

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PEORIA, ILLINOIS DESIGNATING AN AREA OF URBAN DECAY AND ADOPTING TAX ABATEMENT FOR SAID AREA

WHEREAS, the City of Peoria is a home rule unit of government pursuant to Article VII, Section 6 of the Constitution of the State of Illinois 1970, and may exercise any power and perform any function pertaining to its government and affairs including the regulation of the vehicle towing and impoundment within its city limits; and

WHEREAS, the Illinois Property Tax Code (35 ILCS 200/18) provides that a home rule municipality, upon the adoption of an ordinance by a majority vote of its governing authority, may order the county clerk to abate, for a period not to exceed 10 years, any percentage of the taxes levied by the municipality and any other taxing district on each parcel of property located within an area of urban decay within the corporate limits of the municipality and upon which a newly constructed single-family or duplex residential dwelling unit is located; and

WHEREAS, the Illinois Property Tax Code further provides that the amount of the total abatement for any levy year shall not be an amount in excess of 2% of the taxes extended by all taxing districts on all parcels located within the township that contain residential dwelling units of 6 units or less; and

WHEREAS, the Illinois Property Tax Code further provides that the abatement adopted under this section shall be extended to all subsequent owners of an eligible property during the abatement period; and

WHEREAS, the Illinois Property Tax Code provides that the same percentage abatement of taxes shall apply to all eligible property subject to the abatement ordinance, except that any abatement granted for any parcel that is within a redevelopment area created under Division 74.4 of Article 11 of the Municipal Code at the time the ordinance is adopted shall not exceed the amount of taxes allocable to taxing districts; and

WHEREAS, the Illinois Property Tax Code provides that no abatement shall apply to a parcel of property if the owner does not live in the single family or in one of the duplex residential units; and

WHEREAS, the City of Peoria has identified an Area of Urban Decay pursuant to 35 ILCS 200/18-180(d)(1) as depicted in the attached Exhibit A and legally described in Exhibit B; and

WHEREAS, the Director of Community Development, Ross Black, has determined that the designated Area of Urban Decay meets the definition of “blighted area” pursuant to Section 11-74.4-3 of the Illinois Municipal Code and were present for one year prior to the date of this Ordinance; and

WHEREAS, the City desires to adopt Tax Abatement for the Area of Urban Decay pursuant to the terms of the Illinois Property Tax Code to encourage redevelopment in said area.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF PEORIA, ILLINOIS, as follows:

SECTION 1. Recitals. The facts and statements contained in the preamble to this Ordinance are found to be true and correct and are hereby adopted as part of this Ordinance.

SECTION 2. Urban Decay Tax Abatement. An Urban Decay Tax Abatement program is hereby created and the City authorizes and directs the County Clerk to abate property taxes imposed on newly constructed, owner occupied single-family and duplex residential dwellings in the area known as the North Valley Redevelopment District. Such Urban Decay Tax Abatement program is subject to the following conditions:

- A. The Urban Decay Tax Abatement program shall only be allowed for newly constructed, owner occupied single-family and duplex residential dwellings in the area known as the North Valley Redevelopment District, as depicted in the attached Exhibit A and legally described in Exhibit B on file in the City Clerk's office.
- B. The Abatement will only apply to the structure or improvement, not to the underlying land value. The assessed land value, will, at all times, remain taxable.
- C. The Urban Decay Tax Abatement program shall be in effect for a period of ten (10) years following the date of adoption.
- D. Any eligible structure which has received a valid building permit within the effective period of time for the program shall be entitled to receive real property tax abatement upon all real property tax upon completion of the structure in the following manner:

Year 1 through 6	100 percent abatement
Year 7	80 percent abatement
Year 8	60 percent abatement
Year 9	40 percent abatement
Year 10	20 percent abatement
- E. The urban decay tax abatement shall be extended to all subsequent owners of an eligible property during the abatement period.
- F. Rebate Fund. Any increase in revenue due to the increases in the assessed value of the land in the North Valley will be segregated into a special rebate fund. The fund will be distributed to the property owners in the Abatement Area who qualify for the Urban Decay Tax Abatement Program and apply for an income tax liability rebate with the City. The amount of the Rebate Funds will be divided by the total state income tax liability of all qualified applicants. The resulting percentage will be applied to an applicant's total state income tax liability to determine their total rebate.

SECTION 3. Notification. Before the final adoption of this Ordinance, the City shall notify by mail each affected taxing district of the pending ordinance.

SECTION 4. Abatement Review Board. The governing authority of each affected taxing district shall within 10 days appoint one member to serve on the Abatement Review Board to review the terms and conditions of the proposed abatement ordinance. The Board shall report the findings and conclusions to the City Council not later than 30 days after it is convened.

SECTION 5. Effective Date. This Ordinance shall not be adopted less than 45 days after the Abatement Review Board is convened. This Ordinance shall be effective immediately upon its passage, approval and publication in the manner required by applicable law.

PASSED BY THE CITY COUNCIL OF THE CITY OF PEORIA, ILLINOIS this _____ day of _____, 2021.

APPROVED:

Jim Ardis, Mayor

ATTEST:

Beth Ball, City Clerk

EXAMINED AND APPROVED:

Corporation Counsel

EXHIBIT A - MAP

EXHIBIT B – LEGAL DESCRIPTION