



Sen. Gary G. Dahl

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LRB094 04463 HLH 57602 a

1 AMENDMENT TO SENATE BILL 837

2 AMENDMENT NO. _____. Amend Senate Bill 837 by replacing
3 everything after the enacting clause with the following:

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

6 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)
7 (Text of Section before amendment by P.A. 94-702 and
8 94-711)

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

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

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

22 (1) If improved, industrial, commercial, and
23 residential buildings or improvements are detrimental to
24 the public safety, health, or welfare because of a

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

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

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

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

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

33 (E) Illegal use of individual structures. The use
34 of structures in violation of applicable federal,

1 State, or local laws, exclusive of those applicable to
2 the presence of structures below minimum code
3 standards.

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

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

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

31 (I) Excessive land coverage and overcrowding of
32 structures and community facilities. The
33 over-intensive use of property and the crowding of
34 buildings and accessory facilities onto a site.

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

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

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

33 (L) Lack of community planning. The proposed
34 redevelopment project area was developed prior to or

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

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

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

33 (A) Obsolete platting of vacant land that results
34 in parcels of limited or narrow size or configurations

1 of parcels of irregular size or shape that would be
2 difficult to develop on a planned basis and in a manner
3 compatible with contemporary standards and
4 requirements, or platting that failed to create
5 rights-of-ways for streets or alleys or that created
6 inadequate right-of-way widths for streets, alleys, or
7 other public rights-of-way or that omitted easements
8 for public utilities.

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

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

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

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

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

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

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

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

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

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

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

33 (E) Prior to November 1, 1999, the area is not less
34 than 50 nor more than 100 acres and 75% of which is

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

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

14 (b) For any redevelopment project area that has been
15 designated pursuant to this Section by an ordinance adopted
16 prior to November 1, 1999 (the effective date of Public Act
17 91-478), "conservation area" shall have the meaning set forth
18 in this Section prior to that date.

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

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

34 (2) Obsolescence. The condition or process of falling

1 into disuse. Structures have become ill-suited for the
2 original use.

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

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

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

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

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

1 absence or inadequacy of garbage storage and enclosure,
2 bathroom facilities, hot water and kitchens, and
3 structural inadequacies preventing ingress and egress to
4 and from all rooms and units within a building.

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

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

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

1 area.

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

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

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

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

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

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

34 (f) "Municipality" shall mean a city, village,

1 incorporated town, or a township that is located in the
2 unincorporated portion of a county with 3 million or more
3 inhabitants, if the county adopted an ordinance that approved
4 the township's redevelopment plan.

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

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

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

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

1 Increment shall be calculated as follows: By multiplying the
2 Net State Sales Tax Increment by 90% in the State Fiscal Year
3 1999; 80% in the State Fiscal Year 2000; 70% in the State
4 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the
5 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%
6 in the State Fiscal Year 2005; 20% in the State Fiscal Year
7 2006; and 10% in the State Fiscal Year 2007. No payment shall
8 be made for State Fiscal Year 2008 and thereafter.

9 Municipalities that issued bonds in connection with a
10 redevelopment project in a redevelopment project area within
11 the State Sales Tax Boundary prior to July 29, 1991, or that
12 entered into contracts in connection with a redevelopment
13 project in a redevelopment project area before June 1, 1988,
14 shall continue to receive their proportional share of the
15 Illinois Tax Increment Fund distribution until the date on
16 which the redevelopment project is completed or terminated. If,
17 however, a municipality that issued bonds in connection with a
18 redevelopment project in a redevelopment project area within
19 the State Sales Tax Boundary prior to July 29, 1991 retires the
20 bonds prior to June 30, 2007 or a municipality that entered
21 into contracts in connection with a redevelopment project in a
22 redevelopment project area before June 1, 1988 completes the
23 contracts prior to June 30, 2007, then so long as the
24 redevelopment project is not completed or is not terminated,
25 the Net State Sales Tax Increment shall be calculated,
26 beginning on the date on which the bonds are retired or the
27 contracts are completed, as follows: By multiplying the Net
28 State Sales Tax Increment by 60% in the State Fiscal Year 2002;
29 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year
30 2004; 30% in the State Fiscal Year 2005; 20% in the State
31 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No
32 payment shall be made for State Fiscal Year 2008 and
33 thereafter. Refunding of any bonds issued prior to July 29,
34 1991, shall not alter the Net State Sales Tax Increment.

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

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

34 Municipalities that issue bonds in connection with the

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

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

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

29 (n) "Redevelopment plan" means the comprehensive program
30 of the municipality for development or redevelopment intended
31 by the payment of redevelopment project costs to reduce or
32 eliminate those conditions the existence of which qualified the
33 redevelopment project area as a "blighted area" or
34 "conservation area" or combination thereof or "industrial park

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

15 (A) an itemized list of estimated redevelopment
16 project costs;

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

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

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

26 (E) the nature and term of the obligations to be
27 issued;

28 (F) the most recent equalized assessed valuation of the
29 redevelopment project area;

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

33 (H) a commitment to fair employment practices and an
34 affirmative action plan;

1 (I) if it concerns an industrial park conservation
2 area, the plan shall also include a general description of
3 any proposed developer, user and tenant of any property, a
4 description of the type, structure and general character of
5 the facilities to be developed, a description of the type,
6 class and number of new employees to be employed in the
7 operation of the facilities to be developed; and

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

11 The provisions of items (B) and (C) of this subsection (n)
12 shall not apply to a municipality that before March 14, 1994
13 (the effective date of Public Act 88-537) had fixed, either by
14 its corporate authorities or by a commission designated under
15 subsection (k) of Section 11-74.4-4, a time and place for a
16 public hearing as required by subsection (a) of Section
17 11-74.4-5. No redevelopment plan shall be adopted unless a
18 municipality complies with all of the following requirements:

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

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

1 (3) The redevelopment plan establishes the estimated
2 dates of completion of the redevelopment project and
3 retirement of obligations issued to finance redevelopment
4 project costs. Those dates: shall not be later than
5 December 31 of the year in which the payment to the
6 municipal treasurer as provided in subsection (b) of
7 Section 11-74.4-8 of this Act is to be made with respect to
8 ad valorem taxes levied in the twenty-third calendar year
9 after the year in which the ordinance approving the
10 redevelopment project area is adopted if the ordinance was
11 adopted on or after January 15, 1981; shall not be later
12 than December 31 of the year in which the payment to the
13 municipal treasurer as provided in subsection (b) of
14 Section 11-74.4-8 of this Act is to be made with respect to
15 ad valorem taxes levied in the thirty-third calendar year
16 after the year in which the ordinance approving the
17 redevelopment project area if the ordinance was adopted on
18 May 20, 1985 by the Village of Wheeling; and shall not be
19 later than December 31 of the year in which the payment to
20 the municipal treasurer as provided in subsection (b) of
21 Section 11-74.4-8 of this Act is to be made with respect to
22 ad valorem taxes levied in the thirty-fifth calendar year
23 after the year in which the ordinance approving the
24 redevelopment project area is adopted:

25 (A) if the ordinance was adopted before January 15,
26 1981, or

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

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

32 (D) if the ordinance was adopted before January 1,
33 1987 by a municipality in Mason County, or

34 (E) if the municipality is subject to the Local

1 Government Financial Planning and Supervision Act or
2 the Financially Distressed City Law, or

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

5 (G) if the ordinance was adopted on December 31,
6 1986 by a municipality located in Clinton County for
7 which at least \$250,000 of tax increment bonds were
8 authorized on June 17, 1997, or if the ordinance was
9 adopted on December 31, 1986 by a municipality with a
10 population in 1990 of less than 3,600 that is located
11 in a county with a population in 1990 of less than
12 34,000 and for which at least \$250,000 of tax increment
13 bonds were authorized on June 17, 1997, or

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

17 (I) if the ordinance was adopted on November 12,
18 1991 by the Village of Sauget, or

19 (J) if the ordinance was adopted on February 11,
20 1985 by the City of Rock Island, or

21 (K) if the ordinance was adopted before December
22 18, 1986 by the City of Moline, or

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

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

27 (N) if the ordinance was adopted on December 29,
28 1986 by the City of Galva, or

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

31 (P) if the ordinance was adopted on January 23,
32 1991 by the City of East St. Louis, or

33 (Q) if the ordinance was adopted on December 22,
34 1986 by the City of Aledo, or

1 (R) if the ordinance was adopted on February 5,
2 1990 by the City of Clinton, or

3 (S) if the ordinance was adopted on September 6,
4 1994 by the City of Freeport, or

5 (T) if the ordinance was adopted on December 22,
6 1986 by the City of Tuscola, or

7 (U) if the ordinance was adopted on December 23,
8 1986 by the City of Sparta, or

9 (V) if the ordinance was adopted on December 23,
10 1986 by the City of Beardstown, or

11 (W) if the ordinance was adopted on April 27, 1981,
12 October 21, 1985, or December 30, 1986 by the City of
13 Belleville, or

14 (X) if the ordinance was adopted on December 29,
15 1986 by the City of Collinsville, or

16 (Y) if the ordinance was adopted on September 14,
17 1994 by the City of Alton, or

18 (Z) if the ordinance was adopted on November 11,
19 1996 by the City of Lexington, or

20 (AA) if the ordinance was adopted on November 5,
21 1984 by the City of LeRoy, or

22 (BB) if the ordinance was adopted on April 3, 1991
23 or June 3, 1992 by the City of Markham, or

24 (CC) if the ordinance was adopted on November 11,
25 1986 by the City of Pekin, or

26 (DD) if the ordinance was adopted on December 15,
27 1981 by the City of Champaign, or

28 (EE) if the ordinance was adopted on December 15,
29 1986 by the City of Urbana, or

30 (FF) if the ordinance was adopted on December 15,
31 1986 by the Village of Heyworth, or

32 (GG) if the ordinance was adopted on February 24,
33 1992 by the Village of Heyworth, or

34 (HH) if the ordinance was adopted on March 16, 1995

1 by the Village of Heyworth, or

2 (II) if the ordinance was adopted on December 23,
3 1986 by the Town of Cicero, or

4 (JJ) if the ordinance was adopted on December 30,
5 1986 by the City of Effingham, or

6 (KK) if the ordinance was adopted on May 9, 1991 by
7 the Village of Tilton, or

8 (LL) if the ordinance was adopted on October 20,
9 1986 by the City of Elmhurst, or

10 (MM) if the ordinance was adopted on January 19,
11 1988 by the City of Waukegan, or

12 (NN) if the ordinance was adopted on September 21,
13 1998 by the City of Waukegan, or

14 (OO) if the ordinance was adopted on December 31,
15 1986 by the City of Sullivan, or

16 (PP) if the ordinance was adopted on December 23,
17 1991 by the City of Sullivan, or-

18 (QQ) ~~(OO)~~ if the ordinance was adopted on December
19 31, 1986 by the City of Oglesby, or-

20 (RR) ~~(OO)~~ if the ordinance was adopted on July 28,
21 1987 by the City of Marion, or

22 (SS) ~~(PP)~~ if the ordinance was adopted on April 23,
23 1990 by the City of Marion, or

24 (TT) if the ordinance was adopted on December 29,
25 1986 by the Village of Gardner.

26 However, for redevelopment project areas for which
27 bonds were issued before July 29, 1991, or for which
28 contracts were entered into before June 1, 1988, in
29 connection with a redevelopment project in the area within
30 the State Sales Tax Boundary, the estimated dates of
31 completion of the redevelopment project and retirement of
32 obligations to finance redevelopment project costs may be
33 extended by municipal ordinance to December 31, 2013. The
34 termination procedures of subsection (b) of Section

1 11-74.4-8 are not required for these redevelopment project
2 areas in 2009 but are required in 2013. The extension
3 allowed by this amendatory Act of 1993 shall not apply to
4 real property tax increment allocation financing under
5 Section 11-74.4-8.

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

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

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 established on or
31 after December 1, 1981 but before January 1, 1982 and for
32 which at least \$1,500,000 worth of tax increment revenue
33 bonds were authorized on or after September 30, 1990 but
34 before July 1, 1991; provided that the municipality elects

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

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

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

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

1 Part I of the housing impact study shall include (i)
2 data as to whether the residential units are single family
3 or multi-family units, (ii) the number and type of rooms
4 within the units, if that information is available, (iii)
5 whether the units are inhabited or uninhabited, as
6 determined not less than 45 days before the date that the
7 ordinance or resolution required by subsection (a) of
8 Section 11-74.4-5 is passed, and (iv) data as to the racial
9 and ethnic composition of the residents in the inhabited
10 residential units. The data requirement as to the racial
11 and ethnic composition of the residents in the inhabited
12 residential units shall be deemed to be fully satisfied by
13 data from the most recent federal census.

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

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

30 (7) On and after November 1, 1999, no redevelopment
31 plan shall be adopted, nor an existing plan amended, nor
32 shall residential housing that is occupied by households of
33 low-income and very low-income persons in currently
34 existing redevelopment project areas be removed after

1 November 1, 1999 unless the redevelopment plan provides,
2 with respect to inhabited housing units that are to be
3 removed for households of low-income and very low-income
4 persons, affordable housing and relocation assistance not
5 less than that which would be provided under the federal
6 Uniform Relocation Assistance and Real Property
7 Acquisition Policies Act of 1970 and the regulations under
8 that Act, including the eligibility criteria. Affordable
9 housing may be either existing or newly constructed
10 housing. For purposes of this paragraph (7), "low-income
11 households", "very low-income households", and "affordable
12 housing" have the meanings set forth in the Illinois
13 Affordable Housing Act. The municipality shall make a good
14 faith effort to ensure that this affordable housing is
15 located in or near the redevelopment project area within
16 the municipality.

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

24 (9) For redevelopment project areas designated prior
25 to November 1, 1999, the redevelopment plan may be amended
26 without further joint review board meeting or hearing,
27 provided that the municipality shall give notice of any
28 such changes by mail to each affected taxing district and
29 registrant on the interested party registry, to authorize
30 the municipality to expend tax increment revenues for
31 redevelopment project costs defined by paragraphs (5) and
32 (7.5), subparagraphs (E) and (F) of paragraph (11), and
33 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so
34 long as the changes do not increase the total estimated

1 redevelopment project costs set out in the redevelopment
2 plan by more than 5% after adjustment for inflation from
3 the date the plan was adopted.

4 (o) "Redevelopment project" means any public and private
5 development project in furtherance of the objectives of a
6 redevelopment plan. On and after November 1, 1999 (the
7 effective date of Public Act 91-478), no redevelopment plan may
8 be approved or amended that includes the development of vacant
9 land (i) with a golf course and related clubhouse and other
10 facilities or (ii) designated by federal, State, county, or
11 municipal government as public land for outdoor recreational
12 activities or for nature preserves and used for that purpose
13 within 5 years prior to the adoption of the redevelopment plan.
14 For the purpose of this subsection, "recreational activities"
15 is limited to mean camping and hunting.

16 (p) "Redevelopment project area" means an area designated
17 by the municipality, which is not less in the aggregate than 1
18 1/2 acres and in respect to which the municipality has made a
19 finding that there exist conditions which cause the area to be
20 classified as an industrial park conservation area or a
21 blighted area or a conservation area, or a combination of both
22 blighted areas and conservation areas.

23 (q) "Redevelopment project costs" mean and include the sum
24 total of all reasonable or necessary costs incurred or
25 estimated to be incurred, and any such costs incidental to a
26 redevelopment plan and a redevelopment project. Such costs
27 include, without limitation, the following:

28 (1) Costs of studies, surveys, development of plans,
29 and specifications, implementation and administration of
30 the redevelopment plan including but not limited to staff
31 and professional service costs for architectural,
32 engineering, legal, financial, planning or other services,
33 provided however that no charges for professional services
34 may be based on a percentage of the tax increment

1 collected; except that on and after November 1, 1999 (the
2 effective date of Public Act 91-478), no contracts for
3 professional services, excluding architectural and
4 engineering services, may be entered into if the terms of
5 the contract extend beyond a period of 3 years. In
6 addition, "redevelopment project costs" shall not include
7 lobbying expenses. After consultation with the
8 municipality, each tax increment consultant or advisor to a
9 municipality that plans to designate or has designated a
10 redevelopment project area shall inform the municipality
11 in writing of any contracts that the consultant or advisor
12 has entered into with entities or individuals that have
13 received, or are receiving, payments financed by tax
14 increment revenues produced by the redevelopment project
15 area with respect to which the consultant or advisor has
16 performed, or will be performing, service for the
17 municipality. This requirement shall be satisfied by the
18 consultant or advisor before the commencement of services
19 for the municipality and thereafter whenever any other
20 contracts with those individuals or entities are executed
21 by the consultant or advisor;

22 (1.5) After July 1, 1999, annual administrative costs
23 shall not include general overhead or administrative costs
24 of the municipality that would still have been incurred by
25 the municipality if the municipality had not designated a
26 redevelopment project area or approved a redevelopment
27 plan;

28 (1.6) The cost of marketing sites within the
29 redevelopment project area to prospective businesses,
30 developers, and investors;

31 (2) Property assembly costs, including but not limited
32 to acquisition of land and other property, real or
33 personal, or rights or interests therein, demolition of
34 buildings, site preparation, site improvements that serve

1 as an engineered barrier addressing ground level or below
2 ground environmental contamination, including, but not
3 limited to parking lots and other concrete or asphalt
4 barriers, and the clearing and grading of land;

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

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

32 (5) Costs of job training and retraining projects,
33 including the cost of "welfare to work" programs
34 implemented by businesses located within the redevelopment

1 project area;

2 (6) Financing costs, including but not limited to all
3 necessary and incidental expenses related to the issuance
4 of obligations and which may include payment of interest on
5 any obligations issued hereunder including interest
6 accruing during the estimated period of construction of any
7 redevelopment project for which such obligations are
8 issued and for not exceeding 36 months thereafter and
9 including reasonable reserves related thereto;

10 (7) To the extent the municipality by written agreement
11 accepts and approves the same, all or a portion of a taxing
12 district's capital costs resulting from the redevelopment
13 project necessarily incurred or to be incurred within a
14 taxing district in furtherance of the objectives of the
15 redevelopment plan and project.

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

32 (A) for foundation districts, excluding any school
33 district in a municipality with a population in excess
34 of 1,000,000, by multiplying the district's increase

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

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

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

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

34 (B) For alternate method districts, flat grant

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

21 (i) for unit school districts, no more than 40%
22 of the total amount of property tax increment
23 revenue produced by those housing units that have
24 received tax increment finance assistance under
25 this Act;

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

31 (iii) for secondary school districts, no more
32 than 13% of the total amount of property tax
33 increment revenue produced by those housing units
34 that have received tax increment finance

1 assistance under this Act.

2 (C) For any school district in a municipality with
3 a population in excess of 1,000,000, the following
4 restrictions shall apply to the reimbursement of
5 increased costs under this paragraph (7.5):

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

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

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

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

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

24 The amount paid to a library district under this
25 paragraph (7.7) shall be calculated by multiplying (i) the
26 net increase in the number of persons eligible to obtain a
27 library card in that district who reside in housing units
28 within the redevelopment project area that have received
29 financial assistance through an agreement with the
30 municipality or because the municipality incurs the cost of
31 necessary infrastructure improvements within the
32 boundaries of the housing sites necessary for the
33 completion of that housing as authorized by this Act since
34 the designation of the redevelopment project area by (ii)

1 the per-patron cost of providing library services so long
2 as it does not exceed \$120. The per-patron cost shall be
3 the Total Operating Expenditures Per Capita as stated in
4 the most recent Illinois Public Library Statistics
5 produced by the Library Research Center at the University
6 of Illinois. The municipality may deduct from the amount
7 that it must pay to a library district under this paragraph
8 any amount that it has voluntarily paid to the library
9 district from the tax increment revenue. The amount paid to
10 a library district under this paragraph (7.7) shall be no
11 more than 2% of the amount produced by the assisted housing
12 units and deposited into the Special Tax Allocation Fund.

13 A library district is not eligible for any payment
14 under this paragraph (7.7) unless the library district has
15 experienced an increase in the number of patrons from the
16 municipality that created the tax-increment-financing
17 district since the designation of the redevelopment
18 project area.

19 Any library district seeking payment under this
20 paragraph (7.7) shall, after July 1 and before September 30
21 of each year, provide the municipality with convincing
22 evidence to support its claim for reimbursement before the
23 municipality shall be required to approve or make the
24 payment to the library district. If the library district
25 fails to provide the information during this period in any
26 year, it shall forfeit any claim to reimbursement for that
27 year. Library districts may adopt a resolution waiving the
28 right to all or a portion of the reimbursement otherwise
29 required by this paragraph (7.7). By acceptance of such
30 reimbursement, the library district shall forfeit any
31 right to directly or indirectly set aside, modify, or
32 contest in any manner whatsoever the establishment of the
33 redevelopment project area or projects;

34 (8) Relocation costs to the extent that a municipality

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

5 (9) Payment in lieu of taxes;

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

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

33 (A) such costs are to be paid directly from the
34 special tax allocation fund established pursuant to

1 this Act;

2 (B) such payments in any one year may not exceed
3 30% of the annual interest costs incurred by the
4 redeveloper with regard to the redevelopment project
5 during that year;

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

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

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

25 (F) Instead of the eligible costs provided by
26 subparagraphs (B) and (D) of paragraph (11), as
27 modified by this subparagraph, and notwithstanding any
28 other provisions of this Act to the contrary, the
29 municipality may pay from tax increment revenues up to
30 50% of the cost of construction of new housing units to
31 be occupied by low-income households and very
32 low-income households as defined in Section 3 of the
33 Illinois Affordable Housing Act. The cost of
34 construction of those units may be derived from the

1 proceeds of bonds issued by the municipality under this
2 Act or other constitutional or statutory authority or
3 from other sources of municipal revenue that may be
4 reimbursed from tax increment revenues or the proceeds
5 of bonds issued to finance the construction of that
6 housing.

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

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

11 (11.5) If the redevelopment project area is located
12 within a municipality with a population of more than
13 100,000, the cost of day care services for children of
14 employees from low-income families working for businesses
15 located within the redevelopment project area and all or a
16 portion of the cost of operation of day care centers
17 established by redevelopment project area businesses to
18 serve employees from low-income families working in
19 businesses located in the redevelopment project area. For
20 the purposes of this paragraph, "low-income families"
21 means families whose annual income does not exceed 80% of
22 the municipal, county, or regional median income, adjusted
23 for family size, as the annual income and municipal,
24 county, or regional median income are determined from time
25 to time by the United States Department of Housing and
26 Urban Development.

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

30 (13) After November 1, 1999 (the effective date of
31 Public Act 91-478), none of the redevelopment project costs
32 enumerated in this subsection shall be eligible
33 redevelopment project costs if those costs would provide
34 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

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

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

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

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

34 (v) As used in subsection (a) of Section 11-74.4-3 of this

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

26 (w) "Annual Total Increment" means the sum of each
27 municipality's annual Net Sales Tax Increment and each
28 municipality's annual Net Utility Tax Increment. The ratio of
29 the Annual Total Increment of each municipality to the Annual
30 Total Increment for all municipalities, as most recently
31 calculated by the Department, shall determine the proportional
32 shares of the Illinois Tax Increment Fund to be distributed to
33 each municipality.

34 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;

1 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-961, eff.
2 1-1-05; 93-983, eff. 8-23-04; 93-984, eff. 8-23-04; 93-985,
3 eff. 8-23-04; 93-986, eff. 8-23-04; 93-987, eff. 8-23-04;
4 93-995, eff. 8-23-04; 93-1024, eff. 8-25-04; 93-1076, eff.
5 1-18-05; 94-260, eff. 7-19-05; 94-268, eff. 7-19-05; 94-297,
6 eff. 7-21-05; 94-302, eff. 7-21-05; 94-704, eff. 12-5-05;
7 revised 12-9-05.)

8 (Text of Section after amendment by P.A. 94-702 and 94-711)
9 Sec. 11-74.4-3. Definitions. The following terms, wherever
10 used or referred to in this Division 74.4 shall have the
11 following respective meanings, unless in any case a different
12 meaning clearly appears from the context.

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

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

22 (1) If improved, industrial, commercial, and
23 residential buildings or improvements are detrimental to
24 the public safety, health, or welfare because of a
25 combination of 5 or more of the following factors, each of
26 which is (i) 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) reasonably distributed throughout the
30 improved part of the redevelopment project area:

31 (A) Dilapidation. An advanced state of disrepair
32 or neglect of necessary repairs to the primary
33 structural components of buildings or improvements in

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

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

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

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

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

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

33 (G) Lack of ventilation, light, or sanitary
34 facilities. The absence of adequate ventilation for

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

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

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

1 conditions: insufficient provision for light and air
2 within or around buildings, increased threat of spread
3 of fire due to the close proximity of buildings, lack
4 of adequate or proper access to a public right-of-way,
5 lack of reasonably required off-street parking, or
6 inadequate provision for loading and service.

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

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

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

1 other evidence demonstrating an absence of effective
2 community planning.

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

16 (2) If vacant, the sound growth of the redevelopment
17 project area is impaired by a combination of 2 or more of
18 the following factors, each of which is (i) present, with
19 that presence documented, to a meaningful extent so that a
20 municipality may reasonably find that the factor is clearly
21 present within the intent of the Act and (ii) reasonably
22 distributed throughout the vacant part of the
23 redevelopment project area to which it pertains:

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

34 (B) Diversity of ownership of parcels of vacant

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

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

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

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

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

33 (3) If vacant, the sound growth of the redevelopment
34 project area is impaired by one of the following factors

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

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

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

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

20 (D) The area consists of an unused or illegal
21 disposal site containing earth, stone, building
22 debris, or similar materials that were removed from
23 construction, demolition, excavation, or dredge sites.

24 (E) Prior to November 1, 1999, the area is not less
25 than 50 nor more than 100 acres and 75% of which is
26 vacant (notwithstanding that the area has been used for
27 commercial agricultural purposes within 5 years prior
28 to the designation of the redevelopment project area),
29 and the area meets at least one of the factors itemized
30 in paragraph (1) of this subsection, the area has been
31 designated as a town or village center by ordinance or
32 comprehensive plan adopted prior to January 1, 1982,
33 and the area has not been developed for that designated
34 purpose.

1 (F) The area qualified as a blighted improved area
2 immediately prior to becoming vacant, unless there has
3 been substantial private investment in the immediately
4 surrounding area.

5 (b) For any redevelopment project area that has been
6 designated pursuant to this Section by an ordinance adopted
7 prior to November 1, 1999 (the effective date of Public Act
8 91-478), "conservation area" shall have the meaning set forth
9 in this Section prior to that date.

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

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

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

28 (3) Deterioration. With respect to buildings, defects
29 including, but not limited to, major defects in the
30 secondary building components such as doors, windows,
31 porches, gutters and downspouts, and fascia. With respect
32 to surface improvements, that the condition of roadways,
33 alleys, curbs, gutters, sidewalks, off-street parking, and
34 surface storage areas evidence deterioration, including,

1 but not limited to, surface cracking, crumbling, potholes,
2 depressions, loose paving material, and weeds protruding
3 through paved surfaces.

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

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

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

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

30 (8) Inadequate utilities. Underground and overhead
31 utilities such as storm sewers and storm drainage, sanitary
32 sewers, water lines, and gas, telephone, and electrical
33 services that are shown to be inadequate. Inadequate
34 utilities are those that are: (i) of insufficient capacity

1 to serve the uses in the redevelopment project area, (ii)
2 deteriorated, antiquated, obsolete, or in disrepair, or
3 (iii) lacking within the redevelopment project area.

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

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

27 (11) Lack of community planning. The proposed
28 redevelopment project area was developed prior to or
29 without the benefit or guidance of a community plan. This
30 means that the development occurred prior to the adoption
31 by the municipality of a comprehensive or other community
32 plan or that the plan was not followed at the time of the
33 area's development. This factor must be documented by
34 evidence of adverse or incompatible land-use

1 relationships, inadequate street layout, improper
2 subdivision, parcels of inadequate shape and size to meet
3 contemporary development standards, or other evidence
4 demonstrating an absence of effective community planning.

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

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

26 (c) "Industrial park" means an area in a blighted or
27 conservation area suitable for use by any manufacturing,
28 industrial, research or transportation enterprise, of
29 facilities to include but not be limited to factories, mills,
30 processing plants, assembly plants, packing plants,
31 fabricating plants, industrial distribution centers,
32 warehouses, repair overhaul or service facilities, freight
33 terminals, research facilities, test facilities or railroad
34 facilities.

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

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

25 (f) "Municipality" shall mean a city, village,
26 incorporated town, or a township that is located in the
27 unincorporated portion of a county with 3 million or more
28 inhabitants, if the county adopted an ordinance that approved
29 the township's redevelopment plan.

30 (g) "Initial Sales Tax Amounts" means the amount of taxes
31 paid under the Retailers' Occupation Tax Act, Use Tax Act,
32 Service Use Tax Act, the Service Occupation Tax Act, the
33 Municipal Retailers' Occupation Tax Act, and the Municipal
34 Service Occupation Tax Act by retailers and servicemen on

1 transactions at places located in a State Sales Tax Boundary
2 during the calendar year 1985.

3 (g-1) "Revised Initial Sales Tax Amounts" means the amount
4 of taxes paid under the Retailers' Occupation Tax Act, Use Tax
5 Act, 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 within the State Sales Tax
9 Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

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

1 to the municipality from the Local Government Tax Fund arising
2 from sales by retailers and servicemen on transactions located
3 in the redevelopment project area or the State Sales Tax
4 Boundary, as the case may be, the certified Initial Sales Tax
5 Amounts, the Adjusted Initial Sales Tax Amounts or the Revised
6 Initial Sales Tax Amounts for the Municipal Retailers'
7 Occupation Tax Act and the Municipal Service Occupation Tax
8 Act. For the State Fiscal Year 1989, this calculation shall be
9 made by utilizing the calendar year 1987 to determine the tax
10 amounts received. For the State Fiscal Year 1990, this
11 calculation shall be made by utilizing the period from January
12 1, 1988, until September 30, 1988, to determine the tax amounts
13 received from retailers and servicemen pursuant to the
14 Municipal Retailers' Occupation Tax and the Municipal Service
15 Occupation Tax Act, which shall have deducted therefrom
16 nine-twelfths of the certified Initial Sales Tax Amounts, the
17 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales
18 Tax Amounts as appropriate. For the State Fiscal Year 1991,
19 this calculation shall be made by utilizing the period from
20 October 1, 1988, to June 30, 1989, to determine the tax amounts
21 received from retailers and servicemen pursuant to the
22 Municipal Retailers' Occupation Tax and the Municipal Service
23 Occupation Tax Act which shall have deducted therefrom
24 nine-twelfths of the certified Initial Sales Tax Amounts,
25 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales
26 Tax Amounts as appropriate. For every State Fiscal Year
27 thereafter, the applicable period shall be the 12 months
28 beginning July 1 and ending June 30 to determine the tax
29 amounts received which shall have deducted therefrom the
30 certified Initial Sales Tax Amounts, the Adjusted Initial Sales
31 Tax Amounts or the Revised Initial Sales Tax Amounts, as the
32 case may be.

33 (i) "Net State Sales Tax Increment" means the sum of the
34 following: (a) 80% of the first \$100,000 of State Sales Tax

1 Increment annually generated within a State Sales Tax Boundary;
2 (b) 60% of the amount in excess of \$100,000 but not exceeding
3 \$500,000 of State Sales Tax Increment annually generated within
4 a State Sales Tax Boundary; and (c) 40% of all amounts in
5 excess of \$500,000 of State Sales Tax Increment annually
6 generated within a State Sales Tax Boundary. If, however, a
7 municipality established a tax increment financing district in
8 a county with a population in excess of 3,000,000 before
9 January 1, 1986, and the municipality entered into a contract
10 or issued bonds after January 1, 1986, but before December 31,
11 1986, to finance redevelopment project costs within a State
12 Sales Tax Boundary, then the Net State Sales Tax Increment
13 means, for the fiscal years beginning July 1, 1990, and July 1,
14 1991, 100% of the State Sales Tax Increment annually generated
15 within a State Sales Tax Boundary; and notwithstanding any
16 other provision of this Act, for those fiscal years the
17 Department of Revenue shall distribute to those municipalities
18 100% of their Net State Sales Tax Increment before any
19 distribution to any other municipality and regardless of
20 whether or not those other municipalities will receive 100% of
21 their Net State Sales Tax Increment. For Fiscal Year 1999, and
22 every year thereafter until the year 2007, for any municipality
23 that has not entered into a contract or has not issued bonds
24 prior to June 1, 1988 to finance redevelopment project costs
25 within a State Sales Tax Boundary, the Net State Sales Tax
26 Increment shall be calculated as follows: By multiplying the
27 Net State Sales Tax Increment by 90% in the State Fiscal Year
28 1999; 80% in the State Fiscal Year 2000; 70% in the State
29 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the
30 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%
31 in the State Fiscal Year 2005; 20% in the State Fiscal Year
32 2006; and 10% in the State Fiscal Year 2007. No payment shall
33 be made for State Fiscal Year 2008 and thereafter.

34 Municipalities that issued bonds in connection with a

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

26 (j) "State Utility Tax Increment Amount" means an amount
27 equal to the aggregate increase in State electric and gas tax
28 charges imposed on owners and tenants, other than residential
29 customers, of properties located within the redevelopment
30 project area under Section 9-222 of the Public Utilities Act,
31 over and above the aggregate of such charges as certified by
32 the Department of Revenue and paid by owners and tenants, other
33 than residential customers, of properties within the
34 redevelopment project area during the base year, which shall be

1 the calendar year immediately prior to the year of the adoption
2 of the ordinance authorizing tax increment allocation
3 financing.

4 (k) "Net State Utility Tax Increment" means the sum of the
5 following: (a) 80% of the first \$100,000 of State Utility Tax
6 Increment annually generated by a redevelopment project area;
7 (b) 60% of the amount in excess of \$100,000 but not exceeding
8 \$500,000 of the State Utility Tax Increment annually generated
9 by a redevelopment project area; and (c) 40% of all amounts in
10 excess of \$500,000 of State Utility Tax Increment annually
11 generated by a redevelopment project area. For the State Fiscal
12 Year 1999, and every year thereafter until the year 2007, for
13 any municipality that has not entered into a contract or has
14 not issued bonds prior to June 1, 1988 to finance redevelopment
15 project costs within a redevelopment project area, the Net
16 State Utility Tax Increment shall be calculated as follows: By
17 multiplying the Net State Utility Tax Increment by 90% in the
18 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%
19 in the State Fiscal Year 2001; 60% in the State Fiscal Year
20 2002; 50% in the State Fiscal Year 2003; 40% in the State
21 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the
22 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.
23 No payment shall be made for the State Fiscal Year 2008 and
24 thereafter.

25 Municipalities that issue bonds in connection with the
26 redevelopment project during the period from June 1, 1988 until
27 3 years after the effective date of this Amendatory Act of 1988
28 shall receive the Net State Utility Tax Increment, subject to
29 appropriation, for 15 State Fiscal Years after the issuance of
30 such bonds. For the 16th through the 20th State Fiscal Years
31 after issuance of the bonds, the Net State Utility Tax
32 Increment shall be calculated as follows: By multiplying the
33 Net State Utility Tax Increment by 90% in year 16; 80% in year
34 17; 70% in year 18; 60% in year 19; and 50% in year 20.

1 Refunding of any bonds issued prior to June 1, 1988, shall not
2 alter the revised Net State Utility Tax Increment payments set
3 forth above.

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

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

20 (n) "Redevelopment plan" means the comprehensive program
21 of the municipality for development or redevelopment intended
22 by the payment of redevelopment project costs to reduce or
23 eliminate those conditions the existence of which qualified the
24 redevelopment project area as a "blighted area" or
25 "conservation area" or combination thereof or "industrial park
26 conservation area," and thereby to enhance the tax bases of the
27 taxing districts which extend into the redevelopment project
28 area. On and after November 1, 1999 (the effective date of
29 Public Act 91-478), no redevelopment plan may be approved or
30 amended that includes the development of vacant land (i) with a
31 golf course and related clubhouse and other facilities or (ii)
32 designated by federal, State, county, or municipal government
33 as public land for outdoor recreational activities or for
34 nature preserves and used for that purpose within 5 years prior

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

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

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

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

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

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

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

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

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

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

33 (J) if property is to be annexed to the municipality,
34 the plan shall include the terms of the annexation

1 agreement.

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

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

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

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

1 redevelopment project area is adopted if the ordinance was
2 adopted on or after January 15, 1981; shall not be later
3 than December 31 of the year in which the payment to the
4 municipal treasurer as provided in subsection (b) of
5 Section 11-74.4-8 of this Act is to be made with respect to
6 ad valorem taxes levied in the thirty-third calendar year
7 after the year in which the ordinance approving the
8 redevelopment project area if the ordinance was adopted on
9 May 20, 1985 by the Village of Wheeling; and shall not be
10 later than December 31 of the year in which the payment to
11 the 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) if the ordinance was adopted on December 15,
18 1981 by the City of Champaign, or
19 (EE) if the ordinance was adopted on December 15,
20 1986 by the City of Urbana, or
21 (FF) if the ordinance was adopted on December 15,
22 1986 by the Village of Heyworth, or
23 (GG) if the ordinance was adopted on February 24,
24 1992 by the Village of Heyworth, or
25 (HH) if the ordinance was adopted on March 16, 1995
26 by the Village of Heyworth, or
27 (II) if the ordinance was adopted on December 23,
28 1986 by the Town of Cicero, or
29 (JJ) if the ordinance was adopted on December 30,
30 1986 by the City of Effingham, or
31 (KK) if the ordinance was adopted on May 9, 1991 by
32 the Village of Tilton, or
33 (LL) if the ordinance was adopted on October 20,
34 1986 by the City of Elmhurst, or

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

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

5 (OO) if the ordinance was adopted on December 31,
6 1986 by the City of Sullivan, or

7 (PP) if the ordinance was adopted on December 23,
8 1991 by the City of Sullivan, or

9 (QQ) ~~(OO)~~ if the ordinance was adopted on December
10 31, 1986 by the City of Oglesby, or

11 (RR) ~~(OO)~~ if the ordinance was adopted on July 28,
12 1987 by the City of Marion, or

13 (SS) ~~(PP)~~ if the ordinance was adopted on April 23,
14 1990 by the City of Marion, or

15 (TT) ~~(OO)~~ if the ordinance was adopted on August
16 20, 1985 by the Village of Mount Prospect, or

17 (UU) ~~(OO)~~ if the ordinance was adopted on February
18 2, 1998 by the Village of Woodhull, or

19 (VV) if the ordinance was adopted on December 29,
20 1986 by the Village of Gardner.

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

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

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

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

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

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

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

25 (7) On and after November 1, 1999, no redevelopment
26 plan shall be adopted, nor an existing plan amended, nor
27 shall residential housing that is occupied by households of
28 low-income and very low-income persons in currently
29 existing redevelopment project areas be removed after
30 November 1, 1999 unless the redevelopment plan provides,
31 with respect to inhabited housing units that are to be
32 removed for households of low-income and very low-income
33 persons, affordable housing and relocation assistance not
34 less than that which would be provided under the federal

1 Uniform Relocation Assistance and Real Property
2 Acquisition Policies Act of 1970 and the regulations under
3 that Act, including the eligibility criteria. Affordable
4 housing may be either existing or newly constructed
5 housing. For purposes of this paragraph (7), "low-income
6 households", "very low-income households", and "affordable
7 housing" have the meanings set forth in the Illinois
8 Affordable Housing Act. The municipality shall make a good
9 faith effort to ensure that this affordable housing is
10 located in or near the redevelopment project area within
11 the municipality.

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

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

33 (o) "Redevelopment project" means any public and private
34 development project in furtherance of the objectives of a

1 redevelopment plan. On and after November 1, 1999 (the
2 effective date of Public Act 91-478), no redevelopment plan may
3 be approved or amended that includes the development of vacant
4 land (i) with a golf course and related clubhouse and other
5 facilities or (ii) designated by federal, State, county, or
6 municipal government as public land for outdoor recreational
7 activities or for nature preserves and used for that purpose
8 within 5 years prior to the adoption of the redevelopment plan.
9 For the purpose of this subsection, "recreational activities"
10 is limited to mean camping and hunting.

11 (p) "Redevelopment project area" means an area designated
12 by the municipality, which is not less in the aggregate than 1
13 1/2 acres and in respect to which the municipality has made a
14 finding that there exist conditions which cause the area to be
15 classified as an industrial park conservation area or a
16 blighted area or a conservation area, or a combination of both
17 blighted areas and conservation areas.

18 (q) "Redevelopment project costs" mean and include the sum
19 total of all reasonable or necessary costs incurred or
20 estimated to be incurred, and any such costs incidental to a
21 redevelopment plan and a redevelopment project. Such costs
22 include, without limitation, the following:

23 (1) Costs of studies, surveys, development of plans,
24 and specifications, implementation and administration of
25 the redevelopment plan including but not limited to staff
26 and professional service costs for architectural,
27 engineering, legal, financial, planning or other services,
28 provided however that no charges for professional services
29 may be based on a percentage of the tax increment
30 collected; except that on and after November 1, 1999 (the
31 effective date of Public Act 91-478), no contracts for
32 professional services, excluding architectural and
33 engineering services, may be entered into if the terms of
34 the contract extend beyond a period of 3 years. In

1 addition, "redevelopment project costs" shall not include
2 lobbying expenses. After consultation with the
3 municipality, each tax increment consultant or advisor to a
4 municipality that plans to designate or has designated a
5 redevelopment project area shall inform the municipality
6 in writing of any contracts that the consultant or advisor
7 has entered into with entities or individuals that have
8 received, or are receiving, payments financed by tax
9 increment revenues produced by the redevelopment project
10 area with respect to which the consultant or advisor has
11 performed, or will be performing, service for the
12 municipality. This requirement shall be satisfied by the
13 consultant or advisor before the commencement of services
14 for the municipality and thereafter whenever any other
15 contracts with those individuals or entities are executed
16 by the consultant or advisor;

17 (1.5) After July 1, 1999, annual administrative costs
18 shall not include general overhead or administrative costs
19 of the municipality that would still have been incurred by
20 the municipality if the municipality had not designated a
21 redevelopment project area or approved a redevelopment
22 plan;

23 (1.6) The cost of marketing sites within the
24 redevelopment project area to prospective businesses,
25 developers, and investors;

26 (2) Property assembly costs, including but not limited
27 to acquisition of land and other property, real or
28 personal, or rights or interests therein, demolition of
29 buildings, site preparation, site improvements that serve
30 as an engineered barrier addressing ground level or below
31 ground environmental contamination, including, but not
32 limited to parking lots and other concrete or asphalt
33 barriers, and the clearing and grading of land;

34 (3) Costs of rehabilitation, reconstruction or repair

1 or remodeling of existing public or private buildings,
2 fixtures, and leasehold improvements; and the cost of
3 replacing an existing public building if pursuant to the
4 implementation of a redevelopment project the existing
5 public building is to be demolished to use the site for
6 private investment or devoted to a different use requiring
7 private investment;

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

27 (5) Costs of job training and retraining projects,
28 including the cost of "welfare to work" programs
29 implemented by businesses located within the redevelopment
30 project area;

31 (6) Financing costs, including but not limited to all
32 necessary and incidental expenses related to the issuance
33 of obligations and which may include payment of interest on
34 any obligations issued hereunder including interest

1 accruing during the estimated period of construction of any
2 redevelopment project for which such obligations are
3 issued and for not exceeding 36 months thereafter and
4 including reasonable reserves related thereto;

5 (7) To the extent the municipality by written agreement
6 accepts and approves the same, all or a portion of a taxing
7 district's capital costs resulting from the redevelopment
8 project necessarily incurred or to be incurred within a
9 taxing district in furtherance of the objectives of the
10 redevelopment plan and project.

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

27 (A) for foundation districts, excluding any school
28 district in a municipality with a population in excess
29 of 1,000,000, by multiplying the district's increase
30 in attendance resulting from the net increase in new
31 students enrolled in that school district who reside in
32 housing units within the redevelopment project area
33 that have received financial assistance through an
34 agreement with the municipality or because the

1 municipality incurs the cost of necessary
2 infrastructure improvements within the boundaries of
3 the housing sites necessary for the completion of that
4 housing as authorized by this Act since the designation
5 of the redevelopment project area by the most recently
6 available per capita tuition cost as defined in Section
7 10-20.12a of the School Code less any increase in
8 general State aid as defined in Section 18-8.05 of the
9 School Code attributable to these added new students
10 subject to the following annual limitations:

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

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

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

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

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

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

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

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

31 (C) For any school district in a municipality with
32 a population in excess of 1,000,000, the following
33 restrictions shall apply to the reimbursement of
34 increased costs under this paragraph (7.5):

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

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

10 (iii) the amount reimbursed may not affect
11 amounts otherwise obligated by the terms of any
12 bonds, notes, or other funding instruments, or the
13 terms of any redevelopment agreement.

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

30 (7.7) For redevelopment project areas designated (or
31 redevelopment project areas amended to add or increase the
32 number of tax-increment-financing assisted housing units)
33 on or after January 1, 2005 (the effective date of Public
34 Act 93-961), a public library district's increased costs

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

19 The amount paid to a library district under this
20 paragraph (7.7) shall be calculated by multiplying (i) the
21 net increase in the number of persons eligible to obtain a
22 library card in that district who reside in housing units
23 within the redevelopment project area that have received
24 financial assistance through an agreement with the
25 municipality or because the municipality incurs the cost of
26 necessary infrastructure improvements within the
27 boundaries of the housing sites necessary for the
28 completion of that housing as authorized by this Act since
29 the designation of the redevelopment project area by (ii)
30 the per-patron cost of providing library services so long
31 as it does not exceed \$120. The per-patron cost shall be
32 the Total Operating Expenditures Per Capita as stated in
33 the most recent Illinois Public Library Statistics
34 produced by the Library Research Center at the University

1 of Illinois. The municipality may deduct from the amount
2 that it must pay to a library district under this paragraph
3 any amount that it has voluntarily paid to the library
4 district from the tax increment revenue. The amount paid to
5 a library district under this paragraph (7.7) shall be no
6 more than 2% of the amount produced by the assisted housing
7 units and deposited into the Special Tax Allocation Fund.

8 A library district is not eligible for any payment
9 under this paragraph (7.7) unless the library district has
10 experienced an increase in the number of patrons from the
11 municipality that created the tax-increment-financing
12 district since the designation of the redevelopment
13 project area.

14 Any library district seeking payment under this
15 paragraph (7.7) shall, after July 1 and before September 30
16 of each year, provide the municipality with convincing
17 evidence to support its claim for reimbursement before the
18 municipality shall be required to approve or make the
19 payment to the library district. If the library district
20 fails to provide the information during this period in any
21 year, it shall forfeit any claim to reimbursement for that
22 year. Library districts may adopt a resolution waiving the
23 right to all or a portion of the reimbursement otherwise
24 required by this paragraph (7.7). By acceptance of such
25 reimbursement, the library district shall forfeit any
26 right to directly or indirectly set aside, modify, or
27 contest in any manner whatsoever the establishment of the
28 redevelopment project area or projects;

29 (8) Relocation costs to the extent that a municipality
30 determines that relocation costs shall be paid or is
31 required to make payment of relocation costs by federal or
32 State law or in order to satisfy subparagraph (7) of
33 subsection (n);

34 (9) Payment in lieu of taxes;

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

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

28 (A) such costs are to be paid directly from the
29 special tax allocation fund established pursuant to
30 this Act;

31 (B) such payments in any one year may not exceed
32 30% of the annual interest costs incurred by the
33 redeveloper with regard to the redevelopment project
34 during that year;

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

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

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

20 (F) Instead of the eligible costs provided by
21 subparagraphs (B) and (D) of paragraph (11), as
22 modified by this subparagraph, and notwithstanding any
23 other provisions of this Act to the contrary, the
24 municipality may pay from tax increment revenues up to
25 50% of the cost of construction of new housing units to
26 be occupied by low-income households and very
27 low-income households as defined in Section 3 of the
28 Illinois Affordable Housing Act. The cost of
29 construction of those units may be derived from the
30 proceeds of bonds issued by the municipality under this
31 Act or other constitutional or statutory authority or
32 from other sources of municipal revenue that may be
33 reimbursed from tax increment revenues or the proceeds
34 of bonds issued to finance the construction of that

1 housing.

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

1 as long as tax increment revenue is being used to pay
2 for costs associated with the units or for the
3 retirement of bonds issued to finance the units or for
4 the life of the redevelopment project area, whichever
5 is later.

6 (11.5) If the redevelopment project area is located
7 within a municipality with a population of more than
8 100,000, the cost of day care services for children of
9 employees from low-income families working for businesses
10 located within the redevelopment project area and all or a
11 portion of the cost of operation of day care centers
12 established by redevelopment project area businesses to
13 serve employees from low-income families working in
14 businesses located in the redevelopment project area. For
15 the purposes of this paragraph, "low-income families"
16 means families whose annual income does not exceed 80% of
17 the municipal, county, or regional median income, adjusted
18 for family size, as the annual income and municipal,
19 county, or regional median income are determined from time
20 to time by the United States Department of Housing and
21 Urban Development.

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

25 (13) After November 1, 1999 (the effective date of
26 Public Act 91-478), none of the redevelopment project costs
27 enumerated in this subsection shall be eligible
28 redevelopment project costs if those costs would provide
29 direct financial support to a retail entity initiating
30 operations in the redevelopment project area while
31 terminating operations at another Illinois location within
32 10 miles of the redevelopment project area but outside the
33 boundaries of the redevelopment project area municipality.
34 For purposes of this paragraph, termination means a closing

1 of a retail operation that is directly related to the
2 opening of the same operation or like retail entity owned
3 or operated by more than 50% of the original ownership in a
4 redevelopment project area, but it does not mean closing an
5 operation for reasons beyond the control of the retail
6 entity, as documented by the retail entity, subject to a
7 reasonable finding by the municipality that the current
8 location contained inadequate space, had become
9 economically obsolete, or was no longer a viable location
10 for the retailer or serviceman.

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

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

25 (s) "State Sales Tax Increment" means an amount equal to
26 the increase in the aggregate amount of taxes paid by retailers
27 and servicemen, other than retailers and servicemen subject to
28 the Public Utilities Act, on transactions at places of business
29 located within a State Sales Tax Boundary pursuant to the
30 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use
31 Tax Act, and the Service Occupation Tax Act, except such
32 portion of such increase that is paid into the State and Local
33 Sales Tax Reform Fund, the Local Government Distributive Fund,
34 the Local Government Tax Fund and the County and Mass Transit

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

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

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

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

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

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

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

29 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;
30 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-961, eff.
31 1-1-05; 93-983, eff. 8-23-04; 93-984, eff. 8-23-04; 93-985,
32 eff. 8-23-04; 93-986, eff. 8-23-04; 93-987, eff. 8-23-04;
33 93-995, eff. 8-23-04; 93-1024, eff. 8-25-04; 93-1076, eff.
34 1-18-05; 94-260, eff. 7-19-05; 94-268, eff. 7-19-05; 94-297,

1 eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff. 6-1-06;
2 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; revised 12-9-05.)

3 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

4 (Text of Section before amendment by P.A. 94-702 and
5 94-711)

6 Sec. 11-74.4-7. Obligations secured by the special tax
7 allocation fund set forth in Section 11-74.4-8 for the
8 redevelopment project area may be issued to provide for
9 redevelopment project costs. Such obligations, when so issued,
10 shall be retired in the manner provided in the ordinance
11 authorizing the issuance of such obligations by the receipts of
12 taxes levied as specified in Section 11-74.4-9 against the
13 taxable property included in the area, by revenues as specified
14 by Section 11-74.4-8a and other revenue designated by the
15 municipality. A municipality may in the ordinance pledge all or
16 any part of the funds in and to be deposited in the special tax
17 allocation fund created pursuant to Section 11-74.4-8 to the
18 payment of the redevelopment project costs and obligations. Any
19 pledge of funds in the special tax allocation fund shall
20 provide for distribution to the taxing districts and to the
21 Illinois Department of Revenue of moneys not required, pledged,
22 earmarked, or otherwise designated for payment and securing of
23 the obligations and anticipated redevelopment project costs
24 and such excess funds shall be calculated annually and deemed
25 to be "surplus" funds. In the event a municipality only applies
26 or pledges a portion of the funds in the special tax allocation
27 fund for the payment or securing of anticipated redevelopment
28 project costs or of obligations, any such funds remaining in
29 the special tax allocation fund after complying with the
30 requirements of the application or pledge, shall also be
31 calculated annually and deemed "surplus" funds. All surplus
32 funds in the special tax allocation fund shall be distributed
33 annually within 180 days after the close of the municipality's

1 fiscal year by being paid by the municipal treasurer to the
2 County Collector, to the Department of Revenue and to the
3 municipality in direct proportion to the tax incremental
4 revenue received as a result of an increase in the equalized
5 assessed value of property in the redevelopment project area,
6 tax incremental revenue received from the State and tax
7 incremental revenue received from the municipality, but not to
8 exceed as to each such source the total incremental revenue
9 received from that source. The County Collector shall
10 thereafter make distribution to the respective taxing
11 districts in the same manner and proportion as the most recent
12 distribution by the county collector to the affected districts
13 of real property taxes from real property in the redevelopment
14 project area.

15 Without limiting the foregoing in this Section, the
16 municipality may in addition to obligations secured by the
17 special tax allocation fund pledge for a period not greater
18 than the term of the obligations towards payment of such
19 obligations any part or any combination of the following: (a)
20 net revenues of all or part of any redevelopment project; (b)
21 taxes levied and collected on any or all property in the
22 municipality; (c) the full faith and credit of the
23 municipality; (d) a mortgage on part or all of the
24 redevelopment project; or (e) any other taxes or anticipated
25 receipts that the municipality may lawfully pledge.

26 Such obligations may be issued in one or more series
27 bearing interest at such rate or rates as the corporate
28 authorities of the municipality shall determine by ordinance.
29 Such obligations shall bear such date or dates, mature at such
30 time or times not exceeding 20 years from their respective
31 dates, be in such denomination, carry such registration
32 privileges, be executed in such manner, be payable in such
33 medium of payment at such place or places, contain such
34 covenants, terms and conditions, and be subject to redemption

1 as such ordinance shall provide. Obligations issued pursuant to
2 this Act may be sold at public or private sale at such price as
3 shall be determined by the corporate authorities of the
4 municipalities. No referendum approval of the electors shall be
5 required as a condition to the issuance of obligations pursuant
6 to this Division except as provided in this Section.

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

25 If no petition is filed with the municipal clerk, as
26 hereinafter provided in this Section, within 30 days after the
27 publication of the ordinance, the ordinance shall be in effect.
28 But, if within that 30 day period a petition is filed with the
29 municipal clerk, signed by electors in the municipality
30 numbering 10% or more of the number of registered voters in the
31 municipality, asking that the question of issuing obligations
32 using full faith and credit of the municipality as security for
33 the cost of paying for redevelopment project costs, or of
34 pledging taxes for the payment of such obligations, or both, be

1 submitted to the electors of the municipality, the corporate
2 authorities of the municipality shall call a special election
3 in the manner provided by law to vote upon that question, or,
4 if a general, State or municipal election is to be held within
5 a period of not less than 30 or more than 90 days from the date
6 such petition is filed, shall submit the question at the next
7 general, State or municipal election. If it appears upon the
8 canvass of the election by the corporate authorities that a
9 majority of electors voting upon the question voted in favor
10 thereof, the ordinance shall be in effect, but if a majority of
11 the electors voting upon the question are not in favor thereof,
12 the ordinance shall not take effect.

13 The ordinance authorizing the obligations may provide that
14 the obligations shall contain a recital that they are issued
15 pursuant to this Division, which recital shall be conclusive
16 evidence of their validity and of the regularity of their
17 issuance.

18 In the event the municipality authorizes issuance of
19 obligations pursuant to this Section secured by the full faith
20 and credit of the municipality, the ordinance authorizing the
21 obligations may provide for the levy and collection of a direct
22 annual tax upon all taxable property within the municipality
23 sufficient to pay the principal thereof and interest thereon as
24 it matures, which levy may be in addition to and exclusive of
25 the maximum of all other taxes authorized to be levied by the
26 municipality, which levy, however, shall be abated to the
27 extent that monies from other sources are available for payment
28 of the obligations and the municipality certifies the amount of
29 said monies available to the county clerk.

30 A certified copy of such ordinance shall be filed with the
31 county clerk of each county in which any portion of the
32 municipality is situated, and shall constitute the authority
33 for the extension and collection of the taxes to be deposited
34 in the special tax allocation fund.

1 A municipality may also issue its obligations to refund in
2 whole or in part, obligations theretofore issued by such
3 municipality under the authority of this Act, whether at or
4 prior to maturity, provided however, that the last maturity of
5 the refunding obligations shall not be expressed to mature
6 later than December 31 of the year in which the payment to the
7 municipal treasurer as provided in subsection (b) of Section
8 11-74.4-8 of this Act is to be made with respect to ad valorem
9 taxes levied in the twenty-third calendar year after the year
10 in which the ordinance approving the redevelopment project area
11 is adopted if the ordinance was adopted on or after January 15,
12 1981, not later than December 31 of the year in which the
13 payment to the municipal treasurer as provided in subsection
14 (b) of Section 11-74.4-8 of this Act is to be made with respect
15 to ad valorem taxes levied in the thirty-third calendar year
16 after the year in which the ordinance approving the
17 redevelopment project area if the ordinance was adopted on May
18 20, 1985 by the Village of Wheeling, and not later than
19 December 31 of the year in which the payment to the municipal
20 treasurer as provided in subsection (b) of Section 11-74.4-8 of
21 this Act is to be made with respect to ad valorem taxes levied
22 in the thirty-fifth calendar year after the year in which the
23 ordinance approving the redevelopment project area is adopted
24 (A) if the ordinance was adopted before January 15, 1981, or
25 (B) if the ordinance was adopted in December 1983, April 1984,
26 July 1985, or December 1989, or (C) if the ordinance was
27 adopted in December, 1987 and the redevelopment project is
28 located within one mile of Midway Airport, or (D) if the
29 ordinance was adopted before January 1, 1987 by a municipality
30 in Mason County, or (E) if the municipality is subject to the
31 Local Government Financial Planning and Supervision Act or the
32 Financially Distressed City Law, or (F) if the ordinance was
33 adopted in December 1984 by the Village of Rosemont, or (G) if
34 the ordinance was adopted on December 31, 1986 by a

1 municipality located in Clinton County for which at least
2 \$250,000 of tax increment bonds were authorized on June 17,
3 1997, or if the ordinance was adopted on December 31, 1986 by a
4 municipality with a population in 1990 of less than 3,600 that
5 is located in a county with a population in 1990 of less than
6 34,000 and for which at least \$250,000 of tax increment bonds
7 were authorized on June 17, 1997, or (H) if the ordinance was
8 adopted on October 5, 1982 by the City of Kankakee, or (I) if
9 the ordinance was adopted on December 29, 1986 by East St.
10 Louis, or if the ordinance was adopted on November 12, 1991 by
11 the Village of Sauget, or (J) if the ordinance was adopted on
12 February 11, 1985 by the City of Rock Island, or (K) if the
13 ordinance was adopted before December 18, 1986 by the City of
14 Moline, or (L) if the ordinance was adopted in September 1988
15 by Sauk Village, or (M) if the ordinance was adopted in October
16 1993 by Sauk Village, or (N) if the ordinance was adopted on
17 December 29, 1986 by the City of Galva, or (O) if the ordinance
18 was adopted in March 1991 by the City of Centreville, or (P) if
19 the ordinance was adopted on January 23, 1991 by the City of
20 East St. Louis, or (Q) if the ordinance was adopted on December
21 22, 1986 by the City of Aledo, or (R) if the ordinance was
22 adopted on February 5, 1990 by the City of Clinton, or (S) if
23 the ordinance was adopted on September 6, 1994 by the City of
24 Freeport, or (T) if the ordinance was adopted on December 22,
25 1986 by the City of Tuscola, or (U) if the ordinance was
26 adopted on December 23, 1986 by the City of Sparta, or (V) if
27 the ordinance was adopted on December 23, 1986 by the City of
28 Beardstown, or (W) if the ordinance was adopted on April 27,
29 1981, October 21, 1985, or December 30, 1986 by the City of
30 Belleville, or (X) if the ordinance was adopted on December 29,
31 1986 by the City of Collinsville, or (Y) if the ordinance was
32 adopted on September 14, 1994 by the City of Alton, or (Z) if
33 the ordinance was adopted on November 11, 1996 by the City of
34 Lexington, or (AA) if the ordinance was adopted on November 5,

1 1984 by the City of LeRoy, or (BB) if the ordinance was adopted
2 on April 3, 1991 or June 3, 1992 by the City of Markham, or (CC)
3 if the ordinance was adopted on November 11, 1986 by the City
4 of Pekin, or (DD) if the ordinance was adopted on December 15,
5 1981 by the City of Champaign, or (EE) if the ordinance was
6 adopted on December 15, 1986 by the City of Urbana, or (FF) if
7 the ordinance was adopted on December 15, 1986 by the Village
8 of Heyworth, or (GG) if the ordinance was adopted on February
9 24, 1992 by the Village of Heyworth, or (HH) if the ordinance
10 was adopted on March 16, 1995 by the Village of Heyworth, or
11 (II) if the ordinance was adopted on December 23, 1986 by the
12 Town of Cicero, or (JJ) if the ordinance was adopted on
13 December 30, 1986 by the City of Effingham, or (KK) if the
14 ordinance was adopted on May 9, 1991 by the Village of Tilton,
15 or (LL) if the ordinance was adopted on October 20, 1986 by the
16 City of Elmhurst, or (MM) if the ordinance was adopted on
17 January 19, 1988 by the City of Waukegan, or (NN) if the
18 ordinance was adopted on September 21, 1998 by the City of
19 Waukegan, or (OO) if the ordinance was adopted on December 31,
20 1986 by the City of Sullivan, or (PP) if the ordinance was
21 adopted on December 23, 1991 by the City of Sullivan, or (QQ)
22 ~~(OO)~~ if the ordinance was adopted on December 31, 1986 by the
23 City of Oglesby, or (RR) ~~(OO)~~ if the ordinance was adopted on
24 July 28, 1987 by the City of Marion, or (SS) ~~(PP)~~ if the
25 ordinance was adopted on April 23, 1990 by the City of Marion,
26 or (TT) if the ordinance was adopted on December 29, 1986 by
27 the Village of Gardner and, for redevelopment project areas for
28 which bonds were issued before July 29, 1991, in connection
29 with a redevelopment project in the area within the State Sales
30 Tax Boundary and which were extended by municipal ordinance
31 under subsection (n) of Section 11-74.4-3, the last maturity of
32 the refunding obligations shall not be expressed to mature
33 later than the date on which the redevelopment project area is
34 terminated or December 31, 2013, whichever date occurs first.

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

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

13 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;
14 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-983, eff.
15 8-23-04; 93-984, eff. 8-23-04; 93-985, eff. 8-23-04; 93-986,
16 eff. 8-23-04; 93-987, eff. 8-23-04; 93-995, eff. 8-23-04;
17 93-1024, eff. 8-25-04; 93-1076, eff. 1-18-05; 94-260, eff.
18 7-19-05; 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-704,
19 eff. 12-5-05; revised 12-9-05.)

20 (Text of Section after amendment by P.A. 94-702 and 94-711)

21 Sec. 11-74.4-7. Obligations secured by the special tax
22 allocation fund set forth in Section 11-74.4-8 for the
23 redevelopment project area may be issued to provide for
24 redevelopment project costs. Such obligations, when so issued,
25 shall be retired in the manner provided in the ordinance
26 authorizing the issuance of such obligations by the receipts of
27 taxes levied as specified in Section 11-74.4-9 against the
28 taxable property included in the area, by revenues as specified
29 by Section 11-74.4-8a and other revenue designated by the
30 municipality. A municipality may in the ordinance pledge all or
31 any part of the funds in and to be deposited in the special tax
32 allocation fund created pursuant to Section 11-74.4-8 to the
33 payment of the redevelopment project costs and obligations. Any

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

30 Without limiting the foregoing in this Section, the
31 municipality may in addition to obligations secured by the
32 special tax allocation fund pledge for a period not greater
33 than the term of the obligations towards payment of such
34 obligations any part or any combination of the following: (a)

1 net revenues of all or part of any redevelopment project; (b)
2 taxes levied and collected on any or all property in the
3 municipality; (c) the full faith and credit of the
4 municipality; (d) a mortgage on part or all of the
5 redevelopment project; or (e) any other taxes or anticipated
6 receipts that the municipality may lawfully pledge.

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

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

1 question of the issuance of such obligations or pledging taxes
2 to be submitted to the electors; (2) the time in which such
3 petition must be filed; and (3) the date of the prospective
4 referendum. The municipal clerk shall provide a petition form
5 to any individual requesting one.

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

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

33 In the event the municipality authorizes issuance of
34 obligations pursuant to this Section secured by the full faith

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

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

16 A municipality may also issue its obligations to refund in
17 whole or in part, obligations theretofore issued by such
18 municipality under the authority of this Act, whether at or
19 prior to maturity, provided however, that the last maturity of
20 the refunding obligations shall not be expressed to mature
21 later than December 31 of the year in which the payment to the
22 municipal treasurer as provided in subsection (b) of Section
23 11-74.4-8 of this Act is to be made with respect to ad valorem
24 taxes levied in the twenty-third calendar year after the year
25 in which the ordinance approving the redevelopment project area
26 is adopted if the ordinance was adopted on or after January 15,
27 1981, not later than December 31 of the year in which the
28 payment to the municipal treasurer as provided in subsection
29 (b) of Section 11-74.4-8 of this Act is to be made with respect
30 to ad valorem taxes levied in the thirty-third calendar year
31 after the year in which the ordinance approving the
32 redevelopment project area if the ordinance was adopted on May
33 20, 1985 by the Village of Wheeling, and not later than
34 December 31 of the year in which the payment to the municipal

1 treasurer as provided in subsection (b) of Section 11-74.4-8 of
2 this Act is to be made with respect to ad valorem taxes levied
3 in the thirty-fifth calendar year after the year in which the
4 ordinance approving the redevelopment project area is adopted
5 (A) if the ordinance was adopted before January 15, 1981, or
6 (B) if the ordinance was adopted in December 1983, April 1984,
7 July 1985, or December 1989, or (C) if the ordinance was
8 adopted in December, 1987 and the redevelopment project is
9 located within one mile of Midway Airport, or (D) if the
10 ordinance was adopted before January 1, 1987 by a municipality
11 in Mason County, or (E) if the municipality is subject to the
12 Local Government Financial Planning and Supervision Act or the
13 Financially Distressed City Law, or (F) if the ordinance was
14 adopted in December 1984 by the Village of Rosemont, or (G) if
15 the ordinance was adopted on December 31, 1986 by a
16 municipality located in Clinton County for which at least
17 \$250,000 of tax increment bonds were authorized on June 17,
18 1997, or if the ordinance was adopted on December 31, 1986 by a
19 municipality with a population in 1990 of less than 3,600 that
20 is located in a county with a population in 1990 of less than
21 34,000 and for which at least \$250,000 of tax increment bonds
22 were authorized on June 17, 1997, or (H) if the ordinance was
23 adopted on October 5, 1982 by the City of Kankakee, or (I) if
24 the ordinance was adopted on December 29, 1986 by East St.
25 Louis, or if the ordinance was adopted on November 12, 1991 by
26 the Village of Sauget, or (J) if the ordinance was adopted on
27 February 11, 1985 by the City of Rock Island, or (K) if the
28 ordinance was adopted before December 18, 1986 by the City of
29 Moline, or (L) if the ordinance was adopted in September 1988
30 by Sauk Village, or (M) if the ordinance was adopted in October
31 1993 by Sauk Village, or (N) if the ordinance was adopted on
32 December 29, 1986 by the City of Galva, or (O) if the ordinance
33 was adopted in March 1991 by the City of Centreville, or (P) if
34 the ordinance was adopted on January 23, 1991 by the City of

1 East St. Louis, or (Q) if the ordinance was adopted on December
2 22, 1986 by the City of Aledo, or (R) if the ordinance was
3 adopted on February 5, 1990 by the City of Clinton, or (S) if
4 the ordinance was adopted on September 6, 1994 by the City of
5 Freeport, or (T) if the ordinance was adopted on December 22,
6 1986 by the City of Tuscola, or (U) if the ordinance was
7 adopted on December 23, 1986 by the City of Sparta, or (V) if
8 the ordinance was adopted on December 23, 1986 by the City of
9 Beardstown, or (W) if the ordinance was adopted on April 27,
10 1981, October 21, 1985, or December 30, 1986 by the City of
11 Belleville, or (X) if the ordinance was adopted on December 29,
12 1986 by the City of Collinsville, or (Y) if the ordinance was
13 adopted on September 14, 1994 by the City of Alton, or (Z) if
14 the ordinance was adopted on November 11, 1996 by the City of
15 Lexington, or (AA) if the ordinance was adopted on November 5,
16 1984 by the City of LeRoy, or (BB) if the ordinance was adopted
17 on April 3, 1991 or June 3, 1992 by the City of Markham, or (CC)
18 if the ordinance was adopted on November 11, 1986 by the City
19 of Pekin, or (DD) if the ordinance was adopted on December 15,
20 1981 by the City of Champaign, or (EE) if the ordinance was
21 adopted on December 15, 1986 by the City of Urbana, or (FF) if
22 the ordinance was adopted on December 15, 1986 by the Village
23 of Heyworth, or (GG) if the ordinance was adopted on February
24 24, 1992 by the Village of Heyworth, or (HH) if the ordinance
25 was adopted on March 16, 1995 by the Village of Heyworth, or
26 (II) if the ordinance was adopted on December 23, 1986 by the
27 Town of Cicero, or (JJ) if the ordinance was adopted on
28 December 30, 1986 by the City of Effingham, or (KK) if the
29 ordinance was adopted on May 9, 1991 by the Village of Tilton,
30 or (LL) if the ordinance was adopted on October 20, 1986 by the
31 City of Elmhurst, or (MM) if the ordinance was adopted on
32 January 19, 1988 by the City of Waukegan, or (NN) if the
33 ordinance was adopted on September 21, 1998 by the City of
34 Waukegan, or (OO) if the ordinance was adopted on December 31,

1 1986 by the City of Sullivan, or (PP) if the ordinance was
2 adopted on December 23, 1991 by the City of Sullivan, or (QQ)
3 ~~(OO)~~ if the ordinance was adopted on December 31, 1986 by the
4 City of Oglesby, or (RR) ~~(OO)~~ if the ordinance was adopted on
5 July 28, 1987 by the City of Marion, or (SS) ~~(PP)~~ if the
6 ordinance was adopted on April 23, 1990 by the City of Marion,
7 or (TT) ~~(OO)~~ if the ordinance was adopted on August 20, 1985 by
8 the Village of Mount Prospect, or (UU) ~~(OO)~~ if the ordinance
9 was adopted on February 2, 1998 by the Village of Woodhull, or
10 (VV) if the ordinance was adopted on December 29, 1986 by the
11 Village of Gardner and, for redevelopment project areas for
12 which bonds were issued before July 29, 1991, in connection
13 with a redevelopment project in the area within the State Sales
14 Tax Boundary and which were extended by municipal ordinance
15 under subsection (n) of Section 11-74.4-3, the last maturity of
16 the refunding obligations shall not be expressed to mature
17 later than the date on which the redevelopment project area is
18 terminated or December 31, 2013, whichever date occurs first.

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

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

31 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;
32 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-983, eff.
33 8-23-04; 93-984, eff. 8-23-04; 93-985, eff. 8-23-04; 93-986,
34 eff. 8-23-04; 93-987, eff. 8-23-04; 93-995, eff. 8-23-04;

1 93-1024, eff. 8-25-04; 93-1076, eff. 1-18-05; 94-260, eff.
2 7-19-05; 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702,
3 eff. 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; revised
4 12-9-05.)

5 Section 95. No acceleration or delay. Where this Act makes
6 changes in a statute that is represented in this Act by text
7 that is not yet or no longer in effect (for example, a Section
8 represented by multiple versions), the use of that text does
9 not accelerate or delay the taking effect of (i) the changes
10 made by this Act or (ii) provisions derived from any other
11 Public Act.

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.".