



Rep. Angelo Saviano

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LRB094 09972 AJO 43850 a

1 AMENDMENT TO HOUSE BILL 3066

2 AMENDMENT NO. _____. Amend House Bill 3066 by replacing
3 everything after the enacting clause with the following:

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

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

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

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

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

20 (1) If improved, industrial, commercial, and
21 residential buildings or improvements are detrimental to
22 the public safety, health, or welfare because of a
23 combination of 5 or more of the following factors, each of
24 which is (i) present, with that presence documented, to a

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

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

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

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

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

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

1 standards.

2 (F) Excessive vacancies. The presence of buildings
3 that are unoccupied or under-utilized and that
4 represent an adverse influence on the area because of
5 the frequency, extent, or duration of the vacancies.

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

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

29 (I) Excessive land coverage and overcrowding of
30 structures and community facilities. The
31 over-intensive use of property and the crowding of
32 buildings and accessory facilities onto a site.
33 Examples of problem conditions warranting the
34 designation of an area as one exhibiting excessive land

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

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

19 (K) Environmental clean-up. The proposed
20 redevelopment project area has incurred Illinois
21 Environmental Protection Agency or United States
22 Environmental Protection Agency remediation costs for,
23 or a study conducted by an independent consultant
24 recognized as having expertise in environmental
25 remediation has determined a need for, the clean-up of
26 hazardous waste, hazardous substances, or underground
27 storage tanks required by State or federal law,
28 provided that the remediation costs constitute a
29 material impediment to the development or
30 redevelopment of the redevelopment project area.

31 (L) Lack of community planning. The proposed
32 redevelopment project area was developed prior to or
33 without the benefit or guidance of a community plan.
34 This means that the development occurred prior to the

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

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

23 (2) If vacant, the sound growth of the redevelopment
24 project area is impaired by a combination of 2 or more of
25 the following factors, each of which is (i) present, with
26 that presence documented, to a meaningful extent so that a
27 municipality may reasonably find that the factor is clearly
28 present within the intent of the Act and (ii) reasonably
29 distributed throughout the vacant part of the
30 redevelopment project area to which it pertains:

31 (A) Obsolete platting of vacant land that results
32 in parcels of limited or narrow size or configurations
33 of parcels of irregular size or shape that would be
34 difficult to develop on a planned basis and in a manner

1 compatible with contemporary standards and
2 requirements, or platting that failed to create
3 rights-of-ways for streets or alleys or that created
4 inadequate right-of-way widths for streets, alleys, or
5 other public rights-of-way or that omitted easements
6 for public utilities.

7 (B) Diversity of ownership of parcels of vacant
8 land sufficient in number to retard or impede the
9 ability to assemble the land for development.

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

13 (D) Deterioration of structures or site
14 improvements in neighboring areas adjacent to the
15 vacant land.

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

27 (F) The total equalized assessed value of the
28 proposed redevelopment project area has declined for 3
29 of the last 5 calendar years prior to the year in which
30 the redevelopment project area is designated or is
31 increasing at an annual rate that is less than the
32 balance of the municipality for 3 of the last 5
33 calendar years for which information is available or is
34 increasing at an annual rate that is less than the

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

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

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

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

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

27 (D) The area consists of an unused or illegal
28 disposal site containing earth, stone, building
29 debris, or similar materials that were removed from
30 construction, demolition, excavation, or dredge sites.

31 (E) Prior to November 1, 1999, the area is not less
32 than 50 nor more than 100 acres and 75% of which is
33 vacant (notwithstanding that the area has been used for
34 commercial agricultural purposes within 5 years prior

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

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

12 (b) 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), "conservation area" shall have the meaning set forth
16 in this Section prior to that date.

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

25 (1) Dilapidation. An advanced state of disrepair or
26 neglect of necessary repairs to the primary structural
27 components of buildings or improvements in such a
28 combination that a documented building condition analysis
29 determines that major repair is required or the defects are
30 so serious and so extensive that the buildings must be
31 removed.

32 (2) Obsolescence. The condition or process of falling
33 into disuse. Structures have become ill-suited for the
34 original use.

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

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

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

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

24 (7) Lack of ventilation, light, or sanitary
25 facilities. The absence of adequate ventilation for light
26 or air circulation in spaces or rooms without windows, or
27 that require the removal of dust, odor, gas, smoke, or
28 other noxious airborne materials. Inadequate natural light
29 and ventilation means the absence or inadequacy of
30 skylights or windows for interior spaces or rooms and
31 improper window sizes and amounts by room area to window
32 area ratios. Inadequate sanitary facilities refers to the
33 absence or inadequacy of garbage storage and enclosure,
34 bathroom facilities, hot water and kitchens, and

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

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

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

29 (10) Deleterious land use or layout. The existence of
30 incompatible land-use relationships, buildings occupied by
31 inappropriate mixed-uses, or uses considered to be
32 noxious, offensive, or unsuitable for the surrounding
33 area.

34 (11) Lack of community planning. The proposed

1 redevelopment project area was developed prior to or
2 without the benefit or guidance of a community plan. This
3 means that the development occurred prior to the adoption
4 by the municipality of a comprehensive or other community
5 plan or that the plan was not followed at the time of the
6 area's development. This factor must be documented by
7 evidence of adverse or incompatible land-use
8 relationships, inadequate street layout, improper
9 subdivision, parcels of inadequate shape and size to meet
10 contemporary development standards, or other evidence
11 demonstrating an absence of effective community planning.

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

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

33 (c) "Industrial park" means an area in a blighted or
34 conservation area suitable for use by any manufacturing,

1 industrial, research or transportation enterprise, of
2 facilities to include but not be limited to factories, mills,
3 processing plants, assembly plants, packing plants,
4 fabricating plants, industrial distribution centers,
5 warehouses, repair overhaul or service facilities, freight
6 terminals, research facilities, test facilities or railroad
7 facilities.

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

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

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

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

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

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

17 (h) "Municipal Sales Tax Increment" means an amount equal
18 to the increase in the aggregate amount of taxes paid to a
19 municipality from the Local Government Tax Fund arising from
20 sales by retailers and servicemen within the redevelopment
21 project area or State Sales Tax Boundary, as the case may be,
22 for as long as the redevelopment project area or State Sales
23 Tax Boundary, as the case may be, exist over and above the
24 aggregate amount of taxes as certified by the Illinois
25 Department of Revenue and paid under the Municipal Retailers'
26 Occupation Tax Act and the Municipal Service Occupation Tax Act
27 by retailers and servicemen, on transactions at places of
28 business located in the redevelopment project area or State
29 Sales Tax Boundary, as the case may be, during the base year
30 which shall be the calendar year immediately prior to the year
31 in which the municipality adopted tax increment allocation
32 financing. For purposes of computing the aggregate amount of
33 such taxes for base years occurring prior to 1985, the
34 Department of Revenue shall determine the Initial Sales Tax

1 Amounts for such taxes and deduct therefrom an amount equal to
2 4% of the aggregate amount of taxes per year for each year the
3 base year is prior to 1985, but not to exceed a total deduction
4 of 12%. The amount so determined shall be known as the
5 "Adjusted Initial Sales Tax Amounts". For purposes of
6 determining the Municipal Sales Tax Increment, the Department
7 of Revenue shall for each period subtract from the amount paid
8 to the municipality from the Local Government Tax Fund arising
9 from sales by retailers and servicemen on transactions located
10 in the redevelopment project area or the State Sales Tax
11 Boundary, as the case may be, the certified Initial Sales Tax
12 Amounts, the Adjusted Initial Sales Tax Amounts or the Revised
13 Initial Sales Tax Amounts for the Municipal Retailers'
14 Occupation Tax Act and the Municipal Service Occupation Tax
15 Act. For the State Fiscal Year 1989, this calculation shall be
16 made by utilizing the calendar year 1987 to determine the tax
17 amounts received. For the State Fiscal Year 1990, this
18 calculation shall be made by utilizing the period from January
19 1, 1988, until September 30, 1988, to determine the tax amounts
20 received from retailers and servicemen pursuant to the
21 Municipal Retailers' Occupation Tax and the Municipal Service
22 Occupation Tax Act, which shall have deducted therefrom
23 nine-twelfths of the certified Initial Sales Tax Amounts, the
24 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales
25 Tax Amounts as appropriate. For the State Fiscal Year 1991,
26 this calculation shall be made by utilizing the period from
27 October 1, 1988, to June 30, 1989, to determine the tax amounts
28 received from retailers and servicemen pursuant to the
29 Municipal Retailers' Occupation Tax and the Municipal Service
30 Occupation Tax Act which shall have deducted therefrom
31 nine-twelfths of the certified Initial Sales Tax Amounts,
32 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales
33 Tax Amounts as appropriate. For every State Fiscal Year
34 thereafter, the applicable period shall be the 12 months

1 beginning July 1 and ending June 30 to determine the tax
2 amounts received which shall have deducted therefrom the
3 certified Initial Sales Tax Amounts, the Adjusted Initial Sales
4 Tax Amounts or the Revised Initial Sales Tax Amounts, as the
5 case may be.

6 (i) "Net State Sales Tax Increment" means the sum of the
7 following: (a) 80% of the first \$100,000 of State Sales Tax
8 Increment annually generated within a State Sales Tax Boundary;
9 (b) 60% of the amount in excess of \$100,000 but not exceeding
10 \$500,000 of State Sales Tax Increment annually generated within
11 a State Sales Tax Boundary; and (c) 40% of all amounts in
12 excess of \$500,000 of State Sales Tax Increment annually
13 generated within a State Sales Tax Boundary. If, however, a
14 municipality established a tax increment financing district in
15 a county with a population in excess of 3,000,000 before
16 January 1, 1986, and the municipality entered into a contract
17 or issued bonds after January 1, 1986, but before December 31,
18 1986, to finance redevelopment project costs within a State
19 Sales Tax Boundary, then the Net State Sales Tax Increment
20 means, for the fiscal years beginning July 1, 1990, and July 1,
21 1991, 100% of the State Sales Tax Increment annually generated
22 within a State Sales Tax Boundary; and notwithstanding any
23 other provision of this Act, for those fiscal years the
24 Department of Revenue shall distribute to those municipalities
25 100% of their Net State Sales Tax Increment before any
26 distribution to any other municipality and regardless of
27 whether or not those other municipalities will receive 100% of
28 their Net State Sales Tax Increment. For Fiscal Year 1999, and
29 every year thereafter until the year 2007, for any municipality
30 that has not entered into a contract or has not issued bonds
31 prior to June 1, 1988 to finance redevelopment project costs
32 within a State Sales Tax Boundary, the Net State Sales Tax
33 Increment shall be calculated as follows: By multiplying the
34 Net State Sales Tax Increment by 90% in the State Fiscal Year

1 1999; 80% in the State Fiscal Year 2000; 70% in the State
2 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the
3 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%
4 in the State Fiscal Year 2005; 20% in the State Fiscal Year
5 2006; and 10% in the State Fiscal Year 2007. No payment shall
6 be made for State Fiscal Year 2008 and thereafter.

7 Municipalities that issued bonds in connection with a
8 redevelopment project in a redevelopment project area within
9 the State Sales Tax Boundary prior to July 29, 1991, or that
10 entered into contracts in connection with a redevelopment
11 project in a redevelopment project area before June 1, 1988,
12 shall continue to receive their proportional share of the
13 Illinois Tax Increment Fund distribution until the date on
14 which the redevelopment project is completed or terminated. If,
15 however, a municipality that issued bonds in connection with a
16 redevelopment project in a redevelopment project area within
17 the State Sales Tax Boundary prior to July 29, 1991 retires the
18 bonds prior to June 30, 2007 or a municipality that entered
19 into contracts in connection with a redevelopment project in a
20 redevelopment project area before June 1, 1988 completes the
21 contracts prior to June 30, 2007, then so long as the
22 redevelopment project is not completed or is not terminated,
23 the Net State Sales Tax Increment shall be calculated,
24 beginning on the date on which the bonds are retired or the
25 contracts are completed, as follows: By multiplying the Net
26 State Sales Tax Increment by 60% in the State Fiscal Year 2002;
27 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year
28 2004; 30% in the State Fiscal Year 2005; 20% in the State
29 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No
30 payment shall be made for State Fiscal Year 2008 and
31 thereafter. Refunding of any bonds issued prior to July 29,
32 1991, shall not alter the Net State Sales Tax Increment.

33 (j) "State Utility Tax Increment Amount" means an amount
34 equal to the aggregate increase in State electric and gas tax

1 charges imposed on owners and tenants, other than residential
2 customers, of properties located within the redevelopment
3 project area under Section 9-222 of the Public Utilities Act,
4 over and above the aggregate of such charges as certified by
5 the Department of Revenue and paid by owners and tenants, other
6 than residential customers, of properties within the
7 redevelopment project area during the base year, which shall be
8 the calendar year immediately prior to the year of the adoption
9 of the ordinance authorizing tax increment allocation
10 financing.

11 (k) "Net State Utility Tax Increment" means the sum of the
12 following: (a) 80% of the first \$100,000 of State Utility Tax
13 Increment annually generated by a redevelopment project area;
14 (b) 60% of the amount in excess of \$100,000 but not exceeding
15 \$500,000 of the State Utility Tax Increment annually generated
16 by a redevelopment project area; and (c) 40% of all amounts in
17 excess of \$500,000 of State Utility Tax Increment annually
18 generated by a redevelopment project area. For the State Fiscal
19 Year 1999, and every year thereafter until the year 2007, for
20 any municipality that has not entered into a contract or has
21 not issued bonds prior to June 1, 1988 to finance redevelopment
22 project costs within a redevelopment project area, the Net
23 State Utility Tax Increment shall be calculated as follows: By
24 multiplying the Net State Utility Tax Increment by 90% in the
25 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%
26 in the State Fiscal Year 2001; 60% in the State Fiscal Year
27 2002; 50% in the State Fiscal Year 2003; 40% in the State
28 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the
29 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.
30 No payment shall be made for the State Fiscal Year 2008 and
31 thereafter.

32 Municipalities that issue bonds in connection with the
33 redevelopment project during the period from June 1, 1988 until
34 3 years after the effective date of this Amendatory Act of 1988

1 shall receive the Net State Utility Tax Increment, subject to
2 appropriation, for 15 State Fiscal Years after the issuance of
3 such bonds. For the 16th through the 20th State Fiscal Years
4 after issuance of the bonds, the Net State Utility Tax
5 Increment shall be calculated as follows: By multiplying the
6 Net State Utility Tax Increment by 90% in year 16; 80% in year
7 17; 70% in year 18; 60% in year 19; and 50% in year 20.
8 Refunding of any bonds issued prior to June 1, 1988, shall not
9 alter the revised Net State Utility Tax Increment payments set
10 forth above.

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

15 (m) "Payment in lieu of taxes" means those estimated tax
16 revenues from real property in a redevelopment project area
17 derived from real property that has been acquired by a
18 municipality which according to the redevelopment project or
19 plan is to be used for a private use which taxing districts
20 would have received had a municipality not acquired the real
21 property and adopted tax increment allocation financing and
22 which would result from levies made after the time of the
23 adoption of tax increment allocation financing to the time the
24 current equalized value of real property in the redevelopment
25 project area exceeds the total initial equalized value of real
26 property in said area.

27 (n) "Redevelopment plan" means the comprehensive program
28 of the municipality for development or redevelopment intended
29 by the payment of redevelopment project costs to reduce or
30 eliminate those conditions the existence of which qualified the
31 redevelopment project area as a "blighted area" or
32 "conservation area" or combination thereof or "industrial park
33 conservation area," and thereby to enhance the tax bases of the
34 taxing districts which extend into the redevelopment project

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

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

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

18 (C) an assessment of any financial impact of the
19 redevelopment project area on or any increased demand for
20 services from any taxing district affected by the plan and
21 any program to address such financial impact or increased
22 demand;

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

24 (E) the nature and term of the obligations to be
25 issued;

26 (F) the most recent equalized assessed valuation of the
27 redevelopment project area;

28 (G) an estimate as to the equalized assessed valuation
29 after redevelopment and the general land uses to apply in
30 the redevelopment project area;

31 (H) a commitment to fair employment practices and an
32 affirmative action plan;

33 (I) if it concerns an industrial park conservation
34 area, the plan shall also include a general description of

1 any proposed developer, user and tenant of any property, a
2 description of the type, structure and general character of
3 the facilities to be developed, a description of the type,
4 class and number of new employees to be employed in the
5 operation of the facilities to be developed; and

6 (J) if property is to be annexed to the municipality,
7 the plan shall include the terms of the annexation
8 agreement.

9 The provisions of items (B) and (C) of this subsection (n)
10 shall not apply to a municipality that before March 14, 1994
11 (the effective date of Public Act 88-537) had fixed, either by
12 its corporate authorities or by a commission designated under
13 subsection (k) of Section 11-74.4-4, a time and place for a
14 public hearing as required by subsection (a) of Section
15 11-74.4-5. No redevelopment plan shall be adopted unless a
16 municipality complies with all of the following requirements:

17 (1) The municipality finds that the redevelopment
18 project area on the whole has not been subject to growth
19 and development through investment by private enterprise
20 and would not reasonably be anticipated to be developed
21 without the adoption of the redevelopment plan.

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

33 (3) The redevelopment plan establishes the estimated
34 dates of completion of the redevelopment project and

1 retirement of obligations issued to finance redevelopment
2 project costs. Those dates shall not be later than December
3 31 of the year in which the payment to the municipal
4 treasurer as provided in subsection (b) of Section
5 11-74.4-8 of this Act is to be made with respect to ad
6 valorem taxes levied in the twenty-third calendar year
7 after the year in which the ordinance approving the
8 redevelopment project area is adopted if the ordinance was
9 adopted on or after January 15, 1981, and not later than
10 December 31 of the year in which the payment to the
11 municipal treasurer as provided in subsection (b) of
12 Section 11-74.4-8 of this Act is to be made with respect to
13 ad valorem taxes levied in the thirty-fifth calendar year
14 after the year in which the ordinance approving the
15 redevelopment project area is adopted:

16 (A) if the ordinance was adopted before January 15,
17 1981, or

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

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

23 (D) if the ordinance was adopted before January 1,
24 1987 by a municipality in Mason County, or

25 (E) if the municipality is subject to the Local
26 Government Financial Planning and Supervision Act or
27 the Financially Distressed City Law, or

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

30 (G) if the ordinance was adopted on December 31,
31 1986 by a municipality located in Clinton County for
32 which at least \$250,000 of tax increment bonds were
33 authorized on June 17, 1997, or if the ordinance was
34 adopted on December 31, 1986 by a municipality with a

1 population in 1990 of less than 3,600 that is located
2 in a county with a population in 1990 of less than
3 34,000 and for which at least \$250,000 of tax increment
4 bonds were authorized on June 17, 1997, or

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

8 (I) if the ordinance was adopted on November 12,
9 1991 by the Village of Sauget, or

10 (J) if the ordinance was adopted on February 11,
11 1985 by the City of Rock Island, or

12 (K) if the ordinance was adopted before December
13 18, 1986 by the City of Moline, or

14 (L) if the ordinance was adopted in September 1988
15 by Sauk Village, or

16 (M) if the ordinance was adopted in October 1993 by
17 Sauk Village, or

18 (N) if the ordinance was adopted on December 29,
19 1986 by the City of Galva, or

20 (O) if the ordinance was adopted in March 1991 by
21 the City of Centreville, or

22 (P) if the ordinance was adopted on January 23,
23 1991 by the City of East St. Louis, or

24 (Q) if the ordinance was adopted on December 22,
25 1986 by the City of Aledo, or

26 (R) if the ordinance was adopted on February 5,
27 1990 by the City of Clinton, or

28 (S) if the ordinance was adopted on September 6,
29 1994 by the City of Freeport, or

30 (T) if the ordinance was adopted on December 22,
31 1986 by the City of Tuscola, or

32 (U) if the ordinance was adopted on December 23,
33 1986 by the City of Sparta, or

34 (V) if the ordinance was adopted on December 23,

1 1986 by the City of Beardstown, or
2 (W) if the ordinance was adopted on April 27, 1981,
3 October 21, 1985, or December 30, 1986 by the City of
4 Belleville, or
5 (X) if the ordinance was adopted on December 29,
6 1986 by the City of Collinsville, or
7 (Y) if the ordinance was adopted on September 14,
8 1994 by the City of Alton, or
9 (Z) if the ordinance was adopted on November 11,
10 1996 by the City of Lexington, or
11 (AA) if the ordinance was adopted on November 5,
12 1984 by the City of LeRoy, or
13 (BB) if the ordinance was adopted on April 3, 1991
14 or June 3, 1992 by the City of Markham, or
15 (CC) if the ordinance was adopted on November 11,
16 1986 by the City of Pekin, or
17 (DD) ~~(CC)~~ if the ordinance was adopted on December
18 15, 1981 by the City of Champaign, or
19 (EE) ~~(CC)~~ if the ordinance was adopted on December
20 15, 1986 by the City of Urbana, or
21 (FF) ~~(CC)~~ if the ordinance was adopted on December
22 15, 1986 by the Village of Heyworth, or
23 (GG) ~~(CC)~~ if the ordinance was adopted on February
24 24, 1992 by the Village of Heyworth, or
25 (HH) ~~(CC)~~ if the ordinance was adopted on March 16,
26 1995 by the Village of Heyworth, or
27 (II) ~~(CC)~~ if the ordinance was adopted on December
28 23, 1986 by the Town of Cicero, or
29 (JJ) ~~(CC)~~ if the ordinance was adopted on December
30 30, 1986 by the City of Effingham, or
31 (KK) ~~(CC)~~ if the ordinance was adopted on May 9,
32 1991 by the Village of Tilton, or
33 (LL) ~~(CC)~~ if the ordinance was adopted on October
34 20, 1986 by the City of Elmhurst, or

1 (MM) ~~(CC)~~ if the ordinance was adopted on January
2 19, 1988 by the City of Waukegan, or

3 (NN) ~~(DD)~~ if the ordinance was adopted on September
4 21, 1998 by the City of Waukegan.

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

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

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

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

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

20 (3.5) The municipality finds, in the case of an
21 industrial park conservation area, also that the
22 municipality is a labor surplus municipality and that the
23 implementation of the redevelopment plan will reduce
24 unemployment, create new jobs and by the provision of new
25 facilities enhance the tax base of the taxing districts
26 that extend into the redevelopment project area.

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

1 area.

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

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

27 Part II of the housing impact study shall identify the
28 inhabited residential units in the proposed redevelopment
29 project area that are to be or may be removed. If inhabited
30 residential units are to be removed, then the housing
31 impact study shall identify (i) the number and location of
32 those units that will or may be removed, (ii) the
33 municipality's plans for relocation assistance for those
34 residents in the proposed redevelopment project area whose

1 residences are to be removed, (iii) the availability of
2 replacement housing for those residents whose residences
3 are to be removed, and shall identify the type, location,
4 and cost of the housing, and (iv) the type and extent of
5 relocation assistance to be provided.

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

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

30 (8) On and after November 1, 1999, if, after the
31 adoption of the redevelopment plan for the redevelopment
32 project area, any municipality desires to amend its
33 redevelopment plan to remove more inhabited residential
34 units than specified in its original redevelopment plan,

1 that change shall be made in accordance with the procedures
2 in subsection (c) of Section 11-74.4-5.

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

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

29 (p) "Redevelopment project area" means an area designated
30 by the municipality, which is not less in the aggregate than 1
31 1/2 acres and in respect to which the municipality has made a
32 finding that there exist conditions which cause the area to be
33 classified as an industrial park conservation area or a
34 blighted area or a conservation area, or a combination of both

1 blighted areas and conservation areas.

2 (q) "Redevelopment project costs" mean and include the sum
3 total of all reasonable or necessary costs incurred or
4 estimated to be incurred, and any such costs incidental to a
5 redevelopment plan and a redevelopment project. Such costs
6 include, without limitation, the following:

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

1 (1.5) After July 1, 1999, annual administrative costs
2 shall not include general overhead or administrative costs
3 of the municipality that would still have been incurred by
4 the municipality if the municipality had not designated a
5 redevelopment project area or approved a redevelopment
6 plan;

7 (1.6) The cost of marketing sites within the
8 redevelopment project area to prospective businesses,
9 developers, and investors;

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

18 (3) Costs of rehabilitation, reconstruction or repair
19 or remodeling of existing public or private buildings,
20 fixtures, and leasehold improvements; and the cost of
21 replacing an existing public building if pursuant to the
22 implementation of a redevelopment project the existing
23 public building is to be demolished to use the site for
24 private investment or devoted to a different use requiring
25 private investment;

26 (4) Costs of the construction of public works or
27 improvements, except that on and after November 1, 1999,
28 redevelopment project costs shall not include the cost of
29 constructing a new municipal public building principally
30 used to provide offices, storage space, or conference
31 facilities or vehicle storage, maintenance, or repair for
32 administrative, public safety, or public works personnel
33 and that is not intended to replace an existing public
34 building as provided under paragraph (3) of subsection (q)

1 of Section 11-74.4-3 unless either (i) the construction of
2 the new municipal building implements a redevelopment
3 project that was included in a redevelopment plan that was
4 adopted by the municipality prior to November 1, 1999 or
5 (ii) the municipality makes a reasonable determination in
6 the redevelopment plan, supported by information that
7 provides the basis for that determination, that the new
8 municipal building is required to meet an increase in the
9 need for public safety purposes anticipated to result from
10 the implementation of the redevelopment plan;

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

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

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

29 (7.5) For redevelopment project areas designated (or
30 redevelopment project areas amended to add or increase the
31 number of tax-increment-financing assisted housing units)
32 on or after November 1, 1999, an elementary, secondary, or
33 unit school district's increased costs attributable to
34 assisted housing units located within the redevelopment

1 project area for which the developer or redeveloper
2 receives financial assistance through an agreement with
3 the municipality or because the municipality incurs the
4 cost of necessary infrastructure improvements within the
5 boundaries of the assisted housing sites necessary for the
6 completion of that housing as authorized by this Act, and
7 which costs shall be paid by the municipality from the
8 Special Tax Allocation Fund when the tax increment revenue
9 is received as a result of the assisted housing units and
10 shall be calculated annually as follows:

11 (A) for foundation districts, excluding any school
12 district in a municipality with a population in excess
13 of 1,000,000, by multiplying the district's increase
14 in attendance resulting from the net increase in new
15 students enrolled in that school district who reside in
16 housing units within the redevelopment project area
17 that have received financial assistance through an
18 agreement with the municipality or because the
19 municipality incurs the cost of necessary
20 infrastructure improvements within the boundaries of
21 the housing sites necessary for the completion of that
22 housing as authorized by this Act since the designation
23 of the redevelopment project area by the most recently
24 available per capita tuition cost as defined in Section
25 10-20.12a of the School Code less any increase in
26 general State aid as defined in Section 18-8.05 of the
27 School Code attributable to these added new students
28 subject to the following annual limitations:

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

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

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

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

34 (i) for unit school districts, no more than 40%

1 of the total amount of property tax increment
2 revenue produced by those housing units that have
3 received tax increment finance assistance under
4 this Act;

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

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

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

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

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

28 (iii) the amount reimbursed may not affect
29 amounts otherwise obligated by the terms of any
30 bonds, notes, or other funding instruments, or the
31 terms of any redevelopment agreement.

32 Any school district seeking payment under this
33 paragraph (7.5) shall, after July 1 and before
34 September 30 of each year, provide the municipality

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

14 (7.7) For redevelopment project areas designated (or
15 redevelopment project areas amended to add or increase the
16 number of tax-increment-financing assisted housing units)
17 on or after January 1, 2005 (the effective date of Public
18 Act 93-961) ~~this amendatory Act of the 93rd General~~
19 ~~Assembly~~, a public library district's increased costs
20 attributable to assisted housing units located within the
21 redevelopment project area for which the developer or
22 redeveloper receives financial assistance through an
23 agreement with the municipality or because the
24 municipality incurs the cost of necessary infrastructure
25 improvements within the boundaries of the assisted housing
26 sites necessary for the completion of that housing as
27 authorized by this Act shall be paid to the library
28 district by the municipality from the Special Tax
29 Allocation Fund when the tax increment revenue is received
30 as a result of the assisted housing units. This paragraph
31 (7.7) applies only if (i) the library district is located
32 in a county that is subject to the Property Tax Extension
33 Limitation Law or (ii) the library district is not located
34 in a county that is subject to the Property Tax Extension

1 Limitation Law but the district is prohibited by any other
2 law from increasing its tax levy rate without a prior voter
3 referendum.

4 The amount paid to a library district under this
5 paragraph (7.7) shall be calculated by multiplying (i) the
6 net increase in the number of persons eligible to obtain a
7 library card in that district who reside in housing units
8 within the redevelopment project area that have received
9 financial assistance through an agreement with the
10 municipality or because the municipality incurs the cost of
11 necessary infrastructure improvements within the
12 boundaries of the housing sites necessary for the
13 completion of that housing as authorized by this Act since
14 the designation of the redevelopment project area by (ii)
15 the per-patron cost of providing library services so long
16 as it does not exceed \$120. The per-patron cost shall be
17 the Total Operating Expenditures Per Capita as stated in
18 the most recent Illinois Public Library Statistics
19 produced by the Library Research Center at the University
20 of Illinois. The municipality may deduct from the amount
21 that it must pay to a library district under this paragraph
22 any amount that it has voluntarily paid to the library
23 district from the tax increment revenue. The amount paid to
24 a library district under this paragraph (7.7) shall be no
25 more than 2% of the amount produced by the assisted housing
26 units and deposited into the Special Tax Allocation Fund.

27 A library district is not eligible for any payment
28 under this paragraph (7.7) unless the library district has
29 experienced an increase in the number of patrons from the
30 municipality that created the tax-increment-financing
31 district since the designation of the redevelopment
32 project area.

33 Any library district seeking payment under this
34 paragraph (7.7) shall, after July 1 and before September 30

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

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

19 (9) Payment in lieu of taxes;

20 (10) Costs of job training, retraining, advanced
21 vocational education or career education, including but
22 not limited to courses in occupational, semi-technical or
23 technical fields leading directly to employment, incurred
24 by one or more taxing districts, provided that such costs
25 (i) are related to the establishment and maintenance of
26 additional job training, advanced vocational education or
27 career education programs for persons employed or to be
28 employed by employers located in a redevelopment project
29 area; and (ii) when incurred by a taxing district or taxing
30 districts other than the municipality, are set forth in a
31 written agreement by or among the municipality and the
32 taxing district or taxing districts, which agreement
33 describes the program to be undertaken, including but not
34 limited to the number of employees to be trained, a

1 description of the training and services to be provided,
2 the number and type of positions available or to be
3 available, itemized costs of the program and sources of
4 funds to pay for the same, and the term of the agreement.
5 Such costs include, specifically, the payment by community
6 college districts of costs pursuant to Sections 3-37, 3-38,
7 3-40 and 3-40.1 of the Public Community College Act and by
8 school districts of costs pursuant to Sections 10-22.20a
9 and 10-23.3a of The School Code;

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

13 (A) such costs are to be paid directly from the
14 special tax allocation fund established pursuant to
15 this Act;

16 (B) such payments in any one year may not exceed
17 30% of the annual interest costs incurred by the
18 redeveloper with regard to the redevelopment project
19 during that year;

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

25 (D) the total of such interest payments paid
26 pursuant to this Act may not exceed 30% of the total
27 (i) cost paid or incurred by the redeveloper for the
28 redevelopment project plus (ii) redevelopment project
29 costs excluding any property assembly costs and any
30 relocation costs incurred by a municipality pursuant
31 to this Act; and

32 (E) the cost limits set forth in subparagraphs (B)
33 and (D) of paragraph (11) shall be modified for the
34 financing of rehabilitated or new housing units for

1 low-income households and very low-income households,
2 as defined in Section 3 of the Illinois Affordable
3 Housing Act. The percentage of 75% shall be substituted
4 for 30% in subparagraphs (B) and (D) of paragraph (11).

5 (F) Instead of the eligible costs provided by
6 subparagraphs (B) and (D) of paragraph (11), as
7 modified by this subparagraph, and notwithstanding any
8 other provisions of this Act to the contrary, the
9 municipality may pay from tax increment revenues up to
10 50% of the cost of construction of new housing units to
11 be occupied by low-income households and very
12 low-income households as defined in Section 3 of the
13 Illinois Affordable Housing Act. The cost of
14 construction of those units may be derived from the
15 proceeds of bonds issued by the municipality under this
16 Act or other constitutional or statutory authority or
17 from other sources of municipal revenue that may be
18 reimbursed from tax increment revenues or the proceeds
19 of bonds issued to finance the construction of that
20 housing.

21 The eligible costs provided under this
22 subparagraph (F) of paragraph (11) shall be an eligible
23 cost for the construction, renovation, and
24 rehabilitation of all low and very low-income housing
25 units, as defined in Section 3 of the Illinois
26 Affordable Housing Act, within the redevelopment
27 project area. If the low and very low-income units are
28 part of a residential redevelopment project that
29 includes units not affordable to low and very
30 low-income households, only the low and very
31 low-income units shall be eligible for benefits under
32 subparagraph (F) of paragraph (11). The standards for
33 maintaining the occupancy by low-income households and
34 very low-income households, as defined in Section 3 of

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

25 (11.5) If the redevelopment project area is located
26 within a municipality with a population of more than
27 100,000, the cost of day care services for children of
28 employees from low-income families working for businesses
29 located within the redevelopment project area and all or a
30 portion of the cost of operation of day care centers
31 established by redevelopment project area businesses to
32 serve employees from low-income families working in
33 businesses located in the redevelopment project area. For
34 the purposes of this paragraph, "low-income families"

1 means families whose annual income does not exceed 80% of
2 the municipal, county, or regional median income, adjusted
3 for family size, as the annual income and municipal,
4 county, or regional median income are determined from time
5 to time by the United States Department of Housing and
6 Urban Development.

7 (12) Unless explicitly stated herein the cost of
8 construction of new privately-owned buildings shall not be
9 an eligible redevelopment project cost.

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

30 If a special service area has been established pursuant to
31 the Special Service Area Tax Act or Special Service Area Tax
32 Law, then any tax increment revenues derived from the tax
33 imposed pursuant to the Special Service Area Tax Act or Special
34 Service Area Tax Law may be used within the redevelopment

1 project area for the purposes permitted by that Act or Law as
2 well as the purposes permitted by this Act.

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

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

1 Revenue shall compute the Initial Sales Tax Amount for such
2 taxes and deduct therefrom an amount equal to 4% of the
3 aggregate amount of taxes per year for each year the base year
4 is prior to 1985, but not to exceed a total deduction of 12%.
5 The amount so determined shall be known as the "Adjusted
6 Initial Sales Tax Amount". For purposes of determining the
7 State Sales Tax Increment the Department of Revenue shall for
8 each period subtract from the tax amounts received from
9 retailers and servicemen on transactions located in the State
10 Sales Tax Boundary, the certified Initial Sales Tax Amounts,
11 Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax
12 Amounts for the Retailers' Occupation Tax Act, the Use Tax Act,
13 the Service Use Tax Act and the Service Occupation Tax Act. For
14 the State Fiscal Year 1989 this calculation shall be made by
15 utilizing the calendar year 1987 to determine the tax amounts
16 received. For the State Fiscal Year 1990, this calculation
17 shall be made by utilizing the period from January 1, 1988,
18 until September 30, 1988, to determine the tax amounts received
19 from retailers and servicemen, which shall have deducted
20 therefrom nine-twelfths of the certified Initial Sales Tax
21 Amounts, Adjusted Initial Sales Tax Amounts or the Revised
22 Initial Sales Tax Amounts as appropriate. For the State Fiscal
23 Year 1991, this calculation shall be made by utilizing the
24 period from October 1, 1988, until June 30, 1989, to determine
25 the tax amounts received from retailers and servicemen, which
26 shall have deducted therefrom nine-twelfths of the certified
27 Initial State Sales Tax Amounts, Adjusted Initial Sales Tax
28 Amounts or the Revised Initial Sales Tax Amounts as
29 appropriate. For every State Fiscal Year thereafter, the
30 applicable period shall be the 12 months beginning July 1 and
31 ending on June 30, to determine the tax amounts received which
32 shall have deducted therefrom the certified Initial Sales Tax
33 Amounts, Adjusted Initial Sales Tax Amounts or the Revised
34 Initial Sales Tax Amounts. Municipalities intending to receive

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

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

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

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

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

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

14 (Source: P.A. 92-263, eff. 8-7-01; 92-406, eff. 1-1-02; 92-624,
15 eff. 7-11-02; 92-651, eff. 7-11-02; 93-298, eff. 7-23-03;
16 93-708, eff. 1-1-05; 93-747, eff. 7-15-04; 93-924, eff.
17 8-12-04; 93-961, eff. 1-1-05; 93-983, eff. 8-23-04; 93-984,
18 eff. 8-23-04; 93-985, eff. 8-23-04; 93-986, eff. 8-23-04;
19 93-987, eff. 8-23-04; 93-995, eff. 8-23-04; 93-1024, eff.
20 8-25-04; 93-1076, eff. 1-18-05; revised 1-25-05.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law."