

HB2701



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2701

by Rep. Robert Martwick

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-3

from Ch. 24, par. 11-74.4-3

Amends the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code. Provides that in order to use a decline in the total equalized assessed value of the proposed redevelopment project area for 3 of the last 5 calendar years as a factor in designating an area "blighted", the municipality must rely on appraisal evidence to show the proposed redevelopment project area's equalized assessed value has declined if the properties within the redevelopment project area had been utilized using the properties' highest and best use during the relevant period. Effective immediately.

LRB101 10353 AWJ 55459 b

A BILL FOR

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by
5 changing Section 11-74.4-3 as follows:

6 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

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

11 (a) For any redevelopment project area that has been
12 designated pursuant to this Section by an ordinance adopted
13 prior to November 1, 1999 (the effective date of Public Act
14 91-478), "blighted area" shall have the meaning set forth in
15 this Section prior to that date.

16 On and after November 1, 1999, "blighted area" means any
17 improved or vacant area within the boundaries of a
18 redevelopment project area located within the territorial
19 limits of the municipality where:

20 (1) If improved, industrial, commercial, and
21 residential buildings or improvements are detrimental to
22 the public safety, health, or welfare because of a
23 combination of 5 or more of the following factors, each of

1 which is (i) present, with that presence documented, to a
2 meaningful extent so that a municipality may reasonably
3 find that the factor is clearly present within the intent
4 of the Act and (ii) reasonably distributed throughout the
5 improved part of the redevelopment project area:

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

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

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

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

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

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

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

1 preventing ingress and egress to and from all rooms and
2 units within a building.

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

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

1 of fire due to the close proximity of buildings, lack
2 of adequate or proper access to a public right-of-way,
3 lack of reasonably required off-street parking, or
4 inadequate provision for loading and service.

5 (J) Deleterious land use or layout. The existence
6 of incompatible land-use relationships, buildings
7 occupied by inappropriate mixed-uses, or uses
8 considered to be noxious, offensive, or unsuitable for
9 the surrounding area.

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

22 (L) Lack of community planning. The proposed
23 redevelopment project area was developed prior to or
24 without the benefit or guidance of a community plan.
25 This means that the development occurred prior to the
26 adoption by the municipality of a comprehensive or

1 other community plan or that the plan was not followed
2 at the time of the area's development. This factor must
3 be documented by evidence of adverse or incompatible
4 land-use relationships, inadequate street layout,
5 improper subdivision, parcels of inadequate shape and
6 size to meet contemporary development standards, or
7 other evidence demonstrating an absence of effective
8 community planning.

9 (M) The total equalized assessed value of the
10 proposed redevelopment project area has declined for 3
11 of the last 5 calendar years prior to the year in which
12 the redevelopment project area is designated or is
13 increasing at an annual rate that is less than the
14 balance of the municipality for 3 of the last 5
15 calendar years for which information is available or is
16 increasing at an annual rate that is less than the
17 Consumer Price Index for All Urban Consumers published
18 by the United States Department of Labor or successor
19 agency for 3 of the last 5 calendar years prior to the
20 year in which the redevelopment project area is
21 designated. On and after the effective date of this
22 amendatory Act of the 101st General Assembly, if this
23 item (M) is used as a factor, the municipality must
24 rely on appraisal evidence showing that the proposed
25 redevelopment project area's equalized assessed value
26 has declined for 3 of the last 5 calendar years if the

1 properties within the redevelopment project area had
2 been utilized using the properties' highest and best
3 use during the relevant period.

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

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

22 (B) Diversity of ownership of parcels of vacant
23 land sufficient in number to retard or impede the
24 ability to assemble the land for development.

25 (C) Tax and special assessment delinquencies exist
26 or the property has been the subject of tax sales under

1 the Property Tax Code within the last 5 years.

2 (D) Deterioration of structures or site
3 improvements in neighboring areas adjacent to the
4 vacant land.

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

16 (F) The total equalized assessed value of the
17 proposed redevelopment project area has declined for 3
18 of the last 5 calendar years prior to the year in which
19 the redevelopment project area is designated or is
20 increasing at an annual rate that is less than the
21 balance of the municipality for 3 of the last 5
22 calendar years for which information is available or is
23 increasing at an annual rate that is less than the
24 Consumer Price Index for All Urban Consumers published
25 by the United States Department of Labor or successor
26 agency for 3 of the last 5 calendar years prior to the

1 year in which the redevelopment project area is
2 designated. On and after the effective date of this
3 amendatory Act of the 101st General Assembly, if this
4 item (F) is used as a factor, the municipality must
5 rely on appraisal evidence showing that the proposed
6 redevelopment project area's equalized assessed value
7 has declined for 3 of the last 5 calendar years if the
8 properties within the redevelopment project area had
9 been utilized using the properties' highest and best
10 use during the relevant period.

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

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

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

23 (C) The area, prior to its designation, is subject
24 to (i) chronic flooding that adversely impacts on real
25 property in the area as certified by a registered
26 professional engineer or appropriate regulatory agency

1 or (ii) surface water that discharges from all or a
2 part of the area and contributes to flooding within the
3 same watershed, but only if the redevelopment project
4 provides for facilities or improvements to contribute
5 to the alleviation of all or part of the flooding.

6 (D) The area consists of an unused or illegal
7 disposal site containing earth, stone, building
8 debris, or similar materials that were removed from
9 construction, demolition, excavation, or dredge sites.

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

21 (F) The area qualified as a blighted improved area
22 immediately prior to becoming vacant, unless there has
23 been substantial private investment in the immediately
24 surrounding area.

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

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

4 On and after November 1, 1999, "conservation area" means
5 any improved area within the boundaries of a redevelopment
6 project area located within the territorial limits of the
7 municipality in which 50% or more of the structures in the area
8 have an age of 35 years or more. Such an area is not yet a
9 blighted area but because of a combination of 3 or more of the
10 following factors is detrimental to the public safety, health,
11 morals or welfare and such an area may become a blighted area:

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

19 (2) Obsolescence. The condition or process of falling
20 into disuse. Structures have become ill-suited for the
21 original use.

22 (3) Deterioration. With respect to buildings, defects
23 including, but not limited to, major defects in the
24 secondary building components such as doors, windows,
25 porches, gutters and downspouts, and fascia. With respect
26 to surface improvements, that the condition of roadways,

1 alleys, curbs, gutters, sidewalks, off-street parking, and
2 surface storage areas evidence deterioration, including,
3 but not limited to, surface cracking, crumbling, potholes,
4 depressions, loose paving material, and weeds protruding
5 through paved surfaces.

6 (4) Presence of structures below minimum code
7 standards. All structures that do not meet the standards of
8 zoning, subdivision, building, fire, and other
9 governmental codes applicable to property, but not
10 including housing and property maintenance codes.

11 (5) Illegal use of individual structures. The use of
12 structures in violation of applicable federal, State, or
13 local laws, exclusive of those applicable to the presence
14 of structures below minimum code standards.

15 (6) Excessive vacancies. The presence of buildings
16 that are unoccupied or under-utilized and that represent an
17 adverse influence on the area because of the frequency,
18 extent, or duration of the vacancies.

19 (7) Lack of ventilation, light, or sanitary
20 facilities. The absence of adequate ventilation for light
21 or air circulation in spaces or rooms without windows, or
22 that require the removal of dust, odor, gas, smoke, or
23 other noxious airborne materials. Inadequate natural light
24 and ventilation means the absence or inadequacy of
25 skylights or windows for interior spaces or rooms and
26 improper window sizes and amounts by room area to window

1 area ratios. Inadequate sanitary facilities refers to the
2 absence or inadequacy of garbage storage and enclosure,
3 bathroom facilities, hot water and kitchens, and
4 structural inadequacies preventing ingress and egress to
5 and from all rooms and units within a building.

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

14 (9) Excessive land coverage and overcrowding of
15 structures and community facilities. The over-intensive
16 use of property and the crowding of buildings and accessory
17 facilities onto a site. Examples of problem conditions
18 warranting the designation of an area as one exhibiting
19 excessive land coverage are: the presence of buildings
20 either improperly situated on parcels or located on parcels
21 of inadequate size and shape in relation to present-day
22 standards of development for health and safety and the
23 presence of multiple buildings on a single parcel. For
24 there to be a finding of excessive land coverage, these
25 parcels must exhibit one or more of the following
26 conditions: insufficient provision for light and air

1 within or around buildings, increased threat of spread of
2 fire due to the close proximity of buildings, lack of
3 adequate or proper access to a public right-of-way, lack of
4 reasonably required off-street parking, or inadequate
5 provision for loading and service.

6 (10) Deleterious land use or layout. The existence of
7 incompatible land-use relationships, buildings occupied by
8 inappropriate mixed-uses, or uses considered to be
9 noxious, offensive, or unsuitable for the surrounding
10 area.

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

23 (12) The area has incurred Illinois Environmental
24 Protection Agency or United States Environmental
25 Protection Agency remediation costs for, or a study
26 conducted by an independent consultant recognized as

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

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

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

1 (d) "Industrial park conservation area" means an area
2 within the boundaries of a redevelopment project area located
3 within the territorial limits of a municipality that is a labor
4 surplus municipality or within 1 1/2 miles of the territorial
5 limits of a municipality that is a labor surplus municipality
6 if the area is annexed to the municipality; which area is zoned
7 as industrial no later than at the time the municipality by
8 ordinance designates the redevelopment project area, and which
9 area includes both vacant land suitable for use as an
10 industrial park and a blighted area or conservation area
11 contiguous to such vacant land.

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

25 (f) "Municipality" shall mean a city, village,
26 incorporated town, or a township that is located in the

1 unincorporated portion of a county with 3 million or more
2 inhabitants, if the county adopted an ordinance that approved
3 the township's redevelopment plan.

4 (g) "Initial Sales Tax Amounts" means the amount of taxes
5 paid under the Retailers' Occupation Tax Act, Use Tax Act,
6 Service Use Tax Act, the Service Occupation Tax Act, the
7 Municipal Retailers' Occupation Tax Act, and the Municipal
8 Service Occupation Tax Act by retailers and servicemen on
9 transactions at places located in a State Sales Tax Boundary
10 during the calendar year 1985.

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

18 (h) "Municipal Sales Tax Increment" means an amount equal
19 to the increase in the aggregate amount of taxes paid to a
20 municipality from the Local Government Tax Fund arising from
21 sales by retailers and servicemen within the redevelopment
22 project area or State Sales Tax Boundary, as the case may be,
23 for as long as the redevelopment project area or State Sales
24 Tax Boundary, as the case may be, exist over and above the
25 aggregate amount of taxes as certified by the Illinois
26 Department of Revenue and paid under the Municipal Retailers'

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

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

23 (i) "Net State Sales Tax Increment" means the sum of the
24 following: (a) 80% of the first \$100,000 of State Sales Tax
25 Increment annually generated within a State Sales Tax Boundary;
26 (b) 60% of the amount in excess of \$100,000 but not exceeding

1 \$500,000 of State Sales Tax Increment annually generated within
2 a State Sales Tax Boundary; and (c) 40% of all amounts in
3 excess of \$500,000 of State Sales Tax Increment annually
4 generated within a State Sales Tax Boundary. If, however, a
5 municipality established a tax increment financing district in
6 a county with a population in excess of 3,000,000 before
7 January 1, 1986, and the municipality entered into a contract
8 or issued bonds after January 1, 1986, but before December 31,
9 1986, to finance redevelopment project costs within a State
10 Sales Tax Boundary, then the Net State Sales Tax Increment
11 means, for the fiscal years beginning July 1, 1990, and July 1,
12 1991, 100% of the State Sales Tax Increment annually generated
13 within a State Sales Tax Boundary; and notwithstanding any
14 other provision of this Act, for those fiscal years the
15 Department of Revenue shall distribute to those municipalities
16 100% of their Net State Sales Tax Increment before any
17 distribution to any other municipality and regardless of
18 whether or not those other municipalities will receive 100% of
19 their Net State Sales Tax Increment. For Fiscal Year 1999, and
20 every year thereafter until the year 2007, for any municipality
21 that has not entered into a contract or has not issued bonds
22 prior to June 1, 1988 to finance redevelopment project costs
23 within a State Sales Tax Boundary, the Net State Sales Tax
24 Increment shall be calculated as follows: By multiplying the
25 Net State Sales Tax Increment by 90% in the State Fiscal Year
26 1999; 80% in the State Fiscal Year 2000; 70% in the State

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

6 Municipalities that issued bonds in connection with a
7 redevelopment project in a redevelopment project area within
8 the State Sales Tax Boundary prior to July 29, 1991, or that
9 entered into contracts in connection with a redevelopment
10 project in a redevelopment project area before June 1, 1988,
11 shall continue to receive their proportional share of the
12 Illinois Tax Increment Fund distribution until the date on
13 which the redevelopment project is completed or terminated. If,
14 however, a municipality that issued bonds in connection with a
15 redevelopment project in a redevelopment project area within
16 the State Sales Tax Boundary prior to July 29, 1991 retires the
17 bonds prior to June 30, 2007 or a municipality that entered
18 into contracts in connection with a redevelopment project in a
19 redevelopment project area before June 1, 1988 completes the
20 contracts prior to June 30, 2007, then so long as the
21 redevelopment project is not completed or is not terminated,
22 the Net State Sales Tax Increment shall be calculated,
23 beginning on the date on which the bonds are retired or the
24 contracts are completed, as follows: By multiplying the Net
25 State Sales Tax Increment by 60% in the State Fiscal Year 2002;
26 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year

1 2004; 30% in the State Fiscal Year 2005; 20% in the State
2 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No
3 payment shall be made for State Fiscal Year 2008 and
4 thereafter. Refunding of any bonds issued prior to July 29,
5 1991, shall not alter the Net State Sales Tax Increment.

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

18 (k) "Net State Utility Tax Increment" means the sum of the
19 following: (a) 80% of the first \$100,000 of State Utility Tax
20 Increment annually generated by a redevelopment project area;
21 (b) 60% of the amount in excess of \$100,000 but not exceeding
22 \$500,000 of the State Utility Tax Increment annually generated
23 by a redevelopment project area; and (c) 40% of all amounts in
24 excess of \$500,000 of State Utility Tax Increment annually
25 generated by a redevelopment project area. For the State Fiscal
26 Year 1999, and every year thereafter until the year 2007, for

1 any municipality that has not entered into a contract or has
2 not issued bonds prior to June 1, 1988 to finance redevelopment
3 project costs within a redevelopment project area, the Net
4 State Utility Tax Increment shall be calculated as follows: By
5 multiplying the Net State Utility Tax Increment by 90% in the
6 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%
7 in the State Fiscal Year 2001; 60% in the State Fiscal Year
8 2002; 50% in the State Fiscal Year 2003; 40% in the State
9 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the
10 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.
11 No payment shall be made for the State Fiscal Year 2008 and
12 thereafter.

13 Municipalities that issue bonds in connection with the
14 redevelopment project during the period from June 1, 1988 until
15 3 years after the effective date of this Amendatory Act of 1988
16 shall receive the Net State Utility Tax Increment, subject to
17 appropriation, for 15 State Fiscal Years after the issuance of
18 such bonds. For the 16th through the 20th State Fiscal Years
19 after issuance of the bonds, the Net State Utility Tax
20 Increment shall be calculated as follows: By multiplying the
21 Net State Utility Tax Increment by 90% in year 16; 80% in year
22 17; 70% in year 18; 60% in year 19; and 50% in year 20.
23 Refunding of any bonds issued prior to June 1, 1988, shall not
24 alter the revised Net State Utility Tax Increment payments set
25 forth above.

26 (1) "Obligations" mean bonds, loans, debentures, notes,

1 special certificates or other evidence of indebtedness issued
2 by the municipality to carry out a redevelopment project or to
3 refund outstanding obligations.

4 (m) "Payment in lieu of taxes" means those estimated tax
5 revenues from real property in a redevelopment project area
6 derived from real property that has been acquired by a
7 municipality which according to the redevelopment project or
8 plan is to be used for a private use which taxing districts
9 would have received had a municipality not acquired the real
10 property and adopted tax increment allocation financing and
11 which would result from levies made after the time of the
12 adoption of tax increment allocation financing to the time the
13 current equalized value of real property in the redevelopment
14 project area exceeds the total initial equalized value of real
15 property in said area.

16 (n) "Redevelopment plan" means the comprehensive program
17 of the municipality for development or redevelopment intended
18 by the payment of redevelopment project costs to reduce or
19 eliminate those conditions the existence of which qualified the
20 redevelopment project area as a "blighted area" or
21 "conservation area" or combination thereof or "industrial park
22 conservation area," and thereby to enhance the tax bases of the
23 taxing districts which extend into the redevelopment project
24 area, provided that, with respect to redevelopment project
25 areas described in subsections (p-1) and (p-2), "redemption
26 plan" means the comprehensive program of the affected

1 municipality for the development of qualifying transit
2 facilities. On and after November 1, 1999 (the effective date
3 of Public Act 91-478), no redevelopment plan may be approved or
4 amended that includes the development of vacant land (i) with a
5 golf course and related clubhouse and other facilities or (ii)
6 designated by federal, State, county, or municipal government
7 as public land for outdoor recreational activities or for
8 nature preserves and used for that purpose within 5 years prior
9 to the adoption of the redevelopment plan. For the purpose of
10 this subsection, "recreational activities" is limited to mean
11 camping and hunting. Each redevelopment plan shall set forth in
12 writing the program to be undertaken to accomplish the
13 objectives and shall include but not be limited to:

14 (A) an itemized list of estimated redevelopment
15 project costs;

16 (B) evidence indicating that the redevelopment project
17 area on the whole has not been subject to growth and
18 development through investment by private enterprise,
19 provided that such evidence shall not be required for any
20 redevelopment project area located within a transit
21 facility improvement area established pursuant to Section
22 11-74.4-3.3;

23 (C) an assessment of any financial impact of the
24 redevelopment project area on or any increased demand for
25 services from any taxing district affected by the plan and
26 any program to address such financial impact or increased

1 demand;

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

3 (E) the nature and term of the obligations to be
4 issued;

5 (F) the most recent equalized assessed valuation of the
6 redevelopment project area;

7 (G) an estimate as to the equalized assessed valuation
8 after redevelopment and the general land uses to apply in
9 the redevelopment project area;

10 (H) a commitment to fair employment practices and an
11 affirmative action plan;

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

19 (J) if property is to be annexed to the municipality,
20 the plan shall include the terms of the annexation
21 agreement.

22 The provisions of items (B) and (C) of this subsection (n)
23 shall not apply to a municipality that before March 14, 1994
24 (the effective date of Public Act 88-537) had fixed, either by
25 its corporate authorities or by a commission designated under
26 subsection (k) of Section 11-74.4-4, a time and place for a

1 public hearing as required by subsection (a) of Section
2 11-74.4-5. No redevelopment plan shall be adopted unless a
3 municipality complies with all of the following requirements:

4 (1) The municipality finds that the redevelopment
5 project area on the whole has not been subject to growth
6 and development through investment by private enterprise
7 and would not reasonably be anticipated to be developed
8 without the adoption of the redevelopment plan, provided,
9 however, that such a finding shall not be required with
10 respect to any redevelopment project area located within a
11 transit facility improvement area established pursuant to
12 Section 11-74.4-3.3.

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

24 (3) The redevelopment plan establishes the estimated
25 dates of completion of the redevelopment project and
26 retirement of obligations issued to finance redevelopment

1 project costs. Those dates may not be later than the dates
2 set forth under Section 11-74.4-3.5.

3 A municipality may by municipal ordinance amend an
4 existing redevelopment plan to conform to this paragraph
5 (3) as amended by Public Act 91-478, which municipal
6 ordinance may be adopted without further hearing or notice
7 and without complying with the procedures provided in this
8 Act pertaining to an amendment to or the initial approval
9 of a redevelopment plan and project and designation of a
10 redevelopment project area.

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

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

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

19 Part I of the housing impact study shall include (i)
20 data as to whether the residential units are single family
21 or multi-family units, (ii) the number and type of rooms
22 within the units, if that information is available, (iii)
23 whether the units are inhabited or uninhabited, as
24 determined not less than 45 days before the date that the
25 ordinance or resolution required by subsection (a) of
26 Section 11-74.4-5 is passed, and (iv) data as to the racial

1 and ethnic composition of the residents in the inhabited
2 residential units. The data requirement as to the racial
3 and ethnic composition of the residents in the inhabited
4 residential units shall be deemed to be fully satisfied by
5 data from the most recent federal census.

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

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

22 (7) On and after November 1, 1999, no redevelopment
23 plan shall be adopted, nor an existing plan amended, nor
24 shall residential housing that is occupied by households of
25 low-income and very low-income persons in currently
26 existing redevelopment project areas be removed after

1 November 1, 1999 unless the redevelopment plan provides,
2 with respect to inhabited housing units that are to be
3 removed for households of low-income and very low-income
4 persons, affordable housing and relocation assistance not
5 less than that which would be provided under the federal
6 Uniform Relocation Assistance and Real Property
7 Acquisition Policies Act of 1970 and the regulations under
8 that Act, including the eligibility criteria. Affordable
9 housing may be either existing or newly constructed
10 housing. For purposes of this paragraph (7), "low-income
11 households", "very low-income households", and "affordable
12 housing" have the meanings set forth in the Illinois
13 Affordable Housing Act. The municipality shall make a good
14 faith effort to ensure that this affordable housing is
15 located in or near the redevelopment project area within
16 the municipality.

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

24 (9) For redevelopment project areas designated prior
25 to November 1, 1999, the redevelopment plan may be amended
26 without further joint review board meeting or hearing,

1 provided that the municipality shall give notice of any
2 such changes by mail to each affected taxing district and
3 registrant on the interested party registry, to authorize
4 the municipality to expend tax increment revenues for
5 redevelopment project costs defined by paragraphs (5) and
6 (7.5), subparagraphs (E) and (F) of paragraph (11), and
7 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so
8 long as the changes do not increase the total estimated
9 redevelopment project costs set out in the redevelopment
10 plan by more than 5% after adjustment for inflation from
11 the date the plan was adopted.

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

24 (p) "Redevelopment project area" means an area designated
25 by the municipality, which is not less in the aggregate than 1
26 1/2 acres and in respect to which the municipality has made a

1 finding that there exist conditions which cause the area to be
2 classified as an industrial park conservation area or a
3 blighted area or a conservation area, or a combination of both
4 blighted areas and conservation areas.

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

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

24 (q) "Redevelopment project costs", except for
25 redevelopment project areas created pursuant to subsection
26 (p-1) or (p-2), means and includes the sum total of all

1 reasonable or necessary costs incurred or estimated to be
2 incurred, and any such costs incidental to a redevelopment plan
3 and a redevelopment project. Such costs include, without
4 limitation, the following:

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

1 performed, or will be performing, service for the
2 municipality. This requirement shall be satisfied by the
3 consultant or advisor before the commencement of services
4 for the municipality and thereafter whenever any other
5 contracts with those individuals or entities are executed
6 by the consultant or advisor;

7 (1.5) After July 1, 1999, annual administrative costs
8 shall not include general overhead or administrative costs
9 of the municipality that would still have been incurred by
10 the municipality if the municipality had not designated a
11 redevelopment project area or approved a redevelopment
12 plan;

13 (1.6) The cost of marketing sites within the
14 redevelopment project area to prospective businesses,
15 developers, and investors;

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

24 (3) Costs of rehabilitation, reconstruction or repair
25 or remodeling of existing public or private buildings,
26 fixtures, and leasehold improvements; and the cost of

1 replacing an existing public building if pursuant to the
2 implementation of a redevelopment project the existing
3 public building is to be demolished to use the site for
4 private investment or devoted to a different use requiring
5 private investment; 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;

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

1 the basis for that determination, that the new municipal
2 building is required to meet an increase in the need for
3 public safety purposes anticipated to result from the
4 implementation of the redevelopment plan, or (iii) the new
5 municipal public building is for the storage, maintenance,
6 or repair of transit vehicles and is located in a transit
7 facility improvement area that has been established
8 pursuant to Section 11-74.4-3.3;

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

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

21 (7) To the extent the municipality by written agreement
22 accepts and approves the same, all or a portion of a taxing
23 district's capital costs resulting from the redevelopment
24 project necessarily incurred or to be incurred within a
25 taxing district in furtherance of the objectives of the
26 redevelopment plan and project;

1 (7.5) For redevelopment project areas designated (or
2 redevelopment project areas amended to add or increase the
3 number of tax-increment-financing assisted housing units)
4 on or after November 1, 1999, an elementary, secondary, or
5 unit school district's increased costs attributable to
6 assisted housing units located within the redevelopment
7 project area for which the developer or redeveloper
8 receives financial assistance through an agreement with
9 the municipality or because the municipality incurs the
10 cost of necessary infrastructure improvements within the
11 boundaries of the assisted housing sites necessary for the
12 completion of that housing as authorized by this Act, and
13 which costs shall be paid by the municipality from the
14 Special Tax Allocation Fund when the tax increment revenue
15 is received as a result of the assisted housing units and
16 shall be calculated annually as follows:

17 (A) for foundation districts, excluding any school
18 district in a municipality with a population in excess
19 of 1,000,000, by multiplying the district's increase
20 in attendance resulting from the net increase in new
21 students enrolled in that school district who reside in
22 housing units within the redevelopment project area
23 that have received financial assistance through an
24 agreement with the municipality or because the
25 municipality incurs the cost of necessary
26 infrastructure improvements within the boundaries of

1 the housing sites necessary for the completion of that
2 housing as authorized by this Act since the designation
3 of the redevelopment project area by the most recently
4 available per capita tuition cost as defined in Section
5 10-20.12a of the School Code less any increase in
6 general State aid as defined in Section 18-8.05 of the
7 School Code or evidence-based funding as defined in
8 Section 18-8.15 of the School Code attributable to
9 these added new students subject to the following
10 annual limitations:

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

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

23 (iii) for secondary school districts with a
24 district average 1995-96 Per Capita Tuition Charge
25 of less than \$5,900, no more than 8% of the total
26 amount of property tax increment revenue produced

1 by those housing units that have received tax
2 increment finance assistance under this Act.

3 (B) For alternate method districts, flat grant
4 districts, and foundation districts with a district
5 average 1995-96 Per Capita Tuition Charge equal to or
6 more than \$5,900, excluding any school district with a
7 population in excess of 1,000,000, by multiplying the
8 district's increase in attendance resulting from the
9 net increase in new students enrolled in that school
10 district who reside in housing units within the
11 redevelopment project area that have received
12 financial assistance through an agreement with the
13 municipality or because the municipality incurs the
14 cost of necessary infrastructure improvements within
15 the boundaries of the housing sites necessary for the
16 completion of that housing as authorized by this Act
17 since the designation of the redevelopment project
18 area by the most recently available per capita tuition
19 cost as defined in Section 10-20.12a of the School Code
20 less any increase in general state aid as defined in
21 Section 18-8.05 of the School Code or evidence-based
22 funding as defined in Section 18-8.15 of the School
23 Code attributable to these added new students subject
24 to the following annual limitations:

25 (i) for unit school districts, no more than 40%
26 of the total amount of property tax increment

1 revenue produced by those housing units that have
2 received tax increment finance assistance under
3 this Act;

4 (ii) for elementary school districts, no more
5 than 27% of the total amount of property tax
6 increment revenue produced by those housing units
7 that have received tax increment finance
8 assistance under this Act; and

9 (iii) for secondary school districts, no more
10 than 13% of the total amount of property tax
11 increment revenue produced by those housing units
12 that have received tax increment finance
13 assistance under this Act.

14 (C) For any school district in a municipality with
15 a population in excess of 1,000,000, the following
16 restrictions shall apply to the reimbursement of
17 increased costs under this paragraph (7.5):

18 (i) no increased costs shall be reimbursed
19 unless the school district certifies that each of
20 the schools affected by the assisted housing
21 project is at or over its student capacity;

22 (ii) the amount reimbursable shall be reduced
23 by the value of any land donated to the school
24 district by the municipality or developer, and by
25 the value of any physical improvements made to the
26 schools by the municipality or developer; and

1 (iii) the amount reimbursed may not affect
2 amounts otherwise obligated by the terms of any
3 bonds, notes, or other funding instruments, or the
4 terms of any redevelopment agreement.

5 Any school district seeking payment under this
6 paragraph (7.5) shall, after July 1 and before
7 September 30 of each year, provide the municipality
8 with reasonable evidence to support its claim for
9 reimbursement before the municipality shall be
10 required to approve or make the payment to the school
11 district. If the school district fails to provide the
12 information during this period in any year, it shall
13 forfeit any claim to reimbursement for that year.
14 School districts may adopt a resolution waiving the
15 right to all or a portion of the reimbursement
16 otherwise required by this paragraph (7.5). By
17 acceptance of this reimbursement the school district
18 waives the right to directly or indirectly set aside,
19 modify, or contest in any manner the establishment of
20 the redevelopment project area or projects;

21 (7.7) For redevelopment project areas designated (or
22 redevelopment project areas amended to add or increase the
23 number of tax-increment-financing assisted housing units)
24 on or after January 1, 2005 (the effective date of Public
25 Act 93-961), a public library district's increased costs
26 attributable to assisted housing units located within the

1 redevelopment project area for which the developer or
2 redeveloper receives financial assistance through an
3 agreement with the municipality or because the
4 municipality incurs the cost of necessary infrastructure
5 improvements within the boundaries of the assisted housing
6 sites necessary for the completion of that housing as
7 authorized by this Act shall be paid to the library
8 district by the municipality from the Special Tax
9 Allocation Fund when the tax increment revenue is received
10 as a result of the assisted housing units. This paragraph
11 (7.7) applies only if (i) the library district is located
12 in a county that is subject to the Property Tax Extension
13 Limitation Law or (ii) the library district is not located
14 in a county that is subject to the Property Tax Extension
15 Limitation Law but the district is prohibited by any other
16 law from increasing its tax levy rate without a prior voter
17 referendum.

18 The amount paid to a library district under this
19 paragraph (7.7) shall be calculated by multiplying (i) the
20 net increase in the number of persons eligible to obtain a
21 library card in that district who reside in housing units
22 within the redevelopment project area that have received
23 financial assistance through an agreement with the
24 municipality or because the municipality incurs the cost of
25 necessary infrastructure improvements within the
26 boundaries of the housing sites necessary for the

1 completion of that housing as authorized by this Act since
2 the designation of the redevelopment project area by (ii)
3 the per-patron cost of providing library services so long
4 as it does not exceed \$120. The per-patron cost shall be
5 the Total Operating Expenditures Per Capita for the library
6 in the previous fiscal year. The municipality may deduct
7 from the amount that it must pay to a library district
8 under this paragraph any amount that it has voluntarily
9 paid to the library district from the tax increment
10 revenue. The amount paid to a library district under this
11 paragraph (7.7) shall be no more than 2% of the amount
12 produced by the assisted housing units and deposited into
13 the Special Tax Allocation Fund.

14 A library district is not eligible for any payment
15 under this paragraph (7.7) unless the library district has
16 experienced an increase in the number of patrons from the
17 municipality that created the tax-increment-financing
18 district since the designation of the redevelopment
19 project area.

20 Any library district seeking payment under this
21 paragraph (7.7) shall, after July 1 and before September 30
22 of each year, provide the municipality with convincing
23 evidence to support its claim for reimbursement before the
24 municipality shall be required to approve or make the
25 payment to the library district. If the library district
26 fails to provide the information during this period in any

1 year, it shall forfeit any claim to reimbursement for that
2 year. Library districts may adopt a resolution waiving the
3 right to all or a portion of the reimbursement otherwise
4 required by this paragraph (7.7). By acceptance of such
5 reimbursement, the library district shall forfeit any
6 right to directly or indirectly set aside, modify, or
7 contest in any manner whatsoever the establishment of the
8 redevelopment project area or projects;

9 (8) Relocation costs to the extent that a municipality
10 determines that relocation costs shall be paid or is
11 required to make payment of relocation costs by federal or
12 State law or in order to satisfy subparagraph (7) of
13 subsection (n);

14 (9) Payment in lieu of taxes;

15 (10) Costs of job training, retraining, advanced
16 vocational education or career education, including but
17 not limited to courses in occupational, semi-technical or
18 technical fields leading directly to employment, incurred
19 by one or more taxing districts, provided that such costs
20 (i) are related to the establishment and maintenance of
21 additional job training, advanced vocational education or
22 career education programs for persons employed or to be
23 employed by employers located in a redevelopment project
24 area; and (ii) when incurred by a taxing district or taxing
25 districts other than the municipality, are set forth in a
26 written agreement by or among the municipality and the

1 taxing district or taxing districts, which agreement
2 describes the program to be undertaken, including but not
3 limited to the number of employees to be trained, a
4 description of the training and services to be provided,
5 the number and type of positions available or to be
6 available, itemized costs of the program and sources of
7 funds to pay for the same, and the term of the agreement.
8 Such costs include, specifically, the payment by community
9 college districts of costs pursuant to Sections 3-37, 3-38,
10 3-40 and 3-40.1 of the Public Community College Act and by
11 school districts of costs pursuant to Sections 10-22.20a
12 and 10-23.3a of the School Code;

13 (11) Interest cost incurred by a redeveloper related to
14 the construction, renovation or rehabilitation of a
15 redevelopment project provided that:

16 (A) such costs are to be paid directly from the
17 special tax allocation fund established pursuant to
18 this Act;

19 (B) such payments in any one year may not exceed
20 30% of the annual interest costs incurred by the
21 redeveloper with regard to the redevelopment project
22 during that year;

23 (C) if there are not sufficient funds available in
24 the special tax allocation fund to make the payment
25 pursuant to this paragraph (11) then the amounts so due
26 shall accrue and be payable when sufficient funds are

1 available in the special tax allocation fund;

2 (D) the total of such interest payments paid
3 pursuant to this Act may not exceed 30% of the total
4 (i) cost paid or incurred by the redeveloper for the
5 redevelopment project plus (ii) redevelopment project
6 costs excluding any property assembly costs and any
7 relocation costs incurred by a municipality pursuant
8 to this Act;

9 (E) the cost limits set forth in subparagraphs (B)
10 and (D) of paragraph (11) shall be modified for the
11 financing of rehabilitated or new housing units for
12 low-income households and very low-income households,
13 as defined in Section 3 of the Illinois Affordable
14 Housing Act. The percentage of 75% shall be substituted
15 for 30% in subparagraphs (B) and (D) of paragraph (11);
16 and

17 (F) instead of the eligible costs provided by
18 subparagraphs (B) and (D) of paragraph (11), as
19 modified by this subparagraph, and notwithstanding any
20 other provisions of this Act to the contrary, the
21 municipality may pay from tax increment revenues up to
22 50% of the cost of construction of new housing units to
23 be occupied by low-income households and very
24 low-income households as defined in Section 3 of the
25 Illinois Affordable Housing Act. The cost of
26 construction of those units may be derived from the

1 proceeds of bonds issued by the municipality under this
2 Act or other constitutional or statutory authority or
3 from other sources of municipal revenue that may be
4 reimbursed from tax increment revenues or the proceeds
5 of bonds issued to finance the construction of that
6 housing.

7 The eligible costs provided under this
8 subparagraph (F) of paragraph (11) shall be an eligible
9 cost for the construction, renovation, and
10 rehabilitation of all low and very low-income housing
11 units, as defined in Section 3 of the Illinois
12 Affordable Housing Act, within the redevelopment
13 project area. If the low and very low-income units are
14 part of a residential redevelopment project that
15 includes units not affordable to low and very
16 low-income households, only the low and very
17 low-income units shall be eligible for benefits under
18 this subparagraph (F) of paragraph (11). The standards
19 for maintaining the occupancy by low-income households
20 and very low-income households, as defined in Section 3
21 of the Illinois Affordable Housing Act, of those units
22 constructed with eligible costs made available under
23 the provisions of this subparagraph (F) of paragraph
24 (11) shall be established by guidelines adopted by the
25 municipality. The responsibility for annually
26 documenting the initial occupancy of the units by

1 low-income households and very low-income households,
2 as defined in Section 3 of the Illinois Affordable
3 Housing Act, shall be that of the then current owner of
4 the property. For ownership units, the guidelines will
5 provide, at a minimum, for a reasonable recapture of
6 funds, or other appropriate methods designed to
7 preserve the original affordability of the ownership
8 units. For rental units, the guidelines will provide,
9 at a minimum, for the affordability of rent to low and
10 very low-income households. As units become available,
11 they shall be rented to income-eligible tenants. The
12 municipality may modify these guidelines from time to
13 time; the guidelines, however, shall be in effect for
14 as long as tax increment revenue is being used to pay
15 for costs associated with the units or for the
16 retirement of bonds issued to finance the units or for
17 the life of the redevelopment project area, whichever
18 is later;

19 (11.5) If the redevelopment project area is located
20 within a municipality with a population of more than
21 100,000, the cost of day care services for children of
22 employees from low-income families working for businesses
23 located within the redevelopment project area and all or a
24 portion of the cost of operation of day care centers
25 established by redevelopment project area businesses to
26 serve employees from low-income families working in

1 businesses located in the redevelopment project area. For
2 the purposes of this paragraph, "low-income families"
3 means families whose annual income does not exceed 80% of
4 the municipal, county, or regional median income, adjusted
5 for family size, as the annual income and municipal,
6 county, or regional median income are determined from time
7 to time by the United States Department of Housing and
8 Urban Development.

9 (12) Costs relating to the development of urban
10 agricultural areas under Division 15.2 of the Illinois
11 Municipal Code.

12 Unless explicitly stated herein the cost of construction of
13 new privately-owned buildings shall not be an eligible
14 redevelopment project cost.

15 After November 1, 1999 (the effective date of Public Act
16 91-478), none of the redevelopment project costs enumerated in
17 this subsection shall be eligible redevelopment project costs
18 if those costs would provide direct financial support to a
19 retail entity initiating operations in the redevelopment
20 project area while terminating operations at another Illinois
21 location within 10 miles of the redevelopment project area but
22 outside the boundaries of the redevelopment project area
23 municipality. For purposes of this paragraph, termination
24 means a closing of a retail operation that is directly related
25 to the opening of the same operation or like retail entity
26 owned or operated by more than 50% of the original ownership in

1 a redevelopment project area, but it does not mean closing an
2 operation for reasons beyond the control of the retail entity,
3 as documented by the retail entity, subject to a reasonable
4 finding by the municipality that the current location contained
5 inadequate space, had become economically obsolete, or was no
6 longer a viable location for the retailer or serviceman.

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

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

1 well as the purposes permitted by this Act.

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

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

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

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

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

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

1 a distribution of State Sales Tax Increment must report a list
2 of retailers to the Department of Revenue by October 31, 1988
3 and by July 31, of each year thereafter.

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

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

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

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

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

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

26 (y) "Green Globes certified" means any certification level

1 of construction elements by a qualified Green Globes
2 Professional as determined by the Green Building Initiative.

3 (Source: P.A. 99-792, eff. 8-12-16; 100-201, eff. 8-18-17;
4 100-465, eff. 8-31-17; 100-1133, eff. 1-1-19.)

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.