

1 AMENDMENT TO SENATE BILL 417

2 AMENDMENT NO. _____. Amend Senate Bill 417 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Municipal Code is amended by
5 changing Sections 11-74.4-3, 11-74.4-4, 11-74.4-4.1,
6 11-74.4-7, 11-74.4-8, and 11-74.4-10 as follows:

7 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)
8 Sec. 11-74.4-3. Definitions. The following terms,
9 wherever used or referred to in this Division 74.4 shall have
10 the following respective meanings, unless in any case a
11 different meaning clearly appears from the context.

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

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

21 (1) If improved, industrial, commercial, and
22 residential buildings or improvements are detrimental to

1 the public safety, health, or welfare because of a
2 combination of 5 or more of the following factors, each
3 of which is (i) present, with that presence documented,
4 to a meaningful extent so that a municipality may
5 reasonably find that the factor is clearly present within
6 the intent of the Act and (ii) reasonably distributed
7 throughout the improved part of the redevelopment project
8 area:

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

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

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

30 (D) Presence of structures below minimum code
31 standards. All structures that do not meet the
32 standards of zoning, subdivision, building, fire,
33 and other governmental codes applicable to property,
34 but not including housing and property maintenance

1 codes.

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

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

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

27 (H) Inadequate utilities. Underground and
28 overhead utilities such as storm sewers and storm
29 drainage, sanitary sewers, water lines, and gas,
30 telephone, and electrical services that are shown to
31 be inadequate. Inadequate utilities are those that
32 are: (i) of insufficient capacity to serve the uses
33 in the redevelopment project area, (ii)
34 deteriorated, antiquated, obsolete, or in disrepair,

1 or (iii) lacking within the redevelopment project
2 area.

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

23 (J) Deleterious land use or layout. The
24 existence of incompatible land-use relationships,
25 buildings occupied by inappropriate mixed-uses, or
26 uses considered to be noxious, offensive, or
27 unsuitable for the surrounding area.

28 (K) Environmental clean-up. The proposed
29 redevelopment project area has incurred Illinois
30 Environmental Protection Agency or United States
31 Environmental Protection Agency remediation costs
32 for, or a study conducted by an independent
33 consultant recognized as having expertise in
34 environmental remediation has determined a need for,

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

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

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

34 (2) If vacant, the sound growth of the

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

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

19 (B) Diversity of ownership of parcels of
20 vacant land sufficient in number to retard or impede
21 the ability to assemble the land for development.

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

26 (D) Deterioration of structures or site
27 improvements in neighboring areas adjacent to the
28 vacant land.

29 (E) The area has incurred Illinois
30 Environmental Protection Agency or United States
31 Environmental Protection Agency remediation costs
32 for, or a study conducted by an independent
33 consultant recognized as having expertise in
34 environmental remediation has determined a need for,

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

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

20 (3) If vacant, the sound growth of the
21 redevelopment project area is impaired by one of the
22 following factors that (i) is present, with that presence
23 documented, to a meaningful extent so that a municipality
24 may reasonably find that the factor is clearly present
25 within the intent of the Act and (ii) is reasonably
26 distributed throughout the vacant part of the
27 redevelopment project area to which it pertains:

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

30 (B) The area consists of unused railyards,
31 rail tracks, or railroad rights-of-way.

32 (C) The area, prior to its designation, is
33 subject to chronic flooding that adversely impacts
34 on real property in the area as certified by a

1 registered professional engineer or appropriate
2 regulatory agency.

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
7 sites.

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

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

24 (b) For any redevelopment project area that has been
25 designated pursuant to this Section by an ordinance adopted
26 prior to November 1, 1999 (the effective date of Public Act
27 91-478), "conservation area" shall have the meaning set forth
28 in this Section prior to that date.

29 On and after November 1, 1999, "conservation area" means
30 any improved area within the boundaries of a redevelopment
31 project area located within the territorial limits of the
32 municipality in which 50% or more of the structures in the
33 area have an age of 35 years or more. Such an area is not
34 yet a blighted area but because of a combination of 3 or more

1 of the following factors is detrimental to the public safety,
2 health, morals or welfare and such an area may become a
3 blighted area:

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

11 (2) Obsolescence. The condition or process of
12 falling into disuse. Structures have become ill-suited
13 for the original use.

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

24 (4) Presence of structures below minimum code
25 standards. All structures that do not meet the standards
26 of zoning, subdivision, building, fire, and other
27 governmental codes applicable to property, but not
28 including housing and property maintenance codes.

29 (5) Illegal use of individual structures. The use
30 of structures in violation of applicable federal, State,
31 or local laws, exclusive of those applicable to the
32 presence of structures below minimum code standards.

33 (6) Excessive vacancies. The presence of buildings
34 that are unoccupied or under-utilized and that represent

1 an adverse influence on the area because of the
2 frequency, extent, or duration of the vacancies.

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

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

26 (9) Excessive land coverage and overcrowding of
27 structures and community facilities. The over-intensive
28 use of property and the crowding of buildings and
29 accessory facilities onto a site. Examples of problem
30 conditions warranting the designation of an area as one
31 exhibiting excessive land coverage are: the presence of
32 buildings either improperly situated on parcels or
33 located on parcels of inadequate size and shape in
34 relation to present-day standards of development for

1 health and safety and the presence of multiple buildings
2 on a single parcel. For there to be a finding of
3 excessive land coverage, these parcels must exhibit one
4 or more of the following conditions: insufficient
5 provision for light and air within or around buildings,
6 increased threat of spread of fire due to the close
7 proximity of buildings, lack of adequate or proper access
8 to a public right-of-way, lack of reasonably required
9 off-street parking, or inadequate provision for loading
10 and service.

11 (10) Deleterious land use or layout. The existence
12 of incompatible land-use relationships, buildings
13 occupied by inappropriate mixed-uses, or uses considered
14 to be noxious, offensive, or unsuitable for the
15 surrounding area.

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

28 (12) The area has incurred Illinois Environmental
29 Protection Agency or United States Environmental
30 Protection Agency remediation costs for, or a study
31 conducted by an independent consultant recognized as
32 having expertise in environmental remediation has
33 determined a need for, the clean-up of hazardous waste,
34 hazardous substances, or underground storage tanks

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

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

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

25 (d) "Industrial park conservation area" means an area
26 within the boundaries of a redevelopment project area located
27 within the territorial limits of a municipality that is a
28 labor surplus municipality or within 1 1/2 miles of the
29 territorial limits of a municipality that is a labor surplus
30 municipality if the area is annexed to the municipality;
31 which area is zoned as industrial no later than at the time
32 the municipality by ordinance designates the redevelopment
33 project area, and which area includes both vacant land
34 suitable for use as an industrial park and a blighted area or

1 conservation area contiguous to such vacant land.

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

15 (f) "Municipality" shall mean a city, village or
16 incorporated town.

17 (g) "Initial Sales Tax Amounts" means the amount of
18 taxes paid under the Retailers' Occupation Tax Act, Use Tax
19 Act, Service Use Tax Act, the Service Occupation Tax Act, the
20 Municipal Retailers' Occupation Tax Act, and the Municipal
21 Service Occupation Tax Act by retailers and servicemen on
22 transactions at places located in a State Sales Tax Boundary
23 during the calendar year 1985.

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

32 (h) "Municipal Sales Tax Increment" means an amount
33 equal to the increase in the aggregate amount of taxes paid
34 to a municipality from the Local Government Tax Fund arising

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

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

22 (i) "Net State Sales Tax Increment" means the sum of the
23 following: (a) 80% of the first \$100,000 of State Sales Tax
24 Increment annually generated within a State Sales Tax
25 Boundary; (b) 60% of the amount in excess of \$100,000 but not
26 exceeding \$500,000 of State Sales Tax Increment annually
27 generated within a State Sales Tax Boundary; and (c) 40% of
28 all amounts in excess of \$500,000 of State Sales Tax
29 Increment annually generated within a State Sales Tax
30 Boundary. If, however, a municipality established a tax
31 increment financing district in a county with a population in
32 excess of 3,000,000 before January 1, 1986, and the
33 municipality entered into a contract or issued bonds after
34 January 1, 1986, but before December 31, 1986, to finance

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

25 Municipalities that issued bonds in connection with a
26 redevelopment project in a redevelopment project area within
27 the State Sales Tax Boundary prior to July 29, 1991, or that
28 entered into contracts in connection with a redevelopment
29 project in a redevelopment project area before June 1, 1988,
30 shall continue to receive their proportional share of the
31 Illinois Tax Increment Fund distribution until the date on
32 which the redevelopment project is completed or terminated.
33 If, however, a municipality that issued bonds in connection
34 with a redevelopment project in a redevelopment project area

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

18 (j) "State Utility Tax Increment Amount" means an amount
19 equal to the aggregate increase in State electric and gas tax
20 charges imposed on owners and tenants, other than residential
21 customers, of properties located within the redevelopment
22 project area under Section 9-222 of the Public Utilities Act,
23 over and above the aggregate of such charges as certified by
24 the Department of Revenue and paid by owners and tenants,
25 other than residential customers, of properties within the
26 redevelopment project area during the base year, which shall
27 be the calendar year immediately prior to the year of the
28 adoption of the ordinance authorizing tax increment
29 allocation financing.

30 (k) "Net State Utility Tax Increment" means the sum of
31 the following: (a) 80% of the first \$100,000 of State Utility
32 Tax Increment annually generated by a redevelopment project
33 area; (b) 60% of the amount in excess of \$100,000 but not
34 exceeding \$500,000 of the State Utility Tax Increment

1 annually generated by a redevelopment project area; and (c)
2 40% of all amounts in excess of \$500,000 of State Utility Tax
3 Increment annually generated by a redevelopment project area.
4 For the State Fiscal Year 1999, and every year thereafter
5 until the year 2007, for any municipality that has not
6 entered into a contract or has not issued bonds prior to June
7 1, 1988 to finance redevelopment project costs within a
8 redevelopment project area, the Net State Utility Tax
9 Increment shall be calculated as follows: By multiplying the
10 Net State Utility Tax Increment by 90% in the State Fiscal
11 Year 1999; 80% in the State Fiscal Year 2000; 70% in the
12 State Fiscal Year 2001; 60% in the State Fiscal Year 2002;
13 50% in the State Fiscal Year 2003; 40% in the State Fiscal
14 Year 2004; 30% in the State Fiscal Year 2005; 20% in the
15 State Fiscal Year 2006; and 10% in the State Fiscal Year
16 2007. No payment shall be made for the State Fiscal Year 2008
17 and thereafter.

18 Municipalities that issue bonds in connection with the
19 redevelopment project during the period from June 1, 1988
20 until 3 years after the effective date of this Amendatory Act
21 of 1988 shall receive the Net State Utility Tax Increment,
22 subject to appropriation, for 15 State Fiscal Years after the
23 issuance of such bonds. For the 16th through the 20th State
24 Fiscal Years after issuance of the bonds, the Net State
25 Utility Tax Increment shall be calculated as follows: By
26 multiplying the Net State Utility Tax Increment by 90% in
27 year 16; 80% in year 17; 70% in year 18; 60% in year 19; and
28 50% in year 20. Refunding of any bonds issued prior to June
29 1, 1988, shall not alter the revised Net State Utility Tax
30 Increment payments set forth above.

31 (1) "Obligations" mean bonds, loans, debentures, notes,
32 special certificates or other evidence of indebtedness issued
33 by the municipality to carry out a redevelopment project or
34 to refund outstanding obligations.

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

13 (n) "Redevelopment plan" means the comprehensive program
14 of the municipality for development or redevelopment intended
15 by the payment of redevelopment project costs to reduce or
16 eliminate those conditions the existence of which qualified
17 the redevelopment project area as a "blighted area" or
18 "conservation area" or combination thereof or "industrial
19 park conservation area," and thereby to enhance the tax bases
20 of the taxing districts which extend into the redevelopment
21 project area. On and after November 1, 1999 (the effective
22 date of Public Act 91-478), no redevelopment plan may be
23 approved or amended that includes the development of vacant
24 land (i) with a golf course and related clubhouse and other
25 facilities or (ii) designated by federal, State, county, or
26 municipal government as public land for outdoor recreational
27 activities or for nature preserves and used for that purpose
28 within 5 years prior to the adoption of the redevelopment
29 plan. For the purpose of this subsection, "recreational
30 activities" is limited to mean camping and hunting. Each
31 redevelopment plan shall set forth in writing the program to
32 be undertaken to accomplish the objectives and shall include
33 but not be limited to:

34 (A) an itemized list of estimated redevelopment

1 project costs;

2 (B) evidence indicating that the redevelopment
3 project area on the whole has not been subject to growth
4 and development through investment by private enterprise;

5 (C) an assessment of any financial impact of the
6 redevelopment project area on or any increased demand for
7 services from any taxing district affected by the plan
8 and any program to address such financial impact or
9 increased demand;

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

11 (E) the nature and term of the obligations to be
12 issued;

13 (F) the most recent equalized assessed valuation of
14 the redevelopment project area;

15 (G) an estimate as to the equalized assessed
16 valuation after redevelopment and the general land uses
17 to apply in the redevelopment project area;

18 (H) a commitment to fair employment practices and
19 an affirmative action plan;

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

28 (J) if property is to be annexed to the
29 municipality, the plan shall include the terms of the
30 annexation agreement.

31 The provisions of items (B) and (C) of this subsection
32 (n) shall not apply to a municipality that before March 14,
33 1994 (the effective date of Public Act 88-537) had fixed,
34 either by its corporate authorities or by a commission

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

6 (1) The municipality finds that the redevelopment
7 project area on the whole has not been subject to growth
8 and development through investment by private enterprise
9 and would not reasonably be anticipated to be developed
10 without the adoption of the redevelopment plan.

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

22 (3) The redevelopment plan establishes the
23 estimated dates of completion of the redevelopment
24 project and retirement of obligations issued to finance
25 redevelopment project costs. Those dates shall not be
26 later than December 31 of the year in which the payment
27 to the municipal treasurer as provided in subsection (b)
28 of Section 11-74.4-8 of this Act is to be made with
29 respect to ad valorem taxes levied in the twenty-third
30 calendar year after the year in which the ordinance
31 approving the redevelopment project area is adopted if
32 the ordinance was adopted on or after January 15, 1981,
33 and not later than December 31 of the year in which the
34 payment to the municipal treasurer as provided in

1 subsection (b) of Section 11-74.4-8 of this Act is to be
2 made with respect to ad valorem taxes levied in the
3 thirty-fifth calendar year after the year in which the
4 ordinance approving the redevelopment project area is
5 adopted:

6 (A) if the ordinance was adopted before
7 January 15, 1981, or

8 (B) if the ordinance was adopted in December
9 1983, April 1984, July 1985, or December 1989, or

10 (C) if the ordinance was adopted in December
11 1987 and the redevelopment project is located within
12 one mile of Midway Airport, or

13 (D) if the ordinance was adopted before
14 January 1, 1987 by a municipality in Mason County,
15 or

16 (E) if the municipality is subject to the
17 Local Government Financial Planning and Supervision
18 Act or the Financially Distressed City Law, or

19 (F) if the ordinance was adopted in December
20 1984 by the Village of Rosemont, or

21 (G) if the ordinance was adopted on December
22 31, 1986 by a municipality located in Clinton County
23 for which at least \$250,000 of tax increment bonds
24 were authorized on June 17, 1997, or if the
25 ordinance was adopted on December 31, 1986 by a
26 municipality with a population in 1990 of less than
27 3,600 that is located in a county with a population
28 in 1990 of less than 34,000 and for which at least
29 \$250,000 of tax increment bonds were authorized on
30 June 17, 1997, or

31 (H) if the ordinance was adopted on October 5,
32 1982 by the City of Kankakee, or if the ordinance
33 was adopted on December 29, 1986 by East St. Louis,
34 or

- 1 (I) if the ordinance was adopted on November
2 12, 1991 by the Village of Sauget, or
- 3 (J) if the ordinance was adopted on February
4 11, 1985 by the City of Rock Island, or
- 5 (K) if the ordinance was adopted before
6 December 18, 1986 by the City of Moline, or
- 7 (L) if the ordinance was adopted in September
8 1988 by Sauk Village, or
- 9 (M) if the ordinance was adopted in October
10 1993 by Sauk Village, or
- 11 (N) if the ordinance was adopted on December
12 29, 1986 by the City of Galva, or
- 13 (O) if the ordinance was adopted in March 1991
14 by the City of Centreville, or
- 15 (P) if the ordinance was adopted on January
16 23, 1991 by the City of East St. Louis, or
- 17 (Q) if the ordinance was adopted on December
18 22, 1986 by the City of Aledo, or
- 19 (R) if the ordinance was adopted on February
20 5, 1990 by the City of Clinton, or
- 21 (S) if the ordinance was adopted on September
22 6, 1994 by the City of Freeport, or
- 23 (T) if the ordinance was adopted on December
24 22, 1986 by the City of Tuscola, or
- 25 (U) if the ordinance was adopted on December
26 23, 1986 by the City of Sparta, or
- 27 (V) if the ordinance was adopted on December
28 23, 1986 by the City of Beardstown, or
- 29 (W) if the ordinance was adopted on April 27,
30 1981, October 21, 1985, or December 30, 1986 by the
31 City of Belleville, or
- 32 (X) if the ordinance was adopted on December
33 29, 1986 by the City of Collinsville, or
- 34 (Y) if the ordinance was adopted on September

1 14, 1994 by the City of Alton, or
2 (Z) if the ordinance was adopted on November
3 11, 1996 by the City of Lexington, or
4 (AA) if the ordinance was adopted on November
5 5, 1984 by the City of LeRoy.

6 However, for redevelopment project areas for which
7 bonds were issued before July 29, 1991, or for which
8 contracts were entered into before June 1, 1988, in
9 connection with a redevelopment project in the area
10 within the State Sales Tax Boundary, the estimated dates
11 of completion of the redevelopment project and retirement
12 of obligations to finance redevelopment project costs may
13 be extended by municipal ordinance to December 31, 2013.
14 The termination procedures of subsection (b) of Section
15 11-74.4-8 are not required for these redevelopment
16 project areas in 2009 but are required in 2013. The
17 extension allowed by this amendatory Act of 1993 shall
18 not apply to real property tax increment allocation
19 financing under Section 11-74.4-8.

20 A municipality may by municipal ordinance amend an
21 existing redevelopment plan to conform to this paragraph
22 (3) as amended by Public Act 91-478, which municipal
23 ordinance may be adopted without further hearing or
24 notice and without complying with the procedures provided
25 in this Act pertaining to an amendment to or the initial
26 approval of a redevelopment plan and project and
27 designation of a redevelopment project area.

28 Those dates, for purposes of real property tax
29 increment allocation financing pursuant to Section
30 11-74.4-8 only, shall be not more than 35 years for
31 redevelopment project areas that were adopted on or after
32 December 16, 1986 and for which at least \$8 million worth
33 of municipal bonds were authorized on or after December
34 19, 1989 but before January 1, 1990; provided that the

1 municipality elects to extend the life of the
2 redevelopment project area to 35 years by the adoption of
3 an ordinance after at least 14 but not more than 30 days'
4 written notice to the taxing bodies, that would otherwise
5 constitute the joint review board for the redevelopment
6 project area, before the adoption of the ordinance.

7 Those dates, for purposes of real property tax
8 increment allocation financing pursuant to Section
9 11-74.4-8 only, shall be not more than 35 years for
10 redevelopment project areas that were established on or
11 after December 1, 1981 but before January 1, 1982 and for
12 which at least \$1,500,000 worth of tax increment revenue
13 bonds were authorized on or after September 30, 1990 but
14 before July 1, 1991; provided that the municipality
15 elects to extend the life of the redevelopment project
16 area to 35 years by the adoption of an ordinance after at
17 least 14 but not more than 30 days' written notice to the
18 taxing bodies, that would otherwise constitute the joint
19 review board for the redevelopment project area, before
20 the adoption of the ordinance.

21 (3.5) The municipality finds, in the case of an
22 industrial park conservation area, also that the
23 municipality is a labor surplus municipality and that the
24 implementation of the redevelopment plan will reduce
25 unemployment, create new jobs and by the provision of new
26 facilities enhance the tax base of the taxing districts
27 that extend into the redevelopment project area.

28 (4) If any incremental revenues are being utilized
29 under Section 8(a)(1) or 8(a)(2) of this Act in
30 redevelopment project areas approved by ordinance after
31 January 1, 1986, the municipality finds: (a) that the
32 redevelopment project area would not reasonably be
33 developed without the use of such incremental revenues,
34 and (b) that such incremental revenues will be

1 exclusively utilized for the development of the
2 redevelopment project area.

3 (5) If the redevelopment plan will not result in
4 displacement of residents from 10 or more inhabited
5 residential units, and the municipality certifies in the
6 plan that such displacement will not result from the
7 plan, a housing impact study need not be performed. If,
8 however, the redevelopment plan would result in the
9 displacement of residents from 10 or more inhabited
10 residential units, or if the redevelopment project area
11 contains 75 or more inhabited residential units and no
12 certification is made, then the municipality shall
13 prepare, as part of the separate feasibility report
14 required by subsection (a) of Section 11-74.4-5, a
15 housing impact study.

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

29 Part II of the housing impact study shall identify
30 the inhabited residential units in the proposed
31 redevelopment project area that are to be or may be
32 removed. If inhabited residential units are to be
33 removed, then the housing impact study shall identify (i)
34 the number and location of those units that will or may

1 be removed, (ii) the municipality's plans for relocation
2 assistance for those residents in the proposed
3 redevelopment project area whose residences are to be
4 removed, (iii) the availability of replacement housing
5 for those residents whose residences are to be removed,
6 and shall identify the type, location, and cost of the
7 housing, and (iv) the type and extent of relocation
8 assistance to be provided.

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

13 (7) On and after November 1, 1999, no redevelopment
14 plan shall be adopted, nor an existing plan amended, nor
15 shall residential housing that is occupied by households
16 of low-income and very low-income persons in currently
17 existing redevelopment project areas be removed after
18 November 1, 1999 unless the redevelopment plan provides,
19 with respect to inhabited housing units that are to be
20 removed for households of low-income and very low-income
21 persons, affordable housing and relocation assistance not
22 less than that which would be provided under the federal
23 Uniform Relocation Assistance and Real Property
24 Acquisition Policies Act of 1970 and the regulations
25 under that Act, including the eligibility criteria.
26 Affordable housing may be either existing or newly
27 constructed housing. For purposes of this paragraph (7),
28 "low-income households", "very low-income households",
29 and "affordable housing" have the meanings set forth in
30 the Illinois Affordable Housing Act. The municipality
31 shall make a good faith effort to ensure that this
32 affordable housing is located in or near the
33 redevelopment project area within the municipality.

34 (8) On and after November 1, 1999, if, after the

1 adoption of the redevelopment plan for the redevelopment
2 project area, any municipality desires to amend its
3 redevelopment plan to remove more inhabited residential
4 units than specified in its original redevelopment plan,
5 that change shall be made in accordance with the
6 procedures in subsection (c) of Section 11-74.4-5.

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

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

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

9 (q) "Redevelopment project costs" mean and include the
10 sum total of all reasonable or necessary costs incurred or
11 estimated to be incurred, and any such costs incidental to a
12 redevelopment plan and a redevelopment project. Such costs
13 include, without limitation, the following:

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

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

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

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

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

26 (3) Costs of rehabilitation, reconstruction or
27 repair or remodeling of existing public or private
28 buildings, fixtures, and leasehold improvements; and the
29 cost of replacing an existing public building if pursuant
30 to the implementation of a redevelopment project the
31 existing public building is to be demolished to use the
32 site for private investment or devoted to a different use
33 requiring private investment;

34 (4) Costs of the construction of public works or

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

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

24 (6) Financing costs, including but not limited to
25 all necessary and incidental expenses related to the
26 issuance of obligations and which may include payment of
27 interest on any obligations issued hereunder including
28 interest accruing during the estimated period of
29 construction of any redevelopment project for which such
30 obligations are issued and for not exceeding 36 months
31 thereafter and including reasonable reserves related
32 thereto;

33 (7) To the extent the municipality by written
34 agreement accepts and approves the same, all or a portion

1 of a taxing district's capital costs resulting from the
2 redevelopment project necessarily incurred or to be
3 incurred within a taxing district in furtherance of the
4 objectives of the redevelopment plan and project.

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

22 (A) for foundation districts, excluding any
23 school district in a municipality with a population
24 in excess of 1,000,000, by multiplying the
25 district's increase in attendance resulting from the
26 net increase in new students enrolled in that school
27 district who reside in housing units within the
28 redevelopment project area that have received
29 financial assistance through an agreement with the
30 municipality or because the municipality incurs the
31 cost of necessary infrastructure improvements within
32 the boundaries of the housing sites necessary for
33 the completion of that housing as authorized by this
34 Act since the designation of the redevelopment

1 project area by the most recently available per
2 capita tuition cost as defined in Section 10-20.12a
3 of the School Code less any increase in general
4 State aid as defined in Section 18-8.05 of the
5 School Code attributable to these added new students
6 subject to the following annual limitations:

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

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

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

28 (B) For alternate method districts, flat grant
29 districts, and foundation districts with a district
30 average 1995-96 Per Capita Tuition Charge equal to
31 or more than \$5,900, excluding any school district
32 with a population in excess of 1,000,000, by
33 multiplying the district's increase in attendance
34 resulting from the net increase in new students

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

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

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

26 (iii) for secondary school districts, no
27 more than 13% of the total amount of property
28 tax increment revenue produced by those housing
29 units that have received tax increment finance
30 assistance under this Act.

31 (C) For any school district in a municipality
32 with a population in excess of 1,000,000, the
33 following restrictions shall apply to the
34 reimbursement of increased costs under this

1 paragraph (7.5):

2 (i) no increased costs shall be
3 reimbursed unless the school district certifies
4 that each of the schools affected by the
5 assisted housing project is at or over its
6 student capacity;

7 (ii) the amount reimburseable shall be
8 reduced by the value of any land donated to the
9 school district by the municipality or
10 developer, and by the value of any physical
11 improvements made to the schools by the
12 municipality or developer; and

13 (iii) the amount reimbursed may not
14 affect amounts otherwise obligated by the terms
15 of any bonds, notes, or other funding
16 instruments, or the terms of any redevelopment
17 agreement.

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

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

6 (9) Payment in lieu of taxes;

7 (10) Costs of job training, retraining, advanced
8 vocational education or career education, including but
9 not limited to courses in occupational, semi-technical or
10 technical fields leading directly to employment, incurred
11 by one or more taxing districts, provided that such costs
12 (i) are related to the establishment and maintenance of
13 additional job training, advanced vocational education or
14 career education programs for persons employed or to be
15 employed by employers located in a redevelopment project
16 area; and (ii) when incurred by a taxing district or
17 taxing districts other than the municipality, are set
18 forth in a written agreement by or among the municipality
19 and the taxing district or taxing districts, which
20 agreement describes the program to be undertaken,
21 including but not limited to the number of employees to
22 be trained, a description of the training and services to
23 be provided, the number and type of positions available
24 or to be available, itemized costs of the program and
25 sources of funds to pay for the same, and the term of the
26 agreement. Such costs include, specifically, the payment
27 by community college districts of costs pursuant to
28 Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public
29 Community College Act and by school districts of costs
30 pursuant to Sections 10-22.20a and 10-23.3a of The School
31 Code;

32 (11) Interest cost incurred by a redeveloper
33 related to the construction, renovation or rehabilitation
34 of a redevelopment project provided that:

1 (A) such costs are to be paid directly from
2 the special tax allocation fund established pursuant
3 to this Act;

4 (B) such payments in any one year may not
5 exceed 30% of the annual interest costs incurred by
6 the redeveloper with regard to the redevelopment
7 project during that year;

8 (C) if there are not sufficient funds
9 available in the special tax allocation fund to make
10 the payment pursuant to this paragraph (11) then the
11 amounts so due shall accrue and be payable when
12 sufficient funds are available in the special tax
13 allocation fund;

14 (D) the total of such interest payments paid
15 pursuant to this Act may not exceed 30% of the total
16 (i) cost paid or incurred by the redeveloper for the
17 redevelopment project plus (ii) redevelopment
18 project costs excluding any property assembly costs
19 and any relocation costs incurred by a municipality
20 pursuant to this Act; and

21 (E) the cost limits set forth in subparagraphs
22 (B) and (D) of paragraph (11) shall be modified for
23 the financing of rehabilitated or new housing units
24 for low-income households and very low-income
25 households, as defined in Section 3 of the Illinois
26 Affordable Housing Act. The percentage of 75% shall
27 be substituted for 30% in subparagraphs (B) and (D)
28 of paragraph (11).

29 (F) Instead of the eligible costs provided by
30 subparagraphs (B) and (D) of paragraph (11), as
31 modified by this subparagraph, and notwithstanding
32 any other provisions of this Act to the contrary,
33 the municipality may pay from tax increment revenues
34 up to 50% of the cost of construction of new housing

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

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

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

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

33 (12) Unless explicitly stated herein the cost of
34 construction of new privately-owned buildings shall not

1 be an eligible redevelopment project cost.

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

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

30 (r) "State Sales Tax Boundary" means the redevelopment
31 project area or the amended redevelopment project area
32 boundaries which are determined pursuant to subsection (9) of
33 Section 11-74.4-8a of this Act. The Department of Revenue
34 shall certify pursuant to subsection (9) of Section

1 11-74.4-8a the appropriate boundaries eligible for the
2 determination of State Sales Tax Increment.

3 (s) "State Sales Tax Increment" means an amount equal to
4 the increase in the aggregate amount of taxes paid by
5 retailers and servicemen, other than retailers and servicemen
6 subject to the Public Utilities Act, on transactions at
7 places of business located within a State Sales Tax Boundary
8 pursuant to the Retailers' Occupation Tax Act, the Use Tax
9 Act, the Service Use Tax Act, and the Service Occupation Tax
10 Act, except such portion of such increase that is paid into
11 the State and Local Sales Tax Reform Fund, the Local
12 Government Distributive Fund, the Local Government Tax
13 Fund and the County and Mass Transit District Fund, for as
14 long as State participation exists, over and above the
15 Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts
16 or the Revised Initial Sales Tax Amounts for such taxes as
17 certified by the Department of Revenue and paid under those
18 Acts by retailers and servicemen on transactions at places of
19 business located within the State Sales Tax Boundary during
20 the base year which shall be the calendar year immediately
21 prior to the year in which the municipality adopted tax
22 increment allocation financing, less 3.0% of such amounts
23 generated under the Retailers' Occupation Tax Act, Use Tax
24 Act and Service Use Tax Act and the Service Occupation Tax
25 Act, which sum shall be appropriated to the Department of
26 Revenue to cover its costs of administering and enforcing
27 this Section. For purposes of computing the aggregate amount
28 of such taxes for base years occurring prior to 1985, the
29 Department of Revenue shall compute the Initial Sales Tax
30 Amount for such taxes and deduct therefrom an amount equal to
31 4% of the aggregate amount of taxes per year for each year
32 the base year is prior to 1985, but not to exceed a total
33 deduction of 12%. The amount so determined shall be known as
34 the "Adjusted Initial Sales Tax Amount". For purposes of

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

33 (t) "Taxing districts" means counties, townships, cities
34 and incorporated towns and villages, school, road, park,

1 sanitary, mosquito abatement, forest preserve, public health,
2 fire protection, river conservancy, tuberculosis sanitarium
3 and any other municipal corporations or districts with the
4 power to levy taxes.

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

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

1 (w) "Annual Total Increment" means the sum of each
2 municipality's annual Net Sales Tax Increment and each
3 municipality's annual Net Utility Tax 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 (Source: P.A. 91-261, eff. 7-23-99; 91-477, eff. 8-11-99;
10 91-478, eff. 11-1-99; 91-642, eff. 8-20-99; 91-763, eff.
11 6-9-00; 92-263, eff. 8-7-01; 92-406, eff. 1-1-02; 92-624,
12 eff. 7-11-02; 92-651, eff. 7-11-02.)

13 (65 ILCS 5/11-74.4-4) (from Ch. 24, par. 11-74.4-4)

14 Sec. 11-74.4-4. Municipal powers and duties;
15 redevelopment project areas. A municipality may:

16 (a) The changes made by this amendatory Act of the 91st
17 General Assembly do not apply to a municipality that, (i)
18 before the effective date of this amendatory Act of the 91st
19 General Assembly, has adopted an ordinance or resolution
20 fixing a time and place for a public hearing under Section
21 11-74.4-5 or (ii) before July 1, 1999, has adopted an
22 ordinance or resolution providing for a feasibility study
23 under Section 11-74.4-4.1, but has not yet adopted an
24 ordinance approving redevelopment plans and redevelopment
25 projects or designating redevelopment project areas under
26 this Section, until after that municipality adopts an
27 ordinance approving redevelopment plans and redevelopment
28 projects or designating redevelopment project areas under
29 this Section; thereafter the changes made by this amendatory
30 Act of the 91st General Assembly apply to the same extent
31 that they apply to redevelopment plans and redevelopment
32 projects that were approved and redevelopment projects that
33 were designated before the effective date of this amendatory

1 Act of the 91st General Assembly.

2 By ordinance introduced in the governing body of the
3 municipality within 14 to 90 days from the completion of the
4 hearing specified in Section 11-74.4-5 approve redevelopment
5 plans and redevelopment projects, and designate redevelopment
6 project areas pursuant to notice and hearing required by this
7 Act. No redevelopment project area shall be designated
8 unless a plan and project are approved prior to the
9 designation of such area and such area shall include only
10 those contiguous parcels of real property and improvements
11 thereon substantially benefited by the proposed redevelopment
12 project improvements. Upon adoption of the ordinances, the
13 municipality shall forthwith transmit to the county clerk of
14 the county or counties within which the redevelopment project
15 area is located a certified copy of the ordinances, a legal
16 description of the redevelopment project area, a map of the
17 redevelopment project area, identification of the year that
18 the county clerk shall use for determining the total initial
19 equalized assessed value of the redevelopment project area
20 consistent with subsection (a) of Section 11-74.4-9, and a
21 list of the parcel or tax identification number of each
22 parcel of property included in the redevelopment project
23 area.

24 (b) Make and enter into all contracts with property
25 owners, developers, tenants, overlapping taxing bodies, and
26 others necessary or incidental to the implementation and
27 furtherance of its redevelopment plan and project. Contracts
28 entered into on or after the effective date of this
29 amendatory Act of the 93rd General Assembly shall terminate
30 no later than the last to occur of the estimated dates of
31 completion of the redevelopment project and retirement of the
32 obligations issued to finance redevelopment project costs as
33 required by item (3) of subsection (n) of Section 11-74.4-3.
34 Payments received under contracts entered into by the

1 municipality prior to the effective date of this amendatory
2 Act of the 93rd General Assembly that are received after the
3 redevelopment project area has been terminated by municipal
4 ordinance shall be deposited into a special fund of the
5 municipality to be used for other community redevelopment
6 needs within the redevelopment project area.

7 (c) Within a redevelopment project area, acquire by
8 purchase, donation, lease or eminent domain; own, convey,
9 lease, mortgage or dispose of land and other property, real
10 or personal, or rights or interests therein, and grant or
11 acquire licenses, easements and options with respect thereto,
12 all in the manner and at such price the municipality
13 determines is reasonably necessary to achieve the objectives
14 of the redevelopment plan and project. No conveyance, lease,
15 mortgage, disposition of land or other property owned by a
16 municipality, or agreement relating to the development of
17 such municipal property shall be made except upon the
18 adoption of an ordinance by the corporate authorities of the
19 municipality. Furthermore, no conveyance, lease, mortgage, or
20 other disposition of land owned by a municipality or
21 agreement relating to the development of such municipal
22 property shall be made without making public disclosure of
23 the terms of the disposition and all bids and proposals made
24 in response to the municipality's request. The procedures
25 for obtaining such bids and proposals shall provide
26 reasonable opportunity for any person to submit alternative
27 proposals or bids.

28 (d) Within a redevelopment project area, clear any area
29 by demolition or removal of any existing buildings and
30 structures.

31 (e) Within a redevelopment project area, renovate or
32 rehabilitate or construct any structure or building, as
33 permitted under this Act.

34 (f) Install, repair, construct, reconstruct or relocate

1 streets, utilities and site improvements essential to the
2 preparation of the redevelopment area for use in accordance
3 with a redevelopment plan.

4 (g) Within a redevelopment project area, fix, charge and
5 collect fees, rents and charges for the use of any building
6 or property owned or leased by it or any part thereof, or
7 facility therein.

8 (h) Accept grants, guarantees and donations of property,
9 labor, or other things of value from a public or private
10 source for use within a project redevelopment area.

11 (i) Acquire and construct public facilities within a
12 redevelopment project area, as permitted under this Act.

13 (j) Incur project redevelopment costs and reimburse
14 developers who incur redevelopment project costs authorized
15 by a redevelopment agreement; provided, however, that on and
16 after the effective date of this amendatory Act of the 91st
17 General Assembly, no municipality shall incur redevelopment
18 project costs (except for planning costs and any other
19 eligible costs authorized by municipal ordinance or
20 resolution that are subsequently included in the
21 redevelopment plan for the area and are incurred by the
22 municipality after the ordinance or resolution is adopted)
23 that are not consistent with the program for accomplishing
24 the objectives of the redevelopment plan as included in that
25 plan and approved by the municipality until the municipality
26 has amended the redevelopment plan as provided elsewhere in
27 this Act.

28 (k) Create a commission of not less than 5 or more than
29 15 persons to be appointed by the mayor or president of the
30 municipality with the consent of the majority of the
31 governing board of the municipality. Members of a commission
32 appointed after the effective date of this amendatory Act of
33 1987 shall be appointed for initial terms of 1, 2, 3, 4 and 5
34 years, respectively, in such numbers as to provide that the

1 terms of not more than 1/3 of all such members shall expire
2 in any one year. Their successors shall be appointed for a
3 term of 5 years. The commission, subject to approval of the
4 corporate authorities may exercise the powers enumerated in
5 this Section. The commission shall also have the power to
6 hold the public hearings required by this division and make
7 recommendations to the corporate authorities concerning the
8 adoption of redevelopment plans, redevelopment projects and
9 designation of redevelopment project areas.

10 (l) Make payment in lieu of taxes or a portion thereof
11 to taxing districts. If payments in lieu of taxes or a
12 portion thereof are made to taxing districts, those payments
13 shall be made to all districts within a project redevelopment
14 area on a basis which is proportional to the current
15 collections of revenue which each taxing district receives
16 from real property in the redevelopment project area.

17 (m) Exercise any and all other powers necessary to
18 effectuate the purposes of this Act.

19 (n) If any member of the corporate authority, a member
20 of a commission established pursuant to Section 11-74.4-4(k)
21 of this Act, or an employee or consultant of the municipality
22 involved in the planning and preparation of a redevelopment
23 plan, or project for a redevelopment project area or proposed
24 redevelopment project area, as defined in Sections
25 11-74.4-3(i) through (k) of this Act, owns or controls an
26 interest, direct or indirect, in any property included in any
27 redevelopment area, or proposed redevelopment area, he or she
28 shall disclose the same in writing to the clerk of the
29 municipality, and shall also so disclose the dates and terms
30 and conditions of any disposition of any such interest, which
31 disclosures shall be acknowledged by the corporate
32 authorities and entered upon the minute books of the
33 corporate authorities. If an individual holds such an
34 interest then that individual shall refrain from any further

1 official involvement in regard to such redevelopment plan,
2 project or area, from voting on any matter pertaining to such
3 redevelopment plan, project or area, or communicating with
4 other members concerning corporate authorities, commission or
5 employees concerning any matter pertaining to said
6 redevelopment plan, project or area. Furthermore, no such
7 member or employee shall acquire of any interest direct, or
8 indirect, in any property in a redevelopment area or proposed
9 redevelopment area after either (a) such individual obtains
10 knowledge of such plan, project or area or (b) first public
11 notice of such plan, project or area pursuant to Section
12 11-74.4-6 of this Division, whichever occurs first. For the
13 purposes of this subsection, a property interest acquired in
14 a single parcel of property by a member of the corporate
15 authority, which property is used exclusively as the member's
16 primary residence, shall not be deemed to constitute an
17 interest in any property included in a redevelopment area or
18 proposed redevelopment area that was established before
19 December 31, 1989, but the member must disclose the
20 acquisition to the municipal clerk under the provisions of
21 this subsection. For the purposes of this subsection, a
22 month-to-month leasehold interest in a single parcel of
23 property by a member of the corporate authority shall not be
24 deemed to constitute an interest in any property included in
25 any redevelopment area or proposed redevelopment area, but
26 the member must disclose the interest to the municipal clerk
27 under the provisions of this subsection.

28 (o) Create a Tax Increment Economic Development Advisory
29 Committee to be appointed by the Mayor or President of the
30 municipality with the consent of the majority of the
31 governing board of the municipality, the members of which
32 Committee shall be appointed for initial terms of 1, 2, 3, 4
33 and 5 years respectively, in such numbers as to provide that
34 the terms of not more than 1/3 of all such members shall

1 expire in any one year. Their successors shall be appointed
2 for a term of 5 years. The Committee shall have none of the
3 powers enumerated in this Section. The Committee shall serve
4 in an advisory capacity only. The Committee may advise the
5 governing Board of the municipality and other municipal
6 officials regarding development issues and opportunities
7 within the redevelopment project area or the area within the
8 State Sales Tax Boundary. The Committee may also promote and
9 publicize development opportunities in the redevelopment
10 project area or the area within the State Sales Tax Boundary.

11 (p) Municipalities may jointly undertake and perform
12 redevelopment plans and projects and utilize the provisions
13 of the Act wherever they have contiguous redevelopment
14 project areas or they determine to adopt tax increment
15 financing with respect to a redevelopment project area which
16 includes contiguous real property within the boundaries of
17 the municipalities, and in doing so, they may, by agreement
18 between municipalities, issue obligations, separately or
19 jointly, and expend revenues received under the Act for
20 eligible expenses anywhere within contiguous redevelopment
21 project areas or as otherwise permitted in the Act.

22 (q) Utilize revenues, other than State sales tax
23 increment revenues, received under this Act from one
24 redevelopment project area for eligible costs in another
25 redevelopment project area that is either contiguous to, or
26 is separated only by a public right of way from, the
27 redevelopment project area from which the revenues are
28 received. Utilize tax increment revenues for eligible costs
29 that are received from a redevelopment project area created
30 under the Industrial Jobs Recovery Law that is either
31 contiguous to, or is separated only by a public right of way
32 from, the redevelopment project area created under this Act
33 which initially receives these revenues. Utilize revenues,
34 other than State sales tax increment revenues, by

1 transferring or loaning such revenues to a redevelopment
2 project area created under the Industrial Jobs Recovery Law
3 that is either contiguous to, or separated only by a public
4 right of way from the redevelopment project area that
5 initially produced and received those revenues; and, if the
6 redevelopment project area (i) was established before the
7 effective date of this amendatory Act of the 91st General
8 Assembly and (ii) is located within a municipality with a
9 population of more than 100,000, utilize revenues or proceeds
10 of obligations authorized by Section 11-74.4-7 of this Act,
11 other than use or occupation tax revenues, to pay for any
12 redevelopment project costs as defined by subsection (q) of
13 Section 11-74.4-3 to the extent that the redevelopment
14 project costs involve public property that is either
15 contiguous to, or separated only by a public right of way
16 from, a redevelopment project area whether or not
17 redevelopment project costs or the source of payment for the
18 costs are specifically set forth in the redevelopment plan
19 for the redevelopment project area.

20 (r) If no redevelopment project has been initiated in a
21 redevelopment project area within 7 years after the area was
22 designated by ordinance under subsection (a), the
23 municipality shall adopt an ordinance repealing the area's
24 designation as a redevelopment project area; provided,
25 however, that if an area received its designation more than 3
26 years before the effective date of this amendatory Act of
27 1994 and no redevelopment project has been initiated within 4
28 years after the effective date of this amendatory Act of
29 1994, the municipality shall adopt an ordinance repealing its
30 designation as a redevelopment project area. Initiation of a
31 redevelopment project shall be evidenced by either a signed
32 redevelopment agreement or expenditures on eligible
33 redevelopment project costs associated with a redevelopment
34 project.

1 (Source: P.A. 91-478, eff. 11-1-99; 91-642, eff. 8-20-99;
2 92-16, eff. 6-28-01.)

3 (65 ILCS 5/11-74.4-4.1)

4 Sec. 11-74.4-4.1. Feasibility study.

5 (a) If a municipality by its corporate authorities, or
6 as it may determine by any commission designated under
7 subsection (k) of Section 11-74.4-4, adopts an ordinance or
8 resolution providing for a feasibility study on the
9 designation of an area as a redevelopment project area, a
10 copy of the ordinance or resolution shall immediately be sent
11 to all taxing districts that would be affected by the
12 designation.

13 On and after the effective date of this amendatory Act of
14 the 91st General Assembly, the ordinance or resolution shall
15 include:

16 (1) The boundaries of the area to be studied for
17 possible designation as a redevelopment project area.

18 (2) The purpose or purposes of the proposed
19 redevelopment plan and project.

20 (3) A general description of tax increment
21 allocation financing under this Act.

22 (4) The name, phone number, and address of the
23 municipal officer who can be contacted for additional
24 information about the proposed redevelopment project area
25 and who should receive all comments and suggestions
26 regarding the redevelopment of the area to be studied.

27 (b) If one of the purposes of the planned redevelopment
28 project area should reasonably be expected to result in the
29 displacement of residents from 10 or more inhabited
30 residential units, the municipality shall adopt a resolution
31 or ordinance providing for the feasibility study described in
32 subsection (a). The ordinance or resolution shall also
33 require that the feasibility study include the preparation of

1 the housing impact study set forth in paragraph (5) of
 2 subsection (n) of Section 11-74.4-3. If the redevelopment
 3 plan will not result in displacement of residents from 10 or
 4 more inhabited residential units, and the municipality
 5 certifies in the plan that such displacement will not result
 6 from the plan, then a resolution or ordinance need not be
 7 adopted.

8 (c) As used in this Section, "feasibility study" means a
 9 preliminary report to assist a municipality to determine
 10 whether or not tax increment allocation financing is
 11 appropriate for effective redevelopment of a proposed
 12 redevelopment project area.

13 (Source: P.A. 91-478, eff. 11-1-99; 92-263, eff. 8-7-01;
 14 92-624, eff. 7-11-02.)

15 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

16 Sec. 11-74.4-7. Obligations secured by the special tax
 17 allocation fund set forth in Section 11-74.4-8 for the
 18 redevelopment project area may be issued to provide for
 19 redevelopment project costs. Such obligations, when so
 20 issued, shall be retired in the manner provided in the
 21 ordinance authorizing the issuance of such obligations by the
 22 receipts of taxes levied as specified in Section 11-74.4-9
 23 against the taxable property included in the area, by
 24 revenues as specified by Section 11-74.4-8a and other revenue
 25 designated by the municipality. A municipality may in the
 26 ordinance pledge all or any part of the funds in and to be
 27 deposited in the special tax allocation fund created pursuant
 28 to Section 11-74.4-8 to the payment of the redevelopment
 29 project costs and obligations. Any pledge of funds in the
 30 special tax allocation fund shall provide for distribution to
 31 the taxing districts and to the Illinois Department of
 32 Revenue of moneys not required, pledged, earmarked, or
 33 otherwise designated for payment and securing of the

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

26 Without limiting the foregoing in this Section, the
27 municipality may in addition to obligations secured by the
28 special tax allocation fund pledge for a period not greater
29 than the term of the obligations towards payment of such
30 obligations any part or any combination of the following: (a)
31 net revenues of all or part of any redevelopment project; (b)
32 taxes levied and collected on any or all property in the
33 municipality; (c) the full faith and credit of the
34 municipality; (d) a mortgage on part or all of the

1 redevelopment project; or (e) any other taxes or anticipated
2 receipts that the municipality may lawfully pledge.

3 Such obligations may be issued in one or more series
4 bearing interest at such rate or rates as the corporate
5 authorities of the municipality shall determine by ordinance.
6 Such obligations shall bear such date or dates, mature at
7 such time or times not exceeding 20 years from their
8 respective dates, be in such denomination, carry such
9 registration privileges, be executed in such manner, be
10 payable in such medium of payment at such place or places,
11 contain such covenants, terms and conditions, and be subject
12 to redemption as such ordinance shall provide. Obligations
13 issued pursuant to this Act may be sold at public or private
14 sale at such price as shall be determined by the corporate
15 authorities of the municipalities. No referendum approval of
16 the electors shall be required as a condition to the issuance
17 of obligations pursuant to this Division except as provided
18 in this Section.

19 In the event the municipality authorizes issuance of
20 obligations pursuant to the authority of this Division
21 secured by the full faith and credit of the municipality,
22 which obligations are other than obligations which may be
23 issued under home rule powers provided by Article VII,
24 Section 6 of the Illinois Constitution, or pledges taxes
25 pursuant to (b) or (c) of the second paragraph of this
26 section, the ordinance authorizing the issuance of such
27 obligations or pledging such taxes shall be published within
28 10 days after such ordinance has been passed in one or more
29 newspapers, with general circulation within such
30 municipality. The publication of the ordinance shall be
31 accompanied by a notice of (1) the specific number of voters
32 required to sign a petition requesting the question of the
33 issuance of such obligations or pledging taxes to be
34 submitted to the electors; (2) the time in which such

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

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

27 The ordinance authorizing the obligations may provide
28 that the obligations shall contain a recital that they are
29 issued pursuant to this Division, which recital shall be
30 conclusive evidence of their validity and of the regularity
31 of their issuance.

32 In the event the municipality authorizes issuance of
33 obligations pursuant to this Section secured by the full
34 faith and credit of the municipality, the ordinance

1 authorizing the obligations may provide for the levy and
2 collection of a direct annual tax upon all taxable property
3 within the municipality sufficient to pay the principal
4 thereof and interest thereon as it matures, which levy may be
5 in addition to and exclusive of the maximum of all other
6 taxes authorized to be levied by the municipality, which
7 levy, however, shall be abated to the extent that monies from
8 other sources are available for payment of the obligations
9 and the municipality certifies the amount of said monies
10 available to the county clerk.

11 A certified copy of such ordinance shall be filed with
12 the county clerk of each county in which any portion of the
13 municipality is situated, and shall constitute the authority
14 for the extension and collection of the taxes to be deposited
15 in the special tax allocation fund.

16 A municipality may also issue its obligations to refund
17 in whole or in part, obligations theretofore issued by such
18 municipality under the authority of this Act, whether at or
19 prior to maturity, provided however, that the last maturity
20 of the refunding obligations shall not be expressed to mature
21 later than December 31 of the year in which the payment to
22 the municipal treasurer as provided in subsection (b) of
23 Section 11-74.4-8 of this Act is to be made with respect to
24 ad valorem taxes levied in the twenty-third calendar year
25 after the year in which the ordinance approving the
26 redevelopment project area is adopted if the ordinance was
27 adopted on or after January 15, 1981, and not later than
28 December 31 of the year in which the payment to the municipal
29 treasurer as provided in subsection (b) of Section 11-74.4-8
30 of this Act is to be made with respect to ad valorem taxes
31 levied in the thirty-fifth calendar year after the year in
32 which the ordinance approving the redevelopment project area
33 is adopted (A) if the ordinance was adopted before January
34 15, 1981, or (B) if the ordinance was adopted in December

1 1983, April 1984, July 1985, or December 1989, or (C) if the
2 ordinance was adopted in December, 1987 and the redevelopment
3 project is located within one mile of Midway Airport, or (D)
4 if the ordinance was adopted before January 1, 1987 by a
5 municipality in Mason County, or (E) if the municipality is
6 subject to the Local Government Financial Planning and
7 Supervision Act or the Financially Distressed City Law, or
8 (F) if the ordinance was adopted in December 1984 by the
9 Village of Rosemont, or (G) if the ordinance was adopted on
10 December 31, 1986 by a municipality located in Clinton County
11 for which at least \$250,000 of tax increment bonds were
12 authorized on June 17, 1997, or if the ordinance was adopted
13 on December 31, 1986 by a municipality with a population in
14 1990 of less than 3,600 that is located in a county with a
15 population in 1990 of less than 34,000 and for which at least
16 \$250,000 of tax increment bonds were authorized on June 17,
17 1997, or (H) if the ordinance was adopted on October 5, 1982
18 by the City of Kankakee, or (I) if the ordinance was adopted
19 on December 29, 1986 by East St. Louis, or if the ordinance
20 was adopted on November 12, 1991 by the Village of Sauget, or
21 (J) if the ordinance was adopted on February 11, 1985 by the
22 City of Rock Island, or (K) if the ordinance was adopted
23 before December 18, 1986 by the City of Moline, or (L) if the
24 ordinance was adopted in September 1988 by Sauk Village, or
25 (M) if the ordinance was adopted in October 1993 by Sauk
26 Village, or (N) if the ordinance was adopted on December 29,
27 1986 by the City of Galva, or (O) if the ordinance was
28 adopted in March 1991 by the City of Centreville, or (P) if
29 the ordinance was adopted on January 23, 1991 by the City of
30 East St. Louis, or (Q) if the ordinance was adopted on
31 December 22, 1986 by the City of Aledo, or (R) if the
32 ordinance was adopted on February 5, 1990 by the City of
33 Clinton, or (S) if the ordinance was adopted on September 6,
34 1994 by the City of Freeport, or (T) if the ordinance was

1 adopted on December 22, 1986 by the City of Tuscola, or (U)
2 if the ordinance was adopted on December 23, 1986 by the City
3 of Sparta, or (V) if the ordinance was adopted on December
4 23, 1986 by the City of Beardstown, or (W) if the ordinance
5 was adopted on April 27, 1981, October 21, 1985, or December
6 30, 1986 by the City of Belleville, or (X) if the ordinance
7 was adopted on December 29, 1986 by the City of Collinsville,
8 or (Y) if the ordinance was adopted on September 14, 1994 by
9 the City of Alton, or (Z) if the ordinance was adopted on
10 November 11, 1996 by the City of Lexington, or (AA) if the
11 ordinance was adopted on November 5, 1984 by the City of
12 LeRoy and, for redevelopment project areas for which bonds
13 were issued before July 29, 1991, in connection with a
14 redevelopment project in the area within the State Sales Tax
15 Boundary and which were extended by municipal ordinance under
16 subsection (n) of Section 11-74.4-3, the last maturity of the
17 refunding obligations shall not be expressed to mature later
18 than the date on which the redevelopment project area is
19 terminated or December 31, 2013, whichever date occurs first.

20 In the event a municipality issues obligations under home
21 rule powers or other legislative authority the proceeds of
22 which are pledged to pay for redevelopment project costs, the
23 municipality may, if it has followed the procedures in
24 conformance with this division, retire said obligations from
25 funds in the special tax allocation fund in amounts and in
26 such manner as if such obligations had been issued pursuant
27 to the provisions of this division.

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

32 (Source: P.A. 91-261, eff. 7-23-99; 91-477, eff. 8-11-99;
33 91-478, eff. 11-1-99; 91-642, eff. 8-20-99; 91-763, eff.
34 6-9-00; 92-263, eff. 8-7-01; 92-406, eff. 1-1-02; 92-624,

1 eff. 7-11-02; 92-651, eff. 7-11-02.)

2 (65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

3 Sec. 11-74.4-8. A municipality may not adopt tax
4 increment financing in a redevelopment project area after the
5 effective date of this amendatory Act of 1997 that will
6 encompass an area that is currently included in an enterprise
7 zone created under the Illinois Enterprise Zone Act unless
8 that municipality, pursuant to Section 5.4 of the Illinois
9 Enterprise Zone Act, amends the enterprise zone designating
10 ordinance to limit the eligibility for tax abatements as
11 provided in Section 5.4.1 of the Illinois Enterprise Zone
12 Act. A municipality, at the time a redevelopment project
13 area is designated, may adopt tax increment allocation
14 financing by passing an ordinance providing that the ad
15 valorem taxes, if any, arising from the levies upon taxable
16 real property in such redevelopment project area by taxing
17 districts and tax rates determined in the manner provided in
18 paragraph (c) of Section 11-74.4-9 each year after the
19 effective date of the ordinance until redevelopment project
20 costs and all municipal obligations financing redevelopment
21 project costs incurred under this Division have been paid
22 shall be divided as follows:

23 (a) That portion of taxes levied upon each taxable lot,
24 block, tract or parcel of real property which is attributable
25 to the lower of the current equalized assessed value or the
26 initial equalized assessed value of each such taxable lot,
27 block, tract or parcel of real property in the redevelopment
28 project area shall be allocated to and when collected shall
29 be paid by the county collector to the respective affected
30 taxing districts in the manner required by law in the absence
31 of the adoption of tax increment allocation financing.

32 (b) Except from a tax levied by a township to retire
33 bonds issued to satisfy court-ordered damages, that portion,

1 if any, of such taxes which is attributable to the increase
2 in the current equalized assessed valuation of each taxable
3 lot, block, tract or parcel of real property in the
4 redevelopment project area over and above the initial
5 equalized assessed value of each property in the project area
6 shall be allocated to and when collected shall be paid to the
7 municipal treasurer who shall deposit said taxes into a
8 special fund called the special tax allocation fund of the
9 municipality for the purpose of paying redevelopment project
10 costs and obligations incurred in the payment thereof. In any
11 county with a population of 3,000,000 or more that has
12 adopted a procedure for collecting taxes that provides for
13 one or more of the installments of the taxes to be billed and
14 collected on an estimated basis, the municipal treasurer
15 shall be paid for deposit in the special tax allocation fund
16 of the municipality, from the taxes collected from estimated
17 bills issued for property in the redevelopment project area,
18 the difference between the amount actually collected from
19 each taxable lot, block, tract, or parcel of real property
20 within the redevelopment project area and an amount
21 determined by multiplying the rate at which taxes were last
22 extended against the taxable lot, block, track, or parcel of
23 real property in the manner provided in subsection (c) of
24 Section 11-74.4-9 by the initial equalized assessed value of
25 the property divided by the number of installments in which
26 real estate taxes are billed and collected within the county;
27 provided that the payments on or before December 31, 1999 to
28 a municipal treasurer shall be made only if each of the
29 following conditions are met:

30 (1) The total equalized assessed value of the
31 redevelopment project area as last determined was not
32 less than 175% of the total initial equalized assessed
33 value.

34 (2) Not more than 50% of the total equalized

1 assessed value of the redevelopment project area as last
2 determined is attributable to a piece of property
3 assigned a single real estate index number.

4 (3) The municipal clerk has certified to the county
5 clerk that the municipality has issued its obligations to
6 which there has been pledged the incremental property
7 taxes of the redevelopment project area or taxes levied
8 and collected on any or all property in the municipality
9 or the full faith and credit of the municipality to pay
10 or secure payment for all or a portion of the
11 redevelopment project costs. The certification shall be
12 filed annually no later than September 1 for the
13 estimated taxes to be distributed in the following year;
14 however, for the year 1992 the certification shall be
15 made at any time on or before March 31, 1992.

16 (4) The municipality has not requested that the
17 total initial equalized assessed value of real property
18 be adjusted as provided in subsection (b) of Section
19 11-74.4-9.

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

32 It is the intent of this Division that after the
33 effective date of this amendatory Act of 1988 a
34 municipality's own ad valorem tax arising from levies on

1 taxable real property be included in the determination of
2 incremental revenue in the manner provided in paragraph (c)
3 of Section 11-74.4-9. If the municipality does not extend
4 such a tax, it shall annually deposit in the municipality's
5 Special Tax Increment Fund an amount equal to 10% of the
6 total contributions to the fund from all other taxing
7 districts in that year. The annual 10% deposit required by
8 this paragraph shall be limited to the actual amount of
9 municipally produced incremental tax revenues available to
10 the municipality from taxpayers located in the redevelopment
11 project area in that year if: (a) the plan for the area
12 restricts the use of the property primarily to industrial
13 purposes, (b) the municipality establishing the redevelopment
14 project area is a home-rule community with a 1990 population
15 of between 25,000 and 50,000, (c) the municipality is wholly
16 located within a county with a 1990 population of over
17 750,000 and (d) the redevelopment project area was
18 established by the municipality prior to June 1, 1990. This
19 payment shall be in lieu of a contribution of ad valorem
20 taxes on real property. If no such payment is made, any
21 redevelopment project area of the municipality shall be
22 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
27 redevelopment project area in the manner provided in
28 paragraph (b) of Section 11-74.4-9, each year after the date
29 of the certification of the total initial equalized assessed
30 value as adjusted until redevelopment project costs and all
31 municipal obligations financing redevelopment project costs
32 have been paid the ad valorem taxes, if any, arising from the
33 levies upon the taxable real property in such redevelopment
34 project area by taxing districts and tax rates determined in

1 the manner provided in paragraph (c) of Section 11-74.4-9
2 shall be divided as follows:

3 (1) That portion of the taxes levied upon each
4 taxable lot, block, tract or parcel of real property
5 which is attributable to the lower of the current
6 equalized assessed value or "current equalized assessed
7 value as adjusted" or the initial equalized assessed
8 value of each such taxable lot, block, tract, or parcel
9 of real property existing at the time tax increment
10 financing was adopted, minus the total current homestead
11 exemptions provided by Sections 15-170 and 15-175 of the
12 Property Tax Code in the redevelopment project area shall
13 be allocated to and when collected shall be paid by the
14 county collector to the respective affected taxing
15 districts in the manner required by law in the absence of
16 the adoption of tax increment allocation financing.

17 (2) That portion, if any, of such taxes which is
18 attributable to the increase in the current equalized
19 assessed valuation of each taxable lot, block, tract, or
20 parcel of real property in the redevelopment project
21 area, over and above the initial equalized assessed value
22 of each property existing at the time tax increment
23 financing was adopted, minus the total current homestead
24 exemptions pertaining to each piece of property provided
25 by Sections 15-170 and 15-175 of the Property Tax Code in
26 the redevelopment project area, shall be allocated to and
27 when collected shall be paid to the municipal Treasurer,
28 who shall deposit said taxes into a special fund called
29 the special tax allocation fund of the municipality for
30 the purpose of paying redevelopment project costs and
31 obligations incurred in the payment thereof.

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

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

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

28 When such redevelopment projects costs, including without
29 limitation all municipal obligations financing redevelopment
30 project costs incurred under this Division, have been paid,
31 all surplus funds then remaining in the special tax
32 allocation fund shall be distributed by being paid by the
33 municipal treasurer to the Department of Revenue, the
34 municipality and the county collector; first to the

1 Department of Revenue and the municipality in direct
2 proportion to the tax incremental revenue received from the
3 State and the municipality, but not to exceed the total
4 incremental revenue received from the State or the
5 municipality less any annual surplus distribution of
6 incremental revenue previously made; with any remaining funds
7 to be paid to the County Collector who shall immediately
8 thereafter pay said funds to the taxing districts in the
9 redevelopment project area in the same manner and proportion
10 as the most recent distribution by the county collector to
11 the affected districts of real property taxes from real
12 property in the redevelopment project area.

13 Upon the payment of all redevelopment project costs, the
14 retirement of obligations, and the distribution of any excess
15 monies pursuant to this Section, and final closing of the
16 books and records of the redevelopment project area, the
17 municipality shall adopt an ordinance dissolving the special
18 tax allocation fund for the redevelopment project area and
19 terminating the designation of the redevelopment project area
20 as a redevelopment project area. Title to real or personal
21 property and public improvements acquired by or for the
22 municipality as a result of the redevelopment project and
23 plan shall vest in the municipality when acquired and shall
24 continue to be held by the municipality after the
25 redevelopment project area has been terminated.

26 Municipalities shall notify affected taxing districts prior
27 to November 1 if the redevelopment project area is to be
28 terminated by December 31 of that same year. If a
29 municipality extends estimated dates of completion of a
30 redevelopment project and retirement of obligations to
31 finance a redevelopment project, as allowed by this
32 amendatory Act of 1993, that extension shall not extend the
33 property tax increment allocation financing authorized by
34 this Section. Thereafter the rates of the taxing districts

1 shall be extended and taxes levied, collected and distributed
2 in the manner applicable in the absence of the adoption of
3 tax increment allocation financing.

4 Nothing in this Section shall be construed as relieving
5 property in such redevelopment project areas from being
6 assessed as provided in the Property Tax Code or as relieving
7 owners of such property from paying a uniform rate of taxes,
8 as required by Section 4 of Article 9 of the Illinois
9 Constitution.

10 (Source: P.A. 91-190, eff. 7-20-99; 91-478, eff. 11-1-99;
11 92-16, eff. 6-28-01.)

12 (65 ILCS 5/11-74.4-10) (from Ch. 24, par. 11-74.4-10)

13 Sec. 11-74.4-10. Revenues received by the municipality
14 from any property, building or facility owned, leased or
15 operated by the municipality or any agency or authority
16 established by the municipality, or from repayments of loans,
17 may be used to pay redevelopment project costs, or reduce
18 outstanding obligations of the municipality incurred under
19 this Division for redevelopment project costs. The
20 municipality may place such revenues in the special tax
21 allocation fund which shall be held by the municipal
22 treasurer or other person designated by the municipality.
23 Revenue received by the municipality from the sale or other
24 disposition of real property acquired by the municipality
25 with the proceeds of obligations funded by tax increment
26 allocation financing shall be deposited by the municipality
27 in the special tax allocation fund.

28 (Source: P.A. 79-1525.)

29 Section 99. Effective date. This Act takes effect upon
30 becoming law."