



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB3720

by Rep. Sonya M. Harper

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-2	from Ch. 24, par. 11-74.4-2
65 ILCS 5/11-74.4-3	from Ch. 24, par. 11-74.4-3
65 ILCS 5/11-74.4-5	from Ch. 24, par. 11-74.4-5
65 ILCS 5/11-74.4-7	from Ch. 24, par. 11-74.4-7
65 ILCS 5/11-74.4-8	from Ch. 24, par. 11-74.4-8
65 ILCS 5/11-74.4-8a	from Ch. 24, par. 11-74.4-8a

Amends the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code. Provides that surplus tax revenues may be used to pay for costs of special education, social services, and other costs of a public school district. Provides that for municipalities with a population of over 1,000,000, redevelopment project costs include public school district qualified workers, costs of providing special educational facilities and services, school psychological services, and school social work services, and any surplus balance in the special tax allocation fund at the end of the fiscal year shall be used for these workers, facilities, and services. Removes provisions allowing anticipated redevelopment project costs to be deemed surplus funds.

LRB100 08579 AWJ 18708 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 Sections 11-74.4-2, 11-74.4-3, 11-74.4-5, 11-74.4-7,
6 11-74.4-8, and 11-74.4-8a as follows:

7 (65 ILCS 5/11-74.4-2) (from Ch. 24, par. 11-74.4-2)

8 Sec. 11-74.4-2. (a) It is hereby found and declared that
9 there exist in many municipalities within this State blighted
10 conservation and industrial park conservation areas, as
11 defined herein; that the conservation areas are rapidly
12 deteriorating and declining and may soon become blighted areas
13 if their decline is not checked; that the stable economic and
14 physical development of the blighted areas, conservation areas
15 and industrial park conservation areas is endangered by the
16 presence of blighting factors as manifested by progressive and
17 advanced deterioration of structures, by the overuse of housing
18 and other facilities, by a lack of physical maintenance of
19 existing structures, by obsolete and inadequate community
20 facilities and a lack of sound community planning, by obsolete
21 platting, diversity of ownership, excessive tax and special
22 assessment delinquencies, by the growth of a large surplus of
23 workers who lack the skills to meet existing or potential

1 employment opportunities or by a combination of these factors;
2 that as a result of the existence of blighted areas and areas
3 requiring conservation, there is an excessive and
4 disproportionate expenditure of public funds, inadequate
5 public and private investment, unmarketability of property,
6 growth in delinquencies and crime, and housing and zoning law
7 violations in such areas together with an abnormal exodus of
8 families and businesses so that the decline of these areas
9 impairs the value of private investments and threatens the
10 sound growth and the tax base of taxing districts in such
11 areas, and threatens the health, safety, morals, and welfare of
12 the public and that the industrial park conservation areas
13 include under-utilized areas which, if developed as industrial
14 parks, will promote industrial and transportation activities,
15 thereby reducing the evils attendant upon involuntary
16 unemployment and enhancing the public health and welfare of
17 this State.

18 (b) It is hereby found and declared that in order to
19 promote and protect the health, safety, morals, and welfare of
20 the public, that blighted conditions need to be eradicated and
21 conservation measures instituted, and that redevelopment of
22 such areas be undertaken; that to remove and alleviate adverse
23 conditions it is necessary to encourage private investment and
24 restore and enhance the tax base of the taxing districts in
25 such areas by the development or redevelopment of project
26 areas. The eradication of blighted areas and treatment and

1 improvement of conservation areas and industrial park
2 conservation areas by redevelopment projects is hereby
3 declared to be essential to the public interest.

4 (c) It is found and declared that the use of incremental
5 tax revenues derived from the tax rates of various taxing
6 districts in redevelopment project areas for the payment of
7 redevelopment project costs is of benefit to said taxing
8 districts for the reasons that taxing districts located in
9 redevelopment project areas would not derive the benefits of an
10 increased assessment base without the benefits of tax increment
11 financing, all surplus tax revenues are turned over to the
12 taxing districts in redevelopment project areas or used to pay
13 for costs of special education, social service, and other costs
14 of its public school district, and all said districts benefit
15 from the removal of blighted conditions, the eradication of
16 conditions requiring conservation measures, and the
17 development of industrial parks.

18 (Source: P.A. 84-1090.)

19 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

20 Sec. 11-74.4-3. Definitions. The following terms, wherever
21 used or referred to in this Division 74.4 shall have the
22 following respective meanings, unless in any case a different
23 meaning clearly appears from the context.

24 (a) For any redevelopment project area that has been
25 designated pursuant to this Section by an ordinance adopted

1 prior to November 1, 1999 (the effective date of Public Act
2 91-478), "blighted area" shall have the meaning set forth in
3 this Section prior to that date.

4 On and after November 1, 1999, "blighted area" means any
5 improved or vacant area within the boundaries of a
6 redevelopment project area located within the territorial
7 limits of the municipality where:

8 (1) If improved, industrial, commercial, and
9 residential buildings or improvements are detrimental to
10 the public safety, health, or welfare because of a
11 combination of 5 or more of the following factors, each of
12 which is (i) present, with that presence documented, to a
13 meaningful extent so that a municipality may reasonably
14 find that the factor is clearly present within the intent
15 of the Act and (ii) reasonably distributed throughout the
16 improved part of the redevelopment project area:

17 (A) Dilapidation. An advanced state of disrepair
18 or neglect of necessary repairs to the primary
19 structural components of buildings or improvements in
20 such a combination that a documented building
21 condition analysis determines that major repair is
22 required or the defects are so serious and so extensive
23 that the buildings must be removed.

24 (B) Obsolescence. The condition or process of
25 falling into disuse. Structures have become ill-suited
26 for the original use.

1 (C) Deterioration. With respect to buildings,
2 defects including, but not limited to, major defects in
3 the secondary building components such as doors,
4 windows, porches, gutters and downspouts, and fascia.
5 With respect to surface improvements, that the
6 condition of roadways, alleys, curbs, gutters,
7 sidewalks, off-street parking, and surface storage
8 areas evidence deterioration, including, but not
9 limited to, surface cracking, crumbling, potholes,
10 depressions, loose paving material, and weeds
11 protruding through paved surfaces.

12 (D) Presence of structures below minimum code
13 standards. All structures that do not meet the
14 standards of zoning, subdivision, building, fire, and
15 other governmental codes applicable to property, but
16 not including housing and property maintenance codes.

17 (E) Illegal use of individual structures. The use
18 of structures in violation of applicable federal,
19 State, or local laws, exclusive of those applicable to
20 the presence of structures below minimum code
21 standards.

22 (F) Excessive vacancies. The presence of buildings
23 that are unoccupied or under-utilized and that
24 represent an adverse influence on the area because of
25 the frequency, extent, or duration of the vacancies.

26 (G) Lack of ventilation, light, or sanitary

1 facilities. The absence of adequate ventilation for
2 light or air circulation in spaces or rooms without
3 windows, or that require the removal of dust, odor,
4 gas, smoke, or other noxious airborne materials.
5 Inadequate natural light and ventilation means the
6 absence of skylights or windows for interior spaces or
7 rooms and improper window sizes and amounts by room
8 area to window area ratios. Inadequate sanitary
9 facilities refers to the absence or inadequacy of
10 garbage storage and enclosure, bathroom facilities,
11 hot water and kitchens, and structural inadequacies
12 preventing ingress and egress to and from all rooms and
13 units within a building.

14 (H) Inadequate utilities. Underground and overhead
15 utilities such as storm sewers and storm drainage,
16 sanitary sewers, water lines, and gas, telephone, and
17 electrical services that are shown to be inadequate.
18 Inadequate utilities are those that are: (i) of
19 insufficient capacity to serve the uses in the
20 redevelopment project area, (ii) deteriorated,
21 antiquated, obsolete, or in disrepair, or (iii)
22 lacking within the redevelopment project area.

23 (I) Excessive land coverage and overcrowding of
24 structures and community facilities. The
25 over-intensive use of property and the crowding of
26 buildings and accessory facilities onto a site.

1 Examples of problem conditions warranting the
2 designation of an area as one exhibiting excessive land
3 coverage are: (i) the presence of buildings either
4 improperly situated on parcels or located on parcels of
5 inadequate size and shape in relation to present-day
6 standards of development for health and safety and (ii)
7 the presence of multiple buildings on a single parcel.
8 For there to be a finding of excessive land coverage,
9 these parcels must exhibit one or more of the following
10 conditions: insufficient provision for light and air
11 within or around buildings, increased threat of spread
12 of fire due to the close proximity of buildings, lack
13 of adequate or proper access to a public right-of-way,
14 lack of reasonably required off-street parking, or
15 inadequate provision for loading and service.

16 (J) Deleterious land use or layout. The existence
17 of incompatible land-use relationships, buildings
18 occupied by inappropriate mixed-uses, or uses
19 considered to be noxious, offensive, or unsuitable for
20 the surrounding area.

21 (K) Environmental clean-up. The proposed
22 redevelopment project area has incurred Illinois
23 Environmental Protection Agency or United States
24 Environmental Protection Agency remediation costs for,
25 or a study conducted by an independent consultant
26 recognized as having expertise in environmental

1 remediation has determined a need for, the clean-up of
2 hazardous waste, hazardous substances, or underground
3 storage tanks required by State or federal law,
4 provided that the remediation costs constitute a
5 material impediment to the development or
6 redevelopment of the redevelopment project area.

7 (L) Lack of community planning. The proposed
8 redevelopment project area was developed prior to or
9 without the benefit or guidance of a community plan.
10 This means that the development occurred prior to the
11 adoption by the municipality of a comprehensive or
12 other community plan or that the plan was not followed
13 at the time of the area's development. This factor must
14 be documented by evidence of adverse or incompatible
15 land-use relationships, inadequate street layout,
16 improper subdivision, parcels of inadequate shape and
17 size to meet contemporary development standards, or
18 other evidence demonstrating an absence of effective
19 community planning.

20 (M) The total equalized assessed value of the
21 proposed redevelopment project area has declined for 3
22 of the last 5 calendar years prior to the year in which
23 the redevelopment project area is designated or is
24 increasing at an annual rate that is less than the
25 balance of the municipality for 3 of the last 5
26 calendar years for which information is available or is

1 increasing at an annual rate that is less than the
2 Consumer Price Index for All Urban Consumers published
3 by the United States Department of Labor or successor
4 agency for 3 of the last 5 calendar years prior to the
5 year in which the redevelopment project area is
6 designated.

7 (2) If vacant, the sound growth of the redevelopment
8 project area is impaired by a combination of 2 or more of
9 the following factors, each of which is (i) present, with
10 that presence documented, to a meaningful extent so that a
11 municipality may reasonably find that the factor is clearly
12 present within the intent of the Act and (ii) reasonably
13 distributed throughout the vacant part of the
14 redevelopment project area to which it pertains:

15 (A) Obsolete platting of vacant land that results
16 in parcels of limited or narrow size or configurations
17 of parcels of irregular size or shape that would be
18 difficult to develop on a planned basis and in a manner
19 compatible with contemporary standards and
20 requirements, or platting that failed to create
21 rights-of-ways for streets or alleys or that created
22 inadequate right-of-way widths for streets, alleys, or
23 other public rights-of-way or that omitted easements
24 for public utilities.

25 (B) Diversity of ownership of parcels of vacant
26 land sufficient in number to retard or impede the

1 ability to assemble the land for development.

2 (C) Tax and special assessment delinquencies exist
3 or the property has been the subject of tax sales under
4 the Property Tax Code within the last 5 years.

5 (D) Deterioration of structures or site
6 improvements in neighboring areas adjacent to the
7 vacant land.

8 (E) The area has incurred Illinois Environmental
9 Protection Agency or United States Environmental
10 Protection Agency remediation costs for, or a study
11 conducted by an independent consultant recognized as
12 having expertise in environmental remediation has
13 determined a need for, the clean-up of hazardous waste,
14 hazardous substances, or underground storage tanks
15 required by State or federal law, provided that the
16 remediation costs constitute a material impediment to
17 the development or redevelopment of the redevelopment
18 project area.

19 (F) The total equalized assessed value of the
20 proposed redevelopment project area has declined for 3
21 of the last 5 calendar years prior to the year in which
22 the redevelopment project area is designated or is
23 increasing at an annual rate that is less than the
24 balance of the municipality for 3 of the last 5
25 calendar years for which information is available or is
26 increasing at an annual rate that is less than the

1 Consumer Price Index for All Urban Consumers published
2 by the United States Department of Labor or successor
3 agency for 3 of the last 5 calendar years prior to the
4 year in which the redevelopment project area is
5 designated.

6 (3) If vacant, the sound growth of the redevelopment
7 project area is impaired by one of the following factors
8 that (i) is present, with that presence documented, to a
9 meaningful extent so that a municipality may reasonably
10 find that the factor is clearly present within the intent
11 of the Act and (ii) is reasonably distributed throughout
12 the vacant part of the redevelopment project area to which
13 it pertains:

14 (A) The area consists of one or more unused
15 quarries, mines, or strip mine ponds.

16 (B) The area consists of unused rail yards, rail
17 tracks, or railroad rights-of-way.

18 (C) The area, prior to its designation, is subject
19 to (i) chronic flooding that adversely impacts on real
20 property in the area as certified by a registered
21 professional engineer or appropriate regulatory agency
22 or (ii) surface water that discharges from all or a
23 part of the area and contributes to flooding within the
24 same watershed, but only if the redevelopment project
25 provides for facilities or improvements to contribute
26 to the alleviation of all or part of the flooding.

1 (D) The area consists of an unused or illegal
2 disposal site containing earth, stone, building
3 debris, or similar materials that were removed from
4 construction, demolition, excavation, or dredge sites.

5 (E) Prior to November 1, 1999, the area is not less
6 than 50 nor more than 100 acres and 75% of which is
7 vacant (notwithstanding that the area has been used for
8 commercial agricultural purposes within 5 years prior
9 to the designation of the redevelopment project area),
10 and the area meets at least one of the factors itemized
11 in paragraph (1) of this subsection, the area has been
12 designated as a town or village center by ordinance or
13 comprehensive plan adopted prior to January 1, 1982,
14 and the area has not been developed for that designated
15 purpose.

16 (F) The area qualified as a blighted improved area
17 immediately prior to becoming vacant, unless there has
18 been substantial private investment in the immediately
19 surrounding area.

20 (b) For any redevelopment project area that has been
21 designated pursuant to this Section by an ordinance adopted
22 prior to November 1, 1999 (the effective date of Public Act
23 91-478), "conservation area" shall have the meaning set forth
24 in this Section prior to that date.

25 On and after November 1, 1999, "conservation area" means
26 any improved area within the boundaries of a redevelopment

1 project area located within the territorial limits of the
2 municipality in which 50% or more of the structures in the area
3 have an age of 35 years or more. Such an area is not yet a
4 blighted area but because of a combination of 3 or more of the
5 following factors is detrimental to the public safety, health,
6 morals or welfare and such an area may become a blighted area:

7 (1) Dilapidation. An advanced state of disrepair or
8 neglect of necessary repairs to the primary structural
9 components of buildings or improvements in such a
10 combination that a documented building condition analysis
11 determines that major repair is required or the defects are
12 so serious and so extensive that the buildings must be
13 removed.

14 (2) Obsolescence. The condition or process of falling
15 into disuse. Structures have become ill-suited for the
16 original use.

17 (3) Deterioration. With respect to buildings, defects
18 including, but not limited to, major defects in the
19 secondary building components such as doors, windows,
20 porches, gutters and downspouts, and fascia. With respect
21 to surface improvements, that the condition of roadways,
22 alleys, curbs, gutters, sidewalks, off-street parking, and
23 surface storage areas evidence deterioration, including,
24 but not limited to, surface cracking, crumbling, potholes,
25 depressions, loose paving material, and weeds protruding
26 through paved surfaces.

1 (4) Presence of structures below minimum code
2 standards. All structures that do not meet the standards of
3 zoning, subdivision, building, fire, and other
4 governmental codes applicable to property, but not
5 including housing and property maintenance codes.

6 (5) Illegal use of individual structures. The use of
7 structures in violation of applicable federal, State, or
8 local laws, exclusive of those applicable to the presence
9 of structures below minimum code standards.

10 (6) Excessive vacancies. The presence of buildings
11 that are unoccupied or under-utilized and that represent an
12 adverse influence on the area because of the frequency,
13 extent, or duration of the vacancies.

14 (7) Lack of ventilation, light, or sanitary
15 facilities. The absence of adequate ventilation for light
16 or air circulation in spaces or rooms without windows, or
17 that require the removal of dust, odor, gas, smoke, or
18 other noxious airborne materials. Inadequate natural light
19 and ventilation means the absence or inadequacy of
20 skylights or windows for interior spaces or rooms and
21 improper window sizes and amounts by room area to window
22 area ratios. Inadequate sanitary facilities refers to the
23 absence or inadequacy of garbage storage and enclosure,
24 bathroom facilities, hot water and kitchens, and
25 structural inadequacies preventing ingress and egress to
26 and from all rooms and units within a building.

1 (8) Inadequate utilities. Underground and overhead
2 utilities such as storm sewers and storm drainage, sanitary
3 sewers, water lines, and gas, telephone, and electrical
4 services that are shown to be inadequate. Inadequate
5 utilities are those that are: (i) of insufficient capacity
6 to serve the uses in the redevelopment project area, (ii)
7 deteriorated, antiquated, obsolete, or in disrepair, or
8 (iii) lacking within the redevelopment project area.

9 (9) Excessive land coverage and overcrowding of
10 structures and community facilities. The over-intensive
11 use of property and the crowding of buildings and accessory
12 facilities onto a site. Examples of problem conditions
13 warranting the designation of an area as one exhibiting
14 excessive land coverage are: the presence of buildings
15 either improperly situated on parcels or located on parcels
16 of inadequate size and shape in relation to present-day
17 standards of development for health and safety and the
18 presence of multiple buildings on a single parcel. For
19 there to be a finding of excessive land coverage, these
20 parcels must exhibit one or more of the following
21 conditions: insufficient provision for light and air
22 within or around buildings, increased threat of spread of
23 fire due to the close proximity of buildings, lack of
24 adequate or proper access to a public right-of-way, lack of
25 reasonably required off-street parking, or inadequate
26 provision for loading and service.

1 (10) Deleterious land use or layout. The existence of
2 incompatible land-use relationships, buildings occupied by
3 inappropriate mixed-uses, or uses considered to be
4 noxious, offensive, or unsuitable for the surrounding
5 area.

6 (11) Lack of community planning. The proposed
7 redevelopment project area was developed prior to or
8 without the benefit or guidance of a community plan. This
9 means that the development occurred prior to the adoption
10 by the municipality of a comprehensive or other community
11 plan or that the plan was not followed at the time of the
12 area's development. This factor must be documented by
13 evidence of adverse or incompatible land-use
14 relationships, inadequate street layout, improper
15 subdivision, parcels of inadequate shape and size to meet
16 contemporary development standards, or other evidence
17 demonstrating an absence of effective community planning.

18 (12) The area has incurred Illinois Environmental
19 Protection Agency or United States Environmental
20 Protection Agency remediation costs for, or a study
21 conducted by an independent consultant recognized as
22 having expertise in environmental remediation has
23 determined a need for, the clean-up of hazardous waste,
24 hazardous substances, or underground storage tanks
25 required by State or federal law, provided that the
26 remediation costs constitute a material impediment to the

1 development or redevelopment of the redevelopment project
2 area.

3 (13) The total equalized assessed value of the proposed
4 redevelopment project area has declined for 3 of the last 5
5 calendar years for which information is available or is
6 increasing at an annual rate that is less than the balance
7 of the municipality for 3 of the last 5 calendar years for
8 which information is available or is increasing at an
9 annual rate that is less than the Consumer Price Index for
10 All Urban Consumers published by the United States
11 Department of Labor or successor agency for 3 of the last 5
12 calendar years for which information is available.

13 (c) "Industrial park" means an area in a blighted or
14 conservation area suitable for use by any manufacturing,
15 industrial, research or transportation enterprise, of
16 facilities to include but not be limited to factories, mills,
17 processing plants, assembly plants, packing plants,
18 fabricating plants, industrial distribution centers,
19 warehouses, repair overhaul or service facilities, freight
20 terminals, research facilities, test facilities or railroad
21 facilities.

22 (d) "Industrial park conservation area" means an area
23 within the boundaries of a redevelopment project area located
24 within the territorial limits of a municipality that is a labor
25 surplus municipality or within 1 1/2 miles of the territorial
26 limits of a municipality that is a labor surplus municipality

1 if the area is annexed to the municipality; which area is zoned
2 as industrial no later than at the time the municipality by
3 ordinance designates the redevelopment project area, and which
4 area includes both vacant land suitable for use as an
5 industrial park and a blighted area or conservation area
6 contiguous to such vacant land.

7 (e) "Labor surplus municipality" means a municipality in
8 which, at any time during the 6 months before the municipality
9 by ordinance designates an industrial park conservation area,
10 the unemployment rate was over 6% and was also 100% or more of
11 the national average unemployment rate for that same time as
12 published in the United States Department of Labor Bureau of
13 Labor Statistics publication entitled "The Employment
14 Situation" or its successor publication. For the purpose of
15 this subsection, if unemployment rate statistics for the
16 municipality are not available, the unemployment rate in the
17 municipality shall be deemed to be the same as the unemployment
18 rate in the principal county in which the municipality is
19 located.

20 (f) "Municipality" shall mean a city, village,
21 incorporated town, or a township that is located in the
22 unincorporated portion of a county with 3 million or more
23 inhabitants, if the county adopted an ordinance that approved
24 the township's redevelopment plan.

25 (g) "Initial Sales Tax Amounts" means the amount of taxes
26 paid under the Retailers' Occupation Tax Act, Use Tax Act,

1 Service Use Tax Act, the Service Occupation Tax Act, the
2 Municipal Retailers' Occupation Tax Act, and the Municipal
3 Service Occupation Tax Act by retailers and servicemen on
4 transactions at places located in a State Sales Tax Boundary
5 during the calendar year 1985.

6 (g-1) "Revised Initial Sales Tax Amounts" means the amount
7 of taxes paid under the Retailers' Occupation Tax Act, Use Tax
8 Act, Service Use Tax Act, the Service Occupation Tax Act, the
9 Municipal Retailers' Occupation Tax Act, and the Municipal
10 Service Occupation Tax Act by retailers and servicemen on
11 transactions at places located within the State Sales Tax
12 Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

13 (h) "Municipal Sales Tax Increment" means an amount equal
14 to the increase in the aggregate amount of taxes paid to a
15 municipality from the Local Government Tax Fund arising from
16 sales by retailers and servicemen within the redevelopment
17 project area or State Sales Tax Boundary, as the case may be,
18 for as long as the redevelopment project area or State Sales
19 Tax Boundary, as the case may be, exist over and above the
20 aggregate amount of taxes as certified by the Illinois
21 Department of Revenue and paid under the Municipal Retailers'
22 Occupation Tax Act and the Municipal Service Occupation Tax Act
23 by retailers and servicemen, on transactions at places of
24 business located in the redevelopment project area or State
25 Sales Tax Boundary, as the case may be, during the base year
26 which shall be the calendar year immediately prior to the year

1 in which the municipality adopted tax increment allocation
2 financing. For purposes of computing the aggregate amount of
3 such taxes for base years occurring prior to 1985, the
4 Department of Revenue shall determine the Initial Sales Tax
5 Amounts for such taxes and deduct therefrom an amount equal to
6 4% of the aggregate amount of taxes per year for each year the
7 base year is prior to 1985, but not to exceed a total deduction
8 of 12%. The amount so determined shall be known as the
9 "Adjusted Initial Sales Tax Amounts". For purposes of
10 determining the Municipal Sales Tax Increment, the Department
11 of Revenue shall for each period subtract from the amount paid
12 to the municipality from the Local Government Tax Fund arising
13 from sales by retailers and servicemen on transactions located
14 in the redevelopment project area or the State Sales Tax
15 Boundary, as the case may be, the certified Initial Sales Tax
16 Amounts, the Adjusted Initial Sales Tax Amounts or the Revised
17 Initial Sales Tax Amounts for the Municipal Retailers'
18 Occupation Tax Act and the Municipal Service Occupation Tax
19 Act. For the State Fiscal Year 1989, this calculation shall be
20 made by utilizing the calendar year 1987 to determine the tax
21 amounts received. For the State Fiscal Year 1990, this
22 calculation shall be made by utilizing the period from January
23 1, 1988, until September 30, 1988, to determine the tax amounts
24 received from retailers and servicemen pursuant to the
25 Municipal Retailers' Occupation Tax and the Municipal Service
26 Occupation Tax Act, which shall have deducted therefrom

1 nine-twelfths of the certified Initial Sales Tax Amounts, the
2 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales
3 Tax Amounts as appropriate. For the State Fiscal Year 1991,
4 this calculation shall be made by utilizing the period from
5 October 1, 1988, to June 30, 1989, to determine the tax amounts
6 received from retailers and servicemen pursuant to the
7 Municipal Retailers' Occupation Tax and the Municipal Service
8 Occupation Tax Act which shall have deducted therefrom
9 nine-twelfths of the certified Initial Sales Tax Amounts,
10 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales
11 Tax Amounts as appropriate. For every State Fiscal Year
12 thereafter, the applicable period shall be the 12 months
13 beginning July 1 and ending June 30 to determine the tax
14 amounts received which shall have deducted therefrom the
15 certified Initial Sales Tax Amounts, the Adjusted Initial Sales
16 Tax Amounts or the Revised Initial Sales Tax Amounts, as the
17 case may be.

18 (i) "Net State Sales Tax Increment" means the sum of the
19 following: (a) 80% of the first \$100,000 of State Sales Tax
20 Increment annually generated within a State Sales Tax Boundary;
21 (b) 60% of the amount in excess of \$100,000 but not exceeding
22 \$500,000 of State Sales Tax Increment annually generated within
23 a State Sales Tax Boundary; and (c) 40% of all amounts in
24 excess of \$500,000 of State Sales Tax Increment annually
25 generated within a State Sales Tax Boundary. If, however, a
26 municipality established a tax increment financing district in

1 a county with a population in excess of 3,000,000 before
2 January 1, 1986, and the municipality entered into a contract
3 or issued bonds after January 1, 1986, but before December 31,
4 1986, to finance redevelopment project costs within a State
5 Sales Tax Boundary, then the Net State Sales Tax Increment
6 means, for the fiscal years beginning July 1, 1990, and July 1,
7 1991, 100% of the State Sales Tax Increment annually generated
8 within a State Sales Tax Boundary; and notwithstanding any
9 other provision of this Act, for those fiscal years the
10 Department of Revenue shall distribute to those municipalities
11 100% of their Net State Sales Tax Increment before any
12 distribution to any other municipality and regardless of
13 whether or not those other municipalities will receive 100% of
14 their Net State Sales Tax Increment. For Fiscal Year 1999, and
15 every year thereafter until the year 2007, for any municipality
16 that has not entered into a contract or has not issued bonds
17 prior to June 1, 1988 to finance redevelopment project costs
18 within a State Sales Tax Boundary, the Net State Sales Tax
19 Increment shall be calculated as follows: By multiplying the
20 Net State Sales Tax Increment by 90% in the State Fiscal Year
21 1999; 80% in the State Fiscal Year 2000; 70% in the State
22 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the
23 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%
24 in the State Fiscal Year 2005; 20% in the State Fiscal Year
25 2006; and 10% in the State Fiscal Year 2007. No payment shall
26 be made for State Fiscal Year 2008 and thereafter.

1 Municipalities that issued bonds in connection with a
2 redevelopment project in a redevelopment project area within
3 the State Sales Tax Boundary prior to July 29, 1991, or that
4 entered into contracts in connection with a redevelopment
5 project in a redevelopment project area before June 1, 1988,
6 shall continue to receive their proportional share of the
7 Illinois Tax Increment Fund distribution until the date on
8 which the redevelopment project is completed or terminated. If,
9 however, a municipality that issued bonds in connection with a
10 redevelopment project in a redevelopment project area within
11 the State Sales Tax Boundary prior to July 29, 1991 retires the
12 bonds prior to June 30, 2007 or a municipality that entered
13 into contracts in connection with a redevelopment project in a
14 redevelopment project area before June 1, 1988 completes the
15 contracts prior to June 30, 2007, then so long as the
16 redevelopment project is not completed or is not terminated,
17 the Net State Sales Tax Increment shall be calculated,
18 beginning on the date on which the bonds are retired or the
19 contracts are completed, as follows: By multiplying the Net
20 State Sales Tax Increment by 60% in the State Fiscal Year 2002;
21 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year
22 2004; 30% in the State Fiscal Year 2005; 20% in the State
23 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No
24 payment shall be made for State Fiscal Year 2008 and
25 thereafter. Refunding of any bonds issued prior to July 29,
26 1991, shall not alter the Net State Sales Tax Increment.

1 (j) "State Utility Tax Increment Amount" means an amount
2 equal to the aggregate increase in State electric and gas tax
3 charges imposed on owners and tenants, other than residential
4 customers, of properties located within the redevelopment
5 project area under Section 9-222 of the Public Utilities Act,
6 over and above the aggregate of such charges as certified by
7 the Department of Revenue and paid by owners and tenants, other
8 than residential customers, of properties within the
9 redevelopment project area during the base year, which shall be
10 the calendar year immediately prior to the year of the adoption
11 of the ordinance authorizing tax increment allocation
12 financing.

13 (k) "Net State Utility Tax Increment" means the sum of the
14 following: (a) 80% of the first \$100,000 of State Utility Tax
15 Increment annually generated by a redevelopment project area;
16 (b) 60% of the amount in excess of \$100,000 but not exceeding
17 \$500,000 of the State Utility Tax Increment annually generated
18 by a redevelopment project area; and (c) 40% of all amounts in
19 excess of \$500,000 of State Utility Tax Increment annually
20 generated by a redevelopment project area. For the State Fiscal
21 Year 1999, and every year thereafter until the year 2007, for
22 any municipality that has not entered into a contract or has
23 not issued bonds prior to June 1, 1988 to finance redevelopment
24 project costs within a redevelopment project area, the Net
25 State Utility Tax Increment shall be calculated as follows: By
26 multiplying the Net State Utility Tax Increment by 90% in the

1 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%
2 in the State Fiscal Year 2001; 60% in the State Fiscal Year
3 2002; 50% in the State Fiscal Year 2003; 40% in the State
4 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the
5 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.
6 No payment shall be made for the State Fiscal Year 2008 and
7 thereafter.

8 Municipalities that issue bonds in connection with the
9 redevelopment project during the period from June 1, 1988 until
10 3 years after the effective date of this Amendatory Act of 1988
11 shall receive the Net State Utility Tax Increment, subject to
12 appropriation, for 15 State Fiscal Years after the issuance of
13 such bonds. For the 16th through the 20th State Fiscal Years
14 after issuance of the bonds, the Net State Utility Tax
15 Increment shall be calculated as follows: By multiplying the
16 Net State Utility Tax Increment by 90% in year 16; 80% in year
17 17; 70% in year 18; 60% in year 19; and 50% in year 20.
18 Refunding of any bonds issued prior to June 1, 1988, shall not
19 alter the revised Net State Utility Tax Increment payments set
20 forth above.

21 (l) "Obligations" mean bonds, loans, debentures, notes,
22 special certificates or other evidence of indebtedness issued
23 by the municipality to carry out a redevelopment project or to
24 refund outstanding obligations.

25 (m) "Payment in lieu of taxes" means those estimated tax
26 revenues from real property in a redevelopment project area

1 derived from real property that has been acquired by a
2 municipality which according to the redevelopment project or
3 plan is to be used for a private use which taxing districts
4 would have received had a municipality not acquired the real
5 property and adopted tax increment allocation financing and
6 which would result from levies made after the time of the
7 adoption of tax increment allocation financing to the time the
8 current equalized value of real property in the redevelopment
9 project area exceeds the total initial equalized value of real
10 property in said area.

11 (n) "Redevelopment plan" means the comprehensive program
12 of the municipality for development or redevelopment intended
13 by the payment of redevelopment project costs to reduce or
14 eliminate those conditions the existence of which qualified the
15 redevelopment project area as a "blighted area" or
16 "conservation area" or combination thereof or "industrial park
17 conservation area," and thereby to enhance the tax bases of the
18 taxing districts which extend into the redevelopment project
19 area, provided that, with respect to redevelopment project
20 areas described in subsections (p-1) and (p-2), "redevelopment
21 plan" means the comprehensive program of the affected
22 municipality for the development of qualifying transit
23 facilities. On and after November 1, 1999 (the effective date
24 of Public Act 91-478), no redevelopment plan may be approved or
25 amended that includes the development of vacant land (i) with a
26 golf course and related clubhouse and other facilities or (ii)

1 designated by federal, State, county, or municipal government
2 as public land for outdoor recreational activities or for
3 nature preserves and used for that purpose within 5 years prior
4 to the adoption of the redevelopment plan. For the purpose of
5 this subsection, "recreational activities" is limited to mean
6 camping and hunting. Each redevelopment plan shall set forth in
7 writing the program to be undertaken to accomplish the
8 objectives and shall include but not be limited to:

9 (A) an itemized list of estimated redevelopment
10 project costs;

11 (B) evidence indicating that the redevelopment project
12 area on the whole has not been subject to growth and
13 development through investment by private enterprise,
14 provided that such evidence shall not be required for any
15 redevelopment project area located within a transit
16 facility improvement area established pursuant to Section
17 11-74.4-3.3;

18 (C) an assessment of any financial impact of the
19 redevelopment project area on or any increased demand for
20 services from any taxing district affected by the plan and
21 any program to address such financial impact or increased
22 demand;

23 (D) the sources of funds to pay costs;

24 (E) the nature and term of the obligations to be
25 issued;

26 (F) the most recent equalized assessed valuation of the

1 redevelopment project area;

2 (G) an estimate as to the equalized assessed valuation
3 after redevelopment and the general land uses to apply in
4 the redevelopment project area;

5 (H) a commitment to fair employment practices and an
6 affirmative action plan;

7 (I) if it concerns an industrial park conservation
8 area, the plan shall also include a general description of
9 any proposed developer, user and tenant of any property, a
10 description of the type, structure and general character of
11 the facilities to be developed, a description of the type,
12 class and number of new employees to be employed in the
13 operation of the facilities to be developed; and

14 (J) if property is to be annexed to the municipality,
15 the plan shall include the terms of the annexation
16 agreement.

17 The provisions of items (B) and (C) of this subsection (n)
18 shall not apply to a municipality that before March 14, 1994
19 (the effective date of Public Act 88-537) had fixed, either by
20 its corporate authorities or by a commission designated under
21 subsection (k) of Section 11-74.4-4, a time and place for a
22 public hearing as required by subsection (a) of Section
23 11-74.4-5. No redevelopment plan shall be adopted unless a
24 municipality complies with all of the following requirements:

25 (1) The municipality finds that the redevelopment
26 project area on the whole has not been subject to growth

1 and development through investment by private enterprise
2 and would not reasonably be anticipated to be developed
3 without the adoption of the redevelopment plan, provided,
4 however, that such a finding shall not be required with
5 respect to any redevelopment project area located within a
6 transit facility improvement area established pursuant to
7 Section 11-74.4-3.3.

8 (2) The municipality finds that the redevelopment plan
9 and project conform to the comprehensive plan for the
10 development of the municipality as a whole, or, for
11 municipalities with a population of 100,000 or more,
12 regardless of when the redevelopment plan and project was
13 adopted, the redevelopment plan and project either: (i)
14 conforms to the strategic economic development or
15 redevelopment plan issued by the designated planning
16 authority of the municipality, or (ii) includes land uses
17 that have been approved by the planning commission of the
18 municipality.

19 (3) The redevelopment plan establishes the estimated
20 dates of completion of the redevelopment project and
21 retirement of obligations issued to finance redevelopment
22 project costs. Those dates may not be later than the dates
23 set forth under Section 11-74.4-3.5.

24 A municipality may by municipal ordinance amend an
25 existing redevelopment plan to conform to this paragraph
26 (3) as amended by Public Act 91-478, which municipal

1 ordinance may be adopted without further hearing or notice
2 and without complying with the procedures provided in this
3 Act pertaining to an amendment to or the initial approval
4 of a redevelopment plan and project and designation of a
5 redevelopment project area.

6 (3.5) The municipality finds, in the case of an
7 industrial park conservation area, also that the
8 municipality is a labor surplus municipality and that the
9 implementation of the redevelopment plan will reduce
10 unemployment, create new jobs and by the provision of new
11 facilities enhance the tax base of the taxing districts
12 that extend into the redevelopment project area.

13 (4) If any incremental revenues are being utilized
14 under Section 8(a)(1) or 8(a)(2) of this Act in
15 redevelopment project areas approved by ordinance after
16 January 1, 1986, the municipality finds: (a) that the
17 redevelopment project area would not reasonably be
18 developed without the use of such incremental revenues, and
19 (b) that such incremental revenues will be exclusively
20 utilized for the development of the redevelopment project
21 area.

22 (5) If: (a) the redevelopment plan will not result in
23 displacement of residents from 10 or more inhabited
24 residential units, and the municipality certifies in the
25 plan that such displacement will not result from the plan;
26 or (b) the redevelopment plan is for a redevelopment

1 project area located within a transit facility improvement
2 area established pursuant to Section 11-74.4-3.3, and the
3 applicable project is subject to the process for evaluation
4 of environmental effects under the National Environmental
5 Policy Act of 1969, 42 U.S.C. § 4321 et seq., then a
6 housing impact study need not be performed. If, however,
7 the redevelopment plan would result in the displacement of
8 residents from 10 or more inhabited residential units, or
9 if the redevelopment project area contains 75 or more
10 inhabited residential units and no certification is made,
11 then the municipality shall prepare, as part of the
12 separate feasibility report required by subsection (a) of
13 Section 11-74.4-5, a housing impact study.

14 Part I of the housing impact study shall include (i)
15 data as to whether the residential units are single family
16 or multi-family units, (ii) the number and type of rooms
17 within the units, if that information is available, (iii)
18 whether the units are inhabited or uninhabited, as
19 determined not less than 45 days before the date that the
20 ordinance or resolution required by subsection (a) of
21 Section 11-74.4-5 is passed, and (iv) data as to the racial
22 and ethnic composition of the residents in the inhabited
23 residential units. The data requirement as to the racial
24 and ethnic composition of the residents in the inhabited
25 residential units shall be deemed to be fully satisfied by
26 data from the most recent federal census.

1 Part II of the housing impact study shall identify the
2 inhabited residential units in the proposed redevelopment
3 project area that are to be or may be removed. If inhabited
4 residential units are to be removed, then the housing
5 impact study shall identify (i) the number and location of
6 those units that will or may be removed, (ii) the
7 municipality's plans for relocation assistance for those
8 residents in the proposed redevelopment project area whose
9 residences are to be removed, (iii) the availability of
10 replacement housing for those residents whose residences
11 are to be removed, and shall identify the type, location,
12 and cost of the housing, and (iv) the type and extent of
13 relocation assistance to be provided.

14 (6) On and after November 1, 1999, the housing impact
15 study required by paragraph (5) shall be incorporated in
16 the redevelopment plan for the redevelopment project area.

17 (7) On and after November 1, 1999, no redevelopment
18 plan shall be adopted, nor an existing plan amended, nor
19 shall residential housing that is occupied by households of
20 low-income and very low-income persons in currently
21 existing redevelopment project areas be removed after
22 November 1, 1999 unless the redevelopment plan provides,
23 with respect to inhabited housing units that are to be
24 removed for households of low-income and very low-income
25 persons, affordable housing and relocation assistance not
26 less than that which would be provided under the federal

1 Uniform Relocation Assistance and Real Property
2 Acquisition Policies Act of 1970 and the regulations under
3 that Act, including the eligibility criteria. Affordable
4 housing may be either existing or newly constructed
5 housing. For purposes of this paragraph (7), "low-income
6 households", "very low-income households", and "affordable
7 housing" have the meanings set forth in the Illinois
8 Affordable Housing Act. The municipality shall make a good
9 faith effort to ensure that this affordable housing is
10 located in or near the redevelopment project area within
11 the municipality.

12 (8) On and after November 1, 1999, if, after the
13 adoption of the redevelopment plan for the redevelopment
14 project area, any municipality desires to amend its
15 redevelopment plan to remove more inhabited residential
16 units than specified in its original redevelopment plan,
17 that change shall be made in accordance with the procedures
18 in subsection (c) of Section 11-74.4-5.

19 (9) For redevelopment project areas designated prior
20 to November 1, 1999, the redevelopment plan may be amended
21 without further joint review board meeting or hearing,
22 provided that the municipality shall give notice of any
23 such changes by mail to each affected taxing district and
24 registrant on the interested party registry, to authorize
25 the municipality to expend tax increment revenues for
26 redevelopment project costs defined by paragraphs (5) and

1 (7.5), subparagraphs (E) and (F) of paragraph (11), and
2 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so
3 long as the changes do not increase the total estimated
4 redevelopment project costs set out in the redevelopment
5 plan by more than 5% after adjustment for inflation from
6 the date the plan was adopted.

7 (o) "Redevelopment project" means any public and private
8 development project in furtherance of the objectives of a
9 redevelopment plan. On and after November 1, 1999 (the
10 effective date of Public Act 91-478), no redevelopment plan may
11 be approved or amended that includes the development of vacant
12 land (i) with a golf course and related clubhouse and other
13 facilities or (ii) designated by federal, State, county, or
14 municipal government as public land for outdoor recreational
15 activities or for nature preserves and used for that purpose
16 within 5 years prior to the adoption of the redevelopment plan.
17 For the purpose of this subsection, "recreational activities"
18 is limited to mean camping and hunting.

19 (p) "Redevelopment project area" means an area designated
20 by the municipality, which is not less in the aggregate than 1
21 1/2 acres and in respect to which the municipality has made a
22 finding that there exist conditions which cause the area to be
23 classified as an industrial park conservation area or a
24 blighted area or a conservation area, or a combination of both
25 blighted areas and conservation areas.

26 (p-1) Notwithstanding any provision of this Act to the

1 contrary, on and after August 25, 2009 (the effective date of
2 Public Act 96-680), a redevelopment project area may include
3 areas within a one-half mile radius of an existing or proposed
4 Regional Transportation Authority Suburban Transit Access
5 Route (STAR Line) station without a finding that the area is
6 classified as an industrial park conservation area, a blighted
7 area, a conservation area, or a combination thereof, but only
8 if the municipality receives unanimous consent from the joint
9 review board created to review the proposed redevelopment
10 project area.

11 (p-2) Notwithstanding any provision of this Act to the
12 contrary, on and after the effective date of this amendatory
13 Act of the 99th General Assembly, a redevelopment project area
14 may include areas within a transit facility improvement area
15 that has been established pursuant to Section 11-74.4-3.3
16 without a finding that the area is classified as an industrial
17 park conservation area, a blighted area, a conservation area,
18 or any combination thereof.

19 (q) "Redevelopment project costs", except for
20 redevelopment project areas created pursuant to subsection
21 ~~subsections~~ (p-1) or (p-2), means and includes the sum total of
22 all reasonable or necessary costs incurred or estimated to be
23 incurred, and any such costs incidental to a redevelopment plan
24 and a redevelopment project. Such costs include, without
25 limitation, the following:

26 (1) Costs of studies, surveys, development of plans,

1 and specifications, implementation and administration of
2 the redevelopment plan including but not limited to staff
3 and professional service costs for architectural,
4 engineering, legal, financial, planning or other services,
5 provided however that no charges for professional services
6 may be based on a percentage of the tax increment
7 collected; except that on and after November 1, 1999 (the
8 effective date of Public Act 91-478), no contracts for
9 professional services, excluding architectural and
10 engineering services, may be entered into if the terms of
11 the contract extend beyond a period of 3 years. In
12 addition, "redevelopment project costs" shall not include
13 lobbying expenses. After consultation with the
14 municipality, each tax increment consultant or advisor to a
15 municipality that plans to designate or has designated a
16 redevelopment project area shall inform the municipality
17 in writing of any contracts that the consultant or advisor
18 has entered into with entities or individuals that have
19 received, or are receiving, payments financed by tax
20 increment revenues produced by the redevelopment project
21 area with respect to which the consultant or advisor has
22 performed, or will be performing, service for the
23 municipality. This requirement shall be satisfied by the
24 consultant or advisor before the commencement of services
25 for the municipality and thereafter whenever any other
26 contracts with those individuals or entities are executed

1 by the consultant or advisor;

2 (1.5) After July 1, 1999, annual administrative costs
3 shall not include general overhead or administrative costs
4 of the municipality that would still have been incurred by
5 the municipality if the municipality had not designated a
6 redevelopment project area or approved a redevelopment
7 plan;

8 (1.6) The cost of marketing sites within the
9 redevelopment project area to prospective businesses,
10 developers, and investors;

11 (2) Property assembly costs, including but not limited
12 to acquisition of land and other property, real or
13 personal, or rights or interests therein, demolition of
14 buildings, site preparation, site improvements that serve
15 as an engineered barrier addressing ground level or below
16 ground environmental contamination, including, but not
17 limited to parking lots and other concrete or asphalt
18 barriers, and the clearing and grading of land;

19 (3) Costs of rehabilitation, reconstruction or repair
20 or remodeling of existing public or private buildings,
21 fixtures, and leasehold improvements; and the cost of
22 replacing an existing public building if pursuant to the
23 implementation of a redevelopment project the existing
24 public building is to be demolished to use the site for
25 private investment or devoted to a different use requiring
26 private investment; including any direct or indirect costs

1 relating to Green Globes or LEED certified construction
2 elements or construction elements with an equivalent
3 certification;

4 (4) Costs of the construction of public works or
5 improvements, including any direct or indirect costs
6 relating to Green Globes or LEED certified construction
7 elements or construction elements with an equivalent
8 certification, except that on and after November 1, 1999,
9 redevelopment project costs shall not include the cost of
10 constructing a new municipal public building principally
11 used to provide offices, storage space, or conference
12 facilities or vehicle storage, maintenance, or repair for
13 administrative, public safety, or public works personnel
14 and that is not intended to replace an existing public
15 building as provided under paragraph (3) of subsection (q)
16 of Section 11-74.4-3 unless either (i) the construction of
17 the new municipal building implements a redevelopment
18 project that was included in a redevelopment plan that was
19 adopted by the municipality prior to November 1, 1999, (ii)
20 the municipality makes a reasonable determination in the
21 redevelopment plan, supported by information that provides
22 the basis for that determination, that the new municipal
23 building is required to meet an increase in the need for
24 public safety purposes anticipated to result from the
25 implementation of the redevelopment plan, or (iii) the new
26 municipal public building is for the storage, maintenance,

1 or repair of transit vehicles and is located in a transit
2 facility improvement area that has been established
3 pursuant to Section 11-74.4-3.3;

4 (5) Costs of job training and retraining projects,
5 including the cost of "welfare to work" programs
6 implemented by businesses located within the redevelopment
7 project area;

8 (6) Financing costs, including but not limited to all
9 necessary and incidental expenses related to the issuance
10 of obligations and which may include payment of interest on
11 any obligations issued hereunder including interest
12 accruing during the estimated period of construction of any
13 redevelopment project for which such obligations are
14 issued and for not exceeding 36 months thereafter and
15 including reasonable reserves related thereto;

16 (7) To the extent the municipality by written agreement
17 accepts and approves the same, all or a portion of a taxing
18 district's capital costs resulting from the redevelopment
19 project necessarily incurred or to be incurred within a
20 taxing district in furtherance of the objectives of the
21 redevelopment plan and project;~~;~~

22 (7.5) For redevelopment project areas designated (or
23 redevelopment project areas amended to add or increase the
24 number of tax-increment-financing assisted housing units)
25 on or after November 1, 1999, an elementary, secondary, or
26 unit school district's increased costs attributable to

1 assisted housing units located within the redevelopment
2 project area for which the developer or redeveloper
3 receives financial assistance through an agreement with
4 the municipality or because the municipality incurs the
5 cost of necessary infrastructure improvements within the
6 boundaries of the assisted housing sites necessary for the
7 completion of that housing as authorized by this Act, and
8 which costs shall be paid by the municipality from the
9 Special Tax Allocation Fund when the tax increment revenue
10 is received as a result of the assisted housing units and
11 shall be calculated annually as follows:

12 (A) for foundation districts, excluding any school
13 district in a municipality with a population in excess
14 of 1,000,000, by multiplying the district's increase
15 in attendance resulting from the net increase in new
16 students enrolled in that school district who reside in
17 housing units within the redevelopment project area
18 that have received financial assistance through an
19 agreement with the municipality or because the
20 municipality incurs the cost of necessary
21 infrastructure improvements within the boundaries of
22 the housing sites necessary for the completion of that
23 housing as authorized by this Act since the designation
24 of the redevelopment project area by the most recently
25 available per capita tuition cost as defined in Section
26 10-20.12a of the School Code less any increase in

1 general State aid as defined in Section 18-8.05 of the
2 School Code attributable to these added new students
3 subject to the following annual limitations:

4 (i) for unit school districts with a district
5 average 1995-96 Per Capita Tuition Charge of less
6 than \$5,900, no more than 25% of the total amount
7 of property tax increment revenue produced by
8 those housing units that have received tax
9 increment finance assistance under this Act;

10 (ii) for elementary school districts with a
11 district average 1995-96 Per Capita Tuition Charge
12 of less than \$5,900, no more than 17% of the total
13 amount of property tax increment revenue produced
14 by those housing units that have received tax
15 increment finance assistance under this Act; and

16 (iii) for secondary school districts with a
17 district average 1995-96 Per Capita Tuition Charge
18 of less than \$5,900, no more than 8% of the total
19 amount of property tax increment revenue produced
20 by those housing units that have received tax
21 increment finance assistance under this Act.

22 (B) For alternate method districts, flat grant
23 districts, and foundation districts with a district
24 average 1995-96 Per Capita Tuition Charge equal to or
25 more than \$5,900, excluding any school district with a
26 population in excess of 1,000,000, by multiplying the

1 district's increase in attendance resulting from the
2 net increase in new students enrolled in that school
3 district who reside in housing units within the
4 redevelopment project area that have received
5 financial assistance through an agreement with the
6 municipality or because the municipality incurs the
7 cost of necessary infrastructure improvements within
8 the boundaries of the housing sites necessary for the
9 completion of that housing as authorized by this Act
10 since the designation of the redevelopment project
11 area by the most recently available per capita tuition
12 cost as defined in Section 10-20.12a of the School Code
13 less any increase in general state aid as defined in
14 Section 18-8.05 of the School Code attributable to
15 these added new students subject to the following
16 annual limitations:

17 (i) for unit school districts, no more than 40%
18 of the total amount of property tax increment
19 revenue produced by those housing units that have
20 received tax increment finance assistance under
21 this Act;

22 (ii) for elementary school districts, no more
23 than 27% of the total amount of property tax
24 increment revenue produced by those housing units
25 that have received tax increment finance
26 assistance under this Act; and

1 (iii) for secondary school districts, no more
2 than 13% of the total amount of property tax
3 increment revenue produced by those housing units
4 that have received tax increment finance
5 assistance under this Act.

6 (C) For any school district in a municipality with
7 a population in excess of 1,000,000, the following
8 restrictions shall apply to the reimbursement of
9 increased costs under this paragraph (7.5):

10 (i) no increased costs shall be reimbursed
11 unless the school district certifies that each of
12 the schools affected by the assisted housing
13 project is at or over its student capacity;

14 (ii) the amount reimbursable shall be reduced
15 by the value of any land donated to the school
16 district by the municipality or developer, and by
17 the value of any physical improvements made to the
18 schools by the municipality or developer; and

19 (iii) the amount reimbursed may not affect
20 amounts otherwise obligated by the terms of any
21 bonds, notes, or other funding instruments, or the
22 terms of any redevelopment agreement.

23 Any school district seeking payment under this
24 paragraph (7.5) shall, after July 1 and before
25 September 30 of each year, provide the municipality
26 with reasonable evidence to support its claim for

1 reimbursement before the municipality shall be
2 required to approve or make the payment to the school
3 district. If the school district fails to provide the
4 information during this period in any year, it shall
5 forfeit any claim to reimbursement for that year.
6 School districts may adopt a resolution waiving the
7 right to all or a portion of the reimbursement
8 otherwise required by this paragraph (7.5). By
9 acceptance of this reimbursement the school district
10 waives the right to directly or indirectly set aside,
11 modify, or contest in any manner the establishment of
12 the redevelopment project area or projects;

13 (7.7) For redevelopment project areas designated (or
14 redevelopment project areas amended to add or increase the
15 number of tax-increment-financing assisted housing units)
16 on or after January 1, 2005 (the effective date of Public
17 Act 93-961), a public library district's increased costs
18 attributable to assisted housing units located within the
19 redevelopment project area for which the developer or
20 redeveloper receives financial assistance through an
21 agreement with the municipality or because the
22 municipality incurs the cost of necessary infrastructure
23 improvements within the boundaries of the assisted housing
24 sites necessary for the completion of that housing as
25 authorized by this Act shall be paid to the library
26 district by the municipality from the Special Tax

1 Allocation Fund when the tax increment revenue is received
2 as a result of the assisted housing units. This paragraph
3 (7.7) applies only if (i) the library district is located
4 in a county that is subject to the Property Tax Extension
5 Limitation Law or (ii) the library district is not located
6 in a county that is subject to the Property Tax Extension
7 Limitation Law but the district is prohibited by any other
8 law from increasing its tax levy rate without a prior voter
9 referendum.

10 The amount paid to a library district under this
11 paragraph (7.7) shall be calculated by multiplying (i) the
12 net increase in the number of persons eligible to obtain a
13 library card in that district who reside in housing units
14 within the redevelopment project area that have received
15 financial assistance through an agreement with the
16 municipality or because the municipality incurs the cost of
17 necessary infrastructure improvements within the
18 boundaries of the housing sites necessary for the
19 completion of that housing as authorized by this Act since
20 the designation of the redevelopment project area by (ii)
21 the per-patron cost of providing library services so long
22 as it does not exceed \$120. The per-patron cost shall be
23 the Total Operating Expenditures Per Capita for the library
24 in the previous fiscal year. The municipality may deduct
25 from the amount that it must pay to a library district
26 under this paragraph any amount that it has voluntarily

1 paid to the library district from the tax increment
2 revenue. The amount paid to a library district under this
3 paragraph (7.7) shall be no more than 2% of the amount
4 produced by the assisted housing units and deposited into
5 the Special Tax Allocation Fund.

6 A library district is not eligible for any payment
7 under this paragraph (7.7) unless the library district has
8 experienced an increase in the number of patrons from the
9 municipality that created the tax-increment-financing
10 district since the designation of the redevelopment
11 project area.

12 Any library district seeking payment under this
13 paragraph (7.7) shall, after July 1 and before September 30
14 of each year, provide the municipality with convincing
15 evidence to support its claim for reimbursement before the
16 municipality shall be required to approve or make the
17 payment to the library district. If the library district
18 fails to provide the information during this period in any
19 year, it shall forfeit any claim to reimbursement for that
20 year. Library districts may adopt a resolution waiving the
21 right to all or a portion of the reimbursement otherwise
22 required by this paragraph (7.7). By acceptance of such
23 reimbursement, the library district shall forfeit any
24 right to directly or indirectly set aside, modify, or
25 contest in any manner whatsoever the establishment of the
26 redevelopment project area or projects;

1 (8) Relocation costs to the extent that a municipality
2 determines that relocation costs shall be paid or is
3 required to make payment of relocation costs by federal or
4 State law or in order to satisfy subparagraph (7) of
5 subsection (n);

6 (9) Payment in lieu of taxes;

7 (10) Costs of job training, retraining, advanced
8 vocational education or career education, including but
9 not limited to courses in occupational, semi-technical or
10 technical fields leading directly to employment, incurred
11 by one or more taxing districts, provided that such costs
12 (i) are related to the establishment and maintenance of
13 additional job training, advanced vocational education or
14 career education programs for persons employed or to be
15 employed by employers located in a redevelopment project
16 area; and (ii) when incurred by a taxing district or taxing
17 districts other than the municipality, are set forth in a
18 written agreement by or among the municipality and the
19 taxing district or taxing districts, which agreement
20 describes the program to be undertaken, including but not
21 limited to the number of employees to be trained, a
22 description of the training and services to be provided,
23 the number and type of positions available or to be
24 available, itemized costs of the program and sources of
25 funds to pay for the same, and the term of the agreement.
26 Such costs include, specifically, the payment by community

1 college districts of costs pursuant to Sections 3-37, 3-38,
2 3-40 and 3-40.1 of the Public Community College Act and by
3 school districts of costs pursuant to Sections 10-22.20a
4 and 10-23.3a of the ~~The~~ School Code;

5 (11) Interest cost incurred by a redeveloper related to
6 the construction, renovation or rehabilitation of a
7 redevelopment project provided that:

8 (A) such costs are to be paid directly from the
9 special tax allocation fund established pursuant to
10 this Act;

11 (B) such payments in any one year may not exceed
12 30% of the annual interest costs incurred by the
13 redeveloper with regard to the redevelopment project
14 during that year;

15 (C) if there are not sufficient funds available in
16 the special tax allocation fund to make the payment
17 pursuant to this paragraph (11) then the amounts so due
18 shall accrue and be payable when sufficient funds are
19 available in the special tax allocation fund;

20 (D) the total of such interest payments paid
21 pursuant to this Act may not exceed 30% of the total
22 (i) cost paid or incurred by the redeveloper for the
23 redevelopment project plus (ii) redevelopment project
24 costs excluding any property assembly costs and any
25 relocation costs incurred by a municipality pursuant
26 to this Act; ~~and~~

1 (E) the cost limits set forth in subparagraphs (B)
2 and (D) of paragraph (11) shall be modified for the
3 financing of rehabilitated or new housing units for
4 low-income households and very low-income households,
5 as defined in Section 3 of the Illinois Affordable
6 Housing Act. The percentage of 75% shall be substituted
7 for 30% in subparagraphs (B) and (D) of paragraph (11);
8 and-

9 (F) instead ~~instead~~ of the eligible costs provided
10 by subparagraphs (B) and (D) of paragraph (11), as
11 modified by this subparagraph, and notwithstanding any
12 other provisions of this Act to the contrary, the
13 municipality may pay from tax increment revenues up to
14 50% of the cost of construction of new housing units to
15 be occupied by low-income households and very
16 low-income households as defined in Section 3 of the
17 Illinois Affordable Housing Act. The cost of
18 construction of those units may be derived from the
19 proceeds of bonds issued by the municipality under this
20 Act or other constitutional or statutory authority or
21 from other sources of municipal revenue that may be
22 reimbursed from tax increment revenues or the proceeds
23 of bonds issued to finance the construction of that
24 housing.

25 The eligible costs provided under this
26 subparagraph (F) of paragraph (11) shall be an eligible

1 cost for the construction, renovation, and
2 rehabilitation of all low and very low-income housing
3 units, as defined in Section 3 of the Illinois
4 Affordable Housing Act, within the redevelopment
5 project area. If the low and very low-income units are
6 part of a residential redevelopment project that
7 includes units not affordable to low and very
8 low-income households, only the low and very
9 low-income units shall be eligible for benefits under
10 this subparagraph (F) of paragraph (11). The standards
11 for maintaining the occupancy by low-income households
12 and very low-income households, as defined in Section 3
13 of the Illinois Affordable Housing Act, of those units
14 constructed with eligible costs made available under
15 the provisions of this subparagraph (F) of paragraph
16 (11) shall be established by guidelines adopted by the
17 municipality. The responsibility for annually
18 documenting the initial occupancy of the units by
19 low-income households and very low-income households,
20 as defined in Section 3 of the Illinois Affordable
21 Housing Act, shall be that of the then current owner of
22 the property. For ownership units, the guidelines will
23 provide, at a minimum, for a reasonable recapture of
24 funds, or other appropriate methods designed to
25 preserve the original affordability of the ownership
26 units. For rental units, the guidelines will provide,

1 at a minimum, for the affordability of rent to low and
2 very low-income households. As units become available,
3 they shall be rented to income-eligible tenants. The
4 municipality may modify these guidelines from time to
5 time; the guidelines, however, shall be in effect for
6 as long as tax increment revenue is being used to pay
7 for costs associated with the units or for the
8 retirement of bonds issued to finance the units or for
9 the life of the redevelopment project area, whichever
10 is later;:-

11 (11.5) If the redevelopment project area is located
12 within a municipality with a population of more than
13 100,000, the cost of day care services for children of
14 employees from low-income families working for businesses
15 located within the redevelopment project area and all or a
16 portion of the cost of operation of day care centers
17 established by redevelopment project area businesses to
18 serve employees from low-income families working in
19 businesses located in the redevelopment project area. For
20 the purposes of this paragraph, "low-income families"
21 means families whose annual income does not exceed 80% of
22 the municipal, county, or regional median income, adjusted
23 for family size, as the annual income and municipal,
24 county, or regional median income are determined from time
25 to time by the United States Department of Housing and
26 Urban Development.

1 (12) For any school district in a municipality with a
2 population in excess of 1,000,000, the costs associated
3 with employing qualified workers, as defined in Section
4 14-1.10 of the School Code, the costs of providing special
5 educational facilities and services, as defined in Section
6 14-1.08 of the School Code, school psychological services,
7 as defined in Section 14-1.09.1 of the School Code, or
8 school social work services, as defined in Section
9 14-1.09.2 of the School Code.

10 ~~(12)~~ Unless explicitly stated herein the cost of
11 construction of new privately-owned buildings shall not be an
12 eligible redevelopment project cost.

13 ~~(13)~~ After November 1, 1999 (the effective date of Public
14 Act 91-478), none of the redevelopment project costs enumerated
15 in this subsection shall be eligible redevelopment project
16 costs if those costs would provide direct financial support to
17 a retail entity initiating operations in the redevelopment
18 project area while terminating operations at another Illinois
19 location within 10 miles of the redevelopment project area but
20 outside the boundaries of the redevelopment project area
21 municipality. For purposes of this paragraph, termination
22 means a closing of a retail operation that is directly related
23 to the opening of the same operation or like retail entity
24 owned or operated by more than 50% of the original ownership in
25 a redevelopment project area, but it does not mean closing an
26 operation for reasons beyond the control of the retail entity,

1 as documented by the retail entity, subject to a reasonable
2 finding by the municipality that the current location contained
3 inadequate space, had become economically obsolete, or was no
4 longer a viable location for the retailer or serviceman.

5 ~~(14)~~ No cost shall be a redevelopment project cost in a
6 redevelopment project area if used to demolish, remove, or
7 substantially modify a historic resource, after August 26, 2008
8 (the effective date of Public Act 95-934), unless no prudent
9 and feasible alternative exists. "Historic resource" for the
10 purpose of this paragraph ~~item (14)~~ means (i) a place or
11 structure that is included or eligible for inclusion on the
12 National Register of Historic Places or (ii) a contributing
13 structure in a district on the National Register of Historic
14 Places. This paragraph ~~item (14)~~ does not apply to a place or
15 structure for which demolition, removal, or modification is
16 subject to review by the preservation agency of a Certified
17 Local Government designated as such by the National Park
18 Service of the United States Department of the Interior.

19 If a special service area has been established pursuant to
20 the Special Service Area Tax Act or Special Service Area Tax
21 Law, then any tax increment revenues derived from the tax
22 imposed pursuant to the Special Service Area Tax Act or Special
23 Service Area Tax Law may be used within the redevelopment
24 project area for the purposes permitted by that Act or Law as
25 well as the purposes permitted by this Act.

26 (q-1) For redevelopment project areas created pursuant to

1 subsection (p-1), redevelopment project costs are limited to
2 those costs in paragraph (q) that are related to the existing
3 or proposed Regional Transportation Authority Suburban Transit
4 Access Route (STAR Line) station.

5 (q-2) For a redevelopment project area located within a
6 transit facility improvement area established pursuant to
7 Section 11-74.4-3.3, redevelopment project costs means those
8 costs described in subsection (q) that are related to the
9 construction, reconstruction, rehabilitation, remodeling, or
10 repair of any existing or proposed transit facility.

11 (r) "State Sales Tax Boundary" means the redevelopment
12 project area or the amended redevelopment project area
13 boundaries which are determined pursuant to subsection (9) of
14 Section 11-74.4-8a of this Act. The Department of Revenue shall
15 certify pursuant to subsection (9) of Section 11-74.4-8a the
16 appropriate boundaries eligible for the determination of State
17 Sales Tax Increment.

18 (s) "State Sales Tax Increment" means an amount equal to
19 the increase in the aggregate amount of taxes paid by retailers
20 and servicemen, other than retailers and servicemen subject to
21 the Public Utilities Act, on transactions at places of business
22 located within a State Sales Tax Boundary pursuant to the
23 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use
24 Tax Act, and the Service Occupation Tax Act, except such
25 portion of such increase that is paid into the State and Local
26 Sales Tax Reform Fund, the Local Government Distributive Fund,

1 the Local Government Tax Fund and the County and Mass Transit
2 District Fund, for as long as State participation exists, over
3 and above the Initial Sales Tax Amounts, Adjusted Initial Sales
4 Tax Amounts or the Revised Initial Sales Tax Amounts for such
5 taxes as certified by the Department of Revenue and paid under
6 those Acts by retailers and servicemen on transactions at
7 places of business located within the State Sales Tax Boundary
8 during the base year which shall be the calendar year
9 immediately prior to the year in which the municipality adopted
10 tax increment allocation financing, less 3.0% of such amounts
11 generated under the Retailers' Occupation Tax Act, Use Tax Act
12 and Service Use Tax Act and the Service Occupation Tax Act,
13 which sum shall be appropriated to the Department of Revenue to
14 cover its costs of administering and enforcing this Section.
15 For purposes of computing the aggregate amount of such taxes
16 for base years occurring prior to 1985, the Department of
17 Revenue shall compute the Initial Sales Tax Amount for such
18 taxes and deduct therefrom an amount equal to 4% of the
19 aggregate amount of taxes per year for each year the base year
20 is prior to 1985, but not to exceed a total deduction of 12%.
21 The amount so determined shall be known as the "Adjusted
22 Initial Sales Tax Amount". For purposes of determining the
23 State Sales Tax Increment the Department of Revenue shall for
24 each period subtract from the tax amounts received from
25 retailers and servicemen on transactions located in the State
26 Sales Tax Boundary, the certified Initial Sales Tax Amounts,

1 Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax
2 Amounts for the Retailers' Occupation Tax Act, the Use Tax Act,
3 the Service Use Tax Act and the Service Occupation Tax Act. For
4 the State Fiscal Year 1989 this calculation shall be made by
5 utilizing the calendar year 1987 to determine the tax amounts
6 received. For the State Fiscal Year 1990, this calculation
7 shall be made by utilizing the period from January 1, 1988,
8 until September 30, 1988, to determine the tax amounts received
9 from retailers and servicemen, which shall have deducted
10 therefrom nine-twelfths of the certified Initial Sales Tax
11 Amounts, Adjusted Initial Sales Tax Amounts or the Revised
12 Initial Sales Tax Amounts as appropriate. For the State Fiscal
13 Year 1991, this calculation shall be made by utilizing the
14 period from October 1, 1988, until June 30, 1989, to determine
15 the tax amounts received from retailers and servicemen, which
16 shall have deducted therefrom nine-twelfths of the certified
17 Initial State Sales Tax Amounts, Adjusted Initial Sales Tax
18 Amounts or the Revised Initial Sales Tax Amounts as
19 appropriate. For every State Fiscal Year thereafter, the
20 applicable period shall be the 12 months beginning July 1 and
21 ending on June 30, to determine the tax amounts received which
22 shall have deducted therefrom the certified Initial Sales Tax
23 Amounts, Adjusted Initial Sales Tax Amounts or the Revised
24 Initial Sales Tax Amounts. Municipalities intending to receive
25 a distribution of State Sales Tax Increment must report a list
26 of retailers to the Department of Revenue by October 31, 1988

1 and by July 31, of each year thereafter.

2 (t) "Taxing districts" means counties, townships, cities
3 and incorporated towns and villages, school, road, park,
4 sanitary, mosquito abatement, forest preserve, public health,
5 fire protection, river conservancy, tuberculosis sanitarium
6 and any other municipal corporations or districts with the
7 power to levy taxes.

8 (u) "Taxing districts' capital costs" means those costs of
9 taxing districts for capital improvements that are found by the
10 municipal corporate authorities to be necessary and directly
11 result from the redevelopment project.

12 (v) As used in subsection (a) of Section 11-74.4-3 of this
13 Act, "vacant land" means any parcel or combination of parcels
14 of real property without industrial, commercial, and
15 residential buildings which has not been used for commercial
16 agricultural purposes within 5 years prior to the designation
17 of the redevelopment project area, unless the parcel is
18 included in an industrial park conservation area or the parcel
19 has been subdivided; provided that if the parcel was part of a
20 larger tract that has been divided into 3 or more smaller
21 tracts that were accepted for recording during the period from
22 1950 to 1990, then the parcel shall be deemed to have been
23 subdivided, and all proceedings and actions of the municipality
24 taken in that connection with respect to any previously
25 approved or designated redevelopment project area or amended
26 redevelopment project area are hereby validated and hereby

1 declared to be legally sufficient for all purposes of this Act.
2 For purposes of this Section and only for land subject to the
3 subdivision requirements of the Plat Act, land is subdivided
4 when the original plat of the proposed Redevelopment Project
5 Area or relevant portion thereof has been properly certified,
6 acknowledged, approved, and recorded or filed in accordance
7 with the Plat Act and a preliminary plat, if any, for any
8 subsequent phases of the proposed Redevelopment Project Area or
9 relevant portion thereof has been properly approved and filed
10 in accordance with the applicable ordinance of the
11 municipality.

12 (w) "Annual Total Increment" means the sum of each
13 municipality's annual Net Sales Tax Increment and each
14 municipality's annual Net Utility Tax Increment. The ratio of
15 the Annual Total Increment of each municipality to the Annual
16 Total Increment for all municipalities, as most recently
17 calculated by the Department, shall determine the proportional
18 shares of the Illinois Tax Increment Fund to be distributed to
19 each municipality.

20 (x) "LEED certified" means any certification level of
21 construction elements by a qualified Leadership in Energy and
22 Environmental Design Accredited Professional as determined by
23 the U.S. Green Building Council.

24 (y) "Green Globes certified" means any certification level
25 of construction elements by a qualified Green Globes
26 Professional as determined by the Green Building Initiative.

1 (Source: P.A. 99-792, eff. 8-12-16; revised 10-31-16.)

2 (65 ILCS 5/11-74.4-5) (from Ch. 24, par. 11-74.4-5)

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

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

23 Prior to the adoption of an ordinance proposing the
24 designation of a redevelopment project area, or approving a
25 redevelopment plan or redevelopment project, the municipality

1 by its corporate authorities, or as it may determine by any
2 commission designated under subsection (k) of Section
3 11-74.4-4 shall adopt an ordinance or resolution fixing a time
4 and place for public hearing. At least 10 days prior to the
5 adoption of the ordinance or resolution establishing the time
6 and place for the public hearing, the municipality shall make
7 available for public inspection a redevelopment plan or a
8 separate report that provides in reasonable detail the basis
9 for the eligibility of the redevelopment project area. The
10 report along with the name of a person to contact for further
11 information shall be sent within a reasonable time after the
12 adoption of such ordinance or resolution to the affected taxing
13 districts by certified mail. On and after the effective date of
14 this amendatory Act of the 91st General Assembly, the
15 municipality shall print in a newspaper of general circulation
16 within the municipality a notice that interested persons may
17 register with the municipality in order to receive information
18 on the proposed designation of a redevelopment project area or
19 the approval of a redevelopment plan. The notice shall state
20 the place of registration and the operating hours of that
21 place. The municipality shall have adopted reasonable rules to
22 implement this registration process under Section 11-74.4-4.2.
23 The municipality shall provide notice of the availability of
24 the redevelopment plan and eligibility report, including how to
25 obtain this information, by mail within a reasonable time after
26 the adoption of the ordinance or resolution, to all residential

1 addresses that, after a good faith effort, the municipality
2 determines are located outside the proposed redevelopment
3 project area and within 750 feet of the boundaries of the
4 proposed redevelopment project area. This requirement is
5 subject to the limitation that in a municipality with a
6 population of over 100,000, if the total number of residential
7 addresses outside the proposed redevelopment project area and
8 within 750 feet of the boundaries of the proposed redevelopment
9 project area exceeds 750, the municipality shall be required to
10 provide the notice to only the 750 residential addresses that,
11 after a good faith effort, the municipality determines are
12 outside the proposed redevelopment project area and closest to
13 the boundaries of the proposed redevelopment project area.
14 Notwithstanding the foregoing, notice given after August 7,
15 2001 (the effective date of Public Act 92-263) and before the
16 effective date of this amendatory Act of the 92nd General
17 Assembly to residential addresses within 750 feet of the
18 boundaries of a proposed redevelopment project area shall be
19 deemed to have been sufficiently given in compliance with this
20 Act if given only to residents outside the boundaries of the
21 proposed redevelopment project area. The notice shall also be
22 provided by the municipality, regardless of its population, to
23 those organizations and residents that have registered with the
24 municipality for that information in accordance with the
25 registration guidelines established by the municipality under
26 Section 11-74.4-4.2.

1 At the public hearing any interested person or affected
2 taxing district may file with the municipal clerk written
3 objections to and may be heard orally in respect to any issues
4 embodied in the notice. The municipality shall hear all
5 protests and objections at the hearing and the hearing may be
6 adjourned to another date without further notice other than a
7 motion to be entered upon the minutes fixing the time and place
8 of the subsequent hearing. At the public hearing or at any time
9 prior to the adoption by the municipality of an ordinance
10 approving a redevelopment plan, the municipality may make
11 changes in the redevelopment plan. Changes which (1) add
12 additional parcels of property to the proposed redevelopment
13 project area, (2) substantially affect the general land uses
14 proposed in the redevelopment plan, (3) substantially change
15 the nature of or extend the life of the redevelopment project,
16 or (4) increase the number of inhabited residential units to be
17 displaced from the redevelopment project area, as measured from
18 the time of creation of the redevelopment project area, to a
19 total of more than 10, shall be made only after the
20 municipality gives notice, convenes a joint review board, and
21 conducts a public hearing pursuant to the procedures set forth
22 in this Section and in Section 11-74.4-6 of this Act. Changes
23 which do not (1) add additional parcels of property to the
24 proposed redevelopment project area, (2) substantially affect
25 the general land uses proposed in the redevelopment plan, (3)
26 substantially change the nature of or extend the life of the

1 redevelopment project, or (4) increase the number of inhabited
2 residential units to be displaced from the redevelopment
3 project area, as measured from the time of creation of the
4 redevelopment project area, to a total of more than 10, may be
5 made without further hearing, provided that the municipality
6 shall give notice of any such changes by mail to each affected
7 taxing district and registrant on the interested parties
8 registry, provided for under Section 11-74.4-4.2, and by
9 publication in a newspaper of general circulation within the
10 affected taxing district. Such notice by mail and by
11 publication shall each occur not later than 10 days following
12 the adoption by ordinance of such changes. Hearings with regard
13 to a redevelopment project area, project or plan may be held
14 simultaneously.

15 (b) Prior to holding a public hearing to approve or amend a
16 redevelopment plan or to designate or add additional parcels of
17 property to a redevelopment project area, the municipality
18 shall convene a joint review board. The board shall consist of
19 a representative selected by each community college district,
20 local elementary school district and high school district or
21 each local community unit school district, park district,
22 library district, township, fire protection district, and
23 county that will have the authority to directly levy taxes on
24 the property within the proposed redevelopment project area at
25 the time that the proposed redevelopment project area is
26 approved, a representative selected by the municipality and a

1 public member. The public member shall first be selected and
2 then the board's chairperson shall be selected by a majority of
3 the board members present and voting.

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

1 member.

2 Within 90 days of the effective date of this amendatory Act
3 of the 91st General Assembly, each municipality that designated
4 a redevelopment project area for which it was not required to
5 convene a joint review board under this Section shall convene a
6 joint review board to perform the duties specified under
7 paragraph (e) of this Section.

8 All board members shall be appointed and the first board
9 meeting shall be held at least 14 days but not more than 28
10 days after the mailing of notice by the municipality to the
11 taxing districts as required by Section 11-74.4-6(c).
12 Notwithstanding the preceding sentence, a municipality that
13 adopted either a public hearing resolution or a feasibility
14 resolution between July 1, 1999 and July 1, 2000 that called
15 for the meeting of the joint review board within 14 days of
16 notice of public hearing to affected taxing districts is deemed
17 to be in compliance with the notice, meeting, and public
18 hearing provisions of the Act. Such notice shall also advise
19 the taxing bodies represented on the joint review board of the
20 time and place of the first meeting of the board. Additional
21 meetings of the board shall be held upon the call of any
22 member. The municipality seeking designation of the
23 redevelopment project area shall provide administrative
24 support to the board.

25 The board shall review (i) the public record, planning
26 documents and proposed ordinances approving the redevelopment

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

15 The board shall base its recommendation to approve or
16 disapprove the redevelopment plan and the designation of the
17 redevelopment project area or the amendment of the
18 redevelopment plan or addition of parcels of property to the
19 redevelopment project area on the basis of the redevelopment
20 project area and redevelopment plan satisfying the plan
21 requirements, the eligibility criteria defined in Section
22 11-74.4-3, and the objectives of this Act.

23 The board shall issue a written report describing why the
24 redevelopment plan and project area or the amendment thereof
25 meets or fails to meet one or more of the objectives of this
26 Act and both the plan requirements and the eligibility criteria

1 defined in Section 11-74.4-3. In the event the Board does not
2 file a report it shall be presumed that these taxing bodies
3 find the redevelopment project area and redevelopment plan
4 satisfy the objectives of this Act and the plan requirements
5 and eligibility criteria.

6 If the board recommends rejection of the matters before it,
7 the municipality will have 30 days within which to resubmit the
8 plan or amendment. During this period, the municipality will
9 meet and confer with the board and attempt to resolve those
10 issues set forth in the board's written report that led to the
11 rejection of the plan or amendment.

12 Notwithstanding the resubmission set forth above, the
13 municipality may commence the scheduled public hearing and
14 either adjourn the public hearing or continue the public
15 hearing until a date certain. Prior to continuing any public
16 hearing to a date certain, the municipality shall announce
17 during the public hearing the time, date, and location for the
18 reconvening of the public hearing. Any changes to the
19 redevelopment plan necessary to satisfy the issues set forth in
20 the joint review board report shall be the subject of a public
21 hearing before the hearing is adjourned if the changes would
22 (1) substantially affect the general land uses proposed in the
23 redevelopment plan, (2) substantially change the nature of or
24 extend the life of the redevelopment project, or (3) increase
25 the number of inhabited residential units to be displaced from
26 the redevelopment project area, as measured from the time of

1 creation of the redevelopment project area, to a total of more
2 than 10. Changes to the redevelopment plan necessary to satisfy
3 the issues set forth in the joint review board report shall not
4 require any further notice or convening of a joint review board
5 meeting, except that any changes to the redevelopment plan that
6 would add additional parcels of property to the proposed
7 redevelopment project area shall be subject to the notice,
8 public hearing, and joint review board meeting requirements
9 established for such changes by subsection (a) of Section
10 11-74.4-5.

11 In the event that the municipality and the board are unable
12 to resolve these differences, or in the event that the
13 resubmitted plan or amendment is rejected by the board, the
14 municipality may proceed with the plan or amendment, but only
15 upon a three-fifths vote of the corporate authority responsible
16 for approval of the plan or amendment, excluding positions of
17 members that are vacant and those members that are ineligible
18 to vote because of conflicts of interest.

19 (c) After a municipality has by ordinance approved a
20 redevelopment plan and designated a redevelopment project
21 area, the plan may be amended and additional properties may be
22 added to the redevelopment project area only as herein
23 provided. Amendments which (1) add additional parcels of
24 property to the proposed redevelopment project area, (2)
25 substantially affect the general land uses proposed in the
26 redevelopment plan, (3) substantially change the nature of the

1 redevelopment project, (4) increase the total estimated
2 redevelopment project costs set out in the redevelopment plan
3 by more than 5% after adjustment for inflation from the date
4 the plan was adopted, (5) add additional redevelopment project
5 costs to the itemized list of redevelopment project costs set
6 out in the redevelopment plan, or (6) increase the number of
7 inhabited residential units to be displaced from the
8 redevelopment project area, as measured from the time of
9 creation of the redevelopment project area, to a total of more
10 than 10, shall be made only after the municipality gives
11 notice, convenes a joint review board, and conducts a public
12 hearing pursuant to the procedures set forth in this Section
13 and in Section 11-74.4-6 of this Act. Changes which do not (1)
14 add additional parcels of property to the proposed
15 redevelopment project area, (2) substantially affect the
16 general land uses proposed in the redevelopment plan, (3)
17 substantially change the nature of the redevelopment project,
18 (4) increase the total estimated redevelopment project cost set
19 out in the redevelopment plan by more than 5% after adjustment
20 for inflation from the date the plan was adopted, (5) add
21 additional redevelopment project costs to the itemized list of
22 redevelopment project costs set out in the redevelopment plan,
23 or (6) increase the number of inhabited residential units to be
24 displaced from the redevelopment project area, as measured from
25 the time of creation of the redevelopment project area, to a
26 total of more than 10, may be made without further public

1 hearing and related notices and procedures including the
2 convening of a joint review board as set forth in Section
3 11-74.4-6 of this Act, provided that the municipality shall
4 give notice of any such changes by mail to each affected taxing
5 district and registrant on the interested parties registry,
6 provided for under Section 11-74.4-4.2, and by publication in a
7 newspaper of general circulation within the affected taxing
8 district. Such notice by mail and by publication shall each
9 occur not later than 10 days following the adoption by
10 ordinance of such changes.

11 (d) After the effective date of this amendatory Act of the
12 91st General Assembly, a municipality shall submit in an
13 electronic format the following information for each
14 redevelopment project area (i) to the State Comptroller under
15 Section 8-8-3.5 of the Illinois Municipal Code, subject to any
16 extensions or exemptions provided at the Comptroller's
17 discretion under that Section, and (ii) to all taxing districts
18 overlapping the redevelopment project area no later than 180
19 days after the close of each municipal fiscal year or as soon
20 thereafter as the audited financial statements become
21 available and, in any case, shall be submitted before the
22 annual meeting of the Joint Review Board to each of the taxing
23 districts that overlap the redevelopment project area:

24 (1) Any amendments to the redevelopment plan, the
25 redevelopment project area, or the State Sales Tax
26 Boundary.

1 (1.5) A list of the redevelopment project areas
2 administered by the municipality and, if applicable, the
3 date each redevelopment project area was designated or
4 terminated by the municipality.

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

8 (3) Certification of the Chief Executive Officer of the
9 municipality that the municipality has complied with all of
10 the requirements of this Act during the preceding fiscal
11 year.

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

14 (5) An analysis of the special tax allocation fund
15 which sets forth:

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

18 (B) all amounts deposited in the special tax
19 allocation fund by source;

20 (C) an itemized list of all expenditures from the
21 special tax allocation fund by category of permissible
22 redevelopment project cost; and

23 (D) for municipalities with a population less than
24 1,000,000, the balance in the special tax allocation
25 fund at the end of the fiscal year including a
26 breakdown of that balance by source and a breakdown of

1 that balance identifying any portion of the balance
2 that is required, pledged, earmarked, or otherwise
3 designated for payment of or securing of obligations
4 ~~and anticipated redevelopment project costs~~. Any
5 portion of such ending balance that has not been
6 identified or is not identified as being required,
7 pledged, earmarked, or otherwise designated for
8 payment of or securing of obligations ~~or anticipated~~
9 ~~redevelopment projects costs~~ shall be designated as
10 surplus as set forth in Section 11-74.4-7 hereof.

11 (E) For municipalities with a population greater
12 than 1,000,000, the balance in the special tax
13 allocation fund at the end of the fiscal year,
14 including a breakdown of that balance by source and a
15 breakdown of that balance identifying any portion of
16 the balance that is required, pledged, earmarked, or
17 otherwise designated for payment of or securing of
18 obligations. Any portion of such ending balance that
19 has not been identified or is not identified as being
20 required, pledged, earmarked, or otherwise designated
21 for payment of or securing of obligations shall be
22 designated as surplus, and used, as set forth in
23 Section 11-74.4-7.

24 (6) A description of all property purchased by the
25 municipality within the redevelopment project area
26 including:

1 (A) Street address.

2 (B) Approximate size or description of property.

3 (C) Purchase price.

4 (D) Seller of property.

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

8 (A) Any project implemented in the preceding
9 fiscal year.

10 (B) A description of the redevelopment activities
11 undertaken.

12 (C) A description of any agreements entered into by
13 the municipality with regard to the disposition or
14 redevelopment of any property within the redevelopment
15 project area or the area within the State Sales Tax
16 Boundary.

17 (D) Additional information on the use of all funds
18 received under this Division and steps taken by the
19 municipality to achieve the objectives of the
20 redevelopment plan.

21 (E) Information regarding contracts that the
22 municipality's tax increment advisors or consultants
23 have entered into with entities or persons that have
24 received, or are receiving, payments financed by tax
25 increment revenues produced by the same redevelopment
26 project area.

1 (F) Any reports submitted to the municipality by
2 the joint review board.

3 (G) A review of public and, to the extent possible,
4 private investment actually undertaken to date after
5 the effective date of this amendatory Act of the 91st
6 General Assembly and estimated to be undertaken during
7 the following year. This review shall, on a
8 project-by-project basis, set forth the estimated
9 amounts of public and private investment incurred
10 after the effective date of this amendatory Act of the
11 91st General Assembly and provide the ratio of private
12 investment to public investment to the date of the
13 report and as estimated to the completion of the
14 redevelopment project.

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

17 (A) copies of any official statements; and

18 (B) an analysis prepared by financial advisor or
19 underwriter setting forth: (i) nature and term of
20 obligation; and (ii) projected debt service including
21 required reserves and debt coverage.

22 (9) For special tax allocation funds that have
23 experienced cumulative deposits of incremental tax
24 revenues of \$100,000 or more, a certified audit report
25 reviewing compliance with this Act performed by an
26 independent public accountant certified and licensed by

1 the authority of the State of Illinois. The financial
2 portion of the audit must be conducted in accordance with
3 Standards for Audits of Governmental Organizations,
4 Programs, Activities, and Functions adopted by the
5 Comptroller General of the United States (1981), as
6 amended, or the standards specified by Section 8-8-5 of the
7 Illinois Municipal Auditing Law of the Illinois Municipal
8 Code. The audit report shall contain a letter from the
9 independent certified public accountant indicating
10 compliance or noncompliance with the requirements of
11 subsection (q) of Section 11-74.4-3. For redevelopment
12 plans or projects that would result in the displacement of
13 residents from 10 or more inhabited residential units or
14 that contain 75 or more inhabited residential units, notice
15 of the availability of the information, including how to
16 obtain the report, required in this subsection shall also
17 be sent by mail to all residents or organizations that
18 operate in the municipality that register with the
19 municipality for that information according to
20 registration procedures adopted under Section 11-74.4-4.2.
21 All municipalities are subject to this provision.

22 (10) A list of all intergovernmental agreements in
23 effect during the fiscal year to which the municipality is
24 a party and an accounting of any moneys transferred or
25 received by the municipality during that fiscal year
26 pursuant to those intergovernmental agreements.

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

7 (1) Any amendments to the redevelopment plan, the
8 redevelopment project area, or the State Sales Tax
9 Boundary; and

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

15 (e) The joint review board shall meet annually 180 days
16 after the close of the municipal fiscal year or as soon as the
17 redevelopment project audit for that fiscal year becomes
18 available to review the effectiveness and status of the
19 redevelopment project area up to that date.

20 (f) (Blank).

21 (g) In the event that a municipality has held a public
22 hearing under this Section prior to March 14, 1994 (the
23 effective date of Public Act 88-537), the requirements imposed
24 by Public Act 88-537 relating to the method of fixing the time
25 and place for public hearing, the materials and information
26 required to be made available for public inspection, and the

1 information required to be sent after adoption of an ordinance
2 or resolution fixing a time and place for public hearing shall
3 not be applicable.

4 (h) On and after the effective date of this amendatory Act
5 of the 96th General Assembly, the State Comptroller must post
6 on the State Comptroller's official website the information
7 submitted by a municipality pursuant to subsection (d) of this
8 Section. The information must be posted no later than 45 days
9 after the State Comptroller receives the information from the
10 municipality. The State Comptroller must also post a list of
11 the municipalities not in compliance with the reporting
12 requirements set forth in subsection (d) of this Section.

13 (i) No later than 10 years after the corporate authorities
14 of a municipality adopt an ordinance to establish a
15 redevelopment project area, the municipality must compile a
16 status report concerning the redevelopment project area. The
17 status report must detail without limitation the following: (i)
18 the amount of revenue generated within the redevelopment
19 project area, (ii) any expenditures made by the municipality
20 for the redevelopment project area including without
21 limitation expenditures from the special tax allocation fund,
22 (iii) the status of planned activities, goals, and objectives
23 set forth in the redevelopment plan including details on new or
24 planned construction within the redevelopment project area,
25 (iv) the amount of private and public investment within the
26 redevelopment project area, and (v) any other relevant

1 evaluation or performance data. Within 30 days after the
2 municipality compiles the status report, the municipality must
3 hold at least one public hearing concerning the report. The
4 municipality must provide 20 days' public notice of the
5 hearing.

6 (j) Beginning in fiscal year 2011 and in each fiscal year
7 thereafter, a municipality must detail in its annual budget (i)
8 the revenues generated from redevelopment project areas by
9 source and (ii) the expenditures made by the municipality for
10 redevelopment project areas.

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

12 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

13 Sec. 11-74.4-7. Obligations secured by the special tax
14 allocation fund set forth in Section 11-74.4-8 for the
15 redevelopment project area may be issued to provide for
16 redevelopment project costs. Such obligations, when so issued,
17 shall be retired in the manner provided in the ordinance
18 authorizing the issuance of such obligations by the receipts of
19 taxes levied as specified in Section 11-74.4-9 against the
20 taxable property included in the area, by revenues as specified
21 by Section 11-74.4-8a and other revenue designated by the
22 municipality. A municipality may in the ordinance pledge all or
23 any part of the funds in and to be deposited in the special tax
24 allocation fund created pursuant to Section 11-74.4-8 to the
25 payment of the redevelopment project costs and obligations. For

1 municipalities with a population less than 1,000,000, any ~~Any~~
2 pledge of funds in the special tax allocation fund shall
3 provide for distribution to the taxing districts and to the
4 Illinois Department of Revenue of moneys not required, pledged,
5 earmarked, or otherwise designated for payment and securing of
6 the obligations ~~and anticipated redevelopment project costs~~
7 and such excess funds shall be calculated annually and deemed
8 to be "surplus" funds. In the event a municipality, with a
9 population less than 1,000,000, only applies or pledges a
10 portion of the funds in the special tax allocation fund for the
11 payment ~~or securing of anticipated redevelopment project costs~~
12 ~~or~~ of obligations, any such funds remaining in the special tax
13 allocation fund after complying with the requirements of the
14 application or pledge, shall also be calculated annually and
15 deemed "surplus" funds. All surplus funds in the special tax
16 allocation fund shall be distributed annually within 180 days
17 after the close of the municipality's fiscal year by being paid
18 by the municipal treasurer to the County Collector, to the
19 Department of Revenue and to the municipality in direct
20 proportion to the tax incremental revenue received as a result
21 of an increase in the equalized assessed value of property in
22 the redevelopment project area, tax incremental revenue
23 received from the State and tax incremental revenue received
24 from the municipality, but not to exceed as to each such source
25 the total incremental revenue received from that source. The
26 County Collector shall thereafter make distribution to the

1 respective taxing districts in the same manner and proportion
2 as the most recent distribution by the county collector to the
3 affected districts of real property taxes from real property in
4 the redevelopment project area. For municipalities with a
5 population greater than 1,000,000, the balance in the special
6 tax allocation fund at the end of the fiscal year that is not
7 required, pledged, earmarked, or otherwise designated for
8 payment of or securing of obligations shall be entirely used to
9 pay costs of special education, social service, and other costs
10 of its public school district as described in paragraph (12) of
11 subsection (q) of Section 11-74.4-3.

12 Without limiting the foregoing in this Section, the
13 municipality may in addition to obligations secured by the
14 special tax allocation fund pledge for a period not greater
15 than the term of the obligations towards payment of such
16 obligations any part or any combination of the following: (a)
17 net revenues of all or part of any redevelopment project; (b)
18 taxes levied and collected on any or all property in the
19 municipality; (c) the full faith and credit of the
20 municipality; (d) a mortgage on part or all of the
21 redevelopment project; or (e) any other taxes or anticipated
22 receipts that the municipality may lawfully pledge.

23 Such obligations may be issued in one or more series
24 bearing interest at such rate or rates as the corporate
25 authorities of the municipality shall determine by ordinance.
26 Such obligations shall bear such date or dates, mature at such

1 time or times not exceeding 20 years from their respective
2 dates, be in such denomination, carry such registration
3 privileges, be executed in such manner, be payable in such
4 medium of payment at such place or places, contain such
5 covenants, terms and conditions, and be subject to redemption
6 as such ordinance shall provide. Obligations issued pursuant to
7 this Act may be sold at public or private sale at such price as
8 shall be determined by the corporate authorities of the
9 municipalities. No referendum approval of the electors shall be
10 required as a condition to the issuance of obligations pursuant
11 to this Division except as provided in this Section.

12 In the event the municipality authorizes issuance of
13 obligations pursuant to the authority of this Division secured
14 by the full faith and credit of the municipality, which
15 obligations are other than obligations which may be issued
16 under home rule powers provided by Article VII, Section 6 of
17 the Illinois Constitution, or pledges taxes pursuant to (b) or
18 (c) of the second paragraph of this section, the ordinance
19 authorizing the issuance of such obligations or pledging such
20 taxes shall be published within 10 days after such ordinance
21 has been passed in one or more newspapers, with general
22 circulation within such municipality. The publication of the
23 ordinance shall be accompanied by a notice of (1) the specific
24 number of voters required to sign a petition requesting the
25 question of the issuance of such obligations or pledging taxes
26 to be submitted to the electors; (2) the time in which such

1 petition must be filed; and (3) the date of the prospective
2 referendum. The municipal clerk shall provide a petition form
3 to any individual requesting one.

4 If no petition is filed with the municipal clerk, as
5 hereinafter provided in this Section, within 30 days after the
6 publication of the ordinance, the ordinance shall be in effect.
7 But, if within that 30 day period a petition is filed with the
8 municipal clerk, signed by electors in the municipality
9 numbering 10% or more of the number of registered voters in the
10 municipality, asking that the question of issuing obligations
11 using full faith and credit of the municipality as security for
12 the cost of paying for redevelopment project costs, or of
13 pledging taxes for the payment of such obligations, or both, be
14 submitted to the electors of the municipality, the corporate
15 authorities of the municipality shall call a special election
16 in the manner provided by law to vote upon that question, or,
17 if a general, State or municipal election is to be held within
18 a period of not less than 30 or more than 90 days from the date
19 such petition is filed, shall submit the question at the next
20 general, State or municipal election. If it appears upon the
21 canvass of the election by the corporate authorities that a
22 majority of electors voting upon the question voted in favor
23 thereof, the ordinance shall be in effect, but if a majority of
24 the electors voting upon the question are not in favor thereof,
25 the ordinance shall not take effect.

26 The ordinance authorizing the obligations may provide that

1 the obligations shall contain a recital that they are issued
2 pursuant to this Division, which recital shall be conclusive
3 evidence of their validity and of the regularity of their
4 issuance.

5 In the event the municipality authorizes issuance of
6 obligations pursuant to this Section secured by the full faith
7 and credit of the municipality, the ordinance authorizing the
8 obligations may provide for the levy and collection of a direct
9 annual tax upon all taxable property within the municipality
10 sufficient to pay the principal thereof and interest thereon as
11 it matures, which levy may be in addition to and exclusive of
12 the maximum of all other taxes authorized to be levied by the
13 municipality, which levy, however, shall be abated to the
14 extent that monies from other sources are available for payment
15 of the obligations and the municipality certifies the amount of
16 said monies available to the county clerk.

17 A certified copy of such ordinance shall be filed with the
18 county clerk of each county in which any portion of the
19 municipality is situated, and shall constitute the authority
20 for the extension and collection of the taxes to be deposited
21 in the special tax allocation fund.

22 A municipality may also issue its obligations to refund in
23 whole or in part, obligations theretofore issued by such
24 municipality under the authority of this Act, whether at or
25 prior to maturity, provided however, that the last maturity of
26 the refunding obligations may not be later than the dates set

1 forth under Section 11-74.4-3.5.

2 In the event a municipality issues obligations under home
3 rule powers or other legislative authority the proceeds of
4 which are pledged to pay for redevelopment project costs, the
5 municipality may, if it has followed the procedures in
6 conformance with this division, retire said obligations from
7 funds in the special tax allocation fund in amounts and in such
8 manner as if such obligations had been issued pursuant to the
9 provisions of this division.

10 All obligations heretofore or hereafter issued pursuant to
11 this Act shall not be regarded as indebtedness of the
12 municipality issuing such obligations or any other taxing
13 district for the purpose of any limitation imposed by law.

14 (Source: P.A. 95-15, eff. 7-16-07; 95-164, eff. 1-1-08; 95-331,
15 eff. 8-21-07; 95-346, eff. 8-21-07; 95-459, eff. 8-27-07;
16 95-653, eff. 1-1-08; 95-662, eff. 10-11-07; 95-683, eff.
17 10-19-07; 95-709, eff. 1-29-08; 95-876, eff. 8-21-08; 95-932,
18 eff. 8-26-08; 95-964, eff. 9-23-08; 95-977, eff. 9-22-08;
19 95-1028, eff. 8-25-09 (see Section 5 of P.A. 96-717 for the
20 effective date of changes made by P.A. 95-1028); 96-328, eff.
21 8-11-09; 96-1000, eff. 7-2-10.)

22 (65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

23 Sec. 11-74.4-8. Tax increment allocation financing. A
24 municipality may not adopt tax increment financing in a
25 redevelopment project area after the effective date of this

1 amendatory Act of 1997 that will encompass an area that is
2 currently included in an enterprise zone created under the
3 Illinois Enterprise Zone Act unless that municipality,
4 pursuant to Section 5.4 of the Illinois Enterprise Zone Act,
5 amends the enterprise zone designating ordinance to limit the
6 eligibility for tax abatements as provided in Section 5.4.1 of
7 the Illinois Enterprise Zone Act. A municipality, at the time a
8 redevelopment project area is designated, may adopt tax
9 increment allocation financing by passing an ordinance
10 providing that the ad valorem taxes, if any, arising from the
11 levies upon taxable real property in such redevelopment project
12 area by taxing districts and tax rates determined in the manner
13 provided in paragraph (c) of Section 11-74.4-9 each year after
14 the effective date of the ordinance until redevelopment project
15 costs and all municipal obligations financing redevelopment
16 project costs incurred under this Division have been paid shall
17 be divided as follows, provided, however, that with respect to
18 any redevelopment project area located within a transit
19 facility improvement area established pursuant to Section
20 11-74.4-3.3 in a municipality with a population of 1,000,000 or
21 more, ad valorem taxes, if any, arising from the levies upon
22 taxable real property in such redevelopment project area shall
23 be allocated as specifically provided in this Section:

24 (a) That portion of taxes levied upon each taxable lot,
25 block, tract or parcel of real property which is
26 attributable to the lower of the current equalized assessed

1 value or the initial equalized assessed value of each such
2 taxable lot, block, tract or parcel of real property in the
3 redevelopment project area shall be allocated to and when
4 collected shall be paid by the county collector to the
5 respective affected taxing districts in the manner
6 required by law in the absence of the adoption of tax
7 increment allocation financing.

8 (b) Except from a tax levied by a township to retire
9 bonds issued to satisfy court-ordered damages, that
10 portion, if any, of such taxes which is attributable to the
11 increase in the current equalized assessed valuation of
12 each taxable lot, block, tract or parcel of real property
13 in the redevelopment project area over and above the
14 initial equalized assessed value of each property in the
15 project area shall be allocated to and when collected shall
16 be paid to the municipal treasurer who shall deposit said
17 taxes into a special fund called the special tax allocation
18 fund of the municipality for the purpose of paying
19 redevelopment project costs and obligations incurred in
20 the payment thereof. In any county with a population of
21 3,000,000 or more that has adopted a procedure for
22 collecting taxes that provides for one or more of the
23 installments of the taxes to be billed and collected on an
24 estimated basis, the municipal treasurer shall be paid for
25 deposit in the special tax allocation fund of the
26 municipality, from the taxes collected from estimated

1 bills issued for property in the redevelopment project
2 area, the difference between the amount actually collected
3 from each taxable lot, block, tract, or parcel of real
4 property within the redevelopment project area and an
5 amount determined by multiplying the rate at which taxes
6 were last extended against the taxable lot, block, track,
7 or parcel of real property in the manner provided in
8 subsection (c) of Section 11-74.4-9 by the initial
9 equalized assessed value of the property divided by the
10 number of installments in which real estate taxes are
11 billed and collected within the county; provided that the
12 payments on or before December 31, 1999 to a municipal
13 treasurer shall be made only if each of the following
14 conditions are met:

15 (1) The total equalized assessed value of the
16 redevelopment project area as last determined was not
17 less than 175% of the total initial equalized assessed
18 value.

19 (2) Not more than 50% of the total equalized assessed
20 value of the redevelopment project area as last
21 determined is attributable to a piece of property
22 assigned a single real estate index number.

23 (3) The municipal clerk has certified to the county
24 clerk that the municipality has issued its obligations
25 to which there has been pledged the incremental
26 property taxes of the redevelopment project area or

1 taxes levied and collected on any or all property in
2 the municipality or the full faith and credit of the
3 municipality to pay or secure payment for all or a
4 portion of the redevelopment project costs. The
5 certification shall be filed annually no later than
6 September 1 for the estimated taxes to be distributed
7 in the following year; however, for the year 1992 the
8 certification shall be made at any time on or before
9 March 31, 1992.

10 (4) The municipality has not requested that the total
11 initial equalized assessed value of real property be
12 adjusted as provided in subsection (b) of Section
13 11-74.4-9.

14 The conditions of paragraphs (1) through (4) do not
15 apply after December 31, 1999 to payments to a municipal
16 treasurer made by a county with 3,000,000 or more
17 inhabitants that has adopted an estimated billing
18 procedure for collecting taxes. If a county that has
19 adopted the estimated billing procedure makes an erroneous
20 overpayment of tax revenue to the municipal treasurer, then
21 the county may seek a refund of that overpayment. The
22 county shall send the municipal treasurer a notice of
23 liability for the overpayment on or before the mailing date
24 of the next real estate tax bill within the county. The
25 refund shall be limited to the amount of the overpayment.

26 It is the intent of this Division that after the

1 effective date of this amendatory Act of 1988 a
2 municipality's own ad valorem tax arising from levies on
3 taxable real property be included in the determination of
4 incremental revenue in the manner provided in paragraph (c)
5 of Section 11-74.4-9. If the municipality does not extend
6 such a tax, it shall annually deposit in the municipality's
7 Special Tax Increment Fund an amount equal to 10% of the
8 total contributions to the fund from all other taxing
9 districts in that year. The annual 10% deposit required by
10 this paragraph shall be limited to the actual amount of
11 municipally produced incremental tax revenues available to
12 the municipality from taxpayers located in the
13 redevelopment project area in that year if: (a) the plan
14 for the area restricts the use of the property primarily to
15 industrial purposes, (b) the municipality establishing the
16 redevelopment project area is a home-rule community with a
17 1990 population of between 25,000 and 50,000, (c) the
18 municipality is wholly located within a county with a 1990
19 population of over 750,000 and (d) the redevelopment
20 project area was established by the municipality prior to
21 June 1, 1990. This payment shall be in lieu of a
22 contribution of ad valorem taxes on real property. If no
23 such payment is made, any redevelopment project area of the
24 municipality shall be dissolved.

25 If a municipality has adopted tax increment allocation
26 financing by ordinance and the County Clerk thereafter

1 certifies the "total initial equalized assessed value as
2 adjusted" of the taxable real property within such
3 redevelopment project area in the manner provided in
4 paragraph (b) of Section 11-74.4-9, each year after the
5 date of the certification of the total initial equalized
6 assessed value as adjusted until redevelopment project
7 costs and all municipal obligations financing
8 redevelopment project costs have been paid the ad valorem
9 taxes, if any, arising from the levies upon the taxable
10 real property in such redevelopment project area by taxing
11 districts and tax rates determined in the manner provided
12 in paragraph (c) of Section 11-74.4-9 shall be divided as
13 follows, provided, however, that with respect to any
14 redevelopment project area located within a transit
15 facility improvement area established pursuant to Section
16 11-74.4-3.3 in a municipality with a population of
17 1,000,000 or more, ad valorem taxes, if any, arising from
18 the levies upon the taxable real property in such
19 redevelopment project area shall be allocated as
20 specifically provided in this Section:

21 (1) That portion of the taxes levied upon each taxable
22 lot, block, tract or parcel of real property which is
23 attributable to the lower of the current equalized
24 assessed value or "current equalized assessed value as
25 adjusted" or the initial equalized assessed value of
26 each such taxable lot, block, tract, or parcel of real

1 property existing at the time tax increment financing
2 was adopted, minus the total current homestead
3 exemptions under Article 15 of the Property Tax Code in
4 the redevelopment project area shall be allocated to
5 and when collected shall be paid by the county
6 collector to the respective affected taxing districts
7 in the manner required by law in the absence of the
8 adoption of tax increment allocation financing.

9 (2) That portion, if any, of such taxes which is
10 attributable to the increase in the current equalized
11 assessed valuation of each taxable lot, block, tract,
12 or parcel of real property in the redevelopment project
13 area, over and above the initial equalized assessed
14 value of each property existing at the time tax
15 increment financing was adopted, minus the total
16 current homestead exemptions pertaining to each piece
17 of property provided by Article 15 of the Property Tax
18 Code in the redevelopment project area, shall be
19 allocated to and when collected shall be paid to the
20 municipal Treasurer, who shall deposit said taxes into
21 a special fund called the special tax allocation fund
22 of the municipality for the purpose of paying
23 redevelopment project costs and obligations incurred
24 in the payment thereof.

25 The municipality may pledge in the ordinance the funds
26 in and to be deposited in the special tax allocation fund

1 for the payment of such costs and obligations. No part of
2 the current equalized assessed valuation of each property
3 in the redevelopment project area attributable to any
4 increase above the total initial equalized assessed value,
5 or the total initial equalized assessed value as adjusted,
6 of such properties shall be used in calculating the general
7 State school aid formula, provided for in Section 18-8 of
8 the School Code, until such time as all redevelopment
9 project costs have been paid as provided for in this
10 Section.

11 Whenever a municipality issues bonds for the purpose of
12 financing redevelopment project costs, such municipality
13 may provide by ordinance for the appointment of a trustee,
14 which may be any trust company within the State, and for
15 the establishment of such funds or accounts to be
16 maintained by such trustee as the municipality shall deem
17 necessary to provide for the security and payment of the
18 bonds. If such municipality provides for the appointment of
19 a trustee, such trustee shall be considered the assignee of
20 any payments assigned by the municipality pursuant to such
21 ordinance and this Section. Any amounts paid to such
22 trustee as assignee shall be deposited in the funds or
23 accounts established pursuant to such trust agreement, and
24 shall be held by such trustee in trust for the benefit of
25 the holders of the bonds, and such holders shall have a
26 lien on and a security interest in such funds or accounts

1 so long as the bonds remain outstanding and unpaid. Upon
2 retirement of the bonds, the trustee shall pay over any
3 excess amounts held to the municipality for deposit in the
4 special tax allocation fund.

5 For municipalities with a population less than
6 1,000,000, when ~~when~~ such redevelopment projects costs,
7 including without limitation all municipal obligations
8 financing redevelopment project costs incurred under this
9 Division, have been paid, all surplus funds then remaining
10 in the special tax allocation fund shall be distributed by
11 being paid by the municipal treasurer to the Department of
12 Revenue, the municipality and the county collector; first
13 to the Department of Revenue and the municipality in direct
14 proportion to the tax incremental revenue received from the
15 State and the municipality, but not to exceed the total
16 incremental revenue received from the State or the
17 municipality less any annual surplus distribution of
18 incremental revenue previously made; with any remaining
19 funds to be paid to the County Collector who shall
20 immediately thereafter pay said funds to the taxing
21 districts in the redevelopment project area in the same
22 manner and proportion as the most recent distribution by
23 the county collector to the affected districts of real
24 property taxes from real property in the redevelopment
25 project area. For municipalities with a population greater
26 than 1,000,000, the balance in the special tax allocation

1 fund at the end of the fiscal year that is not required,
2 pledged, earmarked, or otherwise designated for payment of
3 or securing of obligations shall be entirely used to pay
4 costs of special education, social service, and other costs
5 of its public school district as described in paragraph
6 (12) of subsection (q) of Section 11-74.4-3.

7 Upon the payment of all redevelopment project costs,
8 the retirement of obligations, the distribution of any
9 excess monies pursuant to this Section, and final closing
10 of the books and records of the redevelopment project area,
11 the municipality shall adopt an ordinance dissolving the
12 special tax allocation fund for the redevelopment project
13 area and terminating the designation of the redevelopment
14 project area as a redevelopment project area. Title to real
15 or personal property and public improvements acquired by or
16 for the municipality as a result of the redevelopment
17 project and plan shall vest in the municipality when
18 acquired and shall continue to be held by the municipality
19 after the redevelopment project area has been terminated.
20 Municipalities shall notify affected taxing districts
21 prior to November 1 if the redevelopment project area is to
22 be terminated by December 31 of that same year. If a
23 municipality extends estimated dates of completion of a
24 redevelopment project and retirement of obligations to
25 finance a redevelopment project, as allowed by this
26 amendatory Act of 1993, that extension shall not extend the

1 property tax increment allocation financing authorized by
2 this Section. Thereafter the rates of the taxing districts
3 shall be extended and taxes levied, collected and
4 distributed in the manner applicable in the absence of the
5 adoption of tax increment allocation financing.

6 If a municipality with a population of 1,000,000 or
7 more has adopted by ordinance tax increment allocation
8 financing for a redevelopment project area located in a
9 transit facility improvement area established pursuant to
10 Section 11-74.4-3.3, for each year after the effective date
11 of the ordinance until redevelopment project costs and all
12 municipal obligations financing redevelopment project
13 costs have been paid, the ad valorem taxes, if any, arising
14 from the levies upon the taxable real property in that
15 redevelopment project area by taxing districts and tax
16 rates determined in the manner provided in paragraph (c) of
17 Section 11-74.4-9 shall be divided as follows:

18 (1) That portion of the taxes levied upon each
19 taxable lot, block, tract or parcel of real property
20 which is attributable to the lower of (i) the current
21 equalized assessed value or "current equalized
22 assessed value as adjusted" or (ii) the initial
23 equalized assessed value of each such taxable lot,
24 block, tract, or parcel of real property existing at
25 the time tax increment financing was adopted, minus the
26 total current homestead exemptions under Article 15 of

1 the Property Tax Code in the redevelopment project area
2 shall be allocated to and when collected shall be paid
3 by the county collector to the respective affected
4 taxing districts in the manner required by law in the
5 absence of the adoption of tax increment allocation
6 financing.

7 (2) That portion, if any, of such taxes which is
8 attributable to the increase in the current equalized
9 assessed valuation of each taxable lot, block, tract,
10 or parcel of real property in the redevelopment project
11 area, over and above the initial equalized assessed
12 value of each property existing at the time tax
13 increment financing was adopted, minus the total
14 current homestead exemptions pertaining to each piece
15 of property provided by Article 15 of the Property Tax
16 Code in the redevelopment project area, shall be
17 allocated to and when collected shall be paid by the
18 county collector as follows:

19 (A) First, that portion which would be payable
20 to a school district whose boundaries are
21 coterminous with such municipality in the absence
22 of the adoption of tax increment allocation
23 financing, shall be paid to such school district in
24 the manner required by law in the absence of the
25 adoption of tax increment allocation financing;
26 then

1 (B) 80% of the remaining portion shall be paid
2 to the municipal Treasurer, who shall deposit said
3 taxes into a special fund called the special tax
4 allocation fund of the municipality for the
5 purpose of paying redevelopment project costs and
6 obligations incurred in the payment thereof; and
7 then

8 (C) 20% of the remaining portion shall be paid
9 to the respective affected taxing districts, other
10 than the school district described in clause (a)
11 above, in the manner required by law in the absence
12 of the adoption of tax increment allocation
13 financing.

14 Nothing in this Section shall be construed as relieving
15 property in such redevelopment project areas from being
16 assessed as provided in the Property Tax Code or as relieving
17 owners of such property from paying a uniform rate of taxes, as
18 required by Section 4 of Article IX of the Illinois
19 Constitution.

20 (Source: P.A. 98-463, eff. 8-16-13; 99-792, eff. 8-12-16.)

21 (65 ILCS 5/11-74.4-8a) (from Ch. 24, par. 11-74.4-8a)

22 Sec. 11-74.4-8a. (1) Until June 1, 1988, a municipality
23 which has adopted tax increment allocation financing prior to
24 January 1, 1987, may by ordinance (1) authorize the Department
25 of Revenue, subject to appropriation, to annually certify and

1 cause to be paid from the Illinois Tax Increment Fund to such
2 municipality for deposit in the municipality's special tax
3 allocation fund an amount equal to the Net State Sales Tax
4 Increment and (2) authorize the Department of Revenue to
5 annually notify the municipality of the amount of the Municipal
6 Sales Tax Increment which shall be deposited by the
7 municipality in the municipality's special tax allocation
8 fund. Provided that for purposes of this Section no amendments
9 adding additional area to the redevelopment project area which
10 has been certified as the State Sales Tax Boundary shall be
11 taken into account if such amendments are adopted by the
12 municipality after January 1, 1987. If an amendment is adopted
13 which decreases the area of a State Sales Tax Boundary, the
14 municipality shall update the list required by subsection
15 (3)(a) of this Section. The Retailers' Occupation Tax
16 liability, Use Tax liability, Service Occupation Tax liability
17 and Service Use Tax liability for retailers and servicemen
18 located within the disconnected area shall be excluded from the
19 base from which tax increments are calculated and the revenue
20 from any such retailer or serviceman shall not be included in
21 calculating incremental revenue payable to the municipality. A
22 municipality adopting an ordinance under this subsection (1) of
23 this Section for a redevelopment project area which is
24 certified as a State Sales Tax Boundary shall not be entitled
25 to payments of State taxes authorized under subsection (2) of
26 this Section for the same redevelopment project area. Nothing

1 herein shall be construed to prevent a municipality from
2 receiving payment of State taxes authorized under subsection
3 (2) of this Section for a separate redevelopment project area
4 that does not overlap in any way with the State Sales Tax
5 Boundary receiving payments of State taxes pursuant to
6 subsection (1) of this Section.

7 A certified copy of such ordinance shall be submitted by
8 the municipality to the Department of Commerce and Economic
9 Opportunity and the Department of Revenue not later than 30
10 days after the effective date of the ordinance. Upon submission
11 of the ordinances, and the information required pursuant to
12 subsection 3 of this Section, the Department of Revenue shall
13 promptly determine the amount of such taxes paid under the
14 Retailers' Occupation Tax Act, Use Tax Act, Service Use Tax
15 Act, the Service Occupation Tax Act, the Municipal Retailers'
16 Occupation Tax Act and the Municipal Service Occupation Tax Act
17 by retailers and servicemen on transactions at places located
18 in the redevelopment project area during the base year, and
19 shall certify all the foregoing "initial sales tax amounts" to
20 the municipality within 60 days of submission of the list
21 required of subsection (3) (a) of this Section.

22 If a retailer or serviceman with a place of business
23 located within a redevelopment project area also has one or
24 more other places of business within the municipality but
25 outside the redevelopment project area, the retailer or
26 serviceman shall, upon request of the Department of Revenue,

1 certify to the Department of Revenue the amount of taxes paid
2 pursuant to the Retailers' Occupation Tax Act, the Municipal
3 Retailers' Occupation Tax Act, the Service Occupation Tax Act
4 and the Municipal Service Occupation Tax Act at each place of
5 business which is located within the redevelopment project area
6 in the manner and for the periods of time requested by the
7 Department of Revenue.

8 When the municipality determines that a portion of an
9 increase in the aggregate amount of taxes paid by retailers and
10 servicemen under the Retailers' Occupation Tax Act, Use Tax
11 Act, Service Use Tax Act, or the Service Occupation Tax Act is
12 the result of a retailer or serviceman initiating retail or
13 service operations in the redevelopment project area by such
14 retailer or serviceman with a resulting termination of retail
15 or service operations by such retailer or serviceman at another
16 location in Illinois in the standard metropolitan statistical
17 area of such municipality, the Department of Revenue shall be
18 notified that the retailers occupation tax liability, use tax
19 liability, service occupation tax liability, or service use tax
20 liability from such retailer's or serviceman's terminated
21 operation shall be included in the base Initial Sales Tax
22 Amounts from which the State Sales Tax Increment is calculated
23 for purposes of State payments to the affected municipality;
24 provided, however, for purposes of this paragraph
25 "termination" shall mean a closing of a retail or service
26 operation which is directly related to the opening of the same

1 retail or service operation in a redevelopment project area
2 which is included within a State Sales Tax Boundary, but it
3 shall not include retail or service operations closed for
4 reasons beyond the control of the retailer or serviceman, as
5 determined by the Department.

6 If the municipality makes the determination referred to in
7 the prior paragraph and notifies the Department and if the
8 relocation is from a location within the municipality, the
9 Department, at the request of the municipality, shall adjust
10 the certified aggregate amount of taxes that constitute the
11 Municipal Sales Tax Increment paid by retailers and servicemen
12 on transactions at places of business located within the State
13 Sales Tax Boundary during the base year using the same
14 procedures as are employed to make the adjustment referred to
15 in the prior paragraph. The adjusted Municipal Sales Tax
16 Increment calculated by the Department shall be sufficient to
17 satisfy the requirements of subsection (1) of this Section.

18 When a municipality which has adopted tax increment
19 allocation financing in 1986 determines that a portion of the
20 aggregate amount of taxes paid by retailers and servicemen
21 under the Retailers Occupation Tax Act, Use Tax Act, Service
22 Use Tax Act, or Service Occupation Tax Act, the Municipal
23 Retailers' Occupation Tax Act and the Municipal Service
24 Occupation Tax Act, includes revenue of a retailer or
25 serviceman which terminated retailer or service operations in
26 1986, prior to the adoption of tax increment allocation

1 financing, the Department of Revenue shall be notified by such
2 municipality that the retailers' occupation tax liability, use
3 tax liability, service occupation tax liability or service use
4 tax liability, from such retailer's or serviceman's terminated
5 operations shall be excluded from the Initial Sales Tax Amounts
6 for such taxes. The revenue from any such retailer or
7 serviceman which is excluded from the base year under this
8 paragraph, shall not be included in calculating incremental
9 revenues if such retailer or serviceman reestablishes such
10 business in the redevelopment project area.

11 For State fiscal year 1992, the Department of Revenue shall
12 budget, and the Illinois General Assembly shall appropriate
13 from the Illinois Tax Increment Fund in the State treasury, an
14 amount not to exceed \$18,000,000 to pay to each eligible
15 municipality the Net State Sales Tax Increment to which such
16 municipality is entitled.

17 Beginning on January 1, 1993, each municipality's
18 proportional share of the Illinois Tax Increment Fund shall be
19 determined by adding the annual Net State Sales Tax Increment
20 and the annual Net Utility Tax Increment to determine the
21 Annual Total Increment. The ratio of the Annual Total Increment
22 of each municipality to the Annual Total Increment for all
23 municipalities, as most recently calculated by the Department,
24 shall determine the proportional shares of the Illinois Tax
25 Increment Fund to be distributed to each municipality.

26 Beginning in October, 1993, and each January, April, July

1 and October thereafter, the Department of Revenue shall certify
2 to the Treasurer and the Comptroller the amounts payable
3 quarter annually during the fiscal year to each municipality
4 under this Section. The Comptroller shall promptly then draw
5 warrants, ordering the State Treasurer to pay such amounts from
6 the Illinois Tax Increment Fund in the State treasury.

7 The Department of Revenue shall utilize the same periods
8 established for determining State Sales Tax Increment to
9 determine the Municipal Sales Tax Increment for the area within
10 a State Sales Tax Boundary and certify such amounts to such
11 municipal treasurer who shall transfer such amounts to the
12 special tax allocation fund.

13 The provisions of this subsection (1) do not apply to
14 additional municipal retailers' occupation or service
15 occupation taxes imposed by municipalities using their home
16 rule powers or imposed pursuant to Sections 8-11-1.3, 8-11-1.4
17 and 8-11-1.5 of this Act. A municipality shall not receive from
18 the State any share of the Illinois Tax Increment Fund unless
19 such municipality deposits all its Municipal Sales Tax
20 Increment and the local incremental real property tax revenues,
21 as provided herein, into the appropriate special tax allocation
22 fund. If, however, a municipality has extended the estimated
23 dates of completion of the redevelopment project and retirement
24 of obligations to finance redevelopment project costs by
25 municipal ordinance to December 31, 2013 under subsection (n)
26 of Section 11-74.4-3, then that municipality shall continue to

1 receive from the State a share of the Illinois Tax Increment
2 Fund so long as the municipality deposits, from any funds
3 available, excluding funds in the special tax allocation fund,
4 an amount equal to the municipal share of the real property tax
5 increment revenues into the special tax allocation fund during
6 the extension period. The amount to be deposited by the
7 municipality in each of the tax years affected by the extension
8 to December 31, 2013 shall be equal to the municipal share of
9 the property tax increment deposited into the special tax
10 allocation fund by the municipality for the most recent year
11 that the property tax increment was distributed. A municipality
12 located within an economic development project area created
13 under the County Economic Development Project Area Property Tax
14 Allocation Act which has abated any portion of its property
15 taxes which otherwise would have been deposited in its special
16 tax allocation fund shall not receive from the State the Net
17 Sales Tax Increment.

18 (2) A municipality which has adopted tax increment
19 allocation financing with regard to an industrial park or
20 industrial park conservation area, prior to January 1, 1988,
21 may by ordinance authorize the Department of Revenue to
22 annually certify and pay from the Illinois Tax Increment Fund
23 to such municipality for deposit in the municipality's special
24 tax allocation fund an amount equal to the Net State Utility
25 Tax Increment. Provided that for purposes of this Section no
26 amendments adding additional area to the redevelopment project

1 area shall be taken into account if such amendments are adopted
2 by the municipality after January 1, 1988. Municipalities
3 adopting an ordinance under this subsection (2) of this Section
4 for a redevelopment project area shall not be entitled to
5 payment of State taxes authorized under subsection (1) of this
6 Section for the same redevelopment project area which is within
7 a State Sales Tax Boundary. Nothing herein shall be construed
8 to prevent a municipality from receiving payment of State taxes
9 authorized under subsection (1) of this Section for a separate
10 redevelopment project area within a State Sales Tax Boundary
11 that does not overlap in any way with the redevelopment project
12 area receiving payments of State taxes pursuant to subsection
13 (2) of this Section.

14 A certified copy of such ordinance shall be submitted to
15 the Department of Commerce and Economic Opportunity and the
16 Department of Revenue not later than 30 days after the
17 effective date of the ordinance.

18 When a municipality determines that a portion of an
19 increase in the aggregate amount of taxes paid by industrial or
20 commercial facilities under the Public Utilities Act, is the
21 result of an industrial or commercial facility initiating
22 operations in the redevelopment project area with a resulting
23 termination of such operations by such industrial or commercial
24 facility at another location in Illinois, the Department of
25 Revenue shall be notified by such municipality that such
26 industrial or commercial facility's liability under the Public

1 Utility Tax Act shall be included in the base from which tax
2 increments are calculated for purposes of State payments to the
3 affected municipality.

4 After receipt of the calculations by the public utility as
5 required by subsection (4) of this Section, the Department of
6 Revenue shall annually budget and the Illinois General Assembly
7 shall annually appropriate from the General Revenue Fund
8 through State Fiscal Year 1989, and thereafter from the
9 Illinois Tax Increment Fund, an amount sufficient to pay to
10 each eligible municipality the amount of incremental revenue
11 attributable to State electric and gas taxes as reflected by
12 the charges imposed on persons in the project area to which
13 such municipality is entitled by comparing the preceding
14 calendar year with the base year as determined by this Section.
15 Beginning on January 1, 1993, each municipality's proportional
16 share of the Illinois Tax Increment Fund shall be determined by
17 adding the annual Net State Utility Tax Increment and the
18 annual Net Utility Tax Increment to determine the Annual Total
19 Increment. The ratio of the Annual Total Increment of each
20 municipality to the Annual Total Increment for all
21 municipalities, as most recently calculated by the Department,
22 shall determine the proportional shares of the Illinois Tax
23 Increment Fund to be distributed to each municipality.

24 A municipality shall not receive any share of the Illinois
25 Tax Increment Fund from the State unless such municipality
26 imposes the maximum municipal charges authorized pursuant to

1 Section 9-221 of the Public Utilities Act and deposits all
2 municipal utility tax incremental revenues as certified by the
3 public utilities, and all local real estate tax increments into
4 such municipality's special tax allocation fund.

5 (3) Within 30 days after the adoption of the ordinance
6 required by either subsection (1) or subsection (2) of this
7 Section, the municipality shall transmit to the Department of
8 Commerce and Economic Opportunity and the Department of Revenue
9 the following:

10 (a) if applicable, a certified copy of the ordinance
11 required by subsection (1) accompanied by a complete list
12 of street names and the range of street numbers of each
13 street located within the redevelopment project area for
14 which payments are to be made under this Section in both
15 the base year and in the year preceding the payment year;
16 and the addresses of persons registered with the Department
17 of Revenue; and, the name under which each such retailer or
18 serviceman conducts business at that address, if different
19 from the corporate name; and the Illinois Business Tax
20 Number of each such person (The municipality shall update
21 this list in the event of a revision of the redevelopment
22 project area, or the opening or closing or name change of
23 any street or part thereof in the redevelopment project
24 area, or if the Department of Revenue informs the
25 municipality of an addition or deletion pursuant to the
26 monthly updates given by the Department.);

1 (b) if applicable, a certified copy of the ordinance
2 required by subsection (2) accompanied by a complete list
3 of street names and range of street numbers of each street
4 located within the redevelopment project area, the utility
5 customers in the project area, and the utilities serving
6 the redevelopment project areas;

7 (c) certified copies of the ordinances approving the
8 redevelopment plan and designating the redevelopment
9 project area;

10 (d) a copy of the redevelopment plan as approved by the
11 municipality;

12 (e) an opinion of legal counsel that the municipality
13 had complied with the requirements of this Act; and

14 (f) a certification by the chief executive officer of
15 the municipality that with regard to a redevelopment
16 project area: (1) the municipality has committed all of the
17 municipal tax increment created pursuant to this Act for
18 deposit in the special tax allocation fund, (2) the
19 redevelopment projects described in the redevelopment plan
20 would not be completed without the use of State incremental
21 revenues pursuant to this Act, (3) the municipality will
22 pursue the implementation of the redevelopment plan in an
23 expeditious manner, (4) the incremental revenues created
24 pursuant to this Section will be exclusively utilized for
25 the development of the redevelopment project area, and (5)
26 the increased revenue created pursuant to this Section

1 shall be used exclusively to pay redevelopment project
2 costs as defined in this Act.

3 (4) The Department of Revenue upon receipt of the
4 information set forth in paragraph (b) of subsection (3) shall
5 immediately forward such information to each public utility
6 furnishing natural gas or electricity to buildings within the
7 redevelopment project area. Upon receipt of such information,
8 each public utility shall promptly:

9 (a) provide to the Department of Revenue and the
10 municipality separate lists of the names and addresses of
11 persons within the redevelopment project area receiving
12 natural gas or electricity from such public utility. Such
13 list shall be updated as necessary by the public utility.
14 Each month thereafter the public utility shall furnish the
15 Department of Revenue and the municipality with an itemized
16 listing of charges imposed pursuant to Sections 9-221 and
17 9-222 of the Public Utilities Act on persons within the
18 redevelopment project area.

19 (b) determine the amount of charges imposed pursuant to
20 Sections 9-221 and 9-222 of the Public Utilities Act on
21 persons in the redevelopment project area during the base
22 year, both as a result of municipal taxes on electricity
23 and gas and as a result of State taxes on electricity and
24 gas and certify such amounts both to the municipality and
25 the Department of Revenue; and

26 (c) determine the amount of charges imposed pursuant to

1 Sections 9-221 and 9-222 of the Public Utilities Act on
2 persons in the redevelopment project area on a monthly
3 basis during the base year, both as a result of State and
4 municipal taxes on electricity and gas and certify such
5 separate amounts both to the municipality and the
6 Department of Revenue.

7 After the determinations are made in paragraphs (b) and
8 (c), the public utility shall monthly during the existence of
9 the redevelopment project area notify the Department of Revenue
10 and the municipality of any increase in charges over the base
11 year determinations made pursuant to paragraphs (b) and (c).

12 (5) The payments authorized under this Section shall be
13 deposited by the municipal treasurer in the special tax
14 allocation fund of the municipality, which for accounting
15 purposes shall identify the sources of each payment as:
16 municipal receipts from the State retailers occupation,
17 service occupation, use and service use taxes; and municipal
18 public utility taxes charged to customers under the Public
19 Utilities Act and State public utility taxes charged to
20 customers under the Public Utilities Act.

21 (6) Before the effective date of this amendatory Act of the
22 91st General Assembly, any municipality receiving payments
23 authorized under this Section for any redevelopment project
24 area or area within a State Sales Tax Boundary within the
25 municipality shall submit to the Department of Revenue and to
26 the taxing districts which are sent the notice required by

1 Section 6 of this Act annually within 180 days after the close
2 of each municipal fiscal year the following information for the
3 immediately preceding fiscal year:

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

7 (b) Audited financial statements of the special tax
8 allocation fund.

9 (c) Certification of the Chief Executive Officer of the
10 municipality that the municipality has complied with all of
11 the requirements of this Act during the preceding fiscal
12 year.

13 (d) An opinion of legal counsel that the municipality
14 is in compliance with this Act.

15 (e) An analysis of the special tax allocation fund
16 which sets forth:

17 (1) the balance in the special tax allocation fund
18 at the beginning of the fiscal year;

19 (2) all amounts deposited in the special tax
20 allocation fund by source;

21 (3) all expenditures from the special tax
22 allocation fund by category of permissible
23 redevelopment project cost; and

24 (4) for municipalities with a population less than
25 1,000,000, the balance in the special tax allocation
26 fund at the end of the fiscal year including a

1 breakdown of that balance by source. Such ending
2 balance shall be designated as surplus if it is not
3 required ~~for anticipated redevelopment project costs~~
4 ~~or~~ to pay debt service on bonds issued to finance
5 redevelopment project costs, as set forth in Section
6 11-74.4-7 hereof.

7 (f) A description of all property purchased by the
8 municipality within the redevelopment project area
9 including:

- 10 1. Street address
- 11 2. Approximate size or description of property
- 12 3. Purchase price
- 13 4. Seller of property.

14 (g) A statement setting forth all activities
15 undertaken in furtherance of the objectives of the
16 redevelopment plan, including:

- 17 1. Any project implemented in the preceding fiscal
18 year
- 19 2. A description of the redevelopment activities
20 undertaken
- 21 3. A description of any agreements entered into by
22 the municipality with regard to the disposition or
23 redevelopment of any property within the redevelopment
24 project area or the area within the State Sales Tax
25 Boundary.

26 (h) With regard to any obligations issued by the

1 municipality:

2 1. copies of bond ordinances or resolutions

3 2. copies of any official statements

4 3. an analysis prepared by financial advisor or
5 underwriter setting forth: (a) nature and term of
6 obligation; and (b) projected debt service including
7 required reserves and debt coverage.

8 (i) A certified audit report reviewing compliance with
9 this statute performed by an independent public accountant
10 certified and licensed by the authority of the State of
11 Illinois. The financial portion of the audit must be
12 conducted in accordance with Standards for Audits of
13 Governmental Organizations, Programs, Activities, and
14 Functions adopted by the Comptroller General of the United
15 States (1981), as amended. The audit report shall contain a
16 letter from the independent certified public accountant
17 indicating compliance or noncompliance with the
18 requirements of subsection (q) of Section 11-74.4-3. If the
19 audit indicates that expenditures are not in compliance
20 with the law, the Department of Revenue shall withhold
21 State sales and utility tax increment payments to the
22 municipality until compliance has been reached, and an
23 amount equal to the ineligible expenditures has been
24 returned to the Special Tax Allocation Fund.

25 (6.1) After July 29, 1988 and before the effective date of
26 this amendatory Act of the 91st General Assembly, any funds

1 which have not been designated for use in a specific
2 development project in the annual report shall be designated as
3 surplus by municipalities with population of less than
4 1,000,000. No funds may be held in the Special Tax Allocation
5 Fund for more than 36 months from the date of receipt unless
6 the money is required for payment of contractual obligations
7 for specific development project costs. If held for more than
8 36 months in violation of the preceding sentence, such funds
9 shall be designated as surplus. Any funds designated as surplus
10 must first be used for early redemption of any bond
11 obligations. Any funds designated as surplus which are not
12 disposed of as otherwise provided in this paragraph, shall be
13 distributed as surplus as provided in Section 11-74.4-7. For
14 municipalities with a population greater than 1,000,000, when
15 such redevelopment projects costs, including without
16 limitation all municipal obligations financing redevelopment
17 project costs incurred under this Division, have been paid, all
18 surplus funds then remaining in the special tax allocation fund
19 shall be entirely used to pay costs of special education,
20 social service, and other costs of its public school district
21 as described in paragraph (12) of subsection (g) of Section
22 11-74.4-3.

23 (7) Any appropriation made pursuant to this Section for the
24 1987 State fiscal year shall not exceed the amount of \$7
25 million and for the 1988 State fiscal year the amount of \$10
26 million. The amount which shall be distributed to each

1 municipality shall be the incremental revenue to which each
2 municipality is entitled as calculated by the Department of
3 Revenue, unless the requests of the municipality exceed the
4 appropriation, then the amount to which each municipality shall
5 be entitled shall be prorated among the municipalities in the
6 same proportion as the increment to which the municipality
7 would be entitled bears to the total increment which all
8 municipalities would receive in the absence of this limitation,
9 provided that no municipality may receive an amount in excess
10 of 15% of the appropriation. For the 1987 Net State Sales Tax
11 Increment payable in Fiscal Year 1989, no municipality shall
12 receive more than 7.5% of the total appropriation; provided,
13 however, that any of the appropriation remaining after such
14 distribution shall be prorated among municipalities on the
15 basis of their pro rata share of the total increment. Beginning
16 on January 1, 1993, each municipality's proportional share of
17 the Illinois Tax Increment Fund shall be determined by adding
18 the annual Net State Sales Tax Increment and the annual Net
19 Utility Tax Increment to determine the Annual Total Increment.
20 The ratio of the Annual Total Increment of each municipality to
21 the Annual Total Increment for all municipalities, as most
22 recently calculated by the Department, shall determine the
23 proportional shares of the Illinois Tax Increment Fund to be
24 distributed to each municipality.

25 (7.1) No distribution of Net State Sales Tax Increment to a
26 municipality for an area within a State Sales Tax Boundary

1 shall exceed in any State Fiscal Year an amount equal to 3
2 times the sum of the Municipal Sales Tax Increment, the real
3 property tax increment and deposits of funds from other
4 sources, excluding state and federal funds, as certified by the
5 city treasurer to the Department of Revenue for an area within
6 a State Sales Tax Boundary. After July 29, 1988, for those
7 municipalities which issue bonds between June 1, 1988 and 3
8 years from July 29, 1988 to finance redevelopment projects
9 within the area in a State Sales Tax Boundary, the distribution
10 of Net State Sales Tax Increment during the 16th through 20th
11 years from the date of issuance of the bonds shall not exceed
12 in any State Fiscal Year an amount equal to 2 times the sum of
13 the Municipal Sales Tax Increment, the real property tax
14 increment and deposits of funds from other sources, excluding
15 State and federal funds.

16 (8) Any person who knowingly files or causes to be filed
17 false information for the purpose of increasing the amount of
18 any State tax incremental revenue commits a Class A
19 misdemeanor.

20 (9) The following procedures shall be followed to determine
21 whether municipalities have complied with the Act for the
22 purpose of receiving distributions after July 1, 1989 pursuant
23 to subsection (1) of this Section 11-74.4-8a.

24 (a) The Department of Revenue shall conduct a
25 preliminary review of the redevelopment project areas and
26 redevelopment plans pertaining to those municipalities

1 receiving payments from the State pursuant to subsection
2 (1) of Section 8a of this Act for the purpose of
3 determining compliance with the following standards:

4 (1) For any municipality with a population of more
5 than 12,000 as determined by the 1980 U.S. Census: (a)
6 the redevelopment project area, or in the case of a
7 municipality which has more than one redevelopment
8 project area, each such area, must be contiguous and
9 the total of all such areas shall not comprise more
10 than 25% of the area within the municipal boundaries
11 nor more than 20% of the equalized assessed value of
12 the municipality; (b) the aggregate amount of 1985
13 taxes in the redevelopment project area, or in the case
14 of a municipality which has more than one redevelopment
15 project area, the total of all such areas, shall be not
16 more than 25% of the total base year taxes paid by
17 retailers and servicemen on transactions at places of
18 business located within the municipality under the
19 Retailers' Occupation Tax Act, the Use Tax Act, the
20 Service Use Tax Act, and the Service Occupation Tax
21 Act. Redevelopment project areas created prior to 1986
22 are not subject to the above standards if their
23 boundaries were not amended in 1986.

24 (2) For any municipality with a population of
25 12,000 or less as determined by the 1980 U.S. Census:
26 (a) the redevelopment project area, or in the case of a

1 municipality which has more than one redevelopment
2 project area, each such area, must be contiguous and
3 the total of all such areas shall not comprise more
4 than 35% of the area within the municipal boundaries
5 nor more than 30% of the equalized assessed value of
6 the municipality; (b) the aggregate amount of 1985
7 taxes in the redevelopment project area, or in the case
8 of a municipality which has more than one redevelopment
9 project area, the total of all such areas, shall not be
10 more than 35% of the total base year taxes paid by
11 retailers and servicemen on transactions at places of
12 business located within the municipality under the
13 Retailers' Occupation Tax Act, the Use Tax Act, the
14 Service Use Tax Act, and the Service Occupation Tax
15 Act. Redevelopment project areas created prior to 1986
16 are not subject to the above standards if their
17 boundaries were not amended in 1986.

18 (3) Such preliminary review of the redevelopment
19 project areas applying the above standards shall be
20 completed by November 1, 1988, and on or before
21 November 1, 1988, the Department shall notify each
22 municipality by certified mail, return receipt
23 requested that either (1) the Department requires
24 additional time in which to complete its preliminary
25 review; or (2) the Department is issuing either (a) a
26 Certificate of Eligibility or (b) a Notice of Review.

1 If the Department notifies a municipality that it
2 requires additional time to complete its preliminary
3 investigation, it shall complete its preliminary
4 investigation no later than February 1, 1989, and by
5 February 1, 1989 shall issue to each municipality
6 either (a) a Certificate of Eligibility or (b) a Notice
7 of Review. A redevelopment project area for which a
8 Certificate of Eligibility has been issued shall be
9 deemed a "State Sales Tax Boundary."

10 (4) The Department of Revenue shall also issue a
11 Notice of Review if the Department has received a
12 request by November 1, 1988 to conduct such a review
13 from taxpayers in the municipality, local taxing
14 districts located in the municipality or the State of
15 Illinois, or if the redevelopment project area has more
16 than 5 retailers and has had growth in State sales tax
17 revenue of more than 15% from calendar year 1985 to
18 1986.

19 (b) For those municipalities receiving a Notice of
20 Review, the Department will conduct a secondary review
21 consisting of: (i) application of the above standards
22 contained in subsection (9)(a)(1)(a) and (b) or
23 (9)(a)(2)(a) and (b), and (ii) the definitions of blighted
24 and conservation area provided for in Section 11-74.4-3.
25 Such secondary review shall be completed by July 1, 1989.

26 Upon completion of the secondary review, the

1 Department will issue (a) a Certificate of Eligibility or
2 (b) a Preliminary Notice of Deficiency. Any municipality
3 receiving a Preliminary Notice of Deficiency may amend its
4 redevelopment project area to meet the standards and
5 definitions set forth in this paragraph (b). This amended
6 redevelopment project area shall become the "State Sales
7 Tax Boundary" for purposes of determining the State Sales
8 Tax Increment.

9 (c) If the municipality advises the Department of its
10 intent to comply with the requirements of paragraph (b) of
11 this subsection outlined in the Preliminary Notice of
12 Deficiency, within 120 days of receiving such notice from
13 the Department, the municipality shall submit
14 documentation to the Department of the actions it has taken
15 to cure any deficiencies. Thereafter, within 30 days of the
16 receipt of the documentation, the Department shall either
17 issue a Certificate of Eligibility or a Final Notice of
18 Deficiency. If the municipality fails to advise the
19 Department of its intent to comply or fails to submit
20 adequate documentation of such cure of deficiencies the
21 Department shall issue a Final Notice of Deficiency that
22 provides that the municipality is ineligible for payment of
23 the Net State Sales Tax Increment.

24 (d) If the Department issues a final determination of
25 ineligibility, the municipality shall have 30 days from the
26 receipt of determination to protest and request a hearing.

1 Such hearing shall be conducted in accordance with Sections
2 10-25, 10-35, 10-40, and 10-50 of the Illinois
3 Administrative Procedure Act. The decision following the
4 hearing shall be subject to review under the Administrative
5 Review Law.

6 (e) Any Certificate of Eligibility issued pursuant to
7 this subsection 9 shall be binding only on the State for
8 the purposes of establishing municipal eligibility to
9 receive revenue pursuant to subsection (1) of this Section
10 11-74.4-8a.

11 (f) It is the intent of this subsection that the
12 periods of time to cure deficiencies shall be in addition
13 to all other periods of time permitted by this Section,
14 regardless of the date by which plans were originally
15 required to be adopted. To cure said deficiencies, however,
16 the municipality shall be required to follow the procedures
17 and requirements pertaining to amendments, as provided in
18 Sections 11-74.4-5 and 11-74.4-6 of this Act.

19 (10) If a municipality adopts a State Sales Tax Boundary in
20 accordance with the provisions of subsection (9) of this
21 Section, such boundaries shall subsequently be utilized to
22 determine Revised Initial Sales Tax Amounts and the Net State
23 Sales Tax Increment; provided, however, that such revised State
24 Sales Tax Boundary shall not have any effect upon the boundary
25 of the redevelopment project area established for the purposes
26 of determining the ad valorem taxes on real property pursuant

1 to Sections 11-74.4-7 and 11-74.4-8 of this Act nor upon the
2 municipality's authority to implement the redevelopment plan
3 for that redevelopment project area. For any redevelopment
4 project area with a smaller State Sales Tax Boundary within its
5 area, the municipality may annually elect to deposit the
6 Municipal Sales Tax Increment for the redevelopment project
7 area in the special tax allocation fund and shall certify the
8 amount to the Department prior to receipt of the Net State
9 Sales Tax Increment. Any municipality required by subsection
10 (9) to establish a State Sales Tax Boundary for one or more of
11 its redevelopment project areas shall submit all necessary
12 information required by the Department concerning such
13 boundary and the retailers therein, by October 1, 1989, after
14 complying with the procedures for amendment set forth in
15 Sections 11-74.4-5 and 11-74.4-6 of this Act. Net State Sales
16 Tax Increment produced within the State Sales Tax Boundary
17 shall be spent only within that area. However expenditures of
18 all municipal property tax increment and municipal sales tax
19 increment in a redevelopment project area are not required to
20 be spent within the smaller State Sales Tax Boundary within
21 such redevelopment project area.

22 (11) The Department of Revenue shall have the authority to
23 issue rules and regulations for purposes of this Section. ~~and~~
24 ~~regulations for purposes of this Section.~~

25 (12) If, under Section 5.4.1 of the Illinois Enterprise
26 Zone Act, a municipality determines that property that lies

1 within a State Sales Tax Boundary has an improvement,
2 rehabilitation, or renovation that is entitled to a property
3 tax abatement, then that property along with any improvements,
4 rehabilitation, or renovations shall be immediately removed
5 from any State Sales Tax Boundary. The municipality that made
6 the determination shall notify the Department of Revenue within
7 30 days after the determination. Once a property is removed
8 from the State Sales Tax Boundary because of the existence of a
9 property tax abatement resulting from an enterprise zone, then
10 that property shall not be permitted to be amended into a State
11 Sales Tax Boundary.

12 (Source: P.A. 94-793, eff. 5-19-06; revised 9-21-16.)