



## 102ND GENERAL ASSEMBLY

### State of Illinois

### 2021 and 2022

### SB2509

Introduced 2/26/2021, by Sen. Omar Aquino

#### 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 12839 AWJ 18181 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 (g) 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.)