



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3894

Introduced 2/22/2021, by Rep. Sonya M. Harper

SYNOPSIS AS INTRODUCED:

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

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

LRB102 12837 AWJ 18179 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by
5 changing Sections 11-74.4-2, 11-74.4-3, 11-74.4-5, 11-74.4-7,
6 11-74.4-8, and 11-74.4-8a as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (B) Diversity of ownership of parcels of vacant

1 land sufficient in number to retard or impede the
2 ability to assemble the land for development.

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

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

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

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

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

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

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

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

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

1 contribute to the alleviation of all or part of the
2 flooding.

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

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

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

22 (b) For any redevelopment project area that has been
23 designated pursuant to this Section by an ordinance adopted
24 prior to November 1, 1999 (the effective date of Public Act
25 91-478), "conservation area" shall have the meaning set forth
26 in this Section prior to that date.

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

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

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

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

1 depressions, loose paving material, and weeds protruding
2 through paved surfaces.

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

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

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

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

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

3 (8) 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, antiquated,
10 obsolete, or in disrepair, or (iii) lacking within the
11 redevelopment project area.

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

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

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

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

21 (12) The area has incurred Illinois Environmental
22 Protection Agency or United States Environmental
23 Protection Agency remediation costs for, or a study
24 conducted by an independent consultant recognized as
25 having expertise in environmental remediation has
26 determined a need for, the clean-up of hazardous waste,

1 hazardous substances, or underground storage tanks
2 required by State or federal law, provided that the
3 remediation costs constitute a material impediment to the
4 development or redevelopment of the redevelopment project
5 area.

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

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

26 (d) "Industrial park conservation area" means an area

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

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

24 (f) "Municipality" shall mean a city, village,
25 incorporated town, or a township that is located in the
26 unincorporated portion of a county with 3 million or more

1 inhabitants, if the county adopted an ordinance that approved
2 the township's redevelopment plan.

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

10 (g-1) "Revised Initial Sales Tax Amounts" means the amount
11 of taxes paid under the Retailers' Occupation Tax Act, Use Tax
12 Act, Service Use Tax Act, the Service Occupation Tax Act, the
13 Municipal Retailers' Occupation Tax Act, and the Municipal
14 Service Occupation Tax Act by retailers and servicemen on
15 transactions at places located within the State Sales Tax
16 Boundary revised pursuant to Section 11-74.4-8a(9) of this
17 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
2 Act 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
3 amounts 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
8 Sales Tax Amounts as appropriate. For the State Fiscal Year
9 1991, this calculation shall be made by utilizing the period
10 from October 1, 1988, to June 30, 1989, to determine the tax
11 amounts 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
16 Sales 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
21 Sales Tax Amounts or the Revised Initial Sales Tax Amounts, as
22 the 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
26 Boundary; (b) 60% of the amount in excess of \$100,000 but not

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

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

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

1 State Fiscal Year 2002; 50% in the State Fiscal Year 2003; 40%
2 in the State Fiscal Year 2004; 30% in the State Fiscal Year
3 2005; 20% in the State Fiscal Year 2006; and 10% in the State
4 Fiscal Year 2007. No payment shall be made for State Fiscal
5 Year 2008 and thereafter. Refunding of any bonds issued prior
6 to July 29, 1991, shall not alter the Net State Sales Tax
7 Increment.

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

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

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

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

1 payments set forth above.

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

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

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

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

17 (A) an itemized list of estimated redevelopment
18 project costs;

19 (B) evidence indicating that the redevelopment project
20 area on the whole has not been subject to growth and
21 development through investment by private enterprise,
22 provided that such evidence shall not be required for any
23 redevelopment project area located within a transit
24 facility improvement area established pursuant to Section
25 11-74.4-3.3;

26 (C) an assessment of any financial impact of the

1 redevelopment project area on or any increased demand for
2 services from any taxing district affected by the plan and
3 any program to address such financial impact or increased
4 demand;

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

6 (E) the nature and term of the obligations to be
7 issued;

8 (F) the most recent equalized assessed valuation of
9 the redevelopment project area;

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

13 (H) a commitment to fair employment practices and an
14 affirmative action plan;

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

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

25 The provisions of items (B) and (C) of this subsection (n)
26 shall not apply to a municipality that before March 14, 1994

1 (the effective date of Public Act 88-537) had fixed, either by
2 its corporate authorities or by a commission designated under
3 subsection (k) of Section 11-74.4-4, a time and place for a
4 public hearing as required by subsection (a) of Section
5 11-74.4-5. No redevelopment plan shall be adopted unless a
6 municipality complies with all of the following requirements:

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

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

1 (3) The redevelopment plan establishes the estimated
2 dates of completion of the redevelopment project and
3 retirement of obligations issued to finance redevelopment
4 project costs. Those dates may not be later than the dates
5 set forth under Section 11-74.4-3.5.

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

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

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

1 and (b) that such incremental revenues will be exclusively
2 utilized for the development of the redevelopment project
3 area.

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

23 Part I of the housing impact study shall include (i)
24 data as to whether the residential units are single family
25 or multi-family units, (ii) the number and type of rooms
26 within the units, if that information is available, (iii)

1 whether the units are inhabited or uninhabited, as
2 determined not less than 45 days before the date that the
3 ordinance or resolution required by subsection (a) of
4 Section 11-74.4-5 is passed, and (iv) data as to the
5 racial and ethnic composition of the residents in the
6 inhabited residential units. The data requirement as to
7 the racial and ethnic composition of the residents in the
8 inhabited residential units shall be deemed to be fully
9 satisfied by data from the most recent federal census.

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

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

26 (7) On and after November 1, 1999, no redevelopment

1 plan shall be adopted, nor an existing plan amended, nor
2 shall residential housing that is occupied by households
3 of low-income and very low-income persons in currently
4 existing redevelopment project areas be removed after
5 November 1, 1999 unless the redevelopment plan provides,
6 with respect to inhabited housing units that are to be
7 removed for households of low-income and very low-income
8 persons, affordable housing and relocation assistance not
9 less than that which would be provided under the federal
10 Uniform Relocation Assistance and Real Property
11 Acquisition Policies Act of 1970 and the regulations under
12 that Act, including the eligibility criteria. Affordable
13 housing may be either existing or newly constructed
14 housing. For purposes of this paragraph (7), "low-income
15 households", "very low-income households", and "affordable
16 housing" have the meanings set forth in the Illinois
17 Affordable Housing Act. The municipality shall make a good
18 faith effort to ensure that this affordable housing is
19 located in or near the redevelopment project area within
20 the municipality.

21 (8) On and after November 1, 1999, if, after the
22 adoption of the redevelopment plan for the redevelopment
23 project area, any municipality desires to amend its
24 redevelopment plan to remove more inhabited residential
25 units than specified in its original redevelopment plan,
26 that change shall be made in accordance with the

1 procedures in subsection (c) of Section 11-74.4-5.

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

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

1 "recreational activities" is limited to mean camping and
2 hunting.

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

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

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

1 park conservation area, a blighted area, a conservation area,
2 or any combination thereof.

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

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

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

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

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

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

1 limited to parking lots and other concrete or asphalt
2 barriers, and the clearing and grading of land;

3 (3) Costs of rehabilitation, reconstruction or repair
4 or remodeling of existing public or private buildings,
5 fixtures, and leasehold improvements; and the cost of
6 replacing an existing public building if pursuant to the
7 implementation of a redevelopment project the existing
8 public building is to be demolished to use the site for
9 private investment or devoted to a different use requiring
10 private investment; 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;

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

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

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

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

26 (7) To the extent the municipality by written

1 agreement accepts and approves the same, all or a portion
2 of a taxing district's capital costs resulting from the
3 redevelopment project necessarily incurred or to be
4 incurred within a taxing district in furtherance of the
5 objectives of the redevelopment plan and project;

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

22 (A) for foundation districts, excluding any school
23 district in a municipality with a population in excess
24 of 1,000,000, by multiplying the district's increase
25 in attendance resulting from the net increase in new
26 students enrolled in that school district who reside

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

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

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

1 increment finance assistance under this Act; and

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

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

1 evidence-based funding as defined in Section 18-8.15
2 of the School Code attributable to these added new
3 students subject to the following annual limitations:

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

9 (ii) for elementary school districts, no more
10 than 27% 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; and

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

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

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

1 (ii) the amount reimbursable shall be reduced
2 by the value of any land donated to the school
3 district by the municipality or developer, and by
4 the value of any physical improvements made to the
5 schools by the municipality or developer; and

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

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

26 (7.7) For redevelopment project areas designated (or

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

23 The amount paid to a library district under this
24 paragraph (7.7) shall be calculated by multiplying (i) the
25 net increase in the number of persons eligible to obtain a
26 library card in that district who reside in housing units

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

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

25 Any library district seeking payment under this
26 paragraph (7.7) shall, after July 1 and before September

1 30 of each year, provide the municipality with convincing
2 evidence to support its claim for reimbursement before the
3 municipality shall be required to approve or make the
4 payment to the library district. If the library district
5 fails to provide the information during this period in any
6 year, it shall forfeit any claim to reimbursement for that
7 year. Library districts may adopt a resolution waiving the
8 right to all or a portion of the reimbursement otherwise
9 required by this paragraph (7.7). By acceptance of such
10 reimbursement, the library district shall forfeit any
11 right to directly or indirectly set aside, modify, or
12 contest in any manner whatsoever the establishment of the
13 redevelopment project area or projects;

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

19 (9) Payment in lieu of taxes;

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

1 career education programs for persons employed or to be
2 employed by employers located in a redevelopment project
3 area; and (ii) when incurred by a taxing district or
4 taxing districts other than the municipality, are set
5 forth in a written agreement by or among the municipality
6 and the taxing district or taxing districts, which
7 agreement describes the program to be undertaken,
8 including but not limited to the number of employees to be
9 trained, a description of the training and services to be
10 provided, the number and type of positions available or to
11 be available, itemized costs of the program and sources of
12 funds to pay for the same, and the term of the agreement.
13 Such costs include, specifically, the payment by community
14 college districts of costs pursuant to Sections 3-37,
15 3-38, 3-40 and 3-40.1 of the Public Community College Act
16 and by school districts of costs pursuant to Sections
17 10-22.20a and 10-23.3a of the School Code;

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

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

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

1 during that year;

2 (C) if there are not sufficient funds available in
3 the special tax allocation fund to make the payment
4 pursuant to this paragraph (11) then the amounts so
5 due shall accrue and be payable when sufficient funds
6 are available in the special tax allocation fund;

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

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

22 (F) instead of the eligible costs provided by
23 subparagraphs (B) and (D) of paragraph (11), as
24 modified by this subparagraph, and notwithstanding any
25 other provisions of this Act to the contrary, the
26 municipality may pay from tax increment revenues up to

1 50% of the cost of construction of new housing units to
2 be occupied by low-income households and very
3 low-income households as defined in Section 3 of the
4 Illinois Affordable Housing Act. The cost of
5 construction of those units may be derived from the
6 proceeds of bonds issued by the municipality under
7 this Act or other constitutional or statutory
8 authority or from other sources of municipal revenue
9 that may be reimbursed from tax increment revenues or
10 the proceeds of bonds issued to finance the
11 construction of that housing.

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

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

24 (11.5) If the redevelopment project area is located
25 within a municipality with a population of more than
26 100,000, the cost of day care services for children of

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

14 (12) Costs relating to the development of urban
15 agricultural areas under Division 15.2 of the Illinois
16 Municipal Code;~~i-~~

17 (13) For any school district in a municipality with a
18 population in excess of 1,000,000, the costs associated
19 with employing qualified workers, as defined in Section
20 14-1.10 of the School Code, the costs of providing special
21 educational facilities and services, as defined in Section
22 14-1.08 of the School Code, school psychological services,
23 as defined in Section 14-1.09.1 of the School Code, or
24 school social work services, as defined in Section
25 14-1.09.2 of the School Code.

26 Unless explicitly stated herein the cost of construction

1 of new privately-owned buildings shall not be an eligible
2 redevelopment project cost.

3 After November 1, 1999 (the effective date of Public Act
4 91-478), none of the redevelopment project costs enumerated in
5 this subsection shall be eligible redevelopment project costs
6 if those costs would provide direct financial support to a
7 retail entity initiating operations in the redevelopment
8 project area while terminating operations at another Illinois
9 location within 10 miles of the redevelopment project area but
10 outside the boundaries of the redevelopment project area
11 municipality. For purposes of this paragraph, termination
12 means a closing of a retail operation that is directly related
13 to the opening of the same operation or like retail entity
14 owned or operated by more than 50% of the original ownership in
15 a redevelopment project area, but it does not mean closing an
16 operation for reasons beyond the control of the retail entity,
17 as documented by the retail entity, subject to a reasonable
18 finding by the municipality that the current location
19 contained inadequate space, had become economically obsolete,
20 or was no longer a viable location for the retailer or
21 serviceman.

22 No cost shall be a redevelopment project cost in a
23 redevelopment project area if used to demolish, remove, or
24 substantially modify a historic resource, after August 26,
25 2008 (the effective date of Public Act 95-934), unless no
26 prudent and feasible alternative exists. "Historic resource"

1 for the purpose of this paragraph means (i) a place or
2 structure that is included or eligible for inclusion on the
3 National Register of Historic Places or (ii) a contributing
4 structure in a district on the National Register of Historic
5 Places. This paragraph does not apply to a place or structure
6 for which demolition, removal, or modification is subject to
7 review by the preservation agency of a Certified Local
8 Government designated as such by the National Park Service of
9 the United States Department of the Interior.

10 If a special service area has been established pursuant to
11 the Special Service Area Tax Act or Special Service Area Tax
12 Law, then any tax increment revenues derived from the tax
13 imposed pursuant to the Special Service Area Tax Act or
14 Special Service Area Tax Law may be used within the
15 redevelopment project area for the purposes permitted by that
16 Act or Law as well as the purposes permitted by this Act.

17 (q-1) For redevelopment project areas created pursuant to
18 subsection (p-1), redevelopment project costs are limited to
19 those costs in paragraph (q) that are related to the existing
20 or proposed Regional Transportation Authority Suburban Transit
21 Access Route (STAR Line) station.

22 (q-2) For a redevelopment project area located within a
23 transit facility improvement area established pursuant to
24 Section 11-74.4-3.3, redevelopment project costs means those
25 costs described in subsection (q) that are related to the
26 construction, reconstruction, rehabilitation, remodeling, or

1 repair of any existing or proposed transit facility.

2 (r) "State Sales Tax Boundary" means the redevelopment
3 project area or the amended redevelopment project area
4 boundaries which are determined pursuant to subsection (9) of
5 Section 11-74.4-8a of this Act. The Department of Revenue
6 shall certify pursuant to subsection (9) of Section 11-74.4-8a
7 the appropriate boundaries eligible for the determination of
8 State Sales Tax Increment.

9 (s) "State Sales Tax Increment" means an amount equal to
10 the increase in the aggregate amount of taxes paid by
11 retailers and servicemen, other than retailers and servicemen
12 subject to the Public Utilities Act, on transactions at places
13 of business located within a State Sales Tax Boundary pursuant
14 to the Retailers' Occupation Tax Act, the Use Tax Act, the
15 Service Use Tax Act, and the Service Occupation Tax Act,
16 except such portion of such increase that is paid into the
17 State and Local Sales Tax Reform Fund, the Local Government
18 Distributive Fund, the Local Government Tax Fund and the
19 County and Mass Transit District Fund, for as long as State
20 participation exists, over and above the Initial Sales Tax
21 Amounts, Adjusted Initial Sales Tax Amounts or the Revised
22 Initial Sales Tax Amounts for such taxes as certified by the
23 Department of Revenue and paid under those Acts by retailers
24 and servicemen on transactions at places of business located
25 within the State Sales Tax Boundary during the base year which
26 shall be the calendar year immediately prior to the year in

1 which the municipality adopted tax increment allocation
2 financing, less 3.0% of such amounts generated under the
3 Retailers' Occupation Tax Act, Use Tax Act and Service Use Tax
4 Act and the Service Occupation Tax Act, which sum shall be
5 appropriated to the Department of Revenue to cover its costs
6 of administering and enforcing this Section. For purposes of
7 computing the aggregate amount of such taxes for base years
8 occurring prior to 1985, the Department of Revenue shall
9 compute the Initial Sales Tax Amount for such taxes and deduct
10 therefrom an amount equal to 4% of the aggregate amount of
11 taxes per year for each year the base year is prior to 1985,
12 but not to exceed a total deduction of 12%. The amount so
13 determined shall be known as the "Adjusted Initial Sales Tax
14 Amount". For purposes of determining the State Sales Tax
15 Increment the Department of Revenue shall for each period
16 subtract from the tax amounts received from retailers and
17 servicemen on transactions located in the State Sales Tax
18 Boundary, the certified Initial Sales Tax Amounts, Adjusted
19 Initial Sales Tax Amounts or Revised Initial Sales Tax Amounts
20 for the Retailers' Occupation Tax Act, the Use Tax Act, the
21 Service Use Tax Act and the Service Occupation Tax Act. For the
22 State Fiscal Year 1989 this calculation shall be made by
23 utilizing the calendar year 1987 to determine the tax amounts
24 received. For the State Fiscal Year 1990, this calculation
25 shall be made by utilizing the period from January 1, 1988,
26 until September 30, 1988, to determine the tax amounts

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

21 (t) "Taxing districts" means counties, townships, cities
22 and incorporated towns and villages, school, road, park,
23 sanitary, mosquito abatement, forest preserve, public health,
24 fire protection, river conservancy, tuberculosis sanitarium
25 and any other municipal corporations or districts with the
26 power to levy taxes.

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

5 (v) As used in subsection (a) of Section 11-74.4-3 of this
6 Act, "vacant land" means any parcel or combination of parcels
7 of real property without industrial, commercial, and
8 residential buildings which has not been used for commercial
9 agricultural purposes within 5 years prior to the designation
10 of the redevelopment project area, unless the parcel is
11 included in an industrial park conservation area or the parcel
12 has been subdivided; provided that if the parcel was part of a
13 larger tract that has been divided into 3 or more smaller
14 tracts that were accepted for recording during the period from
15 1950 to 1990, then the parcel shall be deemed to have been
16 subdivided, and all proceedings and actions of the
17 municipality taken in that connection with respect to any
18 previously approved or designated redevelopment project area
19 or amended redevelopment project area are hereby validated and
20 hereby declared to be legally sufficient for all purposes of
21 this Act. For purposes of this Section and only for land
22 subject to the subdivision requirements of the Plat Act, land
23 is subdivided when the original plat of the proposed
24 Redevelopment Project Area or relevant portion thereof has
25 been properly certified, acknowledged, approved, and recorded
26 or filed in accordance with the Plat Act and a preliminary

1 plat, if any, for any subsequent phases of the proposed
2 Redevelopment Project Area or relevant portion thereof has
3 been properly approved and filed in accordance with the
4 applicable ordinance of the municipality.

5 (w) "Annual Total Increment" means the sum of each
6 municipality's annual Net Sales Tax Increment and each
7 municipality's annual Net Utility Tax Increment. The ratio of
8 the Annual Total Increment of each municipality to the Annual
9 Total Increment for all municipalities, as most recently
10 calculated by the Department, shall determine the proportional
11 shares of the Illinois Tax Increment Fund to be distributed to
12 each municipality.

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

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

20 (Source: P.A. 99-792, eff. 8-12-16; 100-201, eff. 8-18-17;
21 100-465, eff. 8-31-17; 100-1133, eff. 1-1-19.)

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

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

24 (a) The changes made by this amendatory Act of the 91st
25 General Assembly do not apply to a municipality that, (i)

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

18 Prior to the adoption of an ordinance proposing the
19 designation of a redevelopment project area, or approving a
20 redevelopment plan or redevelopment project, the municipality
21 by its corporate authorities, or as it may determine by any
22 commission designated under subsection (k) of Section
23 11-74.4-4 shall adopt an ordinance or resolution fixing a time
24 and place for public hearing. At least 10 days prior to the
25 adoption of the ordinance or resolution establishing the time
26 and place for the public hearing, the municipality shall make

1 available for public inspection a redevelopment plan or a
2 separate report that provides in reasonable detail the basis
3 for the eligibility of the redevelopment project area. The
4 report along with the name of a person to contact for further
5 information shall be sent within a reasonable time after the
6 adoption of such ordinance or resolution to the affected
7 taxing districts by certified mail. On and after the effective
8 date of this amendatory Act of the 91st General Assembly, the
9 municipality shall print in a newspaper of general circulation
10 within the municipality a notice that interested persons may
11 register with the municipality in order to receive information
12 on the proposed designation of a redevelopment project area or
13 the approval of a redevelopment plan. The notice shall state
14 the place of registration and the operating hours of that
15 place. The municipality shall have adopted reasonable rules to
16 implement this registration process under Section 11-74.4-4.2.
17 The municipality shall provide notice of the availability of
18 the redevelopment plan and eligibility report, including how
19 to obtain this information, by mail within a reasonable time
20 after the adoption of the ordinance or resolution, to all
21 residential addresses that, after a good faith effort, the
22 municipality determines are located outside the proposed
23 redevelopment project area and within 750 feet of the
24 boundaries of the proposed redevelopment project area. This
25 requirement is subject to the limitation that in a
26 municipality with a population of over 100,000, if the total

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

22 At the public hearing any interested person or affected
23 taxing district may file with the municipal clerk written
24 objections to and may be heard orally in respect to any issues
25 embodied in the notice. The municipality shall hear all
26 protests and objections at the hearing and the hearing may be

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

1 shall give notice of any such changes by mail to each affected
2 taxing district and registrant on the interested parties
3 registry, provided for under Section 11-74.4-4.2, and by
4 publication in a newspaper of general circulation within the
5 affected taxing district. Such notice by mail and by
6 publication shall each occur not later than 10 days following
7 the adoption by ordinance of such changes. Hearings with
8 regard to a redevelopment project area, project or plan may be
9 held simultaneously.

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

25 For redevelopment project areas with redevelopment plans
26 or proposed redevelopment plans that would result in the

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

23 Within 90 days of the effective date of this amendatory
24 Act of the 91st General Assembly, each municipality that
25 designated a redevelopment project area for which it was not
26 required to convene a joint review board under this Section

1 shall convene a joint review board to perform the duties
2 specified under paragraph (e) of this Section.

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

20 The board shall review (i) the public record, planning
21 documents and proposed ordinances approving the redevelopment
22 plan and project and (ii) proposed amendments to the
23 redevelopment plan or additions of parcels of property to the
24 redevelopment project area to be adopted by the municipality.
25 As part of its deliberations, the board may hold additional
26 hearings on the proposal. A board's recommendation shall be an

1 advisory, non-binding recommendation. The recommendation shall
2 be adopted by a majority of those members present and voting.
3 The recommendations shall be submitted to the municipality
4 within 30 days after convening of the board. Failure of the
5 board to submit its report on a timely basis shall not be cause
6 to delay the public hearing or any other step in the process of
7 designating or amending the redevelopment project area but
8 shall be deemed to constitute approval by the joint review
9 board of the matters before it.

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

18 The board shall issue a written report describing why the
19 redevelopment plan and project area or the amendment thereof
20 meets or fails to meet one or more of the objectives of this
21 Act and both the plan requirements and the eligibility
22 criteria defined in Section 11-74.4-3. In the event the Board
23 does not file a report it shall be presumed that these taxing
24 bodies find the redevelopment project area and redevelopment
25 plan satisfy the objectives of this Act and the plan
26 requirements and eligibility criteria.

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

7 Notwithstanding the resubmission set forth above, the
8 municipality may commence the scheduled public hearing and
9 either adjourn the public hearing or continue the public
10 hearing until a date certain. Prior to continuing any public
11 hearing to a date certain, the municipality shall announce
12 during the public hearing the time, date, and location for the
13 reconvening of the public hearing. Any changes to the
14 redevelopment plan necessary to satisfy the issues set forth
15 in the joint review board report shall be the subject of a
16 public hearing before the hearing is adjourned if the changes
17 would (1) substantially affect the general land uses proposed
18 in the redevelopment plan, (2) substantially change the nature
19 of or extend the life of the redevelopment project, or (3)
20 increase the number of inhabited residential units to be
21 displaced from the redevelopment project area, as measured
22 from the time of creation of the redevelopment project area,
23 to a total of more than 10. Changes to the redevelopment plan
24 necessary to satisfy the issues set forth in the joint review
25 board report shall not require any further notice or convening
26 of a joint review board meeting, except that any changes to the

1 redevelopment plan that would add additional parcels of
2 property to the proposed redevelopment project area shall be
3 subject to the notice, public hearing, and joint review board
4 meeting requirements established for such changes by
5 subsection (a) of Section 11-74.4-5.

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

14 (c) After a municipality has by ordinance approved a
15 redevelopment plan and designated a redevelopment project
16 area, the plan may be amended and additional properties may be
17 added to the redevelopment project area only as herein
18 provided. Amendments which (1) add additional parcels of
19 property to the proposed redevelopment project area, (2)
20 substantially affect the general land uses proposed in the
21 redevelopment plan, (3) substantially change the nature of the
22 redevelopment project, (4) increase the total estimated
23 redevelopment project costs set out in the redevelopment plan
24 by more than 5% after adjustment for inflation from the date
25 the plan was adopted, (5) add additional redevelopment project
26 costs to the itemized list of redevelopment project costs set

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

1 parties registry, provided for under Section 11-74.4-4.2, and
2 by publication in a newspaper of general circulation within
3 the affected taxing district. Such notice by mail and by
4 publication shall each occur not later than 10 days following
5 the adoption by ordinance of such changes.

6 (d) After the effective date of this amendatory Act of the
7 91st General Assembly, a municipality shall submit in an
8 electronic format the following information for each
9 redevelopment project area (i) to the State Comptroller under
10 Section 8-8-3.5 of the Illinois Municipal Code, subject to any
11 extensions or exemptions provided at the Comptroller's
12 discretion under that Section, and (ii) to all taxing
13 districts overlapping the redevelopment project area no later
14 than 180 days after the close of each municipal fiscal year or
15 as soon thereafter as the audited financial statements become
16 available and, in any case, shall be submitted before the
17 annual meeting of the Joint Review Board to each of the taxing
18 districts that overlap the redevelopment project area:

19 (1) Any amendments to the redevelopment plan, the
20 redevelopment project area, or the State Sales Tax
21 Boundary.

22 (1.5) A list of the redevelopment project areas
23 administered by the municipality and, if applicable, the
24 date each redevelopment project area was designated or
25 terminated by the municipality.

26 (2) Audited financial statements of the special tax

1 allocation fund once a cumulative total of \$100,000 has
2 been deposited in the fund.

3 (3) Certification of the Chief Executive Officer of
4 the municipality that the municipality has complied with
5 all of the requirements of this Act during the preceding
6 fiscal year.

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

9 (5) An analysis of the special tax allocation fund
10 which sets forth:

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

13 (B) all amounts deposited in the special tax
14 allocation fund by source;

15 (C) an itemized list of all expenditures from the
16 special tax allocation fund by category of permissible
17 redevelopment project cost; and

18 (D) for municipalities with a population less than
19 1,000,000, the balance in the special tax allocation
20 fund at the end of the fiscal year including a
21 breakdown of that balance by source and a breakdown of
22 that balance identifying any portion of the balance
23 that is required, pledged, earmarked, or otherwise
24 designated for payment of or securing of obligations
25 ~~and anticipated redevelopment project costs.~~ Any
26 portion of such ending balance that has not been

1 identified or is not identified as being required,
2 pledged, earmarked, or otherwise designated for
3 payment of or securing of obligations ~~or anticipated~~
4 ~~redevelopment projects costs~~ shall be designated as
5 surplus as set forth in Section 11-74.4-7 hereof.

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

19 (6) A description of all property purchased by the
20 municipality within the redevelopment project area
21 including:

22 (A) Street address.

23 (B) Approximate size or description of property.

24 (C) Purchase price.

25 (D) Seller of property.

26 (7) A statement setting forth all activities

1 undertaken in furtherance of the objectives of the
2 redevelopment plan, including:

3 (A) Any project implemented in the preceding
4 fiscal year.

5 (B) A description of the redevelopment activities
6 undertaken.

7 (C) A description of any agreements entered into
8 by the municipality with regard to the disposition or
9 redevelopment of any property within the redevelopment
10 project area or the area within the State Sales Tax
11 Boundary.

12 (D) Additional information on the use of all funds
13 received under this Division and steps taken by the
14 municipality to achieve the objectives of the
15 redevelopment plan.

16 (E) Information regarding contracts that the
17 municipality's tax increment advisors or consultants
18 have entered into with entities or persons that have
19 received, or are receiving, payments financed by tax
20 increment revenues produced by the same redevelopment
21 project area.

22 (F) Any reports submitted to the municipality by
23 the joint review board.

24 (G) A review of public and, to the extent
25 possible, private investment actually undertaken to
26 date after the effective date of this amendatory Act

1 of the 91st General Assembly and estimated to be
2 undertaken during the following year. This review
3 shall, on a project-by-project basis, set forth the
4 estimated amounts of public and private investment
5 incurred after the effective date of this amendatory
6 Act of the 91st General Assembly and provide the ratio
7 of private investment to public investment to the date
8 of the report and as estimated to the completion of the
9 redevelopment project.

10 (8) With regard to any obligations issued by the
11 municipality:

12 (A) copies of any official statements; and

13 (B) an analysis prepared by financial advisor or
14 underwriter setting forth: (i) nature and term of
15 obligation; and (ii) projected debt service including
16 required reserves and debt coverage.

17 (9) For special tax allocation funds that have
18 experienced cumulative deposits of incremental tax
19 revenues of \$100,000 or more, a certified audit report
20 reviewing compliance with this Act performed by an
21 independent public accountant certified and licensed by
22 the authority of the State of Illinois. The financial
23 portion of the audit must be conducted in accordance with
24 Standards for Audits of Governmental Organizations,
25 Programs, Activities, and Functions adopted by the
26 Comptroller General of the United States (1981), as

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

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

23 (d-1) Prior to the effective date of this amendatory Act
24 of the 91st General Assembly, municipalities with populations
25 of over 1,000,000 shall, after adoption of a redevelopment
26 plan or project, make available upon request to any taxing

1 district in which the redevelopment project area is located
2 the following information:

3 (1) Any amendments to the redevelopment plan, the
4 redevelopment project area, or the State Sales Tax
5 Boundary; and

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

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

16 (f) (Blank).

17 (g) In the event that a municipality has held a public
18 hearing under this Section prior to March 14, 1994 (the
19 effective date of Public Act 88-537), the requirements imposed
20 by Public Act 88-537 relating to the method of fixing the time
21 and place for public hearing, the materials and information
22 required to be made available for public inspection, and the
23 information required to be sent after adoption of an ordinance
24 or resolution fixing a time and place for public hearing shall
25 not be applicable.

26 (h) On and after the effective date of this amendatory Act

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

9 (i) No later than 10 years after the corporate authorities
10 of a municipality adopt an ordinance to establish a
11 redevelopment project area, the municipality must compile a
12 status report concerning the redevelopment project area. The
13 status report must detail without limitation the following:
14 (i) the amount of revenue generated within the redevelopment
15 project area, (ii) any expenditures made by the municipality
16 for the redevelopment project area including without
17 limitation expenditures from the special tax allocation fund,
18 (iii) the status of planned activities, goals, and objectives
19 set forth in the redevelopment plan including details on new
20 or planned construction within the redevelopment project area,
21 (iv) the amount of private and public investment within the
22 redevelopment project area, and (v) any other relevant
23 evaluation or performance data. Within 30 days after the
24 municipality compiles the status report, the municipality must
25 hold at least one public hearing concerning the report. The
26 municipality must provide 20 days' public notice of the

1 hearing.

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

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

8 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

9 Sec. 11-74.4-7. Obligations secured by the special tax
10 allocation fund set forth in Section 11-74.4-8 for the
11 redevelopment project area may be issued to provide for
12 redevelopment project costs. Such obligations, when so issued,
13 shall be retired in the manner provided in the ordinance
14 authorizing the issuance of such obligations by the receipts
15 of taxes levied as specified in Section 11-74.4-9 against the
16 taxable property included in the area, by revenues as
17 specified by Section 11-74.4-8a and other revenue designated
18 by the municipality. A municipality may in the ordinance
19 pledge all or any part of the funds in and to be deposited in
20 the special tax allocation fund created pursuant to Section
21 11-74.4-8 to the payment of the redevelopment project costs
22 and obligations. For municipalities with a population less
23 than 1,000,000, any ~~Any~~ pledge of funds in the special tax
24 allocation fund shall provide for distribution to the taxing
25 districts and to the Illinois Department of Revenue of moneys

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

1 project area. For municipalities with a population greater
2 than 1,000,000, the balance in the special tax allocation fund
3 at the end of the fiscal year that is not required, pledged,
4 earmarked, or otherwise designated for payment of or securing
5 of obligations shall be entirely used to pay costs of special
6 education, social service, and other costs of its public
7 school district as described in paragraph (12) of subsection
8 (q) of Section 11-74.4-3.

9 Without limiting the foregoing in this Section, the
10 municipality may in addition to obligations secured by the
11 special tax allocation fund pledge for a period not greater
12 than the term of the obligations towards payment of such
13 obligations any part or any combination of the following: (a)
14 net revenues of all or part of any redevelopment project; (b)
15 taxes levied and collected on any or all property in the
16 municipality; (c) the full faith and credit of the
17 municipality; (d) a mortgage on part or all of the
18 redevelopment project; (d-5) repayment of bonds issued
19 pursuant to subsection (p-130) of Section 19-1 of the School
20 Code; or (e) any other taxes or anticipated receipts that the
21 municipality may lawfully pledge.

22 Such obligations may be issued in one or more series
23 bearing interest at such rate or rates as the corporate
24 authorities of the municipality shall determine by ordinance.
25 Such obligations shall bear such date or dates, mature at such
26 time or times not exceeding 20 years from their respective

1 dates, be in such denomination, carry such registration
2 privileges, be executed in such manner, be payable in such
3 medium of payment at such place or places, contain such
4 covenants, terms and conditions, and be subject to redemption
5 as such ordinance shall provide. Obligations issued pursuant
6 to this Act may be sold at public or private sale at such price
7 as shall be determined by the corporate authorities of the
8 municipalities. No referendum approval of the electors shall
9 be required as a condition to the issuance of obligations
10 pursuant to this Division except as provided in this Section.

11 In the event the municipality authorizes issuance of
12 obligations pursuant to the authority of this Division secured
13 by the full faith and credit of the municipality, which
14 obligations are other than obligations which may be issued
15 under home rule powers provided by Article VII, Section 6 of
16 the Illinois Constitution, or pledges taxes pursuant to (b) or
17 (c) of the second paragraph of this section, the ordinance
18 authorizing the issuance of such obligations or pledging such
19 taxes shall be published within 10 days after such ordinance
20 has been passed in one or more newspapers, with general
21 circulation within such municipality. The publication of the
22 ordinance shall be accompanied by a notice of (1) the specific
23 number of voters required to sign a petition requesting the
24 question of the issuance of such obligations or pledging taxes
25 to be submitted to the electors; (2) the time in which such
26 petition must be filed; and (3) the date of the prospective

1 referendum. The municipal clerk shall provide a petition form
2 to any individual requesting one.

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

26 The ordinance authorizing the obligations may provide that

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

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

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

23 A municipality may also issue its obligations to refund in
24 whole or in part, obligations theretofore issued by such
25 municipality under the authority of this Act, whether at or
26 prior to maturity, provided however, that the last maturity of

1 the refunding obligations may not be later than the dates set
2 forth under Section 11-74.4-3.5.

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

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

15 (Source: P.A. 100-531, eff. 9-22-17.)

16 (65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

17 Sec. 11-74.4-8. Tax increment allocation financing. A
18 municipality may not adopt tax increment financing in a
19 redevelopment project area after July 30, 1997 (the effective
20 date of Public Act 90-258) ~~this amendatory Act of 1997~~ that
21 will encompass an area that is currently included in an
22 enterprise zone created under the Illinois Enterprise Zone Act
23 unless that municipality, pursuant to Section 5.4 of the
24 Illinois Enterprise Zone Act, amends the enterprise zone
25 designating ordinance to limit the eligibility for tax

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

20 (a) That portion of taxes levied upon each taxable
21 lot, block, tract, l or parcel of real property which is
22 attributable to the lower of the current equalized
23 assessed value or the initial equalized assessed value of
24 each such taxable lot, block, tract, l or parcel of real
25 property in the redevelopment project area shall be
26 allocated to and when collected shall be paid by the

1 county collector to the respective affected taxing
2 districts in the manner required by law in the absence of
3 the adoption of tax increment allocation financing.

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

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

11 (1) The total equalized assessed value of the
12 redevelopment project area as last determined was not
13 less than 175% of the total initial equalized assessed
14 value.

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

19 (3) The municipal clerk has certified to the
20 county clerk that the municipality has issued its
21 obligations to which there has been pledged the
22 incremental property taxes of the redevelopment
23 project area or taxes levied and collected on any or
24 all property in the municipality or the full faith and
25 credit of the municipality to pay or secure payment
26 for all or a portion of the redevelopment project

1 costs. The certification shall be filed annually no
2 later than September 1 for the estimated taxes to be
3 distributed in the following year; however, for the
4 year 1992 the certification shall be made at any time
5 on or before March 31, 1992.

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

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

23 It is the intent of this Division that after July 29,
24 1988 (the effective date of Public Act 85-1142) ~~this~~
25 ~~amendatory Act of 1988~~ a municipality's own ad valorem tax
26 arising from levies on taxable real property be included

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

23 If a municipality has adopted tax increment allocation
24 financing by ordinance and the County Clerk thereafter
25 certifies the "total initial equalized assessed value as
26 adjusted" of the taxable real property within such

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

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

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

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

24 The municipality may pledge in the ordinance the funds
25 in and to be deposited in the special tax allocation fund
26 for the payment of such costs and obligations. No part of

1 the current equalized assessed valuation of each property
2 in the redevelopment project area attributable to any
3 increase above the total initial equalized assessed value,
4 or the total initial equalized assessed value as adjusted,
5 of such properties shall be used in calculating the
6 general State aid formula, provided for in Section 18-8 of
7 the School Code, or the evidence-based funding formula,
8 provided for in Section 18-8.15 of the School Code, until
9 such time as all redevelopment project costs have been
10 paid as provided for in this Section.

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

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

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

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

7 Upon the payment of all redevelopment project costs,
8 the retirement of obligations, the distribution of any
9 excess monies pursuant to this Section, and final closing
10 of the books and records of the redevelopment project
11 area, the municipality shall adopt an ordinance dissolving
12 the special tax allocation fund for the redevelopment
13 project area and terminating the designation of the
14 redevelopment project area as a redevelopment project
15 area. Title to real or personal property and public
16 improvements acquired by or for the municipality as a
17 result of the redevelopment project and plan shall vest in
18 the municipality when acquired and shall continue to be
19 held by the municipality after the redevelopment project
20 area has been terminated. Municipalities shall notify
21 affected taxing districts prior to November 1 if the
22 redevelopment project area is to be terminated by December
23 31 of that same year. If a municipality extends estimated
24 dates of completion of a redevelopment project and
25 retirement of obligations to finance a redevelopment
26 project, as allowed by Public Act 87-1272 ~~this amendatory~~

1 ~~Act of 1993~~, that extension shall not extend the property
2 tax increment allocation financing authorized by this
3 Section. Thereafter the rates of the taxing districts
4 shall be extended and taxes levied, collected and
5 distributed in the manner applicable in the absence of the
6 adoption of tax increment allocation financing.

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

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

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

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

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

1 adoption of tax increment allocation financing;
2 then

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

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

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

22 (Source: P.A. 99-792, eff. 8-12-16; 100-465, eff. 8-31-17;
23 revised 8-8-19.)

24 (65 ILCS 5/11-74.4-8a) (from Ch. 24, par. 11-74.4-8a)
25 Sec. 11-74.4-8a. (1) Until June 1, 1988, a municipality

1 which has adopted tax increment allocation financing prior to
2 January 1, 1987, may by ordinance (1) authorize the Department
3 of Revenue, subject to appropriation, to annually certify and
4 cause to be paid from the Illinois Tax Increment Fund to such
5 municipality for deposit in the municipality's special tax
6 allocation fund an amount equal to the Net State Sales Tax
7 Increment and (2) authorize the Department of Revenue to
8 annually notify the municipality of the amount of the
9 Municipal Sales Tax Increment which shall be deposited by the
10 municipality in the municipality's special tax allocation
11 fund. Provided that for purposes of this Section no amendments
12 adding additional area to the redevelopment project area which
13 has been certified as the State Sales Tax Boundary shall be
14 taken into account if such amendments are adopted by the
15 municipality after January 1, 1987. If an amendment is adopted
16 which decreases the area of a State Sales Tax Boundary, the
17 municipality shall update the list required by subsection
18 (3)(a) of this Section. The Retailers' Occupation Tax
19 liability, Use Tax liability, Service Occupation Tax liability
20 and Service Use Tax liability for retailers and servicemen
21 located within the disconnected area shall be excluded from
22 the base from which tax increments are calculated and the
23 revenue from any such retailer or serviceman shall not be
24 included in calculating incremental revenue payable to the
25 municipality. A municipality adopting an ordinance under this
26 subsection (1) of this Section for a redevelopment project

1 area which is certified as a State Sales Tax Boundary shall not
2 be entitled to payments of State taxes authorized under
3 subsection (2) of this Section for the same redevelopment
4 project area. Nothing herein shall be construed to prevent a
5 municipality from receiving payment of State taxes authorized
6 under subsection (2) of this Section for a separate
7 redevelopment project area that does not overlap in any way
8 with the State Sales Tax Boundary receiving payments of State
9 taxes pursuant to subsection (1) of this Section.

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

25 If a retailer or serviceman with a place of business
26 located within a redevelopment project area also has one or

1 more other places of business within the municipality but
2 outside the redevelopment project area, the retailer or
3 serviceman shall, upon request of the Department of Revenue,
4 certify to the Department of Revenue the amount of taxes paid
5 pursuant to the Retailers' Occupation Tax Act, the Municipal
6 Retailers' Occupation Tax Act, the Service Occupation Tax Act
7 and the Municipal Service Occupation Tax Act at each place of
8 business which is located within the redevelopment project
9 area in the manner and for the periods of time requested by the
10 Department of Revenue.

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

1 affected municipality; provided, however, for purposes of this
2 paragraph "termination" shall mean a closing of a retail or
3 service operation which is directly related to the opening of
4 the same retail or service operation in a redevelopment
5 project area which is included within a State Sales Tax
6 Boundary, but it shall not include retail or service
7 operations closed for reasons beyond the control of the
8 retailer or serviceman, as determined by the Department.

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

21 When a municipality which has adopted tax increment
22 allocation financing in 1986 determines that a portion of the
23 aggregate amount of taxes paid by retailers and servicemen
24 under the Retailers Occupation Tax Act, Use Tax Act, Service
25 Use Tax Act, or Service Occupation Tax Act, the Municipal
26 Retailers' Occupation Tax Act and the Municipal Service

1 Occupation Tax Act, includes revenue of a retailer or
2 serviceman which terminated retailer or service operations in
3 1986, prior to the adoption of tax increment allocation
4 financing, the Department of Revenue shall be notified by such
5 municipality that the retailers' occupation tax liability, use
6 tax liability, service occupation tax liability or service use
7 tax liability, from such retailer's or serviceman's terminated
8 operations shall be excluded from the Initial Sales Tax
9 Amounts for such taxes. The revenue from any such retailer or
10 serviceman which is excluded from the base year under this
11 paragraph, shall not be included in calculating incremental
12 revenues if such retailer or serviceman reestablishes such
13 business in the redevelopment project area.

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

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

1 Department, shall determine the proportional shares of the
2 Illinois Tax Increment Fund to be distributed to each
3 municipality.

4 Beginning in October, 1993, and each January, April, July
5 and October thereafter, the Department of Revenue shall
6 certify to the Treasurer and the Comptroller the amounts
7 payable quarter annually during the fiscal year to each
8 municipality under this Section. The Comptroller shall
9 promptly then draw warrants, ordering the State Treasurer to
10 pay such amounts from the Illinois Tax Increment Fund in the
11 State treasury.

12 The Department of Revenue shall utilize the same periods
13 established for determining State Sales Tax Increment to
14 determine the Municipal Sales Tax Increment for the area
15 within a State Sales Tax Boundary and certify such amounts to
16 such municipal treasurer who shall transfer such amounts to
17 the special tax allocation fund.

18 The provisions of this subsection (1) do not apply to
19 additional municipal retailers' occupation or service
20 occupation taxes imposed by municipalities using their home
21 rule powers or imposed pursuant to Sections 8-11-1.3, 8-11-1.4
22 and 8-11-1.5 of this Act. A municipality shall not receive
23 from the State any share of the Illinois Tax Increment Fund
24 unless such municipality deposits all its Municipal Sales Tax
25 Increment and the local incremental real property tax
26 revenues, as provided herein, into the appropriate special tax

1 allocation fund. If, however, a municipality has extended the
2 estimated dates of completion of the redevelopment project and
3 retirement of obligations to finance redevelopment project
4 costs by municipal ordinance to December 31, 2013 under
5 subsection (n) of Section 11-74.4-3, then that municipality
6 shall continue to receive from the State a share of the
7 Illinois Tax Increment Fund so long as the municipality
8 deposits, from any funds available, excluding funds in the
9 special tax allocation fund, an amount equal to the municipal
10 share of the real property tax increment revenues into the
11 special tax allocation fund during the extension period. The
12 amount to be deposited by the municipality in each of the tax
13 years affected by the extension to December 31, 2013 shall be
14 equal to the municipal share of the property tax increment
15 deposited into the special tax allocation fund by the
16 municipality for the most recent year that the property tax
17 increment was distributed. A municipality located within an
18 economic development project area created under the County
19 Economic Development Project Area Property Tax Allocation Act
20 which has abated any portion of its property taxes which
21 otherwise would have been deposited in its special tax
22 allocation fund shall not receive from the State the Net Sales
23 Tax Increment.

24 (2) A municipality which has adopted tax increment
25 allocation financing with regard to an industrial park or
26 industrial park conservation area, prior to January 1, 1988,

1 may by ordinance authorize the Department of Revenue to
2 annually certify and pay from the Illinois Tax Increment Fund
3 to such municipality for deposit in the municipality's special
4 tax allocation fund an amount equal to the Net State Utility
5 Tax Increment. Provided that for purposes of this Section no
6 amendments adding additional area to the redevelopment project
7 area shall be taken into account if such amendments are
8 adopted by the municipality after January 1, 1988.
9 Municipalities adopting an ordinance under this subsection (2)
10 of this Section for a redevelopment project area shall not be
11 entitled to payment of State taxes authorized under subsection
12 (1) of this Section for the same redevelopment project area
13 which is within a State Sales Tax Boundary. Nothing herein
14 shall be construed to prevent a municipality from receiving
15 payment of State taxes authorized under subsection (1) of this
16 Section for a separate redevelopment project area within a
17 State Sales Tax Boundary that does not overlap in any way with
18 the redevelopment project area receiving payments of State
19 taxes pursuant to subsection (2) of this Section.

20 A certified copy of such ordinance shall be submitted to
21 the Department of Commerce and Economic Opportunity and the
22 Department of Revenue not later than 30 days after the
23 effective date of the ordinance.

24 When a municipality determines that a portion of an
25 increase in the aggregate amount of taxes paid by industrial
26 or commercial facilities under the Public Utilities Act, is

1 the result of an industrial or commercial facility initiating
2 operations in the redevelopment project area with a resulting
3 termination of such operations by such industrial or
4 commercial facility at another location in Illinois, the
5 Department of Revenue shall be notified by such municipality
6 that such industrial or commercial facility's liability under
7 the Public Utility Tax Act shall be included in the base from
8 which tax increments are calculated for purposes of State
9 payments to the affected municipality.

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

1 Increment for all municipalities, as most recently calculated
2 by the Department, shall determine the proportional shares of
3 the Illinois Tax Increment Fund to be distributed to each
4 municipality.

5 A municipality shall not receive any share of the Illinois
6 Tax Increment Fund from the State unless such municipality
7 imposes the maximum municipal charges authorized pursuant to
8 Section 9-221 of the Public Utilities Act and deposits all
9 municipal utility tax incremental revenues as certified by the
10 public utilities, and all local real estate tax increments
11 into such municipality's special tax allocation fund.

12 (3) Within 30 days after the adoption of the ordinance
13 required by either subsection (1) or subsection (2) of this
14 Section, the municipality shall transmit to the Department of
15 Commerce and Economic Opportunity and the Department of
16 Revenue the following:

17 (a) if applicable, a certified copy of the ordinance
18 required by subsection (1) accompanied by a complete list
19 of street names and the range of street numbers of each
20 street located within the redevelopment project area for
21 which payments are to be made under this Section in both
22 the base year and in the year preceding the payment year;
23 and the addresses of persons registered with the
24 Department of Revenue; and, the name under which each such
25 retailer or serviceman conducts business at that address,
26 if different from the corporate name; and the Illinois

1 Business Tax Number of each such person (The municipality
2 shall update this list in the event of a revision of the
3 redevelopment project area, or the opening or closing or
4 name change of any street or part thereof in the
5 redevelopment project area, or if the Department of
6 Revenue informs the municipality of an addition or
7 deletion pursuant to the monthly updates given by the
8 Department.);

9 (b) if applicable, a certified copy of the ordinance
10 required by subsection (2) accompanied by a complete list
11 of street names and range of street numbers of each street
12 located within the redevelopment project area, the utility
13 customers in the project area, and the utilities serving
14 the redevelopment project areas;

15 (c) certified copies of the ordinances approving the
16 redevelopment plan and designating the redevelopment
17 project area;

18 (d) a copy of the redevelopment plan as approved by
19 the municipality;

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

22 (f) a certification by the chief executive officer of
23 the municipality that with regard to a redevelopment
24 project area: (1) the municipality has committed all of
25 the municipal tax increment created pursuant to this Act
26 for deposit in the special tax allocation fund, (2) the

1 redevelopment projects described in the redevelopment plan
2 would not be completed without the use of State
3 incremental revenues pursuant to this Act, (3) the
4 municipality will pursue the implementation of the
5 redevelopment plan in an expeditious manner, (4) the
6 incremental revenues created pursuant to this Section will
7 be exclusively utilized for the development of the
8 redevelopment project area, and (5) the increased revenue
9 created pursuant to this Section shall be used exclusively
10 to pay redevelopment project costs as defined in this Act.

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

17 (a) provide to the Department of Revenue and the
18 municipality separate lists of the names and addresses of
19 persons within the redevelopment project area receiving
20 natural gas or electricity from such public utility. Such
21 list shall be updated as necessary by the public utility.
22 Each month thereafter the public utility shall furnish the
23 Department of Revenue and the municipality with an
24 itemized listing of charges imposed pursuant to Sections
25 9-221 and 9-222 of the Public Utilities Act on persons
26 within the redevelopment project area.

1 (b) determine the amount of charges imposed pursuant
2 to Sections 9-221 and 9-222 of the Public Utilities Act on
3 persons in the redevelopment project area during the base
4 year, both as a result of municipal taxes on electricity
5 and gas and as a result of State taxes on electricity and
6 gas and certify such amounts both to the municipality and
7 the Department of Revenue; and

8 (c) determine the amount of charges imposed pursuant
9 to Sections 9-221 and 9-222 of the Public Utilities Act on
10 persons in the redevelopment project area on a monthly
11 basis during the base year, both as a result of State and
12 municipal taxes on electricity and gas and certify such
13 separate amounts both to the municipality and the
14 Department of Revenue.

15 After the determinations are made in paragraphs (b) and
16 (c), the public utility shall monthly during the existence of
17 the redevelopment project area notify the Department of
18 Revenue and the municipality of any increase in charges over
19 the base year determinations made pursuant to paragraphs (b)
20 and (c).

21 (5) The payments authorized under this Section shall be
22 deposited by the municipal treasurer in the special tax
23 allocation fund of the municipality, which for accounting
24 purposes shall identify the sources of each payment as:
25 municipal receipts from the State retailers occupation,
26 service occupation, use and service use taxes; and municipal

1 public utility taxes charged to customers under the Public
2 Utilities Act and State public utility taxes charged to
3 customers under the Public Utilities Act.

4 (6) Before the effective date of this amendatory Act of
5 the 91st General Assembly, any municipality receiving payments
6 authorized under this Section for any redevelopment project
7 area or area within a State Sales Tax Boundary within the
8 municipality shall submit to the Department of Revenue and to
9 the taxing districts which are sent the notice required by
10 Section 6 of this Act annually within 180 days after the close
11 of each municipal fiscal year the following information for
12 the immediately preceding fiscal year:

13 (a) Any amendments to the redevelopment plan, the
14 redevelopment project area, or the State Sales Tax
15 Boundary.

16 (b) Audited financial statements of the special tax
17 allocation fund.

18 (c) Certification of the Chief Executive Officer of
19 the municipality that the municipality has complied with
20 all of the requirements of this Act during the preceding
21 fiscal year.

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

24 (e) An analysis of the special tax allocation fund
25 which sets forth:

26 (1) the balance in the special tax allocation fund

1 at the beginning of the fiscal year;

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

4 (3) all expenditures from the special tax
5 allocation fund by category of permissible
6 redevelopment project cost; and

7 (4) for municipalities with a population less than
8 1,000,000, the balance in the special tax allocation
9 fund at the end of the fiscal year including a
10 breakdown of that balance by source. Such ending
11 balance shall be designated as surplus if it is not
12 required ~~for anticipated redevelopment project costs~~
13 ~~or~~ to pay debt service on bonds issued to finance
14 redevelopment project costs, as set forth in Section
15 11-74.4-7 hereof.

16 (f) A description of all property purchased by the
17 municipality within the redevelopment project area
18 including:

- 19 1. Street address
- 20 2. Approximate size or description of property
- 21 3. Purchase price
- 22 4. Seller of property.

23 (g) A statement setting forth all activities
24 undertaken in furtherance of the objectives of the
25 redevelopment plan, including:

- 26 1. Any project implemented in the preceding fiscal

1 year

2 2. A description of the redevelopment activities
3 undertaken

4 3. A description of any agreements entered into by
5 the municipality with regard to the disposition or
6 redevelopment of any property within the redevelopment
7 project area or the area within the State Sales Tax
8 Boundary.

9 (h) With regard to any obligations issued by the
10 municipality:

11 1. copies of bond ordinances or resolutions

12 2. copies of any official statements

13 3. an analysis prepared by financial advisor or
14 underwriter setting forth: (a) nature and term of
15 obligation; and (b) projected debt service including
16 required reserves and debt coverage.

17 (i) A certified audit report reviewing compliance with
18 this statute performed by an independent public accountant
19 certified and licensed by the authority of the State of
20 Illinois. The financial portion of the audit must be
21 conducted in accordance with Standards for Audits of
22 Governmental Organizations, Programs, Activities, and
23 Functions adopted by the Comptroller General of the United
24 States (1981), as amended. The audit report shall contain
25 a letter from the independent certified public accountant
26 indicating compliance or noncompliance with the

1 requirements of subsection (q) of Section 11-74.4-3. If
2 the audit indicates that expenditures are not in
3 compliance with the law, the Department of Revenue shall
4 withhold State sales and utility tax increment payments to
5 the municipality until compliance has been reached, and an
6 amount equal to the ineligible expenditures has been
7 returned to the Special Tax Allocation Fund.

8 (6.1) After July 29, 1988 and before the effective date of
9 this amendatory Act of the 91st General Assembly, any funds
10 which have not been designated for use in a specific
11 development project in the annual report shall be designated
12 as surplus by municipalities with population of less than
13 1,000,000. No funds may be held in the Special Tax Allocation
14 Fund for more than 36 months from the date of receipt unless
15 the money is required for payment of contractual obligations
16 for specific development project costs. If held for more than
17 36 months in violation of the preceding sentence, such funds
18 shall be designated as surplus. Any funds designated as
19 surplus must first be used for early redemption of any bond
20 obligations. Any funds designated as surplus which are not
21 disposed of as otherwise provided in this paragraph, shall be
22 distributed as surplus as provided in Section 11-74.4-7. For
23 municipalities with a population greater than 1,000,000, when
24 such redevelopment projects costs, including without
25 limitation all municipal obligations financing redevelopment
26 project costs incurred under this Division, have been paid,

1 all surplus funds then remaining in the special tax allocation
2 fund shall be entirely used to pay costs of special education,
3 social service, and other costs of its public school district
4 as described in paragraph (12) of subsection (q) of Section
5 11-74.4-3.

6 (7) Any appropriation made pursuant to this Section for
7 the 1987 State fiscal year shall not exceed the amount of \$7
8 million and for the 1988 State fiscal year the amount of \$10
9 million. The amount which shall be distributed to each
10 municipality shall be the incremental revenue to which each
11 municipality is entitled as calculated by the Department of
12 Revenue, unless the requests of the municipality exceed the
13 appropriation, then the amount to which each municipality
14 shall be entitled shall be prorated among the municipalities
15 in the same proportion as the increment to which the
16 municipality would be entitled bears to the total increment
17 which all municipalities would receive in the absence of this
18 limitation, provided that no municipality may receive an
19 amount in excess of 15% of the appropriation. For the 1987 Net
20 State Sales Tax Increment payable in Fiscal Year 1989, no
21 municipality shall receive more than 7.5% of the total
22 appropriation; provided, however, that any of the
23 appropriation remaining after such distribution shall be
24 prorated among municipalities on the basis of their pro rata
25 share of the total increment. Beginning on January 1, 1993,
26 each municipality's proportional share of the Illinois Tax

1 Increment Fund shall be determined by adding the annual Net
2 State Sales Tax Increment and the annual Net Utility Tax
3 Increment to determine the Annual Total Increment. The ratio
4 of the Annual Total Increment of each municipality to the
5 Annual Total Increment for all municipalities, as most
6 recently calculated by the Department, shall determine the
7 proportional shares of the Illinois Tax Increment Fund to be
8 distributed to each municipality.

9 (7.1) No distribution of Net State Sales Tax Increment to
10 a municipality for an area within a State Sales Tax Boundary
11 shall exceed in any State Fiscal Year an amount equal to 3
12 times the sum of the Municipal Sales Tax Increment, the real
13 property tax increment and deposits of funds from other
14 sources, excluding state and federal funds, as certified by
15 the city treasurer to the Department of Revenue for an area
16 within a State Sales Tax Boundary. After July 29, 1988, for
17 those municipalities which issue bonds between June 1, 1988
18 and 3 years from July 29, 1988 to finance redevelopment
19 projects within the area in a State Sales Tax Boundary, the
20 distribution of Net State Sales Tax Increment during the 16th
21 through 20th years from the date of issuance of the bonds shall
22 not exceed in any State Fiscal Year an amount equal to 2 times
23 the sum of the Municipal Sales Tax Increment, the real
24 property tax increment and deposits of funds from other
25 sources, excluding State and federal funds.

26 (8) Any person who knowingly files or causes to be filed

1 false information for the purpose of increasing the amount of
2 any State tax incremental revenue commits a Class A
3 misdemeanor.

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

8 (a) The Department of Revenue shall conduct a
9 preliminary review of the redevelopment project areas and
10 redevelopment plans pertaining to those municipalities
11 receiving payments from the State pursuant to subsection
12 (1) of Section 8a of this Act for the purpose of
13 determining compliance with the following standards:

14 (1) For any municipality with a population of more
15 than 12,000 as determined by the 1980 U.S. Census: (a)
16 the redevelopment project area, or in the case of a
17 municipality which has more than one redevelopment
18 project area, each such area, must be contiguous and
19 the total of all such areas shall not comprise more
20 than 25% of the area within the municipal boundaries
21 nor more than 20% of the equalized assessed value of
22 the municipality; (b) the aggregate amount of 1985
23 taxes in the redevelopment project area, or in the
24 case of a municipality which has more than one
25 redevelopment project area, the total of all such
26 areas, shall be not more than 25% of the total base

1 year taxes paid by retailers and servicemen on
2 transactions at places of business located within the
3 municipality under the Retailers' Occupation Tax Act,
4 the Use Tax Act, the Service Use Tax Act, and the
5 Service Occupation Tax Act. Redevelopment project
6 areas created prior to 1986 are not subject to the
7 above standards if their boundaries were not amended
8 in 1986.

9 (2) For any municipality with a population of
10 12,000 or less as determined by the 1980 U.S. Census:
11 (a) the redevelopment project area, or in the case of a
12 municipality which has more than one redevelopment
13 project area, each such area, must be contiguous and
14 the total of all such areas shall not comprise more
15 than 35% of the area within the municipal boundaries
16 nor more than 30% of the equalized assessed value of
17 the municipality; (b) the aggregate amount of 1985
18 taxes in the redevelopment project area, or in the
19 case of a municipality which has more than one
20 redevelopment project area, the total of all such
21 areas, shall not be more than 35% of the total base
22 year taxes paid by retailers and servicemen on
23 transactions at places of business located within the
24 municipality under the Retailers' Occupation Tax Act,
25 the Use Tax Act, the Service Use Tax Act, and the
26 Service Occupation Tax Act. Redevelopment project

1 areas created prior to 1986 are not subject to the
2 above standards if their boundaries were not amended
3 in 1986.

4 (3) Such preliminary review of the redevelopment
5 project areas applying the above standards shall be
6 completed by November 1, 1988, and on or before
7 November 1, 1988, the Department shall notify each
8 municipality by certified mail, return receipt
9 requested that either (1) the Department requires
10 additional time in which to complete its preliminary
11 review; or (2) the Department is issuing either (a) a
12 Certificate of Eligibility or (b) a Notice of Review.
13 If the Department notifies a municipality that it
14 requires additional time to complete its preliminary
15 investigation, it shall complete its preliminary
16 investigation no later than February 1, 1989, and by
17 February 1, 1989 shall issue to each municipality
18 either (a) a Certificate of Eligibility or (b) a
19 Notice of Review. A redevelopment project area for
20 which a Certificate of Eligibility has been issued
21 shall be deemed a "State Sales Tax Boundary."

22 (4) The Department of Revenue shall also issue a
23 Notice of Review if the Department has received a
24 request by November 1, 1988 to conduct such a review
25 from taxpayers in the municipality, local taxing
26 districts located in the municipality or the State of

1 Illinois, or if the redevelopment project area has
2 more than 5 retailers and has had growth in State sales
3 tax revenue of more than 15% from calendar year 1985 to
4 1986.

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

12 Upon completion of the secondary review, the
13 Department will issue (a) a Certificate of Eligibility or
14 (b) a Preliminary Notice of Deficiency. Any municipality
15 receiving a Preliminary Notice of Deficiency may amend its
16 redevelopment project area to meet the standards and
17 definitions set forth in this paragraph (b). This amended
18 redevelopment project area shall become the "State Sales
19 Tax Boundary" for purposes of determining the State Sales
20 Tax Increment.

21 (c) If the municipality advises the Department of its
22 intent to comply with the requirements of paragraph (b) of
23 this subsection outlined in the Preliminary Notice of
24 Deficiency, within 120 days of receiving such notice from
25 the Department, the municipality shall submit
26 documentation to the Department of the actions it has

1 taken to cure any deficiencies. Thereafter, within 30 days
2 of the receipt of the documentation, the Department shall
3 either issue a Certificate of Eligibility or a Final
4 Notice of Deficiency. If the municipality fails to advise
5 the Department of its intent to comply or fails to submit
6 adequate documentation of such cure of deficiencies the
7 Department shall issue a Final Notice of Deficiency that
8 provides that the municipality is ineligible for payment
9 of the Net State Sales Tax Increment.

10 (d) If the Department issues a final determination of
11 ineligibility, the municipality shall have 30 days from
12 the receipt of determination to protest and request a
13 hearing. Such hearing shall be conducted in accordance
14 with Sections 10-25, 10-35, 10-40, and 10-50 of the
15 Illinois Administrative Procedure Act. The decision
16 following the hearing shall be subject to review under the
17 Administrative Review Law.

18 (e) Any Certificate of Eligibility issued pursuant to
19 this subsection 9 shall be binding only on the State for
20 the purposes of establishing municipal eligibility to
21 receive revenue pursuant to subsection (1) of this Section
22 11-74.4-8a.

23 (f) It is the intent of this subsection that the
24 periods of time to cure deficiencies shall be in addition
25 to all other periods of time permitted by this Section,
26 regardless of the date by which plans were originally

1 required to be adopted. To cure said deficiencies,
2 however, the municipality shall be required to follow the
3 procedures and requirements pertaining to amendments, as
4 provided in Sections 11-74.4-5 and 11-74.4-6 of this Act.

5 (10) If a municipality adopts a State Sales Tax Boundary
6 in accordance with the provisions of subsection (9) of this
7 Section, such boundaries shall subsequently be utilized to
8 determine Revised Initial Sales Tax Amounts and the Net State
9 Sales Tax Increment; provided, however, that such revised
10 State Sales Tax Boundary shall not have any effect upon the
11 boundary of the redevelopment project area established for the
12 purposes of determining the ad valorem taxes on real property
13 pursuant to Sections 11-74.4-7 and 11-74.4-8 of this Act nor
14 upon the municipality's authority to implement the
15 redevelopment plan for that redevelopment project area. For
16 any redevelopment project area with a smaller State Sales Tax
17 Boundary within its area, the municipality may annually elect
18 to deposit the Municipal Sales Tax Increment for the
19 redevelopment project area in the special tax allocation fund
20 and shall certify the amount to the Department prior to
21 receipt of the Net State Sales Tax Increment. Any municipality
22 required by subsection (9) to establish a State Sales Tax
23 Boundary for one or more of its redevelopment project areas
24 shall submit all necessary information required by the
25 Department concerning such boundary and the retailers therein,
26 by October 1, 1989, after complying with the procedures for

1 amendment set forth in Sections 11-74.4-5 and 11-74.4-6 of
2 this Act. Net State Sales Tax Increment produced within the
3 State Sales Tax Boundary shall be spent only within that area.
4 However expenditures of all municipal property tax increment
5 and municipal sales tax increment in a redevelopment project
6 area are not required to be spent within the smaller State
7 Sales Tax Boundary within such redevelopment project area.

8 (11) The Department of Revenue shall have the authority to
9 issue rules and regulations for purposes of this Section.

10 (12) If, under Section 5.4.1 of the Illinois Enterprise
11 Zone Act, a municipality determines that property that lies
12 within a State Sales Tax Boundary has an improvement,
13 rehabilitation, or renovation that is entitled to a property
14 tax abatement, then that property along with any improvements,
15 rehabilitation, or renovations shall be immediately removed
16 from any State Sales Tax Boundary. The municipality that made
17 the determination shall notify the Department of Revenue
18 within 30 days after the determination. Once a property is
19 removed from the State Sales Tax Boundary because of the
20 existence of a property tax abatement resulting from an
21 enterprise zone, then that property shall not be permitted to
22 be amended into a State Sales Tax Boundary.

23 (Source: P.A. 100-201, eff. 8-18-17.)