



Sen. Don Harmon

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1 AMENDMENT TO HOUSE BILL 1519

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1519, AS AMENDED, by  
3 replacing everything after the enacting clause with the  
4 following:

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

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

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

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

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

5           (1) If improved, industrial, commercial, and  
6 residential buildings or improvements are detrimental to  
7 the public safety, health, or welfare because of a  
8 combination of 5 or more of the following factors, each of  
9 which is (i) present, with that presence documented, to a  
10 meaningful extent so that a municipality may reasonably  
11 find that the factor is clearly present within the intent  
12 of the Act and (ii) reasonably distributed throughout the  
13 improved part of the redevelopment project area:

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

21           (B) Obsolescence. The condition or process of  
22 falling into disuse. Structures have become ill-suited  
23 for the original use.

24           (C) Deterioration. With respect to buildings,  
25 defects including, but not limited to, major defects in  
26 the secondary building components such as doors,

1 windows, porches, gutters and downspouts, and fascia.  
2 With respect to surface improvements, that the  
3 condition of roadways, alleys, curbs, gutters,  
4 sidewalks, off-street parking, and surface storage  
5 areas evidence deterioration, including, but not  
6 limited to, surface cracking, crumbling, potholes,  
7 depressions, loose paving material, and weeds  
8 protruding through paved surfaces.

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

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

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

23 (G) Lack of ventilation, light, or sanitary  
24 facilities. The absence of adequate ventilation for  
25 light or air circulation in spaces or rooms without  
26 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

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,

1 provided that the remediation costs constitute a  
2 material impediment to the development or  
3 redevelopment of the redevelopment project area.

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

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

1           agency for 3 of the last 5 calendar years prior to the  
2           year in which the redevelopment project area is  
3           designated.

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

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

22           (B) Diversity of ownership of parcels of vacant  
23           land sufficient in number to retard or impede the  
24           ability to assemble the land for development.

25           (C) Tax and special assessment delinquencies exist  
26           or the property has been the subject of tax sales under

1 the Property Tax Code within the last 5 years.

2 (D) Deterioration of structures or site  
3 improvements in neighboring areas adjacent to the  
4 vacant land.

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

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



1           year in which the redevelopment project area is  
2           designated.

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

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

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

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

24                   (D) The area consists of an unused or illegal  
25                   disposal site containing earth, stone, building  
26                   debris, or similar materials that were removed from

1 construction, demolition, excavation, or dredge sites.

2 (E) Prior to November 1, 1999, the area is not less  
3 than 50 nor more than 100 acres and 75% of which is  
4 vacant (notwithstanding that the area has been used for  
5 commercial agricultural purposes within 5 years prior  
6 to the designation of the redevelopment project area),  
7 and the area meets at least one of the factors itemized  
8 in paragraph (1) of this subsection, the area has been  
9 designated as a town or village center by ordinance or  
10 comprehensive plan adopted prior to January 1, 1982,  
11 and the area has not been developed for that designated  
12 purpose.

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

17 (b) For any redevelopment project area that has been  
18 designated pursuant to this Section by an ordinance adopted  
19 prior to November 1, 1999 (the effective date of Public Act  
20 91-478), "conservation area" shall have the meaning set forth  
21 in this Section prior to that date.

22 On and after November 1, 1999, "conservation area" means  
23 any improved area within the boundaries of a redevelopment  
24 project area located within the territorial limits of the  
25 municipality in which 50% or more of the structures in the area  
26 have an age of 35 years or more. Such an area is not yet a

1 blighted area but because of a combination of 3 or more of the  
2 following factors is detrimental to the public safety, health,  
3 morals or welfare and such an area may become a blighted area:

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

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

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

24 (4) Presence of structures below minimum code  
25 standards. All structures that do not meet the standards of  
26 zoning, subdivision, building, fire, and other

1 governmental codes applicable to property, but not  
2 including housing and property maintenance codes.

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

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

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

24 (8) Inadequate utilities. Underground and overhead  
25 utilities such as storm sewers and storm drainage, sanitary  
26 sewers, water lines, and gas, telephone, and electrical

1 services that are shown to be inadequate. Inadequate  
2 utilities are those that are: (i) of insufficient capacity  
3 to serve the uses in the redevelopment project area, (ii)  
4 deteriorated, antiquated, obsolete, or in disrepair, or  
5 (iii) lacking within the redevelopment project area.

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

24 (10) Deleterious land use or layout. The existence of  
25 incompatible land-use relationships, buildings occupied by  
26 inappropriate mixed-uses, or uses considered to be

1 noxious, offensive, or unsuitable for the surrounding  
2 area.

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

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

26 (13) The total equalized assessed value of the proposed

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

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

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

1 area includes both vacant land suitable for use as an  
2 industrial park and a blighted area or conservation area  
3 contiguous to such vacant land.

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

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

22 (g) "Initial Sales Tax Amounts" means the amount of taxes  
23 paid under the Retailers' Occupation Tax Act, Use Tax Act,  
24 Service Use Tax Act, the Service Occupation Tax Act, the  
25 Municipal Retailers' Occupation Tax Act, and the Municipal  
26 Service Occupation Tax Act by retailers and servicemen on



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

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

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

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

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

15 (i) "Net State Sales Tax Increment" means the sum of the  
16 following: (a) 80% of the first \$100,000 of State Sales Tax  
17 Increment annually generated within a State Sales Tax Boundary;  
18 (b) 60% of the amount in excess of \$100,000 but not exceeding  
19 \$500,000 of State Sales Tax Increment annually generated within  
20 a State Sales Tax Boundary; and (c) 40% of all amounts in  
21 excess of \$500,000 of State Sales Tax Increment annually  
22 generated within a State Sales Tax Boundary. If, however, a  
23 municipality established a tax increment financing district in  
24 a county with a population in excess of 3,000,000 before  
25 January 1, 1986, and the municipality entered into a contract  
26 or issued bonds after January 1, 1986, but before December 31,

1 1986, to finance redevelopment project costs within a State  
2 Sales Tax Boundary, then the Net State Sales Tax Increment  
3 means, for the fiscal years beginning July 1, 1990, and July 1,  
4 1991, 100% of the State Sales Tax Increment annually generated  
5 within a State Sales Tax Boundary; and notwithstanding any  
6 other provision of this Act, for those fiscal years the  
7 Department of Revenue shall distribute to those municipalities  
8 100% of their Net State Sales Tax Increment before any  
9 distribution to any other municipality and regardless of  
10 whether or not those other municipalities will receive 100% of  
11 their Net State Sales Tax Increment. For Fiscal Year 1999, and  
12 every year thereafter until the year 2007, for any municipality  
13 that has not entered into a contract or has not issued bonds  
14 prior to June 1, 1988 to finance redevelopment project costs  
15 within a State Sales Tax Boundary, the Net State Sales Tax  
16 Increment shall be calculated as follows: By multiplying the  
17 Net State Sales Tax Increment by 90% in the State Fiscal Year  
18 1999; 80% in the State Fiscal Year 2000; 70% in the State  
19 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the  
20 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%  
21 in the State Fiscal Year 2005; 20% in the State Fiscal Year  
22 2006; and 10% in the State Fiscal Year 2007. No payment shall  
23 be made for State Fiscal Year 2008 and thereafter.

24 Municipalities that issued bonds in connection with a  
25 redevelopment project in a redevelopment project area within  
26 the State Sales Tax Boundary prior to July 29, 1991, or that

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

24 (j) "State Utility Tax Increment Amount" means an amount  
25 equal to the aggregate increase in State electric and gas tax  
26 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

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

1 would have received had a municipality not acquired the real  
2 property and adopted tax increment allocation financing and  
3 which would result from levies made after the time of the  
4 adoption of tax increment allocation financing to the time the  
5 current equalized value of real property in the redevelopment  
6 project area exceeds the total initial equalized value of real  
7 property in said area.

8 (n) "Redevelopment plan" means the comprehensive program  
9 of the municipality for development or redevelopment intended  
10 by the payment of redevelopment project costs to reduce or  
11 eliminate those conditions the existence of which qualified the  
12 redevelopment project area as a "blighted area" or  
13 "conservation area" or combination thereof or "industrial park  
14 conservation area," and thereby to enhance the tax bases of the  
15 taxing districts which extend into the redevelopment project  
16 area. On and after November 1, 1999 (the effective date of  
17 Public Act 91-478), no redevelopment plan may be approved or  
18 amended that includes the development of vacant land (i) with a  
19 golf course and related clubhouse and other facilities or (ii)  
20 designated by federal, State, county, or municipal government  
21 as public land for outdoor recreational activities or for  
22 nature preserves and used for that purpose within 5 years prior  
23 to the adoption of the redevelopment plan. For the purpose of  
24 this subsection, "recreational activities" is limited to mean  
25 camping and hunting. Each redevelopment plan shall set forth in  
26 writing the program to be undertaken to accomplish the



1 objectives and shall include but not be limited to:

2 (A) an itemized list of estimated redevelopment  
3 project costs;

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

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

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

13 (E) the nature and term of the obligations to be  
14 issued;

15 (F) the most recent equalized assessed valuation of the  
16 redevelopment project area;

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

20 (H) a commitment to fair employment practices and an  
21 affirmative action plan;

22 (I) if it concerns an industrial park conservation  
23 area, the plan shall also include a general description of  
24 any proposed developer, user and tenant of any property, a  
25 description of the type, structure and general character of  
26 the facilities to be developed, a description of the type,

1 class and number of new employees to be employed in the  
2 operation of the facilities to be developed; and

3 (J) if property is to be annexed to the municipality,  
4 the plan shall include the terms of the annexation  
5 agreement.

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

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

19 (2) The municipality finds that the redevelopment plan  
20 and project conform to the comprehensive plan for the  
21 development of the municipality as a whole, or, for  
22 municipalities with a population of 100,000 or more,  
23 regardless of when the redevelopment plan and project was  
24 adopted, the redevelopment plan and project either: (i)  
25 conforms to the strategic economic development or  
26 redevelopment plan issued by the designated planning

1 authority of the municipality, or (ii) includes land uses  
2 that have been approved by the planning commission of the  
3 municipality.

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

1 redevelopment project area is adopted:

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

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

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

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

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

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

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

25 (H) if the ordinance was adopted on October 5, 1982  
26 by the City of Kankakee, or if the ordinance was

1           adopted on December 29, 1986 by East St. Louis, or

2           (I) if the ordinance was adopted on November 12,  
3           1991 by the Village of Sauget, or

4           (J) if the ordinance was adopted on February 11,  
5           1985 by the City of Rock Island, or

6           (K) if the ordinance was adopted before December  
7           18, 1986 by the City of Moline, or

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

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

12          (N) if the ordinance was adopted on December 29,  
13          1986 by the City of Galva, or

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

16          (P) if the ordinance was adopted on January 23,  
17          1991 by the City of East St. Louis, or

18          (Q) if the ordinance was adopted on December 22,  
19          1986 by the City of Aledo, or

20          (R) if the ordinance was adopted on February 5,  
21          1990 by the City of Clinton, or

22          (S) if the ordinance was adopted on September 6,  
23          1994 by the City of Freeport, or

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

26          (U) if the ordinance was adopted on December 23,

1 1986 by the City of Sparta, or

2 (V) if the ordinance was adopted on December 23,  
3 1986 by the City of Beardstown, or

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

7 (X) if the ordinance was adopted on December 29,  
8 1986 by the City of Collinsville, or

9 (Y) if the ordinance was adopted on September 14,  
10 1994 by the City of Alton, or

11 (Z) if the ordinance was adopted on November 11,  
12 1996 by the City of Lexington, or

13 (AA) if the ordinance was adopted on November 5,  
14 1984 by the City of LeRoy, or

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

17 (CC) if the ordinance was adopted on November 11,  
18 1986 by the City of Pekin, or

19 (DD) if the ordinance was adopted on December 15,  
20 1981 by the City of Champaign, or

21 (EE) if the ordinance was adopted on December 15,  
22 1986 by the City of Urbana, or

23 (FF) if the ordinance was adopted on December 15,  
24 1986 by the Village of Heyworth, or

25 (GG) if the ordinance was adopted on February 24,  
26 1992 by the Village of Heyworth, or

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

3 (II) if the ordinance was adopted on December 23,  
4 1986 by the Town of Cicero, or

5 (JJ) if the ordinance was adopted on December 30,  
6 1986 by the City of Effingham, or

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

9 (LL) if the ordinance was adopted on October 20,  
10 1986 by the City of Elmhurst, or

11 (MM) if the ordinance was adopted on January 19,  
12 1988 by the City of Waukegan, or

13 (NN) if the ordinance was adopted on September 21,  
14 1998 by the City of Waukegan, or

15 (OO) if the ordinance was adopted on December 31,  
16 1986 by the City of Sullivan, or

17 (PP) if the ordinance was adopted on December 23,  
18 1991 by the City of Sullivan, or

19 (QQ) if the ordinance was adopted on December 31,  
20 1986 by the City of Oglesby, or

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

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

25 (TT) if the ordinance was adopted on August 20,  
26 1985 by the Village of Mount Prospect, or

1 (UU) if the ordinance was adopted on February 2,  
2 1998 by the Village of Woodhull, or

3 (VV) if the ordinance was adopted on April 20, 1993  
4 by the Village of Princeville, or.

5 (WW) ~~(VV)~~ if the ordinance was adopted on July 1,  
6 1986 by the City of Granite City, or.

7 (XX) ~~(RR)~~ if the ordinance was adopted on February  
8 2, 1989 by the Village of Lombard, or

9 (YY) ~~(VV)~~ if the ordinance was adopted on December  
10 29, 1986 by the Village of Gardner, or

11 (ZZ) ~~(VV)~~ if the ordinance was adopted on July 14,  
12 1999 by the Village of Paw Paw, or.

13 (AAA) ~~(VV)~~ if the ordinance was adopted on November  
14 17, 1986 by the Village of Franklin Park, or.

15 (BBB) ~~(VV)~~ if the ordinance was adopted on November  
16 20, 1989 by the Village of South Holland, or.

17 (CCC) if the ordinance was adopted on December 30,  
18 1986 by the Village of Manteno; or

19 (DDD) if the ordinance was adopted on April 3, 1989  
20 by the City of Chicago Heights; or

21 (EEE) if the ordinance was adopted on January 6,  
22 1999 by the Village of Rosemont.

23 However, for redevelopment project areas for which  
24 bonds were issued before July 29, 1991, or for which  
25 contracts were entered into before June 1, 1988, in  
26 connection with a redevelopment project in the area within



1 the State Sales Tax Boundary, the estimated dates of  
2 completion of the redevelopment project and retirement of  
3 obligations to finance redevelopment project costs may be  
4 extended by municipal ordinance to December 31, 2013. The  
5 termination procedures of subsection (b) of Section  
6 11-74.4-8 are not required for these redevelopment project  
7 areas in 2009 but are required in 2013. The extension  
8 allowed by this amendatory Act of 1993 shall not apply to  
9 real property tax increment allocation financing under  
10 Section 11-74.4-8.

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

19 Those dates, for purposes of real property tax  
20 increment allocation financing pursuant to Section  
21 11-74.4-8 only, shall be not more than 35 years for  
22 redevelopment project areas that were adopted on or after  
23 December 16, 1986 and for which at least \$8 million worth  
24 of municipal bonds were authorized on or after December 19,  
25 1989 but before January 1, 1990; provided that the  
26 municipality elects to extend the life of the redevelopment

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

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

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

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

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

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

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

25 (7) On and after November 1, 1999, no redevelopment  
26 plan shall be adopted, nor an existing plan amended, nor

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

20 (8) On and after November 1, 1999, if, after the  
21 adoption of the redevelopment plan for the redevelopment  
22 project area, any municipality desires to amend its  
23 redevelopment plan to remove more inhabited residential  
24 units than specified in its original redevelopment plan,  
25 that change shall be made in accordance with the procedures  
26 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.

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

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

13           (1) Costs of studies, surveys, development of plans,  
14 and specifications, implementation and administration of  
15 the redevelopment plan including but not limited to staff  
16 and professional service costs for architectural,  
17 engineering, legal, financial, planning or other services,  
18 provided however that no charges for professional services  
19 may be based on a percentage of the tax increment  
20 collected; except that on and after November 1, 1999 (the  
21 effective date of Public Act 91-478), no contracts for  
22 professional services, excluding architectural and  
23 engineering services, may be entered into if the terms of  
24 the contract extend beyond a period of 3 years. In  
25 addition, "redevelopment project costs" shall not include  
26 lobbying expenses. After consultation with the

1 municipality, each tax increment consultant or advisor to a  
2 municipality that plans to designate or has designated a  
3 redevelopment project area shall inform the municipality  
4 in writing of any contracts that the consultant or advisor  
5 has entered into with entities or individuals that have  
6 received, or are receiving, payments financed by tax  
7 increment revenues produced by the redevelopment project  
8 area with respect to which the consultant or advisor has  
9 performed, or will be performing, service for the  
10 municipality. This requirement shall be satisfied by the  
11 consultant or advisor before the commencement of services  
12 for the municipality and thereafter whenever any other  
13 contracts with those individuals or entities are executed  
14 by the consultant or advisor;

15 (1.5) After July 1, 1999, annual administrative costs  
16 shall not include general overhead or administrative costs  
17 of the municipality that would still have been incurred by  
18 the municipality if the municipality had not designated a  
19 redevelopment project area or approved a redevelopment  
20 plan;

21 (1.6) The cost of marketing sites within the  
22 redevelopment project area to prospective businesses,  
23 developers, and investors;

24 (2) Property assembly costs, including but not limited  
25 to acquisition of land and other property, real or  
26 personal, or rights or interests therein, demolition of



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

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

14 (4) Costs of the construction of public works or  
15 improvements, except that on and after November 1, 1999,  
16 redevelopment project costs shall not include the cost of  
17 constructing a new municipal public building principally  
18 used to provide offices, storage space, or conference  
19 facilities or vehicle storage, maintenance, or repair for  
20 administrative, public safety, or public works personnel  
21 and that is not intended to replace an existing public  
22 building as provided under paragraph (3) of subsection (q)  
23 of Section 11-74.4-3 unless either (i) the construction of  
24 the new municipal building implements a redevelopment  
25 project that was included in a redevelopment plan that was  
26 adopted by the municipality prior to November 1, 1999 or

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

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

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

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

25 (7.5) For redevelopment project areas designated (or  
26 redevelopment project areas amended to add or increase the

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

15 (A) for foundation districts, excluding any school  
16 district in a municipality with a population in excess  
17 of 1,000,000, by multiplying the district's increase  
18 in attendance resulting from the net increase in new  
19 students enrolled in that school district who reside in  
20 housing units within the redevelopment project area  
21 that have received financial assistance through an  
22 agreement with the municipality or because the  
23 municipality incurs the cost of necessary  
24 infrastructure improvements within the boundaries of  
25 the housing sites necessary for the completion of that  
26 housing as authorized by this Act since the designation

1 of the redevelopment project area by the most recently  
2 available per capita tuition cost as defined in Section  
3 10-20.12a of the School Code less any increase in  
4 general State aid as defined in Section 18-8.05 of the  
5 School Code attributable to these added new students  
6 subject to the following annual limitations:

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

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

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

25 (B) For alternate method districts, flat grant  
26 districts, and foundation districts with a district

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

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

25 (ii) for elementary school districts, no more  
26 than 27% of the total amount of property tax

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

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

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

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

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

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

26 Any school district seeking payment under this

1 paragraph (7.5) shall, after July 1 and before  
2 September 30 of each year, provide the municipality  
3 with reasonable evidence to support its claim for  
4 reimbursement before the municipality shall be  
5 required to approve or make the payment to the school  
6 district. If the school district fails to provide the  
7 information during this period in any year, it shall  
8 forfeit any claim to reimbursement for that year.  
9 School districts may adopt a resolution waiving the  
10 right to all or a portion of the reimbursement  
11 otherwise required by this paragraph (7.5). By  
12 acceptance of this reimbursement the school district  
13 waives the right to directly or indirectly set aside,  
14 modify, or contest in any manner the establishment of  
15 the redevelopment project area or projects;

16 (7.7) For redevelopment project areas designated (or  
17 redevelopment project areas amended to add or increase the  
18 number of tax-increment-financing assisted housing units)  
19 on or after January 1, 2005 (the effective date of Public  
20 Act 93-961), a public library district's increased costs  
21 attributable to assisted housing units located within the  
22 redevelopment project area for which the developer or  
23 redeveloper receives financial assistance through an  
24 agreement with the municipality or because the  
25 municipality incurs the cost of necessary infrastructure  
26 improvements within the boundaries of the assisted housing

1 sites necessary for the completion of that housing as  
2 authorized by this Act shall be paid to the library  
3 district by the municipality from the Special Tax  
4 Allocation Fund when the tax increment revenue is received  
5 as a result of the assisted housing units. This paragraph  
6 (7.7) applies only if (i) the library district is located  
7 in a county that is subject to the Property Tax Extension  
8 Limitation Law or (ii) the library district is not located  
9 in a county that is subject to the Property Tax Extension  
10 Limitation Law but the district is prohibited by any other  
11 law from increasing its tax levy rate without a prior voter  
12 referendum.

13 The amount paid to a library district under this  
14 paragraph (7.7) shall be calculated by multiplying (i) the  
15 net increase in the number of persons eligible to obtain a  
16 library card in that district who reside in housing units  
17 within the redevelopment project area that have received  
18 financial assistance through an agreement with the  
19 municipality or because the municipality incurs the cost of  
20 necessary infrastructure improvements within the  
21 boundaries of the housing sites necessary for the  
22 completion of that housing as authorized by this Act since  
23 the designation of the redevelopment project area by (ii)  
24 the per-patron cost of providing library services so long  
25 as it does not exceed \$120. The per-patron cost shall be  
26 the Total Operating Expenditures Per Capita as stated in



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

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

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

1 reimbursement, the library district shall forfeit any  
2 right to directly or indirectly set aside, modify, or  
3 contest in any manner whatsoever the establishment of the  
4 redevelopment project area or projects;

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

10 (9) Payment in lieu of taxes;

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

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

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

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

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

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

24 (D) the total of such interest payments paid  
25 pursuant to this Act may not exceed 30% of the total  
26 (i) cost paid or incurred by the redeveloper for the

1 redevelopment project plus (ii) redevelopment project  
2 costs excluding any property assembly costs and any  
3 relocation costs incurred by a municipality pursuant  
4 to this Act; and

5 (E) the cost limits set forth in subparagraphs (B)  
6 and (D) of paragraph (11) shall be modified for the  
7 financing of rehabilitated or new housing units for  
8 low-income households and very low-income households,  
9 as defined in Section 3 of the Illinois Affordable  
10 Housing Act. The percentage of 75% shall be substituted  
11 for 30% in subparagraphs (B) and (D) of paragraph (11).

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

1 housing.

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

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

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

1 county, or regional median income are determined from time  
2 to time by the United States Department of Housing and  
3 Urban Development.

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

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

1           If a special service area has been established pursuant to  
2 the Special Service Area Tax Act or Special Service Area Tax  
3 Law, then any tax increment revenues derived from the tax  
4 imposed pursuant to the Special Service Area Tax Act or Special  
5 Service Area Tax Law may be used within the redevelopment  
6 project area for the purposes permitted by that Act or Law as  
7 well as the purposes permitted by this Act.

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

15           (s) "State Sales Tax Increment" means an amount equal to  
16 the increase in the aggregate amount of taxes paid by retailers  
17 and servicemen, other than retailers and servicemen subject to  
18 the Public Utilities Act, on transactions at places of business  
19 located within a State Sales Tax Boundary pursuant to the  
20 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use  
21 Tax Act, and the Service Occupation Tax Act, except such  
22 portion of such increase that is paid into the State and Local  
23 Sales Tax Reform Fund, the Local Government Distributive Fund,  
24 the Local Government Tax Fund and the County and Mass Transit  
25 District Fund, for as long as State participation exists, over  
26 and above the Initial Sales Tax Amounts, Adjusted Initial Sales



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

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

25 (t) "Taxing districts" means counties, townships, cities  
26 and incorporated towns and villages, school, road, park,

1 sanitary, mosquito abatement, forest preserve, public health,  
2 fire protection, river conservancy, tuberculosis sanitarium  
3 and any other municipal corporations or districts with the  
4 power to levy taxes.

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

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

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

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

17 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;  
18 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-961, eff.  
19 1-1-05; 93-983, eff. 8-23-04; 93-984, eff. 8-23-04; 93-985,  
20 eff. 8-23-04; 93-986, eff. 8-23-04; 93-987, eff. 8-23-04;  
21 93-995, eff. 8-23-04; 93-1024, eff. 8-25-04; 93-1076, eff.  
22 1-18-05; 94-260, eff. 7-19-05; 94-268, eff. 7-19-05; 94-297,  
23 eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff. 6-1-06;  
24 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.  
25 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,  
26 eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07;

1 94-1092, eff. 1-26-07; revised 1-30-07.)

2 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

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

1 the special tax allocation fund after complying with the  
2 requirements of the application or pledge, shall also be  
3 calculated annually and deemed "surplus" funds. All surplus  
4 funds in the special tax allocation fund shall be distributed  
5 annually within 180 days after the close of the municipality's  
6 fiscal year by being paid by the municipal treasurer to the  
7 County Collector, to the Department of Revenue and to the  
8 municipality in direct proportion to the tax incremental  
9 revenue received as a result of an increase in the equalized  
10 assessed value of property in the redevelopment project area,  
11 tax incremental revenue received from the State and tax  
12 incremental revenue received from the municipality, but not to  
13 exceed as to each such source the total incremental revenue  
14 received from that source. The County Collector shall  
15 thereafter make distribution to the respective taxing  
16 districts in the same manner and proportion as the most recent  
17 distribution by the county collector to the affected districts  
18 of real property taxes from real property in the redevelopment  
19 project area.

20 Without limiting the foregoing in this Section, the  
21 municipality may in addition to obligations secured by the  
22 special tax allocation fund pledge for a period not greater  
23 than the term of the obligations towards payment of such  
24 obligations any part or any combination of the following: (a)  
25 net revenues of all or part of any redevelopment project; (b)  
26 taxes levied and collected on any or all property in the

1 municipality; (c) the full faith and credit of the  
2 municipality; (d) a mortgage on part or all of the  
3 redevelopment project; or (e) any other taxes or anticipated  
4 receipts that the municipality may lawfully pledge.

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

20 In the event the municipality authorizes issuance of  
21 obligations pursuant to the authority of this Division secured  
22 by the full faith and credit of the municipality, which  
23 obligations are other than obligations which may be issued  
24 under home rule powers provided by Article VII, Section 6 of  
25 the Illinois Constitution, or pledges taxes pursuant to (b) or  
26 (c) of the second paragraph of this section, the ordinance

1 authorizing the issuance of such obligations or pledging such  
2 taxes shall be published within 10 days after such ordinance  
3 has been passed in one or more newspapers, with general  
4 circulation within such municipality. The publication of the  
5 ordinance shall be accompanied by a notice of (1) the specific  
6 number of voters required to sign a petition requesting the  
7 question of the issuance of such obligations or pledging taxes  
8 to be submitted to the electors; (2) the time in which such  
9 petition must be filed; and (3) the date of the prospective  
10 referendum. The municipal clerk shall provide a petition form  
11 to any individual requesting one.

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



1 such petition is filed, shall submit the question at the next  
2 general, State or municipal election. If it appears upon the  
3 canvass of the election by the corporate authorities that a  
4 majority of electors voting upon the question voted in favor  
5 thereof, the ordinance shall be in effect, but if a majority of  
6 the electors voting upon the question are not in favor thereof,  
7 the ordinance shall not take effect.

8 The ordinance authorizing the obligations may provide that  
9 the obligations shall contain a recital that they are issued  
10 pursuant to this Division, which recital shall be conclusive  
11 evidence of their validity and of the regularity of their  
12 issuance.

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

25 A certified copy of such ordinance shall be filed with the  
26 county clerk of each county in which any portion of the

1 municipality is situated, and shall constitute the authority  
2 for the extension and collection of the taxes to be deposited  
3 in the special tax allocation fund.

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

1 (A) if the ordinance was adopted before January 15, 1981, or  
2 (B) if the ordinance was adopted in December 1983, April 1984,  
3 July 1985, or December 1989, or (C) if the ordinance was  
4 adopted in December, 1987 and the redevelopment project is  
5 located within one mile of Midway Airport, or (D) if the  
6 ordinance was adopted before January 1, 1987 by a municipality  
7 in Mason County, or (E) if the municipality is subject to the  
8 Local Government Financial Planning and Supervision Act or the  
9 Financially Distressed City Law, or (F) if the ordinance was  
10 adopted in December 1984 by the Village of Rosemont, or (G) if  
11 the ordinance was adopted on December 31, 1986 by a  
12 municipality located in Clinton County for which at least  
13 \$250,000 of tax increment bonds were authorized on June 17,  
14 1997, or if the ordinance was adopted on December 31, 1986 by a  
15 municipality with a population in 1990 of less than 3,600 that  
16 is located in a county with a population in 1990 of less than  
17 34,000 and for which at least \$250,000 of tax increment bonds  
18 were authorized on June 17, 1997, or (H) if the ordinance was  
19 adopted on October 5, 1982 by the City of Kankakee, or (I) if  
20 the ordinance was adopted on December 29, 1986 by East St.  
21 Louis, or if the ordinance was adopted on November 12, 1991 by  
22 the Village of Sauget, or (J) if the ordinance was adopted on  
23 February 11, 1985 by the City of Rock Island, or (K) if the  
24 ordinance was adopted before December 18, 1986 by the City of  
25 Moline, or (L) if the ordinance was adopted in September 1988  
26 by Sauk Village, or (M) if the ordinance was adopted in October

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

1 of Heyworth, or (GG) if the ordinance was adopted on February  
2 24, 1992 by the Village of Heyworth, or (HH) if the ordinance  
3 was adopted on March 16, 1995 by the Village of Heyworth, or  
4 (II) if the ordinance was adopted on December 23, 1986 by the  
5 Town of Cicero, or (JJ) if the ordinance was adopted on  
6 December 30, 1986 by the City of Effingham, or (KK) if the  
7 ordinance was adopted on May 9, 1991 by the Village of Tilton,  
8 or (LL) if the ordinance was adopted on October 20, 1986 by the  
9 City of Elmhurst, or (MM) if the ordinance was adopted on  
10 January 19, 1988 by the City of Waukegan, or (NN) if the  
11 ordinance was adopted on September 21, 1998 by the City of  
12 Waukegan, or (OO) if the ordinance was adopted on December 31,  
13 1986 by the City of Sullivan, or (PP) if the ordinance was  
14 adopted on December 23, 1991 by the City of Sullivan, or (QQ)  
15 if the ordinance was adopted on December 31, 1986 by the City  
16 of Oglesby, or (RR) if the ordinance was adopted on July 28,  
17 1987 by the City of Marion, or (SS) if the ordinance was  
18 adopted on April 23, 1990 by the City of Marion, or (TT) if the  
19 ordinance was adopted on August 20, 1985 by the Village of  
20 Mount Prospect, or (UU) if the ordinance was adopted on  
21 February 2, 1998 by the Village of Woodhull, or (VV) if the  
22 ordinance was adopted on April 20, 1993 by the Village of  
23 Princeville, or (WW) ~~(VV)~~ if the ordinance was adopted on July  
24 1, 1986 by the City of Granite City, or (XX) ~~(RR)~~ if the  
25 ordinance was adopted on February 2, 1989 by the Village of  
26 Lombard, or (YY) ~~(VV)~~ if the ordinance was adopted on December

1 29, 1986 by the Village of Gardner, or (ZZ) ~~(VV)~~ if the  
2 ordinance was adopted on July 14, 1999 by the Village of Paw  
3 Paw, or (AAA) ~~(VV)~~ if the ordinance was adopted on November 17,  
4 1986 by the Village of Franklin Park,~~7~~ or (BBB) ~~(VV)~~ if the  
5 ordinance was adopted on November 20, 1989 by the Village of  
6 South Holland, or (CCC) if the ordinance was adopted on  
7 December 30, 1986 by the Village of Manteno, or (DDD) if the  
8 ordinance was adopted on April 3, 1989 by the City of Chicago  
9 Heights, or (EEE) if the ordinance was adopted on January 6,  
10 1999 by the Village of Rosemont and, for redevelopment project  
11 areas for which bonds were issued before July 29, 1991, in  
12 connection with a redevelopment project in the area within the  
13 State Sales Tax Boundary and which were extended by municipal  
14 ordinance under subsection (n) of Section 11-74.4-3, the last  
15 maturity of the refunding obligations shall not be expressed to  
16 mature later than the date on which the redevelopment project  
17 area is terminated or December 31, 2013, whichever date occurs  
18 first.

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

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

5 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;  
6 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-983, eff.  
7 8-23-04; 93-984, eff. 8-23-04; 93-985, eff. 8-23-04; 93-986,  
8 eff. 8-23-04; 93-987, eff. 8-23-04; 93-995, eff. 8-23-04;  
9 93-1024, eff. 8-25-04; 93-1076, eff. 1-18-05; 94-260, eff.  
10 7-19-05; 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702,  
11 eff. 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778,  
12 eff. 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06;  
13 94-810, eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff.  
14 1-26-07; 94-1092, eff. 1-26-07; revised 1-30-07.)

15 Section 99. Effective date. This Act takes effect upon  
16 becoming law."