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Habdab, LLC v. County of Lake

Appellate Court of Illinois, Second District - November 21, 2023 - N.E.3d - 2023 IL App (2d) 230006 - 2023 WL 8054100

Developer brought declaratory judgment action against county and village, seeking declaration that it was not obligated to pay highway improvement fees under intergovernmental agreement between county and villages as a condition of annexation.

The Circuit Court granted county's motion for summary judgment and denied developer's cross-motion for summary judgment. Developer appealed.

The Appellate Court held that:

- Highway improvement fees did not fall within statutory definition of "road improvement impact fees," and
- Unconstitutional conditions doctrine did not apply to render fees an unconstitutional taking.

Highway improvement fees, which were assessed as a condition to annexation under intergovernmental agreement between county and villages, did not constitute "road improvement impact fees" within meaning of the Road Improvement Impact Fee Law, in developer's declaratory judgment action against county and village, seeking declaration that it was not obligated to pay fees as a condition of annexation; Impact Fee Law defined "road improvement impact fees" as any charge or fee levied or imposed by a unit of local government as a condition to the issuance of a building permit or a certificate of occupancy in connection with a new development, and the agreement provided that payment of highway improvement fees was a condition of annexation into one of the villages.

Essential nexus existed between highway improvement fees, which were assessed as a condition to annexation under intergovernmental agreement between county and villages, and a legitimate state interest, in determining whether unconstitutional conditions doctrine applied to render fees as an unconstitutional taking, in developer's declaratory judgment action against county and village, seeking declaration that it was not obligated to pay fees as a condition of annexation; nexus existed between preventing further traffic congestion and providing for road improvements to ease that congestion, and agreement provided that, as property developed, residents would benefit from highway improvements that ensured traffic was efficiently transported through the area, and provided for construction funding for such improvements.

There was a rough proportionality between highway improvement fees, which were assessed as a condition to annexation under intergovernmental agreement between county and villages, and the harm the county sought to remedy through fee assessment, and thus unconstitutional conditions doctrine did not apply to render fees as an unconstitutional taking, in developer's declaratory judgment action against county and village, seeking declaration that it was not obligated to pay fees as a condition of annexation; agreement's purpose was to establish construction funding for future highway improvements, which were intended to address existing and future traffic demands, and

county agreed to design and construct road improvements in exchange for a portion of construction costs being reimbursed from fees collected from developers.