

# HB0844



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

**HB0844**

Introduced 2/10/2021, by Rep. Dan Ugaste

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-3  
65 ILCS 5/11-74.4-3.1

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

Amends the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code. Provides that for redevelopment project areas created on and after the effective date of the amendatory Act, "blighted areas" must have a household median income of 100% or less of the area median income, as defined by the U.S. Department of Housing and Urban Development, in addition to the other requirements for "blighted areas". Effective immediately.

LRB102 04223 AWJ 14240 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 Sections 11-74.4-3 and 11-74.4-3.1 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  
12                  extensive 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  
18                  in 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  
2 and 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  
18 land coverage are: (i) the presence of buildings  
19 either improperly situated on parcels or located on  
20 parcels of inadequate size and shape in relation to  
21 present-day standards of development for health and  
22 safety and (ii) the presence of multiple buildings on  
23 a single parcel. For there to be a finding of excessive  
24 land coverage, these parcels must exhibit one or more  
25 of the following conditions: insufficient provision  
26 for light and air within or around buildings,

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

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

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

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

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

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

23 (2) If vacant, the sound growth of the redevelopment  
24 project area is impaired by a combination of 2 or more of  
25 the following factors, each of which is (i) present, with  
26 that presence documented, to a meaningful extent so that a

1 municipality may reasonably find that the factor is  
2 clearly present within the intent of the Act and (ii)  
3 reasonably distributed throughout the vacant part of the  
4 redevelopment project area to which it pertains:

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

15 (B) Diversity of ownership of parcels of vacant  
16 land sufficient in number to retard or impede the  
17 ability to assemble the land for development.

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

21 (D) Deterioration of structures or site  
22 improvements in neighboring areas adjacent to the  
23 vacant land.

24 (E) The area has incurred Illinois Environmental  
25 Protection Agency or United States Environmental  
26 Protection Agency remediation costs for, or a study



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

9 (F) 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  
16 is 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.

22 (3) If vacant, the sound growth of the redevelopment  
23 project area is impaired by one of the following factors  
24 that (i) is present, with that presence documented, to a  
25 meaningful extent so that a municipality may reasonably  
26 find that the factor is clearly present within the intent

1 of the Act and (ii) is reasonably distributed throughout  
2 the vacant part of the redevelopment project area to which  
3 it pertains:

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

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

8 (C) The area, prior to its designation, is subject  
9 to (i) chronic flooding that adversely impacts on real  
10 property in the area as certified by a registered  
11 professional engineer or appropriate regulatory agency  
12 or (ii) surface water that discharges from all or a  
13 part of the area and contributes to flooding within  
14 the same watershed, but only if the redevelopment  
15 project provides for facilities or improvements to  
16 contribute to the alleviation of all or part of the  
17 flooding.

18 (D) The area consists of an unused or illegal  
19 disposal site containing earth, stone, building  
20 debris, or similar materials that were removed from  
21 construction, demolition, excavation, or dredge sites.

22 (E) Prior to November 1, 1999, the area is not less  
23 than 50 nor more than 100 acres and 75% of which is  
24 vacant (notwithstanding that the area has been used  
25 for commercial agricultural purposes within 5 years  
26 prior to the designation of the redevelopment project

1 area), and the area meets at least one of the factors  
2 itemized in paragraph (1) of this subsection, the area  
3 has been designated as a town or village center by  
4 ordinance or comprehensive plan adopted prior to  
5 January 1, 1982, and the area has not been developed  
6 for that designated purpose.

7 (F) The area qualified as a blighted improved area  
8 immediately prior to becoming vacant, unless there has  
9 been substantial private investment in the immediately  
10 surrounding area.

11 In addition to the requirements of this definition, for  
12 redevelopment project areas created on and after the effective  
13 date of this amendatory Act of the 102nd General Assembly, a  
14 blighted area must have a median household income of 100% or  
15 less of the area median income, as determined by the United  
16 States Department of Housing and Urban Development. If the  
17 area does not contain any residents, the census tracts  
18 adjoining the blighted area must have a median household  
19 income of 100% or less of the area median income.

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

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

1 provision for loading and service.

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

7 (11) 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. This  
10 means that the development occurred prior to the adoption  
11 by the municipality of a comprehensive or other community  
12 plan or that the plan was not followed at the time of the  
13 area's development. This factor must be documented by  
14 evidence of adverse or incompatible land-use  
15 relationships, inadequate street layout, improper  
16 subdivision, parcels of inadequate shape and size to meet  
17 contemporary development standards, or other evidence  
18 demonstrating an absence of effective community planning.

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

1 remediation costs constitute a material impediment to the  
2 development or redevelopment of the redevelopment project  
3 area.

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

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

24 (d) "Industrial park conservation area" means an area  
25 within the boundaries of a redevelopment project area located  
26 within the territorial limits of a municipality that is a



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

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

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

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

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

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

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

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

21 (i) "Net State Sales Tax Increment" means the sum of the  
22 following: (a) 80% of the first \$100,000 of State Sales Tax  
23 Increment annually generated within a State Sales Tax  
24 Boundary; (b) 60% of the amount in excess of \$100,000 but not  
25 exceeding \$500,000 of State Sales Tax Increment annually  
26 generated within a State Sales Tax Boundary; and (c) 40% of all

1 amounts in excess of \$500,000 of State Sales Tax Increment  
2 annually generated within a State Sales Tax Boundary. If,  
3 however, a municipality established a tax increment financing  
4 district in a county with a population in excess of 3,000,000  
5 before January 1, 1986, and the municipality entered into a  
6 contract or issued bonds after January 1, 1986, but before  
7 December 31, 1986, to finance redevelopment project costs  
8 within a State Sales Tax Boundary, then the Net State Sales Tax  
9 Increment means, for the fiscal years beginning July 1, 1990,  
10 and July 1, 1991, 100% of the State Sales Tax Increment  
11 annually generated within a State Sales Tax Boundary; and  
12 notwithstanding any other provision of this Act, for those  
13 fiscal years the Department of Revenue shall distribute to  
14 those municipalities 100% of their Net State Sales Tax  
15 Increment before any distribution to any other municipality  
16 and regardless of whether or not those other municipalities  
17 will receive 100% of their Net State Sales Tax Increment. For  
18 Fiscal Year 1999, and every year thereafter until the year  
19 2007, for any municipality that has not entered into a  
20 contract or has not issued bonds prior to June 1, 1988 to  
21 finance redevelopment project costs within a State Sales Tax  
22 Boundary, the Net State Sales Tax Increment shall be  
23 calculated as follows: By multiplying the Net State Sales Tax  
24 Increment by 90% in the State Fiscal Year 1999; 80% in the  
25 State Fiscal Year 2000; 70% in the State Fiscal Year 2001; 60%  
26 in the State Fiscal Year 2002; 50% in the State Fiscal Year

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

5 Municipalities that issued bonds in connection with a  
6 redevelopment project in a redevelopment project area within  
7 the State Sales Tax Boundary prior to July 29, 1991, or that  
8 entered into contracts in connection with a redevelopment  
9 project in a redevelopment project area before June 1, 1988,  
10 shall continue to receive their proportional share of the  
11 Illinois Tax Increment Fund distribution until the date on  
12 which the redevelopment project is completed or terminated.  
13 If, however, a municipality that issued bonds in connection  
14 with a redevelopment project in a redevelopment project area  
15 within the State Sales Tax Boundary prior to July 29, 1991  
16 retires the bonds prior to June 30, 2007 or a municipality that  
17 entered into contracts in connection with a redevelopment  
18 project in a redevelopment project area before June 1, 1988  
19 completes the contracts prior to June 30, 2007, then so long as  
20 the redevelopment project is not completed or is not  
21 terminated, the Net State Sales Tax Increment shall be  
22 calculated, beginning on the date on which the bonds are  
23 retired or the contracts are completed, as follows: By  
24 multiplying the Net State Sales Tax Increment by 60% in the  
25 State Fiscal Year 2002; 50% in the State Fiscal Year 2003; 40%  
26 in the State Fiscal Year 2004; 30% in the State Fiscal Year

1 2005; 20% in the State Fiscal Year 2006; and 10% in the State  
2 Fiscal Year 2007. No payment shall be made for State Fiscal  
3 Year 2008 and thereafter. Refunding of any bonds issued prior  
4 to July 29, 1991, shall not alter the Net State Sales Tax  
5 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,  
13 other than residential customers, of properties within the  
14 redevelopment project area during the base year, which shall  
15 be the calendar year immediately prior to the year of the  
16 adoption 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  
26 Fiscal Year 1999, and every year thereafter until the year

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

13 Municipalities that issue bonds in connection with the  
14 redevelopment project during the period from June 1, 1988  
15 until 3 years after the effective date of this Amendatory Act  
16 of 1988 shall receive the Net State Utility Tax Increment,  
17 subject to appropriation, for 15 State Fiscal Years after the  
18 issuance of such bonds. For the 16th through the 20th State  
19 Fiscal Years after issuance of the bonds, the Net State  
20 Utility Tax Increment shall be calculated as follows: By  
21 multiplying the Net State Utility Tax Increment by 90% in year  
22 16; 80% in year 17; 70% in year 18; 60% in year 19; and 50% in  
23 year 20. Refunding of any bonds issued prior to June 1, 1988,  
24 shall not alter the revised Net State Utility Tax Increment  
25 payments set 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  
20 the 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  
23 the taxing districts which extend into the redevelopment  
24 project area, provided that, with respect to redevelopment  
25 project areas described in subsections (p-1) and (p-2),  
26 "redemption plan" means the comprehensive program of the

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

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

17 (B) evidence indicating that the redevelopment project  
18 area on the whole has not been subject to growth and  
19 development through investment by private enterprise,  
20 provided that such evidence shall not be required for any  
21 redevelopment project area located within a transit  
22 facility improvement area established pursuant to Section  
23 11-74.4-3.3;

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

1 any program to address such financial impact or increased  
2 demand;

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

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

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

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

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

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

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

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

1 subsection (k) of Section 11-74.4-4, a time and place for a  
2 public hearing as required by subsection (a) of Section  
3 11-74.4-5. No redevelopment plan shall be adopted unless a  
4 municipality complies with all of the following requirements:

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

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

25 (3) The redevelopment plan establishes the estimated  
26 dates of completion of the redevelopment project and

1 retirement of obligations issued to finance redevelopment  
2 project costs. Those dates may not be later than the dates  
3 set forth under Section 11-74.4-3.5.

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

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

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

1 area.

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

21 Part I of the housing impact study shall include (i)  
22 data as to whether the residential units are single family  
23 or multi-family units, (ii) the number and type of rooms  
24 within the units, if that information is available, (iii)  
25 whether the units are inhabited or uninhabited, as  
26 determined not less than 45 days before the date that the

1 ordinance or resolution required by subsection (a) of  
2 Section 11-74.4-5 is passed, and (iv) data as to the  
3 racial and ethnic composition of the residents in the  
4 inhabited residential units. The data requirement as to  
5 the racial and ethnic composition of the residents in the  
6 inhabited residential units shall be deemed to be fully  
7 satisfied by data from the most recent federal census.

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

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

24 (7) On and after November 1, 1999, no redevelopment  
25 plan shall be adopted, nor an existing plan amended, nor  
26 shall residential housing that is occupied by households

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

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

26 (9) For redevelopment project areas designated prior



1 to November 1, 1999, the redevelopment plan may be amended  
2 without further joint review board meeting or hearing,  
3 provided that the municipality shall give notice of any  
4 such changes by mail to each affected taxing district and  
5 registrant on the interested party registry, to authorize  
6 the municipality to expend tax increment revenues for  
7 redevelopment project costs defined by paragraphs (5) and  
8 (7.5), subparagraphs (E) and (F) of paragraph (11), and  
9 paragraph (11.5) of subsection (q) of Section 11-74.4-3,  
10 so long as the changes do not increase the total estimated  
11 redevelopment project costs set out in the redevelopment  
12 plan by more than 5% after adjustment for inflation from  
13 the date the plan was adopted.

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

1           (p) "Redevelopment project area" means an area designated  
2 by the municipality, which is not less in the aggregate than 1  
3 1/2 acres and in respect to which the municipality has made a  
4 finding that there exist conditions which cause the area to be  
5 classified as an industrial park conservation area or a  
6 blighted area or a conservation area, or a combination of both  
7 blighted areas and conservation areas.

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

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

1           (q) "Redevelopment project costs", except for  
2 redevelopment project areas created pursuant to subsection  
3 (p-1) or (p-2), means and includes the sum total of all  
4 reasonable or necessary costs incurred or estimated to be  
5 incurred, and any such costs incidental to a redevelopment  
6 plan and a redevelopment project. Such costs include, without  
7 limitation, the following:

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

1 received, or are receiving, payments financed by tax  
2 increment revenues produced by the redevelopment project  
3 area with respect to which the consultant or advisor has  
4 performed, or will be performing, service for the  
5 municipality. This requirement shall be satisfied by the  
6 consultant or advisor before the commencement of services  
7 for the municipality and thereafter whenever any other  
8 contracts with those individuals or entities are executed  
9 by the consultant or advisor;

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

16 (1.6) The cost of marketing sites within the  
17 redevelopment project area to prospective businesses,  
18 developers, and investors;

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

1           (3) Costs of rehabilitation, reconstruction or repair  
2           or remodeling of existing public or private buildings,  
3           fixtures, and leasehold improvements; and the cost of  
4           replacing an existing public building if pursuant to the  
5           implementation of a redevelopment project the existing  
6           public building is to be demolished to use the site for  
7           private investment or devoted to a different use requiring  
8           private investment; including any direct or indirect costs  
9           relating to Green Globes or LEED certified construction  
10          elements or construction elements with an equivalent  
11          certification;

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

1           adopted by the municipality prior to November 1, 1999,  
2           (ii) the municipality makes a reasonable determination in  
3           the redevelopment plan, supported by information that  
4           provides the basis for that determination, that the new  
5           municipal building is required to meet an increase in the  
6           need for public safety purposes anticipated to result from  
7           the implementation of the redevelopment plan, or (iii) the  
8           new municipal public building is for the storage,  
9           maintenance, or repair of transit vehicles and is located  
10          in a transit facility improvement area that has been  
11          established pursuant to Section 11-74.4-3.3;

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

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

24           (7) To the extent the municipality by written  
25           agreement accepts and approves the same, all or a portion  
26           of a taxing district's capital costs resulting from the

1 redevelopment project necessarily incurred or to be  
2 incurred within a taxing district in furtherance of the  
3 objectives of the redevelopment plan and project;

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

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

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

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

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

26 (iii) for secondary school districts with a



1 district average 1995-96 Per Capita Tuition Charge  
2 of less than \$5,900, no more than 8% of the total  
3 amount of property tax increment revenue produced  
4 by those housing units that have received tax  
5 increment finance assistance under this Act.

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

1 students subject to the following annual limitations:

2 (i) for unit school districts, no more than  
3 40% of the total amount of property tax increment  
4 revenue produced by those housing units that have  
5 received tax increment finance assistance under  
6 this Act;

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

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

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

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

25 (ii) the amount reimbursable shall be reduced  
26 by the value of any land donated to the school

1 district by the municipality or developer, and by  
2 the value of any physical improvements made to the  
3 schools by the municipality or developer; and

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

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

24 (7.7) For redevelopment project areas designated (or  
25 redevelopment project areas amended to add or increase the  
26 number of tax-increment-financing assisted housing units)

1 on or after January 1, 2005 (the effective date of Public  
2 Act 93-961), a public library district's increased costs  
3 attributable to assisted housing units located within the  
4 redevelopment project area for which the developer or  
5 redeveloper receives financial assistance through an  
6 agreement with the municipality or because the  
7 municipality incurs the cost of necessary infrastructure  
8 improvements within the boundaries of the assisted housing  
9 sites necessary for the completion of that housing as  
10 authorized by this Act shall be paid to the library  
11 district by the municipality from the Special Tax  
12 Allocation Fund when the tax increment revenue is received  
13 as a result of the assisted housing units. This paragraph  
14 (7.7) applies only if (i) the library district is located  
15 in a county that is subject to the Property Tax Extension  
16 Limitation Law or (ii) the library district is not located  
17 in a county that is subject to the Property Tax Extension  
18 Limitation Law but the district is prohibited by any other  
19 law from increasing its tax levy rate without a prior  
20 voter referendum.

21 The amount paid to a library district under this  
22 paragraph (7.7) shall be calculated by multiplying (i) the  
23 net increase in the number of persons eligible to obtain a  
24 library card in that district who reside in housing units  
25 within the redevelopment project area that have received  
26 financial assistance through an agreement with the

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

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

23 Any library district seeking payment under this  
24 paragraph (7.7) shall, after July 1 and before September  
25 30 of each year, provide the municipality with convincing  
26 evidence to support its claim for reimbursement before the

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

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

17 (9) Payment in lieu of taxes;

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

1 area; and (ii) when incurred by a taxing district or  
2 taxing districts other than the municipality, are set  
3 forth in a written agreement by or among the municipality  
4 and the taxing district or taxing districts, which  
5 agreement describes the program to be undertaken,  
6 including but not limited to the number of employees to be  
7 trained, a description of the training and services to be  
8 provided, the number and type of positions available or to  
9 be available, itemized costs of the program and sources of  
10 funds to pay for the same, and the term of the agreement.  
11 Such costs include, specifically, the payment by community  
12 college districts of costs pursuant to Sections 3-37,  
13 3-38, 3-40 and 3-40.1 of the Public Community College Act  
14 and by school districts of costs pursuant to Sections  
15 10-22.20a and 10-23.3a of the School Code;

16 (11) Interest cost incurred by a redeveloper related  
17 to the construction, renovation or rehabilitation of a  
18 redevelopment project provided that:

19 (A) such costs are to be paid directly from the  
20 special tax allocation fund established pursuant to  
21 this Act;

22 (B) such payments in any one year may not exceed  
23 30% of the annual interest costs incurred by the  
24 redeveloper with regard to the redevelopment project  
25 during that year;

26 (C) if there are not sufficient funds available in

1 the special tax allocation fund to make the payment  
2 pursuant to this paragraph (11) then the amounts so  
3 due shall accrue and be payable when sufficient funds  
4 are available in the special tax allocation fund;

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

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

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



1 low-income households as defined in Section 3 of the  
2 Illinois Affordable Housing Act. The cost of  
3 construction of those units may be derived from the  
4 proceeds of bonds issued by the municipality under  
5 this Act or other constitutional or statutory  
6 authority or from other sources of municipal revenue  
7 that may be reimbursed from tax increment revenues or  
8 the proceeds of bonds issued to finance the  
9 construction of that housing.

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

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

22 (11.5) If the redevelopment project area is located  
23 within a municipality with a population of more than  
24 100,000, the cost of day care services for children of  
25 employees from low-income families working for businesses  
26 located within the redevelopment project area and all or a

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

12 (12) Costs relating to the development of urban  
13 agricultural areas under Division 15.2 of the Illinois  
14 Municipal Code.

15 Unless explicitly stated herein the cost of construction  
16 of new privately-owned buildings shall not be an eligible  
17 redevelopment project cost.

18 After November 1, 1999 (the effective date of Public Act  
19 91-478), none of the redevelopment project costs enumerated in  
20 this subsection shall be eligible redevelopment project costs  
21 if those costs would provide direct financial support to a  
22 retail entity initiating operations in the redevelopment  
23 project area while terminating operations at another Illinois  
24 location within 10 miles of the redevelopment project area but  
25 outside the boundaries of the redevelopment project area  
26 municipality. For purposes of this paragraph, termination

1 means a closing of a retail operation that is directly related  
2 to the opening of the same operation or like retail entity  
3 owned or operated by more than 50% of the original ownership in  
4 a redevelopment project area, but it does not mean closing an  
5 operation for reasons beyond the control of the retail entity,  
6 as documented by the retail entity, subject to a reasonable  
7 finding by the municipality that the current location  
8 contained inadequate space, had become economically obsolete,  
9 or was no longer a viable location for the retailer or  
10 serviceman.

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

25 If a special service area has been established pursuant to  
26 the Special Service Area Tax Act or Special Service Area Tax

1 Law, then any tax increment revenues derived from the tax  
2 imposed pursuant to the Special Service Area Tax Act or  
3 Special Service Area Tax Law may be used within the  
4 redevelopment project area for the purposes permitted by that  
5 Act or Law as well as the purposes permitted by this Act.

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

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

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

24 (s) "State Sales Tax Increment" means an amount equal to  
25 the increase in the aggregate amount of taxes paid by  
26 retailers and servicemen, other than retailers and servicemen

1 subject to the Public Utilities Act, on transactions at places  
2 of business located within a State Sales Tax Boundary pursuant  
3 to the Retailers' Occupation Tax Act, the Use Tax Act, the  
4 Service Use Tax Act, and the Service Occupation Tax Act,  
5 except such portion of such increase that is paid into the  
6 State and Local Sales Tax Reform Fund, the Local Government  
7 Distributive Fund, the Local Government Tax Fund and the  
8 County and Mass Transit District Fund, for as long as State  
9 participation exists, over and above the Initial Sales Tax  
10 Amounts, Adjusted Initial Sales Tax Amounts or the Revised  
11 Initial Sales Tax Amounts for such taxes as certified by the  
12 Department of Revenue and paid under those Acts by retailers  
13 and servicemen on transactions at places of business located  
14 within the State Sales Tax Boundary during the base year which  
15 shall be the calendar year immediately prior to the year in  
16 which the municipality adopted tax increment allocation  
17 financing, less 3.0% of such amounts generated under the  
18 Retailers' Occupation Tax Act, Use Tax Act and Service Use Tax  
19 Act and the Service Occupation Tax Act, which sum shall be  
20 appropriated to the Department of Revenue to cover its costs  
21 of administering and enforcing this Section. For purposes of  
22 computing the aggregate amount of such taxes for base years  
23 occurring prior to 1985, the Department of Revenue shall  
24 compute the Initial Sales Tax Amount for such taxes and deduct  
25 therefrom an amount equal to 4% of the aggregate amount of  
26 taxes per year for each year the base year is prior to 1985,

1 but not to exceed a total deduction of 12%. The amount so  
2 determined shall be known as the "Adjusted Initial Sales Tax  
3 Amount". For purposes of determining the State Sales Tax  
4 Increment the Department of Revenue shall for each period  
5 subtract from the tax amounts received from retailers and  
6 servicemen on transactions located in the State Sales Tax  
7 Boundary, the certified Initial Sales Tax Amounts, Adjusted  
8 Initial Sales Tax Amounts or Revised Initial Sales Tax Amounts  
9 for the Retailers' Occupation Tax Act, the Use Tax Act, the  
10 Service Use Tax Act and the Service Occupation Tax Act. For the  
11 State Fiscal Year 1989 this calculation shall be made by  
12 utilizing the calendar year 1987 to determine the tax amounts  
13 received. For the State Fiscal Year 1990, this calculation  
14 shall be made by utilizing the period from January 1, 1988,  
15 until September 30, 1988, to determine the tax amounts  
16 received from retailers and servicemen, which shall have  
17 deducted therefrom nine-twelfths of the certified Initial  
18 Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the  
19 Revised Initial Sales Tax Amounts as appropriate. For the  
20 State Fiscal Year 1991, this calculation shall be made by  
21 utilizing the period from October 1, 1988, until June 30,  
22 1989, to determine the tax amounts received from retailers and  
23 servicemen, which shall have deducted therefrom nine-twelfths  
24 of the certified Initial State Sales Tax Amounts, Adjusted  
25 Initial Sales Tax Amounts or the Revised Initial Sales Tax  
26 Amounts as appropriate. For every State Fiscal Year

1 thereafter, the applicable period shall be the 12 months  
2 beginning July 1 and ending on June 30, to determine the tax  
3 amounts received which shall have deducted therefrom the  
4 certified Initial Sales Tax Amounts, Adjusted Initial Sales  
5 Tax Amounts or the Revised Initial Sales Tax Amounts.  
6 Municipalities intending to receive a distribution of State  
7 Sales Tax Increment must report a list of retailers to the  
8 Department of Revenue by October 31, 1988 and by July 31, of  
9 each year thereafter.

10 (t) "Taxing districts" means counties, townships, cities  
11 and incorporated towns and villages, school, road, park,  
12 sanitary, mosquito abatement, forest preserve, public health,  
13 fire protection, river conservancy, tuberculosis sanitarium  
14 and any other municipal corporations or districts with the  
15 power to levy taxes.

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

20 (v) As used in subsection (a) of Section 11-74.4-3 of this  
21 Act, "vacant land" means any parcel or combination of parcels  
22 of real property without industrial, commercial, and  
23 residential buildings which has not been used for commercial  
24 agricultural purposes within 5 years prior to the designation  
25 of the redevelopment project area, unless the parcel is  
26 included in an industrial park conservation area or the parcel



1 has been subdivided; provided that if the parcel was part of a  
2 larger tract that has been divided into 3 or more smaller  
3 tracts that were accepted for recording during the period from  
4 1950 to 1990, then the parcel shall be deemed to have been  
5 subdivided, and all proceedings and actions of the  
6 municipality taken in that connection with respect to any  
7 previously approved or designated redevelopment project area  
8 or amended redevelopment project area are hereby validated and  
9 hereby declared to be legally sufficient for all purposes of  
10 this Act. For purposes of this Section and only for land  
11 subject to the subdivision requirements of the Plat Act, land  
12 is subdivided when the original plat of the proposed  
13 Redevelopment Project Area or relevant portion thereof has  
14 been properly certified, acknowledged, approved, and recorded  
15 or filed in accordance with the Plat Act and a preliminary  
16 plat, if any, for any subsequent phases of the proposed  
17 Redevelopment Project Area or relevant portion thereof has  
18 been properly approved and filed in accordance with the  
19 applicable ordinance of the municipality.

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

1 each municipality.

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

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

9 (Source: P.A. 99-792, eff. 8-12-16; 100-201, eff. 8-18-17;  
10 100-465, eff. 8-31-17; 100-1133, eff. 1-1-19.)

11 (65 ILCS 5/11-74.4-3.1)

12 Sec. 11-74.4-3.1. Redevelopment project area within an  
13 intermodal terminal facility area.

14 (a) Notwithstanding any other provision of law to the  
15 contrary, if a municipality designates an area within the  
16 territorial limits of the municipality as an intermodal  
17 terminal facility area, then that municipality may establish a  
18 redevelopment project area within the intermodal terminal  
19 facility area for the purpose of developing new intermodal  
20 terminal facilities, rehabilitating obsolete intermodal  
21 terminal facilities, or both. If there is no existing  
22 intermodal terminal facility within the redevelopment project  
23 area, then the municipality must establish a new intermodal  
24 terminal facility within the redevelopment project area. If  
25 there is an obsolete intermodal terminal facility within the

1 redevelopment project area, then the municipality may  
2 establish a new intermodal terminal facility, rehabilitate the  
3 existing intermodal terminal facility for use as an intermodal  
4 terminal facility or for any other commercial purpose, or  
5 both.

6 (b) For purposes of this Division, an intermodal terminal  
7 facility area is deemed to be a blighted area and no proof of  
8 blight other than the median household income requirement of  
9 Section 11-74.4-3 need be shown in establishing a  
10 redevelopment project area in accordance with this Section.

11 (c) As used in this Section:

12 "Intermodal terminal facility area" means an area that:  
13 (i) does not include any existing intermodal terminal facility  
14 or includes an obsolete intermodal terminal facility; (ii)  
15 comprises a minimum of 150 acres and not more than 2 square  
16 miles in total area, exclusive of lakes and waterways; (iii)  
17 has at least one Class 1 railroad right-of-way located within  
18 it or within one quarter mile of it; and (iv) has no boundary  
19 limit further than 3 miles from the right-of-way.

20 "Intermodal terminal facility" means land, improvements to  
21 land, equipment, and appliances necessary for the receipt and  
22 transfer of goods between one mode of transportation and  
23 another, at least one of which must be transportation by rail.

24 (Source: P.A. 94-546, eff. 1-1-06.)

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.