

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by  
5 changing 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  
25 meaningful extent so that a municipality may reasonably  
26 find that the factor is clearly present within the intent  
27 of the Act and (ii) reasonably distributed throughout the  
28 improved part of the redevelopment project area:

29 (A) Dilapidation. An advanced state of disrepair  
30 or neglect of necessary repairs to the primary  
31 structural components of buildings or improvements in  
32 such a combination that a documented building

1 condition analysis determines that major repair is  
2 required or the defects are so serious and so extensive  
3 that the buildings must be removed.

4 (B) Obsolescence. The condition or process of  
5 falling into disuse. Structures have become ill-suited  
6 for the original use.

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

18 (D) Presence of structures below minimum code  
19 standards. All structures that do not meet the  
20 standards of zoning, subdivision, building, fire, and  
21 other governmental codes applicable to property, but  
22 not including housing and property maintenance codes.

23 (E) Illegal use of individual structures. The use  
24 of structures in violation of applicable federal,  
25 State, or local laws, exclusive of those applicable to  
26 the presence of structures below minimum code  
27 standards.

28 (F) Excessive vacancies. The presence of buildings  
29 that are unoccupied or under-utilized and that  
30 represent an adverse influence on the area because of  
31 the frequency, extent, or duration of the vacancies.

32 (G) Lack of ventilation, light, or sanitary  
33 facilities. The absence of adequate ventilation for  
34 light or air circulation in spaces or rooms without  
35 windows, or that require the removal of dust, odor,  
36 gas, smoke, or other noxious airborne materials.

1 Inadequate natural light and ventilation means the  
2 absence of skylights or windows for interior spaces or  
3 rooms and improper window sizes and amounts by room  
4 area to window area ratios. Inadequate sanitary  
5 facilities refers to the absence or inadequacy of  
6 garbage storage and enclosure, bathroom facilities,  
7 hot water and kitchens, and structural inadequacies  
8 preventing ingress and egress to and from all rooms and  
9 units within a building.

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

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

1 inadequate provision for loading and service.

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

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

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

32 (M) The total equalized assessed value of the  
33 proposed redevelopment project area has declined for 3  
34 of the last 5 calendar years prior to the year in which  
35 the redevelopment project area is designated or is  
36 increasing at an annual rate that is less than the

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

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

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

27 (B) Diversity of ownership of parcels of vacant  
28 land sufficient in number to retard or impede the  
29 ability to assemble the land for development.

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

33 (D) Deterioration of structures or site  
34 improvements in neighboring areas adjacent to the  
35 vacant land.

36 (E) The area has incurred Illinois Environmental

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

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

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

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

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

36 (C) The area, prior to its designation, is subject

1 to (i) chronic flooding that adversely impacts on real  
2 property in the area as certified by a registered  
3 professional engineer or appropriate regulatory agency  
4 or (ii) surface water that discharges from all or a  
5 part of the area and contributes to flooding within the  
6 same watershed, but only if the redevelopment project  
7 provides for facilities or improvements to contribute  
8 to the alleviation of all or part of the flooding.

9 (D) The area consists of an unused or illegal  
10 disposal site containing earth, stone, building  
11 debris, or similar materials that were removed from  
12 construction, demolition, excavation, or dredge sites.

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

24 (F) The area qualified as a blighted improved area  
25 immediately prior to becoming vacant, unless there has  
26 been substantial private investment in the immediately  
27 surrounding area.

28 (b) For any redevelopment project area that has been  
29 designated pursuant to this Section by an ordinance adopted  
30 prior to November 1, 1999 (the effective date of Public Act  
31 91-478), "conservation area" shall have the meaning set forth  
32 in this Section prior to that date.

33 On and after November 1, 1999, "conservation area" means  
34 any improved area within the boundaries of a redevelopment  
35 project area located within the territorial limits of the  
36 municipality in which 50% or more of the structures in the area

1 have an age of 35 years or more. Such an area is not yet a  
2 blighted area but because of a combination of 3 or more of the  
3 following factors is detrimental to the public safety, health,  
4 morals or welfare and such an area may become a blighted area:

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

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

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

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

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

34 (6) Excessive vacancies. The presence of buildings  
35 that are unoccupied or under-utilized and that represent an  
36 adverse influence on the area because of the frequency,



1 extent, or duration of the vacancies.

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

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

23 (9) Excessive land coverage and overcrowding of  
24 structures and community facilities. The over-intensive  
25 use of property and the crowding of buildings and accessory  
26 facilities onto a site. Examples of problem conditions  
27 warranting the designation of an area as one exhibiting  
28 excessive land coverage are: the presence of buildings  
29 either improperly situated on parcels or located on parcels  
30 of inadequate size and shape in relation to present-day  
31 standards of development for health and safety and the  
32 presence of multiple buildings on a single parcel. For  
33 there to be a finding of excessive land coverage, these  
34 parcels must exhibit one or more of the following  
35 conditions: insufficient provision for light and air  
36 within or around buildings, increased threat of spread of

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

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

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

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

33 (13) The total equalized assessed value of the proposed  
34 redevelopment project area has declined for 3 of the last 5  
35 calendar years for which information is available or is  
36 increasing at an annual rate that is less than the balance

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

7 (c) "Industrial park" means an area in a blighted or  
8 conservation area suitable for use by any manufacturing,  
9 industrial, research or transportation enterprise, of  
10 facilities to include but not be limited to factories, mills,  
11 processing plants, assembly plants, packing plants,  
12 fabricating plants, industrial distribution centers,  
13 warehouses, repair overhaul or service facilities, freight  
14 terminals, research facilities, test facilities or railroad  
15 facilities.

16 (d) "Industrial park conservation area" means an area  
17 within the boundaries of a redevelopment project area located  
18 within the territorial limits of a municipality that is a labor  
19 surplus municipality or within 1 1/2 miles of the territorial  
20 limits of a municipality that is a labor surplus municipality  
21 if the area is annexed to the municipality; which area is zoned  
22 as industrial no later than at the time the municipality by  
23 ordinance designates the redevelopment project area, and which  
24 area includes both vacant land suitable for use as an  
25 industrial park and a blighted area or conservation area  
26 contiguous to such vacant land.

27 (e) "Labor surplus municipality" means a municipality in  
28 which, at any time during the 6 months before the municipality  
29 by ordinance designates an industrial park conservation area,  
30 the unemployment rate was over 6% and was also 100% or more of  
31 the national average unemployment rate for that same time as  
32 published in the United States Department of Labor Bureau of  
33 Labor Statistics publication entitled "The Employment  
34 Situation" or its successor publication. For the purpose of  
35 this subsection, if unemployment rate statistics for the  
36 municipality are not available, the unemployment rate in the

1 municipality shall be deemed to be the same as the unemployment  
2 rate in the principal county in which the municipality is  
3 located.

4 (f) "Municipality" shall mean a city, village, ~~or~~  
5 incorporated town, or a township that is located in the  
6 unincorporated portion of a county with 3 million or more  
7 inhabitants, if the county adopted an ordinance that approved  
8 the township's redevelopment plan.

9 (g) "Initial Sales Tax Amounts" means the amount of taxes  
10 paid under the Retailers' Occupation Tax Act, Use Tax Act,  
11 Service Use Tax Act, the Service Occupation Tax Act, the  
12 Municipal Retailers' Occupation Tax Act, and the Municipal  
13 Service Occupation Tax Act by retailers and servicemen on  
14 transactions at places located in a State Sales Tax Boundary  
15 during the calendar year 1985.

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

23 (h) "Municipal Sales Tax Increment" means an amount equal  
24 to the increase in the aggregate amount of taxes paid to a  
25 municipality from the Local Government Tax Fund arising from  
26 sales by retailers and servicemen within the redevelopment  
27 project area or State Sales Tax Boundary, as the case may be,  
28 for as long as the redevelopment project area or State Sales  
29 Tax Boundary, as the case may be, exist over and above the  
30 aggregate amount of taxes as certified by the Illinois  
31 Department of Revenue and paid under the Municipal Retailers'  
32 Occupation Tax Act and the Municipal Service Occupation Tax Act  
33 by retailers and servicemen, on transactions at places of  
34 business located in the redevelopment project area or State  
35 Sales Tax Boundary, as the case may be, during the base year  
36 which shall be the calendar year immediately prior to the year

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

1 Tax Amounts as appropriate. For every State Fiscal Year  
2 thereafter, the applicable period shall be the 12 months  
3 beginning July 1 and ending June 30 to determine the tax  
4 amounts received which shall have deducted therefrom the  
5 certified Initial Sales Tax Amounts, the Adjusted Initial Sales  
6 Tax Amounts or the Revised Initial Sales Tax Amounts, as the  
7 case may be.

8 (i) "Net State Sales Tax Increment" means the sum of the  
9 following: (a) 80% of the first \$100,000 of State Sales Tax  
10 Increment annually generated within a State Sales Tax Boundary;  
11 (b) 60% of the amount in excess of \$100,000 but not exceeding  
12 \$500,000 of State Sales Tax Increment annually generated within  
13 a State Sales Tax Boundary; and (c) 40% of all amounts in  
14 excess of \$500,000 of State Sales Tax Increment annually  
15 generated within a State Sales Tax Boundary. If, however, a  
16 municipality established a tax increment financing district in  
17 a county with a population in excess of 3,000,000 before  
18 January 1, 1986, and the municipality entered into a contract  
19 or issued bonds after January 1, 1986, but before December 31,  
20 1986, to finance redevelopment project costs within a State  
21 Sales Tax Boundary, then the Net State Sales Tax Increment  
22 means, for the fiscal years beginning July 1, 1990, and July 1,  
23 1991, 100% of the State Sales Tax Increment annually generated  
24 within a State Sales Tax Boundary; and notwithstanding any  
25 other provision of this Act, for those fiscal years the  
26 Department of Revenue shall distribute to those municipalities  
27 100% of their Net State Sales Tax Increment before any  
28 distribution to any other municipality and regardless of  
29 whether or not those other municipalities will receive 100% of  
30 their Net State Sales Tax Increment. For Fiscal Year 1999, and  
31 every year thereafter until the year 2007, for any municipality  
32 that has not entered into a contract or has not issued bonds  
33 prior to June 1, 1988 to finance redevelopment project costs  
34 within a State Sales Tax Boundary, the Net State Sales Tax  
35 Increment shall be calculated as follows: By multiplying the  
36 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  
35 charges imposed on owners and tenants, other than residential  
36 customers, of properties located within the redevelopment

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

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

30 Municipalities that issue bonds in connection with the  
31 redevelopment project during the period from June 1, 1988 until  
32 3 years after the effective date of this Amendatory Act of 1988  
33 shall receive the Net State Utility Tax Increment, subject to  
34 appropriation, for 15 State Fiscal Years after the issuance of  
35 such bonds. For the 16th through the 20th State Fiscal Years  
36 after issuance of the bonds, the Net State Utility Tax



1 Increment shall be calculated as follows: By multiplying the  
2 Net State Utility Tax Increment by 90% in year 16; 80% in year  
3 17; 70% in year 18; 60% in year 19; and 50% in year 20.  
4 Refunding of any bonds issued prior to June 1, 1988, shall not  
5 alter the revised Net State Utility Tax Increment payments set  
6 forth above.

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

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

23 (n) "Redevelopment plan" means the comprehensive program  
24 of the municipality for development or redevelopment intended  
25 by the payment of redevelopment project costs to reduce or  
26 eliminate those conditions the existence of which qualified the  
27 redevelopment project area as a "blighted area" or  
28 "conservation area" or combination thereof or "industrial park  
29 conservation area," and thereby to enhance the tax bases of the  
30 taxing districts which extend into the redevelopment project  
31 area. On and after November 1, 1999 (the effective date of  
32 Public Act 91-478), no redevelopment plan may be approved or  
33 amended that includes the development of vacant land (i) with a  
34 golf course and related clubhouse and other facilities or (ii)  
35 designated by federal, State, county, or municipal government  
36 as public land for outdoor recreational activities or for

1 nature preserves and used for that purpose within 5 years prior  
2 to the adoption of the redevelopment plan. For the purpose of  
3 this subsection, "recreational activities" is limited to mean  
4 camping and hunting. Each redevelopment plan shall set forth in  
5 writing the program to be undertaken to accomplish the  
6 objectives and shall include but not be limited to:

7 (A) an itemized list of estimated redevelopment  
8 project costs;

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

12 (C) an assessment of any financial impact of the  
13 redevelopment project area on or any increased demand for  
14 services from any taxing district affected by the plan and  
15 any program to address such financial impact or increased  
16 demand;

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

18 (E) the nature and term of the obligations to be  
19 issued;

20 (F) the most recent equalized assessed valuation of the  
21 redevelopment project area;

22 (G) an estimate as to the equalized assessed valuation  
23 after redevelopment and the general land uses to apply in  
24 the redevelopment project area;

25 (H) a commitment to fair employment practices and an  
26 affirmative action plan;

27 (I) if it concerns an industrial park conservation  
28 area, the plan shall also include a general description of  
29 any proposed developer, user and tenant of any property, a  
30 description of the type, structure and general character of  
31 the facilities to be developed, a description of the type,  
32 class and number of new employees to be employed in the  
33 operation of the facilities to be developed; and

34 (J) if property is to be annexed to the municipality,  
35 the plan shall include the terms of the annexation  
36 agreement.

1           The provisions of items (B) and (C) of this subsection (n)  
2 shall not apply to a municipality that before March 14, 1994  
3 (the effective date of Public Act 88-537) had fixed, either by  
4 its corporate authorities or by a commission designated under  
5 subsection (k) of Section 11-74.4-4, a time and place for a  
6 public hearing as required by subsection (a) of Section  
7 11-74.4-5. No redevelopment plan shall be adopted unless a  
8 municipality complies with all of the following requirements:

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

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

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

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

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

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

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

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

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

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

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

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

32 (I) if the ordinance was adopted on November 12,  
33 1991 by the Village of Sauget, or

34 (J) if the ordinance was adopted on February 11,  
35 1985 by the City of Rock Island, or

36 (K) if the ordinance was adopted before December

1 18, 1986 by the City of Moline, or  
2 (L) if the ordinance was adopted in September 1988  
3 by Sauk Village, or  
4 (M) if the ordinance was adopted in October 1993 by  
5 Sauk Village, or  
6 (N) if the ordinance was adopted on December 29,  
7 1986 by the City of Galva, or  
8 (O) if the ordinance was adopted in March 1991 by  
9 the City of Centreville, or  
10 (P) if the ordinance was adopted on January 23,  
11 1991 by the City of East St. Louis, or  
12 (Q) if the ordinance was adopted on December 22,  
13 1986 by the City of Aledo, or  
14 (R) if the ordinance was adopted on February 5,  
15 1990 by the City of Clinton, or  
16 (S) if the ordinance was adopted on September 6,  
17 1994 by the City of Freeport, or  
18 (T) if the ordinance was adopted on December 22,  
19 1986 by the City of Tuscola, or  
20 (U) if the ordinance was adopted on December 23,  
21 1986 by the City of Sparta, or  
22 (V) if the ordinance was adopted on December 23,  
23 1986 by the City of Beardstown, or  
24 (W) if the ordinance was adopted on April 27, 1981,  
25 October 21, 1985, or December 30, 1986 by the City of  
26 Belleville, or  
27 (X) if the ordinance was adopted on December 29,  
28 1986 by the City of Collinsville, or  
29 (Y) if the ordinance was adopted on September 14,  
30 1994 by the City of Alton, or  
31 (Z) if the ordinance was adopted on November 11,  
32 1996 by the City of Lexington, or  
33 (AA) if the ordinance was adopted on November 5,  
34 1984 by the City of LeRoy, or  
35 (BB) if the ordinance was adopted on April 3, 1991  
36 or June 3, 1992 by the City of Markham, or

1 (CC) if the ordinance was adopted on November 11,  
2 1986 by the City of Pekin, or

3 (DD) ~~(CC)~~ if the ordinance was adopted on December  
4 15, 1981 by the City of Champaign, or

5 (EE) ~~(CC)~~ if the ordinance was adopted on December  
6 15, 1986 by the City of Urbana, or

7 (FF) ~~(CC)~~ if the ordinance was adopted on December  
8 15, 1986 by the Village of Heyworth, or

9 (GG) ~~(CC)~~ if the ordinance was adopted on February  
10 24, 1992 by the Village of Heyworth, or

11 (HH) ~~(CC)~~ if the ordinance was adopted on March 16,  
12 1995 by the Village of Heyworth, or

13 (II) ~~(CC)~~ if the ordinance was adopted on December  
14 23, 1986 by the Town of Cicero, or

15 (JJ) ~~(CC)~~ if the ordinance was adopted on December  
16 30, 1986 by the City of Effingham, or

17 (KK) ~~(CC)~~ if the ordinance was adopted on May 9,  
18 1991 by the Village of Tilton, or

19 (LL) ~~(CC)~~ if the ordinance was adopted on October  
20 20, 1986 by the City of Elmhurst, or

21 (MM) ~~(CC)~~ if the ordinance was adopted on January  
22 19, 1988 by the City of Waukegan, or

23 (NN) ~~(DD)~~ if the ordinance was adopted on September  
24 21, 1998 by the City of Waukegan.

25 However, for redevelopment project areas for which  
26 bonds were issued before July 29, 1991, or for which  
27 contracts were entered into before June 1, 1988, in  
28 connection with a redevelopment project in the area within  
29 the State Sales Tax Boundary, the estimated dates of  
30 completion of the redevelopment project and retirement of  
31 obligations to finance redevelopment project costs may be  
32 extended by municipal ordinance to December 31, 2013. The  
33 termination procedures of subsection (b) of Section  
34 11-74.4-8 are not required for these redevelopment project  
35 areas in 2009 but are required in 2013. The extension  
36 allowed by this amendatory Act of 1993 shall not apply to

1 real property tax increment allocation financing under  
2 Section 11-74.4-8.

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

11 Those dates, for purposes of real property tax  
12 increment allocation financing pursuant to Section  
13 11-74.4-8 only, shall be not more than 35 years for  
14 redevelopment project areas that were adopted on or after  
15 December 16, 1986 and for which at least \$8 million worth  
16 of municipal bonds were authorized on or after December 19,  
17 1989 but before January 1, 1990; provided that the  
18 municipality elects to extend the life of the redevelopment  
19 project area to 35 years by the adoption of an ordinance  
20 after at least 14 but not more than 30 days' written notice  
21 to the taxing bodies, that would otherwise constitute the  
22 joint review board for the redevelopment project area,  
23 before the adoption of the ordinance.

24 Those dates, for purposes of real property tax  
25 increment allocation financing pursuant to Section  
26 11-74.4-8 only, shall be not more than 35 years for  
27 redevelopment project areas that were established on or  
28 after December 1, 1981 but before January 1, 1982 and for  
29 which at least \$1,500,000 worth of tax increment revenue  
30 bonds were authorized on or after September 30, 1990 but  
31 before July 1, 1991; provided that the municipality elects  
32 to extend the life of the redevelopment project area to 35  
33 years by the adoption of an ordinance after at least 14 but  
34 not more than 30 days' written notice to the taxing bodies,  
35 that would otherwise constitute the joint review board for  
36 the redevelopment project area, before the adoption of the

1 ordinance.

2 (3.5) The municipality finds, in the case of an  
3 industrial park conservation area, also that the  
4 municipality is a labor surplus municipality and that the  
5 implementation of the redevelopment plan will reduce  
6 unemployment, create new jobs and by the provision of new  
7 facilities enhance the tax base of the taxing districts  
8 that extend into the redevelopment project area.

9 (4) If any incremental revenues are being utilized  
10 under Section 8(a)(1) or 8(a)(2) of this Act in  
11 redevelopment project areas approved by ordinance after  
12 January 1, 1986, the municipality finds: (a) that the  
13 redevelopment project area would not reasonably be  
14 developed without the use of such incremental revenues, and  
15 (b) that such incremental revenues will be exclusively  
16 utilized for the development of the redevelopment project  
17 area.

18 (5) If the redevelopment plan will not result in  
19 displacement of residents from 10 or more inhabited  
20 residential units, and the municipality certifies in the  
21 plan that such displacement will not result from the plan,  
22 a housing impact study need not be performed. If, however,  
23 the redevelopment plan would result in the displacement of  
24 residents from 10 or more inhabited residential units, or  
25 if the redevelopment project area contains 75 or more  
26 inhabited residential units and no certification is made,  
27 then the municipality shall prepare, as part of the  
28 separate feasibility report required by subsection (a) of  
29 Section 11-74.4-5, a housing impact study.

30 Part I of the housing impact study shall include (i)  
31 data as to whether the residential units are single family  
32 or multi-family units, (ii) the number and type of rooms  
33 within the units, if that information is available, (iii)  
34 whether the units are inhabited or uninhabited, as  
35 determined not less than 45 days before the date that the  
36 ordinance or resolution required by subsection (a) of



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

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

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

23 (7) On and after November 1, 1999, no redevelopment  
24 plan shall be adopted, nor an existing plan amended, nor  
25 shall residential housing that is occupied by households of  
26 low-income and very low-income persons in currently  
27 existing redevelopment project areas be removed after  
28 November 1, 1999 unless the redevelopment plan provides,  
29 with respect to inhabited housing units that are to be  
30 removed for households of low-income and very low-income  
31 persons, affordable housing and relocation assistance not  
32 less than that which would be provided under the federal  
33 Uniform Relocation Assistance and Real Property  
34 Acquisition Policies Act of 1970 and the regulations under  
35 that Act, including the eligibility criteria. Affordable  
36 housing may be either existing or newly constructed

1 housing. For purposes of this paragraph (7), "low-income  
2 households", "very low-income households", and "affordable  
3 housing" have the meanings set forth in the Illinois  
4 Affordable Housing Act. The municipality shall make a good  
5 faith effort to ensure that this affordable housing is  
6 located in or near the redevelopment project area within  
7 the municipality.

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

15 (9) For redevelopment project areas designated prior  
16 to November 1, 1999, the redevelopment plan may be amended  
17 without further joint review board meeting or hearing,  
18 provided that the municipality shall give notice of any  
19 such changes by mail to each affected taxing district and  
20 registrant on the interested party registry, to authorize  
21 the municipality to expend tax increment revenues for  
22 redevelopment project costs defined by paragraphs (5) and  
23 (7.5), subparagraphs (E) and (F) of paragraph (11), and  
24 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so  
25 long as the changes do not increase the total estimated  
26 redevelopment project costs set out in the redevelopment  
27 plan by more than 5% after adjustment for inflation from  
28 the date the plan was adopted.

29 (o) "Redevelopment project" means any public and private  
30 development project in furtherance of the objectives of a  
31 redevelopment plan. On and after November 1, 1999 (the  
32 effective date of Public Act 91-478), no redevelopment plan may  
33 be approved or amended that includes the development of vacant  
34 land (i) with a golf course and related clubhouse and other  
35 facilities or (ii) designated by federal, State, county, or  
36 municipal government as public land for outdoor recreational

1 activities or for nature preserves and used for that purpose  
2 within 5 years prior to the adoption of the redevelopment plan.  
3 For the purpose of this subsection, "recreational activities"  
4 is limited to mean camping and hunting.

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

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

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

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

9 (1.5) After July 1, 1999, annual administrative costs  
10 shall not include general overhead or administrative costs  
11 of the municipality that would still have been incurred by  
12 the municipality if the municipality had not designated a  
13 redevelopment project area or approved a redevelopment  
14 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 limited  
19 to acquisition of land and other property, real or  
20 personal, or rights or interests therein, demolition of  
21 buildings, site preparation, site improvements that serve  
22 as an engineered barrier addressing ground level or below  
23 ground environmental contamination, including, but not  
24 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 repair  
27 or remodeling of existing public or private buildings,  
28 fixtures, and leasehold improvements; and the cost of  
29 replacing an existing public building if pursuant to the  
30 implementation of a redevelopment project the existing  
31 public building is to be demolished to use the site for  
32 private investment or devoted to a different use requiring  
33 private investment;

34 (4) Costs of the construction of public works or  
35 improvements, except that on and after November 1, 1999,  
36 redevelopment project costs shall not include the cost of

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

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

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

29 (7) To the extent the municipality by written agreement  
30 accepts and approves the same, all or a portion of a taxing  
31 district's capital costs resulting from the redevelopment  
32 project necessarily incurred or to be incurred within a  
33 taxing district in furtherance of the objectives of the  
34 redevelopment plan and project.

35 (7.5) For redevelopment project areas designated (or  
36 redevelopment project areas amended to add or increase the

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

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

33 (i) for unit school districts with a district  
34 average 1995-96 Per Capita Tuition Charge of less  
35 than \$5,900, no more than 25% of the total amount  
36 of property tax increment revenue produced by

1           those housing units that have received tax  
2           increment finance assistance under this Act;

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

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

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

36                 (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  
35 with reasonable evidence to support its claim for  
36 reimbursement before the municipality shall be



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

12 (7.7) For redevelopment project areas designated (or  
13 redevelopment project areas amended to add or increase the  
14 number of tax-increment-financing assisted housing units)  
15 on or after January 1, 2005 (the effective date of Public  
16 Act 93-961) ~~this amendatory Act of the 93rd General~~  
17 ~~Assembly~~, a public library district's increased costs  
18 attributable to assisted housing units located within the  
19 redevelopment project area for which the developer or  
20 redeveloper receives financial assistance through an  
21 agreement with the municipality or because the  
22 municipality incurs the cost of necessary infrastructure  
23 improvements within the boundaries of the assisted housing  
24 sites necessary for the completion of that housing as  
25 authorized by this Act shall be paid to the library  
26 district by the municipality from the Special Tax  
27 Allocation Fund when the tax increment revenue is received  
28 as a result of the assisted housing units. This paragraph  
29 (7.7) applies only if (i) the library district is located  
30 in a county that is subject to the Property Tax Extension  
31 Limitation Law or (ii) the library district is not located  
32 in a county that is subject to the Property Tax Extension  
33 Limitation Law but the district is prohibited by any other  
34 law from increasing its tax levy rate without a prior voter  
35 referendum.

36 The amount paid to a library district under this

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

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

29 Any library district seeking payment under this  
30 paragraph (7.7) shall, after July 1 and before September 30  
31 of each year, provide the municipality with convincing  
32 evidence to support its claim for reimbursement before the  
33 municipality shall be required to approve or make the  
34 payment to the library district. If the library district  
35 fails to provide the information during this period in any  
36 year, it shall forfeit any claim to reimbursement for that

1 year. Library districts may adopt a resolution waiving the  
2 right to all or a portion of the reimbursement otherwise  
3 required by this paragraph (7.7). By acceptance of such  
4 reimbursement, the library district shall forfeit any  
5 right to directly or indirectly set aside, modify, or  
6 contest in any manner whatsoever the establishment of the  
7 redevelopment project area or projects;

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

13 (9) Payment in lieu of taxes;

14 (10) Costs of job training, retraining, advanced  
15 vocational education or career education, including but  
16 not limited to courses in occupational, semi-technical or  
17 technical fields leading directly to employment, incurred  
18 by one or more taxing districts, provided that such costs  
19 (i) are related to the establishment and maintenance of  
20 additional job training, advanced vocational education or  
21 career education programs for persons employed or to be  
22 employed by employers located in a redevelopment project  
23 area; and (ii) when incurred by a taxing district or taxing  
24 districts other than the municipality, are set forth in a  
25 written agreement by or among the municipality and the  
26 taxing district or taxing districts, which agreement  
27 describes the program to be undertaken, including but not  
28 limited to the number of employees to be trained, a  
29 description of the training and services to be provided,  
30 the number and type of positions available or to be  
31 available, itemized costs of the program and sources of  
32 funds to pay for the same, and the term of the agreement.  
33 Such costs include, specifically, the payment by community  
34 college districts of costs pursuant to Sections 3-37, 3-38,  
35 3-40 and 3-40.1 of the Public Community College Act and by  
36 school districts of costs pursuant to Sections 10-22.20a

1 and 10-23.3a of The School Code;

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

5 (A) such costs are to be paid directly from the  
6 special tax allocation fund established pursuant to  
7 this Act;

8 (B) such payments in any one year may not exceed  
9 30% of the annual interest costs incurred by the  
10 redeveloper with regard to the redevelopment project  
11 during that year;

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

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

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

31 (F) Instead of the eligible costs provided by  
32 subparagraphs (B) and (D) of paragraph (11), as  
33 modified by this subparagraph, and notwithstanding any  
34 other provisions of this Act to the contrary, the  
35 municipality may pay from tax increment revenues up to  
36 50% of the cost of construction of new housing units to

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

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

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

13 (11.5) If the redevelopment project area is located  
14 within a municipality with a population of more than  
15 100,000, the cost of day care services for children of  
16 employees from low-income families working for businesses  
17 located within the redevelopment project area and all or a  
18 portion of the cost of operation of day care centers  
19 established by redevelopment project area businesses to  
20 serve employees from low-income families working in  
21 businesses located in the redevelopment project area. For  
22 the purposes of this paragraph, "low-income families"  
23 means families whose annual income does not exceed 80% of  
24 the municipal, county, or regional median income, adjusted  
25 for family size, as the annual income and municipal,  
26 county, or regional median income are determined from time  
27 to time by the United States Department of Housing and  
28 Urban Development.

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

32 (13) After November 1, 1999 (the effective date of  
33 Public Act 91-478), none of the redevelopment project costs  
34 enumerated in this subsection shall be eligible  
35 redevelopment project costs if those costs would provide  
36 direct financial support to a retail entity initiating

1 operations in the redevelopment project area while  
2 terminating operations at another Illinois location within  
3 10 miles of the redevelopment project area but outside the  
4 boundaries of the redevelopment project area municipality.  
5 For purposes of this paragraph, termination means a closing  
6 of a retail operation that is directly related to the  
7 opening of the same operation or like retail entity owned  
8 or operated by more than 50% of the original ownership in a  
9 redevelopment project area, but it does not mean closing an  
10 operation for reasons beyond the control of the retail  
11 entity, as documented by the retail entity, subject to a  
12 reasonable finding by the municipality that the current  
13 location contained inadequate space, had become  
14 economically obsolete, or was no longer a viable location  
15 for the retailer or serviceman.

16 If a special service area has been established pursuant to  
17 the Special Service Area Tax Act or Special Service Area Tax  
18 Law, then any tax increment revenues derived from the tax  
19 imposed pursuant to the Special Service Area Tax Act or Special  
20 Service Area Tax Law may be used within the redevelopment  
21 project area for the purposes permitted by that Act or Law as  
22 well as the purposes permitted by this Act.

23 (r) "State Sales Tax Boundary" means the redevelopment  
24 project area or the amended redevelopment project area  
25 boundaries which are determined pursuant to subsection (9) of  
26 Section 11-74.4-8a of this Act. The Department of Revenue shall  
27 certify pursuant to subsection (9) of Section 11-74.4-8a the  
28 appropriate boundaries eligible for the determination of State  
29 Sales Tax Increment.

30 (s) "State Sales Tax Increment" means an amount equal to  
31 the increase in the aggregate amount of taxes paid by retailers  
32 and servicemen, other than retailers and servicemen subject to  
33 the Public Utilities Act, on transactions at places of business  
34 located within a State Sales Tax Boundary pursuant to the  
35 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use  
36 Tax Act, and the Service Occupation Tax Act, except such

1 portion of such increase that is paid into the State and Local  
2 Sales Tax Reform Fund, the Local Government Distributive Fund,  
3 the Local Government Tax Fund and the County and Mass Transit  
4 District Fund, for as long as State participation exists, over  
5 and above the Initial Sales Tax Amounts, Adjusted Initial Sales  
6 Tax Amounts or the Revised Initial Sales Tax Amounts for such  
7 taxes as certified by the Department of Revenue and paid under  
8 those Acts by retailers and servicemen on transactions at  
9 places of business located within the State Sales Tax Boundary  
10 during the base year which shall be the calendar year  
11 immediately prior to the year in which the municipality adopted  
12 tax increment allocation financing, less 3.0% of such amounts  
13 generated under the Retailers' Occupation Tax Act, Use Tax Act  
14 and Service Use Tax Act and the Service Occupation Tax Act,  
15 which sum shall be appropriated to the Department of Revenue to  
16 cover its costs of administering and enforcing this Section.  
17 For purposes of computing the aggregate amount of such taxes  
18 for base years occurring prior to 1985, the Department of  
19 Revenue shall compute the Initial Sales Tax Amount for such  
20 taxes and deduct therefrom an amount equal to 4% of the  
21 aggregate amount of taxes per year for each year the base year  
22 is prior to 1985, but not to exceed a total deduction of 12%.  
23 The amount so determined shall be known as the "Adjusted  
24 Initial Sales Tax Amount". For purposes of determining the  
25 State Sales Tax Increment the Department of Revenue shall for  
26 each period subtract from the tax amounts received from  
27 retailers and servicemen on transactions located in the State  
28 Sales Tax Boundary, the certified Initial Sales Tax Amounts,  
29 Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax  
30 Amounts for the Retailers' Occupation Tax Act, the Use Tax Act,  
31 the Service Use Tax Act and the Service Occupation Tax Act. For  
32 the State Fiscal Year 1989 this calculation shall be made by  
33 utilizing the calendar year 1987 to determine the tax amounts  
34 received. For the State Fiscal Year 1990, this calculation  
35 shall be made by utilizing the period from January 1, 1988,  
36 until September 30, 1988, to determine the tax amounts received



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

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

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

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

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

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

28 (Source: P.A. 92-263, eff. 8-7-01; 92-406, eff. 1-1-02; 92-624,  
29 eff. 7-11-02; 92-651, eff. 7-11-02; 93-298, eff. 7-23-03;  
30 93-708, eff. 1-1-05; 93-747, eff. 7-15-04; 93-924, eff.  
31 8-12-04; 93-961, eff. 1-1-05; 93-983, eff. 8-23-04; 93-984,  
32 eff. 8-23-04; 93-985, eff. 8-23-04; 93-986, eff. 8-23-04;  
33 93-987, eff. 8-23-04; 93-995, eff. 8-23-04; 93-1024, eff.  
34 8-25-04; 93-1076, eff. 1-18-05; revised 1-25-05.)

35 Section 99. Effective date. This Act takes effect upon

1 becoming law.