



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
SB1866

Introduced 2/25/2005, by Sen. Debbie DeFrancesco Halvorson

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-3

from Ch. 24, par. 11-74.4-3

Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. Adds costs of and associated with transportation oriented developments to the definition of "redevelopment project costs".

LRB094 07778 AJ0 37956 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning local government.

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

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

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

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

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

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

20 (1) If improved, industrial, commercial, and
21 residential buildings or improvements are detrimental to
22 the public safety, health, or welfare because of a
23 combination of 5 or more of the following factors, each of
24 which is (i) present, with that presence documented, to a
25 meaningful extent so that a municipality may reasonably
26 find that the factor is clearly present within the intent
27 of the Act and (ii) reasonably distributed throughout the
28 improved part of the redevelopment project area:

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

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

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

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

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

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

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

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

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

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

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

1 inadequate provision for loading and service.

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

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

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

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

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

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

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

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

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

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

36 (E) The area has incurred Illinois Environmental

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 extent, or duration of the vacancies.

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (f) "Municipality" shall mean a city, village or
5 incorporated town.

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

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

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

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

1 amounts received which shall have deducted therefrom the
2 certified Initial Sales Tax Amounts, the Adjusted Initial Sales
3 Tax Amounts or the Revised Initial Sales Tax Amounts, as the
4 case may be.

5 (i) "Net State Sales Tax Increment" means the sum of the
6 following: (a) 80% of the first \$100,000 of State Sales Tax
7 Increment annually generated within a State Sales Tax Boundary;
8 (b) 60% of the amount in excess of \$100,000 but not exceeding
9 \$500,000 of State Sales Tax Increment annually generated within
10 a State Sales Tax Boundary; and (c) 40% of all amounts in
11 excess of \$500,000 of State Sales Tax Increment annually
12 generated within a State Sales Tax Boundary. If, however, a
13 municipality established a tax increment financing district in
14 a county with a population in excess of 3,000,000 before
15 January 1, 1986, and the municipality entered into a contract
16 or issued bonds after January 1, 1986, but before December 31,
17 1986, to finance redevelopment project costs within a State
18 Sales Tax Boundary, then the Net State Sales Tax Increment
19 means, for the fiscal years beginning July 1, 1990, and July 1,
20 1991, 100% of the State Sales Tax Increment annually generated
21 within a State Sales Tax Boundary; and notwithstanding any
22 other provision of this Act, for those fiscal years the
23 Department of Revenue shall distribute to those municipalities
24 100% of their Net State Sales Tax Increment before any
25 distribution to any other municipality and regardless of
26 whether or not those other municipalities will receive 100% of
27 their Net State Sales Tax Increment. For Fiscal Year 1999, and
28 every year thereafter until the year 2007, for any municipality
29 that has not entered into a contract or has not issued bonds
30 prior to June 1, 1988 to finance redevelopment project costs
31 within a State Sales Tax Boundary, the Net State Sales Tax
32 Increment shall be calculated as follows: By multiplying the
33 Net State Sales Tax Increment by 90% in the State Fiscal Year
34 1999; 80% in the State Fiscal Year 2000; 70% in the State
35 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the
36 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%

1 in the State Fiscal Year 2005; 20% in the State Fiscal Year
2 2006; and 10% in the State Fiscal Year 2007. No payment shall
3 be made for State Fiscal Year 2008 and thereafter.

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

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

1 than residential customers, of properties within the
2 redevelopment project area during the base year, which shall be
3 the calendar year immediately prior to the year of the adoption
4 of the ordinance authorizing tax increment allocation
5 financing.

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

27 Municipalities that issue bonds in connection with the
28 redevelopment project during the period from June 1, 1988 until
29 3 years after the effective date of this Amendatory Act of 1988
30 shall receive the Net State Utility Tax Increment, subject to
31 appropriation, for 15 State Fiscal Years after the issuance of
32 such bonds. For the 16th through the 20th State Fiscal Years
33 after issuance of the bonds, the Net State Utility Tax
34 Increment shall be calculated as follows: By multiplying the
35 Net State Utility Tax Increment by 90% in year 16; 80% in year
36 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
35 to the adoption of the redevelopment plan. For the purpose of
36 this subsection, "recreational activities" is limited to mean

1 camping and hunting. Each redevelopment plan shall set forth in
2 writing the program to be undertaken to accomplish the
3 objectives and shall include but not be limited to:

4 (A) an itemized list of estimated redevelopment
5 project costs;

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

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

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

15 (E) the nature and term of the obligations to be
16 issued;

17 (F) the most recent equalized assessed valuation of the
18 redevelopment project area;

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

22 (H) a commitment to fair employment practices and an
23 affirmative action plan;

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

31 (J) if property is to be annexed to the municipality,
32 the plan shall include the terms of the annexation
33 agreement.

34 The provisions of items (B) and (C) of this subsection (n)
35 shall not apply to a municipality that before March 14, 1994
36 (the effective date of Public Act 88-537) had fixed, either by

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

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

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

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

1 after the year in which the ordinance approving the
2 redevelopment project area is adopted:

3 (A) if the ordinance was adopted before January 15,
4 1981, or

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

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

10 (D) if the ordinance was adopted before January 1,
11 1987 by a municipality in Mason County, or

12 (E) if the municipality is subject to the Local
13 Government Financial Planning and Supervision Act or
14 the Financially Distressed City Law, or

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

17 (G) if the ordinance was adopted on December 31,
18 1986 by a municipality located in Clinton County for
19 which at least \$250,000 of tax increment bonds were
20 authorized on June 17, 1997, or if the ordinance was
21 adopted on December 31, 1986 by a municipality with a
22 population in 1990 of less than 3,600 that is located
23 in a county with a population in 1990 of less than
24 34,000 and for which at least \$250,000 of tax increment
25 bonds were authorized on June 17, 1997, or

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

29 (I) if the ordinance was adopted on November 12,
30 1991 by the Village of Sauget, or

31 (J) if the ordinance was adopted on February 11,
32 1985 by the City of Rock Island, or

33 (K) if the ordinance was adopted before December
34 18, 1986 by the City of Moline, or

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

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

3 (N) if the ordinance was adopted on December 29,
4 1986 by the City of Galva, or

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

7 (P) if the ordinance was adopted on January 23,
8 1991 by the City of East St. Louis, or

9 (Q) if the ordinance was adopted on December 22,
10 1986 by the City of Aledo, or

11 (R) if the ordinance was adopted on February 5,
12 1990 by the City of Clinton, or

13 (S) if the ordinance was adopted on September 6,
14 1994 by the City of Freeport, or

15 (T) if the ordinance was adopted on December 22,
16 1986 by the City of Tuscola, or

17 (U) if the ordinance was adopted on December 23,
18 1986 by the City of Sparta, or

19 (V) if the ordinance was adopted on December 23,
20 1986 by the City of Beardstown, or

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

24 (X) if the ordinance was adopted on December 29,
25 1986 by the City of Collinsville, or

26 (Y) if the ordinance was adopted on September 14,
27 1994 by the City of Alton, or

28 (Z) if the ordinance was adopted on November 11,
29 1996 by the City of Lexington, or

30 (AA) if the ordinance was adopted on November 5,
31 1984 by the City of LeRoy, or

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

34 (CC) if the ordinance was adopted on November 11,
35 1986 by the City of Pekin, or

36 (DD) ~~(CC)~~ if the ordinance was adopted on December

1 15, 1981 by the City of Champaign, or
2 (EE) ~~(CC)~~ if the ordinance was adopted on December
3 15, 1986 by the City of Urbana, or
4 (FF) ~~(CC)~~ if the ordinance was adopted on December
5 15, 1986 by the Village of Heyworth, or
6 (GG) ~~(CC)~~ if the ordinance was adopted on February
7 24, 1992 by the Village of Heyworth, or
8 (HH) ~~(CC)~~ if the ordinance was adopted on March 16,
9 1995 by the Village of Heyworth, or
10 (II) ~~(CC)~~ if the ordinance was adopted on December
11 23, 1986 by the Town of Cicero, or
12 (JJ) ~~(CC)~~ if the ordinance was adopted on December
13 30, 1986 by the City of Effingham, or
14 (KK) ~~(CC)~~ if the ordinance was adopted on May 9,
15 1991 by the Village of Tilton, or
16 (LL) ~~(CC)~~ if the ordinance was adopted on October
17 20, 1986 by the City of Elmhurst, or
18 (MM) ~~(CC)~~ if the ordinance was adopted on January
19 19, 1988 by the City of Waukegan, or
20 (NN) ~~(DD)~~ if the ordinance was adopted on September
21 21, 1998 by the City of Waukegan.

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

36 A municipality may by municipal ordinance amend an

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

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

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

35 (3.5) The municipality finds, in the case of an
36 industrial park conservation area, also that the

1 municipality is a labor surplus municipality and that the
2 implementation of the redevelopment plan will reduce
3 unemployment, create new jobs and by the provision of new
4 facilities enhance the tax base of the taxing districts
5 that extend into the redevelopment project area.

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

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

27 Part I of the housing impact study shall include (i)
28 data as to whether the residential units are single family
29 or multi-family units, (ii) the number and type of rooms
30 within the units, if that information is available, (iii)
31 whether the units are inhabited or uninhabited, as
32 determined not less than 45 days before the date that the
33 ordinance or resolution required by subsection (a) of
34 Section 11-74.4-5 is passed, and (iv) data as to the racial
35 and ethnic composition of the residents in the inhabited
36 residential units. The data requirement as to the racial

1 and ethnic composition of the residents in the inhabited
2 residential units shall be deemed to be fully satisfied by
3 data from the most recent federal census.

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

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

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

1 Affordable Housing Act. The municipality shall make a good
2 faith effort to ensure that this affordable housing is
3 located in or near the redevelopment project area within
4 the municipality.

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

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

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

1 is limited to mean camping and hunting.

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

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

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

1 municipality. This requirement shall be satisfied by the
2 consultant or advisor before the commencement of services
3 for the municipality and thereafter whenever any other
4 contracts with those individuals or entities are executed
5 by the consultant or advisor;

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

12 (1.6) The cost of marketing sites within the
13 redevelopment project area to prospective businesses,
14 developers, and investors;

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

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

31 (4) Costs of the construction of public works or
32 improvements, except that on and after November 1, 1999,
33 redevelopment project costs shall not include the cost of
34 constructing a new municipal public building principally
35 used to provide offices, storage space, or conference
36 facilities or vehicle storage, maintenance, or repair for

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

14 (4.1) Costs of and associated with transportation
15 oriented developments.

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

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

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

34 (7.5) For redevelopment project areas designated (or
35 redevelopment project areas amended to add or increase the
36 number of tax-increment-financing assisted housing units)

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

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

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

1 increment finance assistance under this Act;

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

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

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

35 (i) for unit school districts, no more than 40%
36 of the total amount of property tax increment

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

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

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

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

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

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

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

31 Any school district seeking payment under this
32 paragraph (7.5) shall, after July 1 and before
33 September 30 of each year, provide the municipality
34 with reasonable evidence to support its claim for
35 reimbursement before the municipality shall be
36 required to approve or make the payment to the school

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

11 (7.7) 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 January 1, 2005 (the effective date of Public
15 Act 93-961) ~~this amendatory Act of the 93rd General~~
16 ~~Assembly~~, a public library district's increased costs
17 attributable to assisted housing units located within the
18 redevelopment project area for which the developer or
19 redeveloper receives financial assistance through an
20 agreement with the municipality or because the
21 municipality incurs the cost of necessary infrastructure
22 improvements within the boundaries of the assisted housing
23 sites necessary for the completion of that housing as
24 authorized by this Act shall be paid to the library
25 district by the municipality from the Special Tax
26 Allocation Fund when the tax increment revenue is received
27 as a result of the assisted housing units. This paragraph
28 (7.7) applies only if (i) the library district is located
29 in a county that is subject to the Property Tax Extension
30 Limitation Law or (ii) the library district is not located
31 in a county that is subject to the Property Tax Extension
32 Limitation Law but the district is prohibited by any other
33 law from increasing its tax levy rate without a prior voter
34 referendum.

35 The amount paid to a library district under this
36 paragraph (7.7) shall be calculated by multiplying (i) the

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

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

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

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

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

12 (9) Payment in lieu of taxes;

13 (10) Costs of job training, retraining, advanced
14 vocational education or career education, including but
15 not limited to courses in occupational, semi-technical or
16 technical fields leading directly to employment, incurred
17 by one or more taxing districts, provided that such costs
18 (i) are related to the establishment and maintenance of
19 additional job training, advanced vocational education or
20 career education programs for persons employed or to be
21 employed by employers located in a redevelopment project
22 area; and (ii) when incurred by a taxing district or taxing
23 districts other than the municipality, are set forth in a
24 written agreement by or among the municipality and the
25 taxing district or taxing districts, which agreement
26 describes the program to be undertaken, including but not
27 limited to the number of employees to be trained, a
28 description of the training and services to be provided,
29 the number and type of positions available or to be
30 available, itemized costs of the program and sources of
31 funds to pay for the same, and the term of the agreement.
32 Such costs include, specifically, the payment by community
33 college districts of costs pursuant to Sections 3-37, 3-38,
34 3-40 and 3-40.1 of the Public Community College Act and by
35 school districts of costs pursuant to Sections 10-22.20a
36 and 10-23.3a of The School Code;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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