municipality shall announce
24 during the public hearing the time, date, and location for the
25 reconvening of the public hearing. Any changes to the
26 redevelopment plan necessary to satisfy the issues set forth

1 in the joint review board report shall be the subject of a
2 public hearing before the hearing is adjourned if the changes
3 would (1) substantially affect the general land uses proposed
4 in the redevelopment plan, (2) substantially change the nature
5 of or extend the life of the redevelopment project, or (3)
6 increase the number of inhabited residential units to be
7 displaced from the redevelopment project area, as measured
8 from the time of creation of the redevelopment project area,
9 to a total of more than 10. Changes to the redevelopment plan
10 necessary to satisfy the issues set forth in the joint review
11 board report shall not require any further notice or convening
12 of a joint review board meeting, except that any changes to the
13 redevelopment plan that would add additional parcels of
14 property to the proposed redevelopment project area shall be
15 subject to the notice, public hearing, and joint review board
16 meeting requirements established for such changes by
17 subsection (a) of Section 11-74.4-5.

18 In the event that the municipality and the board are
19 unable to resolve these differences, or in the event that the
20 resubmitted plan or amendment is rejected by the board, the
21 municipality may proceed with the plan or amendment, but only
22 upon a three-fifths vote of the corporate authority
23 responsible for approval of the plan or amendment, excluding
24 positions of members that are vacant and those members that
25 are ineligible to vote because of conflicts of interest.

26 (c) After a municipality has by ordinance approved a

1 redevelopment plan and designated a redevelopment project
2 area, the plan may be amended and additional properties may be
3 added to the redevelopment project area only as herein
4 provided. Amendments which (1) add additional parcels of
5 property to the proposed redevelopment project area, (2)
6 substantially affect the general land uses proposed in the
7 redevelopment plan, (3) substantially change the nature of the
8 redevelopment project, (4) increase the total estimated
9 redevelopment project costs set out in the redevelopment plan
10 by more than 5% after adjustment for inflation from the date
11 the plan was adopted, (5) add additional redevelopment project
12 costs to the itemized list of redevelopment project costs set
13 out in the redevelopment plan, or (6) increase the number of
14 inhabited residential units to be displaced from the
15 redevelopment project area, as measured from the time of
16 creation of the redevelopment project area, to a total of more
17 than 10, shall be made only after the municipality gives
18 notice, convenes a joint review board, and conducts a public
19 hearing pursuant to the procedures set forth in this Section
20 and in Section 11-74.4-6 of this Act. Changes which do not (1)
21 add additional parcels of property to the proposed
22 redevelopment project area, (2) substantially affect the
23 general land uses proposed in the redevelopment plan, (3)
24 substantially change the nature of the redevelopment project,
25 (4) increase the total estimated redevelopment project cost
26 set out in the redevelopment plan by more than 5% after

1 adjustment for inflation from the date the plan was adopted,
2 (5) add additional redevelopment project costs to the itemized
3 list of redevelopment project costs set out in the
4 redevelopment plan, or (6) increase the number of inhabited
5 residential units to be displaced from the redevelopment
6 project area, as measured from the time of creation of the
7 redevelopment project area, to a total of more than 10, may be
8 made without further public hearing and related notices and
9 procedures including the convening of a joint review board as
10 set forth in Section 11-74.4-6 of this Act, provided that the
11 municipality shall give notice of any such changes by mail to
12 each affected taxing district and registrant on the interested
13 parties registry, provided for under Section 11-74.4-4.2, and
14 by publication in a newspaper of general circulation within
15 the affected taxing district. Such notice by mail and by
16 publication shall each occur not later than 10 days following
17 the adoption by ordinance of such changes.

18 (d) After the effective date of this amendatory Act of the
19 91st General Assembly, a municipality shall submit in an
20 electronic format the following information for each
21 redevelopment project area (i) to the State Comptroller under
22 Section 8-8-3.5 of the Illinois Municipal Code, subject to any
23 extensions or exemptions provided at the Comptroller's
24 discretion under that Section, and (ii) to all taxing
25 districts overlapping the redevelopment project area no later
26 than 180 days after the close of each municipal fiscal year or

1 as soon thereafter as the audited financial statements become
2 available and, in any case, shall be submitted before the
3 annual meeting of the Joint Review Board to each of the taxing
4 districts that overlap the redevelopment project area:

5 (1) Any amendments to the redevelopment plan, the
6 redevelopment project area, or the State Sales Tax
7 Boundary.

8 (1.5) A list of the redevelopment project areas
9 administered by the municipality and, if applicable, the
10 date each redevelopment project area was designated or
11 terminated by the municipality.

12 (2) Audited financial statements of the special tax
13 allocation fund once a cumulative total of \$100,000 has
14 been deposited in the fund.

15 (3) Certification of the Chief Executive Officer of
16 the municipality that the municipality has complied with
17 all of the requirements of this Act during the preceding
18 fiscal year.

19 (4) An opinion of legal counsel that the municipality
20 is in compliance with this Act.

21 (5) An analysis of the special tax allocation fund
22 which sets forth:

23 (A) the balance in the special tax allocation fund
24 at the beginning of the fiscal year;

25 (B) all amounts deposited in the special tax
26 allocation fund by source;

1 (C) an itemized list of all expenditures from the
2 special tax allocation fund by category of permissible
3 redevelopment project cost; and

4 (D) the balance in the special tax allocation fund
5 at the end of the fiscal year including a breakdown of
6 that balance by source and a breakdown of that balance
7 identifying any portion of the balance that is
8 required, pledged, earmarked, or otherwise designated
9 for payment of or securing of obligations and
10 anticipated redevelopment project costs. Any portion
11 of such ending balance that has not been identified or
12 is not identified as being required, pledged,
13 earmarked, or otherwise designated for payment of or
14 securing of obligations or anticipated redevelopment
15 projects costs shall be designated as surplus as set
16 forth in Section 11-74.4-7 hereof.

17 (6) A description of all property purchased by the
18 municipality within the redevelopment project area
19 including:

20 (A) Street address.

21 (B) Approximate size or description of property.

22 (C) Purchase price.

23 (D) Seller of property.

24 (7) A statement setting forth all activities
25 undertaken in furtherance of the objectives of the
26 redevelopment plan, including:

1 (A) Any project implemented in the preceding
2 fiscal year.

3 (B) A description of the redevelopment activities
4 undertaken.

5 (C) A description of any agreements entered into
6 by the municipality with regard to the disposition or
7 redevelopment of any property within the redevelopment
8 project area or the area within the State Sales Tax
9 Boundary.

10 (D) Additional information on the use of all funds
11 received under this Division and steps taken by the
12 municipality to achieve the objectives of the
13 redevelopment plan.

14 (E) Information regarding contracts that the
15 municipality's tax increment advisors or consultants
16 have entered into with entities or persons that have
17 received, or are receiving, payments financed by tax
18 increment revenues produced by the same redevelopment
19 project area.

20 (F) Any reports submitted to the municipality by
21 the joint review board.

22 (G) A review of public and, to the extent
23 possible, private investment actually undertaken to
24 date after the effective date of this amendatory Act
25 of the 91st General Assembly and estimated to be
26 undertaken during the following year. This review

1 shall, on a project-by-project basis, set forth the
2 estimated amounts of public and private investment
3 incurred after the effective date of this amendatory
4 Act of the 91st General Assembly and provide the ratio
5 of private investment to public investment to the date
6 of the report and as estimated to the completion of the
7 redevelopment project.

8 (8) With regard to any obligations issued by the
9 municipality:

10 (A) copies of any official statements; and

11 (B) an analysis prepared by financial advisor or
12 underwriter setting forth: (i) nature and term of
13 obligation; and (ii) projected debt service including
14 required reserves and debt coverage.

15 (9) For special tax allocation funds that have
16 experienced cumulative deposits of incremental tax
17 revenues of \$100,000 or more, a certified audit report
18 reviewing compliance with this Act performed by an
19 independent public accountant certified and licensed by
20 the authority of the State of Illinois. The financial
21 portion of the audit must be conducted in accordance with
22 Standards for Audits of Governmental Organizations,
23 Programs, Activities, and Functions adopted by the
24 Comptroller General of the United States (1981), as
25 amended, or the standards specified by Section 8-8-5 of
26 the Illinois Municipal Auditing Law of the Illinois

1 Municipal Code. The audit report shall contain a letter
2 from the independent certified public accountant
3 indicating compliance or noncompliance with the
4 requirements of subsection (q) of Section 11-74.4-3. For
5 redevelopment plans or projects that would result in the
6 displacement of residents from 10 or more inhabited
7 residential units or that contain 75 or more inhabited
8 residential units, notice of the availability of the
9 information, including how to obtain the report, required
10 in this subsection shall also be sent by mail to all
11 residents or organizations that operate in the
12 municipality that register with the municipality for that
13 information according to registration procedures adopted
14 under Section 11-74.4-4.2. All municipalities are subject
15 to this provision.

16 (10) A list of all intergovernmental agreements in
17 effect during the fiscal year to which the municipality is
18 a party and an accounting of any moneys transferred or
19 received by the municipality during that fiscal year
20 pursuant to those intergovernmental agreements.

21 (d-1) Prior to the effective date of this amendatory Act
22 of the 91st General Assembly, municipalities with populations
23 of over 1,000,000 shall, after adoption of a redevelopment
24 plan or project, make available upon request to any taxing
25 district in which the redevelopment project area is located
26 the following information:

1 (1) Any amendments to the redevelopment plan, the
2 redevelopment project area, or the State Sales Tax
3 Boundary; and

4 (2) In connection with any redevelopment project area
5 for which the municipality has outstanding obligations
6 issued to provide for redevelopment project costs pursuant
7 to Section 11-74.4-7, audited financial statements of the
8 special tax allocation fund.

9 (e) The joint review board shall meet annually 180 days
10 after the close of the municipal fiscal year or as soon as the
11 redevelopment project audit for that fiscal year becomes
12 available to review the effectiveness and status of the
13 redevelopment project area up to that date.

14 (f) (Blank).

15 (g) In the event that a municipality has held a public
16 hearing under this Section prior to March 14, 1994 (the
17 effective date of Public Act 88-537), the requirements imposed
18 by Public Act 88-537 relating to the method of fixing the time
19 and place for public hearing, the materials and information
20 required to be made available for public inspection, and the
21 information required to be sent after adoption of an ordinance
22 or resolution fixing a time and place for public hearing shall
23 not be applicable.

24 (h) On and after the effective date of this amendatory Act
25 of the 96th General Assembly, the State Comptroller must post
26 on the State Comptroller's official website the information

1 submitted by a municipality pursuant to subsection (d) of this
2 Section. The information must be posted no later than 45 days
3 after the State Comptroller receives the information from the
4 municipality. The State Comptroller must also post a list of
5 the municipalities not in compliance with the reporting
6 requirements set forth in subsection (d) of this Section.

7 (i) No later than 10 years after the corporate authorities
8 of a municipality adopt an ordinance to establish a
9 redevelopment project area, the municipality must compile a
10 status report concerning the redevelopment project area. The
11 status report must detail without limitation the following:

12 (i) the amount of revenue generated within the redevelopment
13 project area, (ii) any expenditures made by the municipality
14 for the redevelopment project area including without
15 limitation expenditures from the special tax allocation fund,
16 (iii) the status of planned activities, goals, and objectives
17 set forth in the redevelopment plan including details on new
18 or planned construction within the redevelopment project area,
19 (iv) the amount of private and public investment within the
20 redevelopment project area, and (v) any other relevant
21 evaluation or performance data. Within 30 days after the
22 municipality compiles the status report, the municipality must
23 hold at least one public hearing concerning the report. The
24 municipality must provide 20 days' public notice of the
25 hearing.

26 (j) Beginning in fiscal year 2011 and in each fiscal year

1 thereafter, a municipality must detail in its annual budget
2 (i) the revenues generated from redevelopment project areas by
3 source and (ii) the expenditures made by the municipality for
4 redevelopment project areas.

5 (k) Prior to the adoption of an ordinance proposing the
6 designation or extension of a redevelopment project area, the
7 municipality must evaluate the potential costs incurred by
8 affected school districts at a public hearing; that evaluation
9 may occur at a public hearing under this Section or at a
10 separate public hearing.

11 (Source: P.A. 98-922, eff. 8-15-14.)

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.