



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB3086

Introduced 1/20/2006, by Sen. Susan Garrett

SYNOPSIS AS INTRODUCED:

5 ILCS 70/10 new	
65 ILCS 5/11-74.4-3	from Ch. 24, par. 11-74.4-3
735 ILCS 5/7-115.5 new	
735 ILCS 5/7-121	from Ch. 110, par. 7-121
735 ILCS 5/7-122	from Ch. 110, par. 7-122
30 ILCS 805/8.30 new	

Amends the Statute on Statutes. Prohibits all takings under the power of eminent domain by the State or a unit of local government for private development unless the property is within an area that is a "blighted area" and the condemning authority has entered into a written agreement with a private person or entity that agrees to undertake a development project within the blighted area that specifically details the reasons for which the property or rights in the property are necessary for the success of the development project. Defines "private development". Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. Provides that in all eminent domain actions in which a property owner is displaced, the displacing entity must pay certain costs related to the relocation and displacement of the property owner's residence, business, or farm operation. Amends the Eminent Domain Article in the Code of Civil Procedure. Provides that, in a condemnation proceeding in which the property has been designated by the condemning authority by ordinance as blighted, the condemning authority must demonstrate and prove by a preponderance of the evidence that the property is blighted property. Provides that the existence of an ordinance designating property as blighted is not prima facie evidence of blight. Provides that an ordinance designating property as "blighted property" shall not be presumed to be valid for purposes of the condemnation proceeding. Makes changes concerning the valuation of condemned property. Requires reimbursement of the property owner for certain relocation costs. Establishes guidelines for determining reasonable attorney's fees (i) if the court awards just compensation that exceeds the initial written offer of the condemning authority and (ii) if the court determines that the taking is not warranted. Preempts home rule powers. Amends the State Mandates Act to require implementation without reimbursement by the State. Makes other changes. Effective immediately.

LRB094 19181 MKM 54718 b

FISCAL NOTE ACT
MAY APPLY

HOME RULE NOTE
ACT MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning government, which may be referred to as
2 the Equity in Eminent Domain Act.

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

5 Section 5. The Statute on Statutes is amended by adding
6 Section 10 as follows:

7 (5 ILCS 70/10 new)

8 Sec. 10. Exercise of the power of eminent domain for
9 private development purposes; blighted property.

10 (a) Neither the State nor a unit of local government may
11 take or damage property for private development through the
12 exercise of the power of eminent domain unless the property is
13 in an area that is a "blighted area", as defined in Section
14 11-74.4-3 of the Illinois Municipal Code or, alternatively, in
15 the applicable law authorizing the entity to exercise the power
16 of eminent domain, and the State or unit of local government
17 has entered into an express written agreement in which a
18 private person or entity agrees to undertake a development
19 project within the blighted area that specifically details the
20 reasons for which the property or rights in that property are
21 necessary for the success of the development project.

22 (b) The State or a unit of local government exercises the
23 power of eminent domain for private development if:

24 (1) the taking confers a private benefit on a
25 particular private party through the use of the property;

26 or

27 (2) the taking is for a public use that is merely a
28 pretext in order to confer a private benefit on a
29 particular private party.

30 A State or unit of local government does not exercise the
31 power of eminent domain for private development if the economic
32 development is a secondary purpose resulting from municipal

1 community development or municipal urban renewal activities to
2 eliminate an existing affirmative harm on society from slums or
3 blighted areas.

4 (c) "Private development" does not include any of the
5 following:

6 (1) Transportation projects, including, but not
7 limited to, railroads, airports, or public roads or
8 highways.

9 (2) Development that benefits the State, a unit of
10 local government, or a school district.

11 (3) Water supply, wastewater, flood control, and
12 drainage projects.

13 (4) Public buildings, hospitals, and parks.

14 (5) The provision of utility service.

15 (6) Development for any purpose for which the exercise
16 of the power of eminent domain is authorized under the
17 Public Utilities Act.

18 (7) Libraries, museums, and related facilities and any
19 infrastructure related to those facilities.

20 (8) Development for any other entity or purpose for
21 which the exercise of eminent domain is authorized by law
22 on or after the effective date of this amendatory Act of
23 the 94th General Assembly.

24 (d) This Section does not affect the authority of a
25 governmental entity to condemn a leasehold estate on property
26 owned by the governmental entity.

27 (e) The determination by the State or a unit of local
28 government that is proposing the exercise of the power of
29 eminent domain that the taking does not involve an act or
30 circumstance prohibited under this Section does not create a
31 presumption with respect to whether the taking involves that
32 act or circumstance.

33 (f) This Section is a limitation on the exercise of the
34 power of eminent domain, but is not an independent grant of
35 authority to exercise the power of eminent domain.

36 (g) The authorization of the use of eminent domain

1 proceedings to take or damage property is an exclusive power
2 and function of the State. Neither the State nor a unit of
3 local government, including a home rule unit, may exercise the
4 power of eminent domain for private development purposes
5 otherwise than as provided in this Section. This Section is a
6 denial and limitation of home rule powers and functions under
7 subsection (h) of Section 6 of Article VII of the Illinois
8 Constitution.

9 (h) Neither the State nor a unit of local government may
10 take or damage property used for production agriculture for
11 private development through the exercise of the power of
12 eminent domain. For purposes of this subsection (h),
13 "production agriculture" means that term as it is defined in
14 Section 3-35 of the Use Tax Act.

15 Section 10. The Illinois Municipal Code is amended by
16 changing Section 11-74.4-3 as follows:

17 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

18 (Text of Section before amendment by P.A. 94-702 and
19 94-711)

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

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

29 On and after November 1, 1999, "blighted area" means any
30 improved or vacant area within the boundaries of a
31 redevelopment project area located within the territorial
32 limits of the municipality where:

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

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

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

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

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

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

34 (E) Illegal use of individual structures. The use
35 of structures in violation of applicable federal,
36 State, or local laws, exclusive of those applicable to

1 the presence of structures below minimum code
2 standards.

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

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

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

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

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

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

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

30 (L) Lack of community planning. The proposed
31 redevelopment project area was developed prior to or
32 without the benefit or guidance of a community plan.
33 This means that the development occurred prior to the
34 adoption by the municipality of a comprehensive or
35 other community plan or that the plan was not followed
36 at the time of the area's development. This factor must

1 be documented by evidence of adverse or incompatible
2 land-use relationships, inadequate street layout,
3 improper subdivision, parcels of inadequate shape and
4 size to meet contemporary development standards, or
5 other evidence demonstrating an absence of effective
6 community planning.

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

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

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

1 for public utilities.

2 (B) Diversity of ownership of parcels of vacant
3 land sufficient in number to retard or impede the
4 ability to assemble the land for development.

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

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

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

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

35 (3) If vacant, the sound growth of the redevelopment
36 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.

35 (F) The area qualified as a blighted improved area
36 immediately prior to becoming vacant, unless there has

1 been substantial private investment in the immediately
2 surrounding area.

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

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

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

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

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

36 (4) Presence of structures below minimum code

1 standards. All structures that do not meet the standards of
2 zoning, subdivision, building, fire, and other
3 governmental codes applicable to property, but not
4 including housing and property maintenance codes.

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

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

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

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

34 (9) Excessive land coverage and overcrowding of
35 structures and community facilities. The over-intensive
36 use of property and the crowding of buildings and accessory

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

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

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

33 (12) The area has incurred Illinois Environmental
34 Protection Agency or United States Environmental
35 Protection Agency remediation costs for, or a study
36 conducted by an independent consultant recognized as

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

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

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

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

1 contiguous to such vacant land.

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

15 (f) "Municipality" shall mean a city, village,
16 incorporated town, or a township that is located in the
17 unincorporated portion of a county with 3 million or more
18 inhabitants, if the county adopted an ordinance that approved
19 the township's redevelopment plan.

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

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

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

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

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

19 (i) "Net State Sales Tax Increment" means the sum of the
20 following: (a) 80% of the first \$100,000 of State Sales Tax
21 Increment annually generated within a State Sales Tax Boundary;
22 (b) 60% of the amount in excess of \$100,000 but not exceeding
23 \$500,000 of State Sales Tax Increment annually generated within
24 a State Sales Tax Boundary; and (c) 40% of all amounts in
25 excess of \$500,000 of State Sales Tax Increment annually
26 generated within a State Sales Tax Boundary. If, however, a
27 municipality established a tax increment financing district in
28 a county with a population in excess of 3,000,000 before
29 January 1, 1986, and the municipality entered into a contract
30 or issued bonds after January 1, 1986, but before December 31,
31 1986, to finance redevelopment project costs within a State
32 Sales Tax Boundary, then the Net State Sales Tax Increment
33 means, for the fiscal years beginning July 1, 1990, and July 1,
34 1991, 100% of the State Sales Tax Increment annually generated
35 within a State Sales Tax Boundary; and notwithstanding any
36 other provision of this Act, for those fiscal years the

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

18 Municipalities that issued bonds in connection with a
19 redevelopment project in a redevelopment project area within
20 the State Sales Tax Boundary prior to July 29, 1991, or that
21 entered into contracts in connection with a redevelopment
22 project in a redevelopment project area before June 1, 1988,
23 shall continue to receive their proportional share of the
24 Illinois Tax Increment Fund distribution until the date on
25 which the redevelopment project is completed or terminated. If,
26 however, a municipality that issued bonds in connection with a
27 redevelopment project in a redevelopment project area within
28 the State Sales Tax Boundary prior to July 29, 1991 retires the
29 bonds prior to June 30, 2007 or a municipality that entered
30 into contracts in connection with a redevelopment project in a
31 redevelopment project area before June 1, 1988 completes the
32 contracts prior to June 30, 2007, then so long as the
33 redevelopment project is not completed or is not terminated,
34 the Net State Sales Tax Increment shall be calculated,
35 beginning on the date on which the bonds are retired or the
36 contracts are completed, as follows: By multiplying the Net

1 State Sales Tax Increment by 60% in the State Fiscal Year 2002;
2 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year
3 2004; 30% in the State Fiscal Year 2005; 20% in the State
4 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No
5 payment shall be made for State Fiscal Year 2008 and
6 thereafter. Refunding of any bonds issued prior to July 29,
7 1991, shall not alter the Net State Sales Tax Increment.

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

20 (k) "Net State Utility Tax Increment" means the sum of the
21 following: (a) 80% of the first \$100,000 of State Utility Tax
22 Increment annually generated by a redevelopment project area;
23 (b) 60% of the amount in excess of \$100,000 but not exceeding
24 \$500,000 of the State Utility Tax Increment annually generated
25 by a redevelopment project area; and (c) 40% of all amounts in
26 excess of \$500,000 of State Utility Tax Increment annually
27 generated by a redevelopment project area. For the State Fiscal
28 Year 1999, and every year thereafter until the year 2007, for
29 any municipality that has not entered into a contract or has
30 not issued bonds prior to June 1, 1988 to finance redevelopment
31 project costs within a redevelopment project area, the Net
32 State Utility Tax Increment shall be calculated as follows: By
33 multiplying the Net State Utility Tax Increment by 90% in the
34 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%
35 in the State Fiscal Year 2001; 60% in the State Fiscal Year
36 2002; 50% in the State Fiscal Year 2003; 40% in the State

1 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the
2 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.
3 No payment shall be made for the State Fiscal Year 2008 and
4 thereafter.

5 Municipalities that issue bonds in connection with the
6 redevelopment project during the period from June 1, 1988 until
7 3 years after the effective date of this Amendatory Act of 1988
8 shall receive the Net State Utility Tax Increment, subject to
9 appropriation, for 15 State Fiscal Years after the issuance of
10 such bonds. For the 16th through the 20th State Fiscal Years
11 after issuance of the bonds, the Net State Utility Tax
12 Increment shall be calculated as follows: By multiplying the
13 Net State Utility Tax Increment by 90% in year 16; 80% in year
14 17; 70% in year 18; 60% in year 19; and 50% in year 20.
15 Refunding of any bonds issued prior to June 1, 1988, shall not
16 alter the revised Net State Utility Tax Increment payments set
17 forth above.

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

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

34 (n) "Redevelopment plan" means the comprehensive program
35 of the municipality for development or redevelopment intended
36 by the payment of redevelopment project costs to reduce or

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

18 (A) an itemized list of estimated redevelopment
19 project costs;

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

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

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

29 (E) the nature and term of the obligations to be
30 issued;

31 (F) the most recent equalized assessed valuation of the
32 redevelopment project area;

33 (G) an estimate as to the equalized assessed valuation
34 after redevelopment and the general land uses to apply in
35 the redevelopment project area;

36 (H) a commitment to fair employment practices and an

1 affirmative action plan;

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

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

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

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

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

36 (3) The redevelopment plan establishes the estimated

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

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

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

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

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

33 (E) if the municipality is subject to the Local
34 Government Financial Planning and Supervision Act or
35 the Financially Distressed City Law, or

36 (F) if the ordinance was adopted in December 1984

1 by the Village of Rosemont, or

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

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

14 (I) if the ordinance was adopted on November 12,
15 1991 by the Village of Sauget, or

16 (J) if the ordinance was adopted on February 11,
17 1985 by the City of Rock Island, or

18 (K) if the ordinance was adopted before December
19 18, 1986 by the City of Moline, or

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

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

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

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

28 (P) if the ordinance was adopted on January 23,
29 1991 by the City of East St. Louis, or

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

32 (R) if the ordinance was adopted on February 5,
33 1990 by the City of Clinton, or

34 (S) if the ordinance was adopted on September 6,
35 1994 by the City of Freeport, or

36 (T) if the ordinance was adopted on December 22,

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

1 (LL) if the ordinance was adopted on October 20,
2 1986 by the City of Elmhurst, or

3 (MM) if the ordinance was adopted on January 19,
4 1988 by the City of Waukegan, or

5 (NN) if the ordinance was adopted on September 21,
6 1998 by the City of Waukegan, or

7 (OO) if the ordinance was adopted on December 31,
8 1986 by the City of Sullivan, or

9 (PP) if the ordinance was adopted on December 23,
10 1991 by the City of Sullivan, or.

11 (QQ) ~~(OO)~~ if the ordinance was adopted on December
12 31, 1986 by the City of Oglesby, or.

13 (RR) ~~(OO)~~ if the ordinance was adopted on July 28,
14 1987 by the City of Marion, or

15 (SS) ~~(PP)~~ if the ordinance was adopted on April 23,
16 1990 by the City of Marion.

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

31 A municipality may by municipal ordinance amend an
32 existing redevelopment plan to conform to this paragraph
33 (3) as amended by Public Act 91-478, which municipal
34 ordinance may be adopted without further hearing or notice
35 and without complying with the procedures provided in this
36 Act pertaining to an amendment to or the initial approval

1 of a redevelopment plan and project and designation of a
2 redevelopment project area.

3 Those dates, for purposes of real property tax
4 increment allocation financing pursuant to Section
5 11-74.4-8 only, shall be not more than 35 years for
6 redevelopment project areas that were adopted on or after
7 December 16, 1986 and for which at least \$8 million worth
8 of municipal bonds were authorized on or after December 19,
9 1989 but before January 1, 1990; provided that the
10 municipality elects to extend the life of the redevelopment
11 project area to 35 years by the adoption of an ordinance
12 after at least 14 but not more than 30 days' written notice
13 to the taxing bodies, that would otherwise constitute the
14 joint review board for the redevelopment project area,
15 before the adoption of the ordinance.

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

30 (3.5) The municipality finds, in the case of an
31 industrial park conservation area, also that the
32 municipality is a labor surplus municipality and that the
33 implementation of the redevelopment plan will reduce
34 unemployment, create new jobs and by the provision of new
35 facilities enhance the tax base of the taxing districts
36 that extend into the redevelopment project area.

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

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

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

35 Part II of the housing impact study shall identify the
36 inhabited residential units in the proposed redevelopment

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

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

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

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

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

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

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

33 (p) "Redevelopment project area" means an area designated
34 by the municipality, which is not less in the aggregate than 1
35 1/2 acres and in respect to which the municipality has made a
36 finding that there exist conditions which cause the area to be

1 classified as an industrial park conservation area or a
2 blighted area or a conservation area, or a combination of both
3 blighted areas and conservation areas.

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

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

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

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

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

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

26 (4) Costs of the construction of public works or
27 improvements, except that on and after November 1, 1999,
28 redevelopment project costs shall not include the cost of
29 constructing a new municipal public building principally
30 used to provide offices, storage space, or conference
31 facilities or vehicle storage, maintenance, or repair for
32 administrative, public safety, or public works personnel
33 and that is not intended to replace an existing public
34 building as provided under paragraph (3) of subsection (q)
35 of Section 11-74.4-3 unless either (i) the construction of
36 the new municipal building implements a redevelopment

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

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

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

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

27 (7.5) For redevelopment project areas designated (or
28 redevelopment project areas amended to add or increase the
29 number of tax-increment-financing assisted housing units)
30 on or after November 1, 1999, an elementary, secondary, or
31 unit school district's increased costs attributable to
32 assisted housing units located within the redevelopment
33 project area for which the developer or redeveloper
34 receives financial assistance through an agreement with
35 the municipality or because the municipality incurs the
36 cost of necessary infrastructure improvements within the

1 boundaries of the assisted housing sites necessary for the
2 completion of that housing as authorized by this Act, and
3 which costs shall be paid by the municipality from the
4 Special Tax Allocation Fund when the tax increment revenue
5 is received as a result of the assisted housing units and
6 shall be calculated annually as follows:

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

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

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

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

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

28 (i) for unit school districts, no more than 40%
29 of the total amount of property tax increment
30 revenue produced by those housing units that have
31 received tax increment finance assistance under
32 this Act;

33 (ii) for elementary school districts, no more
34 than 27% of the total amount of property tax
35 increment revenue produced by those housing units
36 that have received tax increment finance

1 assistance under this Act; and

2 (iii) for secondary school districts, no more
3 than 13% of the total amount of property tax
4 increment revenue produced by those housing units
5 that have received tax increment finance
6 assistance under this Act.

7 (C) For any school district in a municipality with
8 a population in excess of 1,000,000, the following
9 restrictions shall apply to the reimbursement of
10 increased costs under this paragraph (7.5):

11 (i) no increased costs shall be reimbursed
12 unless the school district certifies that each of
13 the schools affected by the assisted housing
14 project is at or over its student capacity;

15 (ii) the amount reimbursable shall be reduced
16 by the value of any land donated to the school
17 district by the municipality or developer, and by
18 the value of any physical improvements made to the
19 schools by the municipality or developer; and

20 (iii) the amount reimbursed may not affect
21 amounts otherwise obligated by the terms of any
22 bonds, notes, or other funding instruments, or the
23 terms of any redevelopment agreement.

24 Any school district seeking payment under this
25 paragraph (7.5) shall, after July 1 and before
26 September 30 of each year, provide the municipality
27 with reasonable evidence to support its claim for
28 reimbursement before the municipality shall be
29 required to approve or make the payment to the school
30 district. If the school district fails to provide the
31 information during this period in any year, it shall
32 forfeit any claim to reimbursement for that year.
33 School districts may adopt a resolution waiving the
34 right to all or a portion of the reimbursement
35 otherwise required by this paragraph (7.5). By
36 acceptance of this reimbursement the school district

1 waives the right to directly or indirectly set aside,
2 modify, or contest in any manner the establishment of
3 the redevelopment project area or projects;

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

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

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

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

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

35 (8) Relocation costs to the extent that a municipality
36 determines that relocation costs shall be paid or is

1 required to make payment of relocation costs by federal or
2 State law or in order to satisfy subparagraph (7) of
3 subsection (n). In all eminent domain actions in which a
4 property owner is displaced, the displacing entity must pay
5 the owner all of the following:

6 (A) The actual reasonable relocation expenses of
7 the owner and the owner's family and the owner's
8 business, farm operation, or personal property.

9 (B) The amount of any direct losses of tangible
10 personal property incurred by the owner as a result of
11 relocating or discontinuing the owner's business or
12 farm operation, but not to exceed an amount equal to
13 the reasonable expenses that would have been required
14 to relocate the property.

15 (C) The actual reasonable expenses incurred by the
16 owner in searching for a replacement business or farm
17 operation.

18 (D) The actual reasonable expenses of the owner
19 that were necessary for the owner to reestablish the
20 owner's displaced farm operation, nonprofit
21 organization, or small business, but not to exceed
22 \$10,000;

23 (9) Payment in lieu of taxes;

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

1 describes the program to be undertaken, including but not
2 limited to the number of employees to be trained, a
3 description of the training and services to be provided,
4 the number and type of positions available or to be
5 available, itemized costs of the program and sources of
6 funds to pay for the same, and the term of the agreement.
7 Such costs include, specifically, the payment by community
8 college districts of costs pursuant to Sections 3-37, 3-38,
9 3-40 and 3-40.1 of the Public Community College Act and by
10 school districts of costs pursuant to Sections 10-22.20a
11 and 10-23.3a of The School Code;

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

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

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

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

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

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

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

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

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

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

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

1 to time by the United States Department of Housing and
2 Urban Development.

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

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

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

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

1 certify pursuant to subsection (9) of Section 11-74.4-8a the
2 appropriate boundaries eligible for the determination of State
3 Sales Tax Increment.

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

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

30 (t) "Taxing districts" means counties, townships, cities
31 and incorporated towns and villages, school, road, park,
32 sanitary, mosquito abatement, forest preserve, public health,
33 fire protection, river conservancy, tuberculosis sanitarium
34 and any other municipal corporations or districts with the
35 power to levy taxes.

36 (u) "Taxing districts' capital costs" means those costs of

1 taxing districts for capital improvements that are found by the
2 municipal corporate authorities to be necessary and directly
3 result from the redevelopment project.

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

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

1 each municipality.

2 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;
3 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-961, eff.
4 1-1-05; 93-983, eff. 8-23-04; 93-984, eff. 8-23-04; 93-985,
5 eff. 8-23-04; 93-986, eff. 8-23-04; 93-987, eff. 8-23-04;
6 93-995, eff. 8-23-04; 93-1024, eff. 8-25-04; 93-1076, eff.
7 1-18-05; 94-260, eff. 7-19-05; 94-268, eff. 7-19-05; 94-297,
8 eff. 7-21-05; 94-302, eff. 7-21-05; 94-704, eff. 12-5-05;
9 revised 12-9-05.)

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

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

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

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

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

33 (A) Dilapidation. An advanced state of disrepair
34 or neglect of necessary repairs to the primary
35 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
35 light or air circulation in spaces or rooms without
36 windows, or that require the removal of dust, odor,

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

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

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

1 lack of reasonably required off-street parking, or
2 inadequate provision for loading and service.

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

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

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

33 (M) The total equalized assessed value of the
34 proposed redevelopment project area has declined for 3
35 of the last 5 calendar years prior to the year in which
36 the redevelopment project area is designated or is

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 On and after November 1, 1999, "conservation area" means
35 any improved area within the boundaries of a redevelopment
36 project area located within the territorial limits of the

1 municipality in which 50% or more of the structures in the area
2 have an age of 35 years or more. Such an area is not yet a
3 blighted area but because of a combination of 3 or more of the
4 following factors is detrimental to the public safety, health,
5 morals or welfare and such an area may become a blighted area:

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

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

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

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

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

35 (6) Excessive vacancies. The presence of buildings
36 that are unoccupied or under-utilized and that represent an

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

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

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

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

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

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

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

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

34 (13) The total equalized assessed value of the proposed
35 redevelopment project area has declined for 3 of the last 5
36 calendar years for which information is available or is

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

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

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

28 (e) "Labor surplus municipality" means a municipality in
29 which, at any time during the 6 months before the municipality
30 by ordinance designates an industrial park conservation area,
31 the unemployment rate was over 6% and was also 100% or more of
32 the national average unemployment rate for that same time as
33 published in the United States Department of Labor Bureau of
34 Labor Statistics publication entitled "The Employment
35 Situation" or its successor publication. For the purpose of
36 this subsection, if unemployment rate statistics for the

1 municipality are not available, the unemployment rate in the
2 municipality shall be deemed to be the same as the unemployment
3 rate in the principal county in which the municipality is
4 located.

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

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

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

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

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

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

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

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

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

34 (j) "State Utility Tax Increment Amount" means an amount
35 equal to the aggregate increase in State electric and gas tax
36 charges imposed on owners and tenants, other than residential

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (J) if property is to be annexed to the municipality,
36 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
35 redevelopment project area is adopted if the ordinance was
36 adopted on or after January 15, 1981; shall not be later

1 than December 31 of the year in which the payment to the
2 municipal treasurer as provided in subsection (b) of
3 Section 11-74.4-8 of this Act is to be made with respect to
4 ad valorem taxes levied in the thirty-third calendar year
5 after the year in which the ordinance approving the
6 redevelopment project area if the ordinance was adopted on
7 May 20, 1985 by the Village of Wheeling; and shall not be
8 later than December 31 of the year in which the payment to
9 the municipal treasurer as provided in subsection (b) of
10 Section 11-74.4-8 of this Act is to be made with respect to
11 ad valorem taxes levied in the thirty-fifth calendar year
12 after the year in which the ordinance approving the
13 redevelopment project area is adopted:

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

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

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

21 (D) if the ordinance was adopted before January 1,
22 1987 by a municipality in Mason County, or

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

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

28 (G) if the ordinance was adopted on December 31,
29 1986 by a municipality located in Clinton County for
30 which at least \$250,000 of tax increment bonds were
31 authorized on June 17, 1997, or if the ordinance was
32 adopted on December 31, 1986 by a municipality with a
33 population in 1990 of less than 3,600 that is located
34 in a county with a population in 1990 of less than
35 34,000 and for which at least \$250,000 of tax increment
36 bonds were authorized on June 17, 1997, or

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

4 (I) if the ordinance was adopted on November 12,
5 1991 by the Village of Sauget, or

6 (J) if the ordinance was adopted on February 11,
7 1985 by the City of Rock Island, or

8 (K) if the ordinance was adopted before December
9 18, 1986 by the City of Moline, or

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

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

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

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

18 (P) if the ordinance was adopted on January 23,
19 1991 by the City of East St. Louis, or

20 (Q) if the ordinance was adopted on December 22,
21 1986 by the City of Aledo, or

22 (R) if the ordinance was adopted on February 5,
23 1990 by the City of Clinton, or

24 (S) if the ordinance was adopted on September 6,
25 1994 by the City of Freeport, or

26 (T) if the ordinance was adopted on December 22,
27 1986 by the City of Tuscola, or

28 (U) if the ordinance was adopted on December 23,
29 1986 by the City of Sparta, or

30 (V) if the ordinance was adopted on December 23,
31 1986 by the City of Beardstown, or

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

35 (X) if the ordinance was adopted on December 29,
36 1986 by the City of Collinsville, or

1 (Y) if the ordinance was adopted on September 14,
2 1994 by the City of Alton, or

3 (Z) if the ordinance was adopted on November 11,
4 1996 by the City of Lexington, or

5 (AA) if the ordinance was adopted on November 5,
6 1984 by the City of LeRoy, or

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

9 (CC) if the ordinance was adopted on November 11,
10 1986 by the City of Pekin, or

11 (DD) if the ordinance was adopted on December 15,
12 1981 by the City of Champaign, or

13 (EE) if the ordinance was adopted on December 15,
14 1986 by the City of Urbana, or

15 (FF) if the ordinance was adopted on December 15,
16 1986 by the Village of Heyworth, or

17 (GG) if the ordinance was adopted on February 24,
18 1992 by the Village of Heyworth, or

19 (HH) if the ordinance was adopted on March 16, 1995
20 by the Village of Heyworth, or

21 (II) if the ordinance was adopted on December 23,
22 1986 by the Town of Cicero, or

23 (JJ) if the ordinance was adopted on December 30,
24 1986 by the City of Effingham, or

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

27 (LL) if the ordinance was adopted on October 20,
28 1986 by the City of Elmhurst, or

29 (MM) if the ordinance was adopted on January 19,
30 1988 by the City of Waukegan, or

31 (NN) if the ordinance was adopted on September 21,
32 1998 by the City of Waukegan, or

33 (OO) if the ordinance was adopted on December 31,
34 1986 by the City of Sullivan, or

35 (PP) if the ordinance was adopted on December 23,
36 1991 by the City of Sullivan, or-

1 (QQ) ~~(OO)~~ if the ordinance was adopted on December
2 31, 1986 by the City of Oglesby, or.

3 (RR) ~~(OO)~~ if the ordinance was adopted on July 28,
4 1987 by the City of Marion, or

5 (SS) ~~(PP)~~ if the ordinance was adopted on April 23,
6 1990 by the City of Marion, or.

7 (TT) ~~(OO)~~ if the ordinance was adopted on August
8 20, 1985 by the Village of Mount Prospect, or.

9 (UU) ~~(OO)~~ if the ordinance was adopted on February
10 2, 1998 by the Village of Woodhull.

11 However, for redevelopment project areas for which
12 bonds were issued before July 29, 1991, or for which
13 contracts were entered into before June 1, 1988, in
14 connection with a redevelopment project in the area within
15 the State Sales Tax Boundary, the estimated dates of
16 completion of the redevelopment project and retirement of
17 obligations to finance redevelopment project costs may be
18 extended by municipal ordinance to December 31, 2013. The
19 termination procedures of subsection (b) of Section
20 11-74.4-8 are not required for these redevelopment project
21 areas in 2009 but are required in 2013. The extension
22 allowed by this amendatory Act of 1993 shall not apply to
23 real property tax increment allocation financing under
24 Section 11-74.4-8.

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

33 Those dates, for purposes of real property tax
34 increment allocation financing pursuant to Section
35 11-74.4-8 only, shall be not more than 35 years for
36 redevelopment project areas that were adopted on or after

1 December 16, 1986 and for which at least \$8 million worth
2 of municipal bonds were authorized on or after December 19,
3 1989 but before January 1, 1990; provided that the
4 municipality elects to extend the life of the redevelopment
5 project area to 35 years by the adoption of an ordinance
6 after at least 14 but not more than 30 days' written notice
7 to the taxing bodies, that would otherwise constitute the
8 joint review board for the redevelopment project area,
9 before the adoption of the ordinance.

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

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

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

1 (b) that such incremental revenues will be exclusively
2 utilized for the development of the redevelopment project
3 area.

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

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

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

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

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

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

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

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

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

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

34 (q) "Redevelopment project costs" mean and include the sum
35 total of all reasonable or necessary costs incurred or
36 estimated to be incurred, and any such costs incidental to a

1 redevelopment plan and a redevelopment project. Such costs
2 include, without limitation, the following:

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

31 (1.5) After July 1, 1999, annual administrative costs
32 shall not include general overhead or administrative costs
33 of the municipality that would still have been incurred by
34 the municipality if the municipality had not designated a
35 redevelopment project area or approved a redevelopment
36 plan;

1 (1.6) The cost of marketing sites within the
2 redevelopment project area to prospective businesses,
3 developers, and investors;

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

12 (3) Costs of rehabilitation, reconstruction or repair
13 or remodeling of existing public or private buildings,
14 fixtures, and leasehold improvements; and the cost of
15 replacing an existing public building if pursuant to the
16 implementation of a redevelopment project the existing
17 public building is to be demolished to use the site for
18 private investment or devoted to a different use requiring
19 private investment;

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

1 need for public safety purposes anticipated to result from
2 the implementation of the redevelopment plan;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 (7.7) 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 January 1, 2005 (the effective date of Public
2 Act 93-961), a public library district's increased costs
3 attributable to assisted housing units located within the
4 redevelopment project area for which the developer or
5 redeveloper receives financial assistance through an
6 agreement with the municipality or because the
7 municipality incurs the cost of necessary infrastructure
8 improvements within the boundaries of the assisted housing
9 sites necessary for the completion of that housing as
10 authorized by this Act shall be paid to the library
11 district by the municipality from the Special Tax
12 Allocation Fund when the tax increment revenue is received
13 as a result of the assisted housing units. This paragraph
14 (7.7) applies only if (i) the library district is located
15 in a county that is subject to the Property Tax Extension
16 Limitation Law or (ii) the library district is not located
17 in a county that is subject to the Property Tax Extension
18 Limitation Law but the district is prohibited by any other
19 law from increasing its tax levy rate without a prior voter
20 referendum.

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

36 (A) The actual reasonable relocation expenses of

1 the owner and the owner's family and the owner's
2 business, farm operation, or personal property.

3 (B) The amount of any direct losses of tangible
4 personal property incurred by the owner as a result of
5 relocating or discontinuing the owner's business or
6 farm operation, but not to exceed an amount equal to
7 the reasonable expenses that would have been required
8 to relocate the property.

9 (C) The actual reasonable expenses incurred by the
10 owner in searching for a replacement business or farm
11 operation.

12 (D) The actual reasonable expenses of the owner
13 that were necessary for the owner to reestablish the
14 owner's displaced farm operation, nonprofit
15 organization, or small business, but not to exceed
16 \$10,000;

17 (9) Payment in lieu of taxes;

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

1 Such costs include, specifically, the payment by community
2 college districts of costs pursuant to Sections 3-37, 3-38,
3 3-40 and 3-40.1 of the Public Community College Act and by
4 school districts of costs pursuant to Sections 10-22.20a
5 and 10-23.3a of The School Code;

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

9 (A) such costs are to be paid directly from the
10 special tax allocation fund established pursuant to
11 this Act;

12 (B) such payments in any one year may not exceed
13 30% of the annual interest costs incurred by the
14 redeveloper with regard to the redevelopment project
15 during that year;

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

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

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

35 (F) Instead of the eligible costs provided by
36 subparagraphs (B) and (D) of paragraph (11), as

1 modified by this subparagraph, and notwithstanding any
2 other provisions of this Act to the contrary, the
3 municipality may pay from tax increment revenues up to
4 50% of the cost of construction of new housing units to
5 be occupied by low-income households and very
6 low-income households as defined in Section 3 of the
7 Illinois Affordable Housing Act. The cost of
8 construction of those units may be derived from the
9 proceeds of bonds issued by the municipality under this
10 Act or other constitutional or statutory authority or
11 from other sources of municipal revenue that may be
12 reimbursed from tax increment revenues or the proceeds
13 of bonds issued to finance the construction of that
14 housing.

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

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

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

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

36 (13) After November 1, 1999 (the effective date of

1 Public Act 91-478), none of the redevelopment project costs
2 enumerated in this subsection shall be eligible
3 redevelopment project costs if those costs would provide
4 direct financial support to a retail entity initiating
5 operations in the redevelopment project area while
6 terminating operations at another Illinois location within
7 10 miles of the redevelopment project area but outside the
8 boundaries of the redevelopment project area municipality.
9 For purposes of this paragraph, termination means a closing
10 of a retail operation that is directly related to the
11 opening of the same operation or like retail entity owned
12 or operated by more than 50% of the original ownership in a
13 redevelopment project area, but it does not mean closing an
14 operation for reasons beyond the control of the retail
15 entity, as documented by the retail entity, subject to a
16 reasonable finding by the municipality that the current
17 location contained inadequate space, had become
18 economically obsolete, or was no longer a viable location
19 for the retailer or serviceman.

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

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

34 (s) "State Sales Tax Increment" means an amount equal to
35 the increase in the aggregate amount of taxes paid by retailers
36 and servicemen, other than retailers and servicemen subject to

1 the Public Utilities Act, on transactions at places of business
2 located within a State Sales Tax Boundary pursuant to the
3 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use
4 Tax Act, and the Service Occupation Tax Act, except such
5 portion of such increase that is paid into the State and Local
6 Sales Tax Reform Fund, the Local Government Distributive Fund,
7 the Local Government Tax Fund and the County and Mass Transit
8 District Fund, for as long as State participation exists, over
9 and above the Initial Sales Tax Amounts, Adjusted Initial Sales
10 Tax Amounts or the Revised Initial Sales Tax Amounts for such
11 taxes as certified by the Department of Revenue and paid under
12 those Acts by retailers and servicemen on transactions at
13 places of business located within the State Sales Tax Boundary
14 during the base year which shall be the calendar year
15 immediately prior to the year in which the municipality adopted
16 tax increment allocation financing, less 3.0% of such amounts
17 generated under the Retailers' Occupation Tax Act, Use Tax Act
18 and Service Use Tax Act and the Service Occupation Tax Act,
19 which sum shall be appropriated to the Department of Revenue to
20 cover its costs of administering and enforcing this Section.
21 For purposes of computing the aggregate amount of such taxes
22 for base years occurring prior to 1985, the Department of
23 Revenue shall compute the Initial Sales Tax Amount for such
24 taxes and deduct therefrom an amount equal to 4% of the
25 aggregate amount of taxes per year for each year the base year
26 is prior to 1985, but not to exceed a total deduction of 12%.
27 The amount so determined shall be known as the "Adjusted
28 Initial Sales Tax Amount". For purposes of determining the
29 State Sales Tax Increment the Department of Revenue shall for
30 each period subtract from the tax amounts received from
31 retailers and servicemen on transactions located in the State
32 Sales Tax Boundary, the certified Initial Sales Tax Amounts,
33 Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax
34 Amounts for the Retailers' Occupation Tax Act, the Use Tax Act,
35 the Service Use Tax Act and the Service Occupation Tax Act. For
36 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
35 Act, "vacant land" means any parcel or combination of parcels
36 of real property without industrial, commercial, and

1 residential buildings which has not been used for commercial
2 agricultural purposes within 5 years prior to the designation
3 of the redevelopment project area, unless the parcel is
4 included in an industrial park conservation area or the parcel
5 has been subdivided; provided that if the parcel was part of a
6 larger tract that has been divided into 3 or more smaller
7 tracts that were accepted for recording during the period from
8 1950 to 1990, then the parcel shall be deemed to have been
9 subdivided, and all proceedings and actions of the municipality
10 taken in that connection with respect to any previously
11 approved or designated redevelopment project area or amended
12 redevelopment project area are hereby validated and hereby
13 declared to be legally sufficient for all purposes of this Act.
14 For purposes of this Section and only for land subject to the
15 subdivision requirements of the Plat Act, land is subdivided
16 when the original plat of the proposed Redevelopment Project
17 Area or relevant portion thereof has been properly certified,
18 acknowledged, approved, and recorded or filed in accordance
19 with the Plat Act and a preliminary plat, if any, for any
20 subsequent phases of the proposed Redevelopment Project Area or
21 relevant portion thereof has been properly approved and filed
22 in accordance with the applicable ordinance of the
23 municipality.

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

32 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;
33 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-961, eff.
34 1-1-05; 93-983, eff. 8-23-04; 93-984, eff. 8-23-04; 93-985,
35 eff. 8-23-04; 93-986, eff. 8-23-04; 93-987, eff. 8-23-04;
36 93-995, eff. 8-23-04; 93-1024, eff. 8-25-04; 93-1076, eff.

1 1-18-05; 94-260, eff. 7-19-05; 94-268, eff. 7-19-05; 94-297,
2 eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff. 6-1-06;
3 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; revised 12-9-05.)

4 Section 15. The Code of Civil Procedure is amended by
5 changing Sections 7-121 and 7-122 and by adding Section 7-115.5
6 as follows:

7 (735 ILCS 5/7-115.5 new)

8 Sec. 7-115.5. Blight. Notwithstanding any provision of law
9 to the contrary, in a condemnation proceeding in which the
10 property has been designated by the condemning authority by
11 ordinance as blighted, the condemning authority must
12 demonstrate and prove by a preponderance of the evidence that
13 the property is "blighted property" in accordance with Section
14 10 of the Statute on Statutes. The existence of an ordinance
15 designating property as blighted is not prima facie evidence of
16 blight. An ordinance designating property as "blighted
17 property" in accordance with Section 10 of the Statute on
18 Statutes shall not be presumed to be valid for purposes of the
19 condemnation proceeding.

20 (735 ILCS 5/7-121) (from Ch. 110, par. 7-121)

21 Sec. 7-121. Value. Except as to property designated as
22 possessing a special use, the fair cash market value of
23 property in a proceeding in eminent domain shall be the amount
24 of money which a purchaser, willing but not obligated to buy
25 the property, would pay to an owner willing but not obliged to
26 sell in a voluntary sale, which amount of money shall be
27 determined and ascertained as provided in subsection (b) ~~as of~~
28 ~~the date of filing the complaint to condemn.~~ In the
29 condemnation of property for a public improvement there shall
30 be excluded from such amount of money any appreciation in value
31 proximately caused by such improvement, and any depreciation in
32 value proximately caused by such improvement. However, such
33 appreciation or depreciation shall not be excluded where

1 property is condemned for a separate project conceived
2 independently of and subsequent to the original project.

3 (b) If the trial or quick-take proceeding is commenced
4 within one year after the complaint for condemnation is filed,
5 then the fair cash market value of property in a proceeding in
6 eminent domain shall be determined and ascertained as of the
7 date of filing the complaint to condemn.

8 If the trial or quick-take proceeding is commenced later
9 than one year after the filing of the complaint to condemn, the
10 fair cash market value of the property shall be determined and
11 ascertained as of the 180th day before the date on which the
12 trial or quick-take proceeding was commenced.

13 The court may, in its discretion, require that the fair
14 cash market value of the property be determined and ascertained
15 as of the date of filing the complaint to condemn even if the
16 trial or quick-take proceeding is commenced later than one year
17 after the filing of the complaint to condemn if the court
18 determines that:

19 (i) the property owner caused an unreasonable delay and
20 the fair cash market value of the property increased
21 between the date that the complaint for condemnation was
22 filed and the 180th day before the trial or quick-take
23 proceeding was commenced; or

24 (ii) the condemning authority caused an unreasonable
25 delay and the fair cash market value of the property
26 decreased between the date that the complaint for
27 condemnation was filed and the 180th day before the trial
28 or quick-take proceeding was commenced.

29 If the property owner challenges the condemning
30 authority's right to exercise the power of eminent domain, the
31 challenge is not, in and of itself, an unreasonable delay on
32 the part of the property owner.

33 (Source: P.A. 82-280.)

34 (735 ILCS 5/7-122) (from Ch. 110, par. 7-122)

35 Sec. 7-122. Reimbursement.

1 (a) In all ~~Where the State of Illinois, a political~~
2 ~~subdivision of the State or a municipality is required by a~~
3 ~~court to initiate~~ condemnation proceedings for the ~~actual~~
4 ~~physical~~ taking or damaging of real property, the court
5 rendering judgment ~~for the property owner and awarding just~~
6 ~~compensation for such taking~~ shall determine and award or allow
7 to the ~~such~~ property owner, as part of that ~~such~~ judgment or
8 award, such further sums, as will in the opinion of the court,
9 reimburse the ~~such~~ property owner for the owner's reasonable
10 costs, disbursements and expenses, ~~including reasonable~~
11 ~~attorney, appraisal and engineering fees~~ actually incurred by
12 the property owner in those ~~such~~ proceedings, including:

13 (1) reasonable attorney's fees and appraisal fees;

14 (2) the actual reasonable relocation expenses of the
15 owner and the owner's family and the owner's business, farm
16 operation, or personal property;

17 (3) the amount of any direct losses of tangible
18 personal property incurred by the owner as a result of
19 relocating or discontinuing the owner's business or farm
20 operation, but not to exceed an amount equal to the
21 reasonable expenses that would have been required to
22 relocate the property;

23 (4) the actual reasonable expenses incurred by the
24 owner in searching for a replacement business or farm
25 operation;

26 (5) the actual reasonable expenses of the owner that
27 were necessary for the owner to reestablish the owner's
28 displaced farm operation, nonprofit organization, or small
29 business, but not to exceed \$10,000; and

30 (6) any other reasonable costs incurred by the property
31 owner.

32 The property owner shall submit to the court a copy of any
33 fee agreement between the property owner and the owner's
34 attorney. The amount of attorney's fees due in accordance with
35 the fee agreement shall be reduced by the amount of attorney's
36 fees awarded under this Section.

1 (b) Any award of attorney's fees as part of just
2 compensation shall be based solely on the net benefit achieved
3 for the property owner, except that the court may also consider
4 any non-monetary benefits obtained for the property owner
5 through the efforts of the attorney to the extent that the
6 non-monetary benefits are specifically identified by the court
7 and can be quantified by the court with a reasonable degree of
8 certainty. "Net benefit" means the difference, exclusive of
9 interest, between the final judgment or settlement and the last
10 written offer made by the condemning authority before the
11 property owner hires an attorney or, if the condemning
12 authority does not make a written offer before the property
13 owner hires an attorney, then "net benefit" means the
14 difference between the final judgment or settlement and the
15 first written offer. The award shall be calculated as follows:

16 (1) 33% of the net benefit if the net benefit is
17 \$250,000 or less;

18 (2) 25% of the net benefit if the net benefit is more
19 than \$250,000 but less than \$1 million; or

20 (3) 20% of the net benefit if the net benefit is \$1
21 million or more.

22 (c) In assessing attorney's fees incurred by the property
23 owner in defeating an order of taking or an order for
24 apportionment, or other supplemental proceedings, when not
25 otherwise provided for, the court shall consider:

26 (1) the novelty, difficulty, and importance of the
27 questions involved;

28 (2) the skill employed by the attorney in conducting
29 the cause;

30 (3) the amount of money involved;

31 (4) the responsibility incurred and fulfilled by the
32 attorney;

33 (5) the attorney's time and labor reasonably required
34 to adequately represent the client in relation to the
35 benefits obtained by the property owner; and

36 (6) the fee or rate customarily charged for legal

1 services a comparable or similar nature.

2 In determining the amount of attorney's fees to be awarded
3 under this subsection (c), the court shall consider the fees
4 the property owner would ordinarily be expected to pay for
5 these services if the condemning authority were not responsible
6 for the payment of those fees. At least 30 days before any
7 hearing to assess attorney's fees in accordance with this
8 subsection (c), the attorney shall submit to the court and to
9 the condemning authority the attorney's complete time records
10 and a detailed statement of services indicating the date,
11 nature, and cost of the services rendered and accounting for
12 the time spent performing those services.

13 (Source: P.A. 82-280.)

14 Section 90. The State Mandates Act is amended by adding
15 Section 8.30 as follows:

16 (30 ILCS 805/8.30 new)

17 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
18 of this Act, no reimbursement by the State is required for the
19 implementation of any mandate created by this amendatory Act of
20 the 94th General Assembly.

21 Section 95. Home rule preemption. Except as otherwise
22 specifically provided, neither the State, a unit of local
23 government, including a home rule unit, nor a school district
24 may exercise the power of eminent domain in a manner that is
25 inconsistent with the amendatory changes of this amendatory Act
26 of the 94th General Assembly. This Section is a limitation
27 under subsection (i) of Section 6 of Article VII of the
28 Illinois Constitution on the concurrent exercise by home rule
29 units of powers and functions exercised by the State.

30 Section 97. No acceleration or delay. Where this Act makes
31 changes in a statute that is represented in this Act by text
32 that is not yet or no longer in effect (for example, a Section

1 represented by multiple versions), the use of that text does
2 not accelerate or delay the taking effect of (i) the changes
3 made by this Act or (ii) provisions derived from any other
4 Public Act.

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.