



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB2373

Introduced 2/19/2009, by Rep. Linda Chapa LaVia

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-3

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

Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. In a provision concerning the meaning of "redevelopment project costs", includes the costs of day care services for children of employees from low-income families working for businesses located within a redevelopment project area that is located within a municipality with a population of more than 10,000 (now, 100,000). Makes revisory changes. Contains a non-acceleration clause. Effective immediately.

LRB096 08251 RLJ 18358 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

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

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

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

7 (Text of Section before amendment by P.A. 95-1028)

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.

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

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

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

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

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

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

1 protruding through paved surfaces.

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

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

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

16 (G) Lack of ventilation, light, or sanitary
17 facilities. The absence of adequate ventilation for
18 light or air circulation in spaces or rooms without
19 windows, or that require the removal of dust, odor,
20 gas, smoke, or other noxious airborne materials.
21 Inadequate natural light and ventilation means the
22 absence of skylights or windows for interior spaces or
23 rooms and improper window sizes and amounts by room
24 area to window area ratios. Inadequate sanitary
25 facilities refers to the absence or inadequacy of
26 garbage storage and enclosure, bathroom facilities,

1 hot water and kitchens, and structural inadequacies
2 preventing ingress and egress to and from all rooms and
3 units within a building.

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

13 (I) Excessive land coverage and overcrowding of
14 structures and community facilities. The
15 over-intensive use of property and the crowding of
16 buildings and accessory facilities onto a site.
17 Examples of problem conditions warranting the
18 designation of an area as one exhibiting excessive land
19 coverage are: (i) the presence of buildings either
20 improperly situated on parcels or located on parcels of
21 inadequate size and shape in relation to present-day
22 standards of development for health and safety and (ii)
23 the presence of multiple buildings on a single parcel.
24 For there to be a finding of excessive land coverage,
25 these parcels must exhibit one or more of the following
26 conditions: insufficient provision for light and air

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

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

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

23 (L) Lack of community planning. The proposed
24 redevelopment project area was developed prior to or
25 without the benefit or guidance of a community plan.
26 This means that the development occurred prior to the

1 adoption by the municipality of a comprehensive or
2 other community plan or that the plan was not followed
3 at the time of the area's development. This factor must
4 be documented by evidence of adverse or incompatible
5 land-use relationships, inadequate street layout,
6 improper subdivision, parcels of inadequate shape and
7 size to meet contemporary development standards, or
8 other evidence demonstrating an absence of effective
9 community planning.

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

23 (2) If vacant, the sound growth of the redevelopment
24 project area is impaired by a combination of 2 or more of
25 the following factors, each of which is (i) present, with
26 that presence documented, to a meaningful extent so that a

1 municipality may reasonably find that the factor is clearly
2 present within the intent of the Act and (ii) reasonably
3 distributed throughout the vacant part of the
4 redevelopment project area to which it pertains:

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

15 (B) Diversity of ownership of parcels of vacant
16 land sufficient in number to retard or impede the
17 ability to assemble the land for development.

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

21 (D) Deterioration of structures or site
22 improvements in neighboring areas adjacent to the
23 vacant land.

24 (E) The area has incurred Illinois Environmental
25 Protection Agency or United States Environmental
26 Protection Agency remediation costs for, or a study

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

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

22 (3) If vacant, the sound growth of the redevelopment
23 project area is impaired by one of the following factors
24 that (i) is present, with that presence documented, to a
25 meaningful extent so that a municipality may reasonably
26 find that the factor is clearly present within the intent

1 of the Act and (ii) is reasonably distributed throughout
2 the vacant part of the redevelopment project area to which
3 it pertains:

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

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

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

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

21 (E) Prior to November 1, 1999, the area is not less
22 than 50 nor more than 100 acres and 75% of which is
23 vacant (notwithstanding that the area has been used for
24 commercial agricultural purposes within 5 years prior
25 to the designation of the redevelopment project area),
26 and the area meets at least one of the factors itemized

1 in paragraph (1) of this subsection, the area has been
2 designated as a town or village center by ordinance or
3 comprehensive plan adopted prior to January 1, 1982,
4 and the area has not been developed for that designated
5 purpose.

6 (F) The area qualified as a blighted improved area
7 immediately prior to becoming vacant, unless there has
8 been substantial private investment in the immediately
9 surrounding area.

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

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

23 (1) Dilapidation. An advanced state of disrepair or
24 neglect of necessary repairs to the primary structural
25 components of buildings or improvements in such a
26 combination that a documented building condition analysis

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

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

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

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

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

26 (6) Excessive vacancies. The presence of buildings

1 that are unoccupied or under-utilized and that represent an
2 adverse influence on the area because of the frequency,
3 extent, or duration of the vacancies.

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

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

25 (9) Excessive land coverage and overcrowding of
26 structures and community facilities. The over-intensive

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

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

22 (11) Lack of community planning. The proposed
23 redevelopment project area was developed prior to or
24 without the benefit or guidance of a community plan. This
25 means that the development occurred prior to the adoption
26 by the municipality of a comprehensive or other community

1 plan or that the plan was not followed at the time of the
2 area's development. This factor must be documented by
3 evidence of adverse or incompatible land-use
4 relationships, inadequate street layout, improper
5 subdivision, parcels of inadequate shape and size to meet
6 contemporary development standards, or other evidence
7 demonstrating an absence of effective community planning.

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

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

1 Department of Labor or successor agency for 3 of the last 5
2 calendar years for which information is available.

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

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

23 (e) "Labor surplus municipality" means a municipality in
24 which, at any time during the 6 months before the municipality
25 by ordinance designates an industrial park conservation area,
26 the unemployment rate was over 6% and was also 100% or more of

1 the national average unemployment rate for that same time as
2 published in the United States Department of Labor Bureau of
3 Labor Statistics publication entitled "The Employment
4 Situation" or its successor publication. For the purpose of
5 this subsection, if unemployment rate statistics for the
6 municipality are not available, the unemployment rate in the
7 municipality shall be deemed to be the same as the unemployment
8 rate in the principal county in which the municipality is
9 located.

10 (f) "Municipality" shall mean a city, village,
11 incorporated town, or a township that is located in the
12 unincorporated portion of a county with 3 million or more
13 inhabitants, if the county adopted an ordinance that approved
14 the township's redevelopment plan.

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

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

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

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

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

8 (i) "Net State Sales Tax Increment" means the sum of the
9 following: (a) 80% of the first \$100,000 of State Sales Tax
10 Increment annually generated within a State Sales Tax Boundary;
11 (b) 60% of the amount in excess of \$100,000 but not exceeding
12 \$500,000 of State Sales Tax Increment annually generated within
13 a State Sales Tax Boundary; and (c) 40% of all amounts in
14 excess of \$500,000 of State Sales Tax Increment annually
15 generated within a State Sales Tax Boundary. If, however, a
16 municipality established a tax increment financing district in
17 a county with a population in excess of 3,000,000 before
18 January 1, 1986, and the municipality entered into a contract
19 or issued bonds after January 1, 1986, but before December 31,
20 1986, to finance redevelopment project costs within a State
21 Sales Tax Boundary, then the Net State Sales Tax Increment
22 means, for the fiscal years beginning July 1, 1990, and July 1,
23 1991, 100% of the State Sales Tax Increment annually generated
24 within a State Sales Tax Boundary; and notwithstanding any
25 other provision of this Act, for those fiscal years the
26 Department of Revenue shall distribute to those municipalities

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

17 Municipalities that issued bonds in connection with a
18 redevelopment project in a redevelopment project area within
19 the State Sales Tax Boundary prior to July 29, 1991, or that
20 entered into contracts in connection with a redevelopment
21 project in a redevelopment project area before June 1, 1988,
22 shall continue to receive their proportional share of the
23 Illinois Tax Increment Fund distribution until the date on
24 which the redevelopment project is completed or terminated. If,
25 however, a municipality that issued bonds in connection with a
26 redevelopment project in a redevelopment project area within

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

17 (j) "State Utility Tax Increment Amount" means an amount
18 equal to the aggregate increase in State electric and gas tax
19 charges imposed on owners and tenants, other than residential
20 customers, of properties located within the redevelopment
21 project area under Section 9-222 of the Public Utilities Act,
22 over and above the aggregate of such charges as certified by
23 the Department of Revenue and paid by owners and tenants, other
24 than residential customers, of properties within the
25 redevelopment project area during the base year, which shall be
26 the calendar year immediately prior to the year of the adoption

1 of the ordinance authorizing tax increment allocation
2 financing.

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

24 Municipalities that issue bonds in connection with the
25 redevelopment project during the period from June 1, 1988 until
26 3 years after the effective date of this Amendatory Act of 1988

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

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

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

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

21 (A) an itemized list of estimated redevelopment
22 project costs;

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

26 (C) an assessment of any financial impact of the

1 redevelopment project area on or any increased demand for
2 services from any taxing district affected by the plan and
3 any program to address such financial impact or increased
4 demand;

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

6 (E) the nature and term of the obligations to be
7 issued;

8 (F) the most recent equalized assessed valuation of the
9 redevelopment project area;

10 (G) an estimate as to the equalized assessed valuation
11 after redevelopment and the general land uses to apply in
12 the redevelopment project area;

13 (H) a commitment to fair employment practices and an
14 affirmative action plan;

15 (I) if it concerns an industrial park conservation
16 area, the plan shall also include a general description of
17 any proposed developer, user and tenant of any property, a
18 description of the type, structure and general character of
19 the facilities to be developed, a description of the type,
20 class and number of new employees to be employed in the
21 operation of the facilities to be developed; and

22 (J) if property is to be annexed to the municipality,
23 the plan shall include the terms of the annexation
24 agreement.

25 The provisions of items (B) and (C) of this subsection (n)
26 shall not apply to a municipality that before March 14, 1994

1 (the effective date of Public Act 88-537) had fixed, either by
2 its corporate authorities or by a commission designated under
3 subsection (k) of Section 11-74.4-4, a time and place for a
4 public hearing as required by subsection (a) of Section
5 11-74.4-5. No redevelopment plan shall be adopted unless a
6 municipality complies with all of the following requirements:

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

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

23 (3) The redevelopment plan establishes the estimated
24 dates of completion of the redevelopment project and
25 retirement of obligations issued to finance redevelopment
26 project costs. Those dates may not be later than the dates

1 set forth under Section 11-74.4-3.5., ~~or (DDD) (EEE), or~~
2 ~~(FFF), or (GGG), or (HHH), or (III), or (JJJ), (KKK), (LLL)~~
3 ~~(MMM), or (NNN) if the ordinance was adopted on December~~
4 ~~23, 1986 by the Village of Libertyville.~~

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

13 (3.5) The municipality finds, in the case of an
14 industrial park conservation area, also that the
15 municipality is a labor surplus municipality and that the
16 implementation of the redevelopment plan will reduce
17 unemployment, create new jobs and by the provision of new
18 facilities enhance the tax base of the taxing districts
19 that extend into the redevelopment project area.

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

1 utilized for the development of the redevelopment project
2 area.

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

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

1 data from the most recent federal census.

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

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

18 (7) On and after November 1, 1999, no redevelopment
19 plan shall be adopted, nor an existing plan amended, nor
20 shall residential housing that is occupied by households of
21 low-income and very low-income persons in currently
22 existing redevelopment project areas be removed after
23 November 1, 1999 unless the redevelopment plan provides,
24 with respect to inhabited housing units that are to be
25 removed for households of low-income and very low-income
26 persons, affordable housing and relocation assistance not

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

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

20 (9) For redevelopment project areas designated prior
21 to November 1, 1999, the redevelopment plan may be amended
22 without further joint review board meeting or hearing,
23 provided that the municipality shall give notice of any
24 such changes by mail to each affected taxing district and
25 registrant on the interested party registry, to authorize
26 the municipality to expend tax increment revenues for

1 redevelopment project costs defined by paragraphs (5) and
2 (7.5), subparagraphs (E) and (F) of paragraph (11), and
3 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so
4 long as the changes do not increase the total estimated
5 redevelopment project costs set out in the redevelopment
6 plan by more than 5% after adjustment for inflation from
7 the date the plan was adopted.

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

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

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

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

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

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

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

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

25 (3) Costs of rehabilitation, reconstruction or repair
26 or remodeling of existing public or private buildings,

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

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

26 (5) Costs of job training and retraining projects,

1 including the cost of "welfare to work" programs
2 implemented by businesses located within the redevelopment
3 project area;

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

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

18 (7.5) For redevelopment project areas designated (or
19 redevelopment project areas amended to add or increase the
20 number of tax-increment-financing assisted housing units)
21 on or after November 1, 1999, an elementary, secondary, or
22 unit school district's increased costs attributable to
23 assisted housing units located within the redevelopment
24 project area for which the developer or redeveloper
25 receives financial assistance through an agreement with
26 the municipality or because the municipality incurs the

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

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

26 (i) for unit school districts with a district

1 average 1995-96 Per Capita Tuition Charge of less
2 than \$5,900, no more than 25% of the total amount
3 of property tax increment revenue produced by
4 those housing units that have received tax
5 increment finance assistance under this Act;

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

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

18 (B) For alternate method districts, flat grant
19 districts, and foundation districts with a district
20 average 1995-96 Per Capita Tuition Charge equal to or
21 more than \$5,900, excluding any school district with a
22 population in excess of 1,000,000, by multiplying the
23 district's increase in attendance resulting from the
24 net increase in new students enrolled in that school
25 district who reside in housing units within the
26 redevelopment project area that have received

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

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

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

23 (iii) for secondary school districts, no more
24 than 13% of the total amount of property tax
25 increment revenue produced by those housing units
26 that have received tax increment finance

1 assistance under this Act.

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

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

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

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

19 Any school district seeking payment under this
20 paragraph (7.5) shall, after July 1 and before
21 September 30 of each year, provide the municipality
22 with reasonable evidence to support its claim for
23 reimbursement before the municipality shall be
24 required to approve or make the payment to the school
25 district. If the school district fails to provide the
26 information during this period in any year, it shall

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

9 (7.7) For redevelopment project areas designated (or
10 redevelopment project areas amended to add or increase the
11 number of tax-increment-financing assisted housing units)
12 on or after January 1, 2005 (the effective date of Public
13 Act 93-961), a public library district's increased costs
14 attributable to assisted housing units located within the
15 redevelopment project area for which the developer or
16 redeveloper receives financial assistance through an
17 agreement with the municipality or because the
18 municipality incurs the cost of necessary infrastructure
19 improvements within the boundaries of the assisted housing
20 sites necessary for the completion of that housing as
21 authorized by this Act shall be paid to the library
22 district by the municipality from the Special Tax
23 Allocation Fund when the tax increment revenue is received
24 as a result of the assisted housing units. This paragraph
25 (7.7) applies only if (i) the library district is located
26 in a county that is subject to the Property Tax Extension

1 Limitation Law or (ii) the library district is not located
2 in a county that is subject to the Property Tax Extension
3 Limitation Law but the district is prohibited by any other
4 law from increasing its tax levy rate without a prior voter
5 referendum.

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

1 more than 2% of the amount produced by the assisted housing
2 units and deposited into the Special Tax Allocation Fund.

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

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

24 (8) Relocation costs to the extent that a municipality
25 determines that relocation costs shall be paid or is
26 required to make payment of relocation costs by federal or

1 State law or in order to satisfy subparagraph (7) of
2 subsection (n);

3 (9) Payment in lieu of taxes;

4 (10) Costs of job training, retraining, advanced
5 vocational education or career education, including but
6 not limited to courses in occupational, semi-technical or
7 technical fields leading directly to employment, incurred
8 by one or more taxing districts, provided that such costs

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

1 and 10-23.3a of The School Code;

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

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

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

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

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

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

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

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

21 The eligible costs provided under this
22 subparagraph (F) of paragraph (11) shall be an eligible
23 cost for the construction, renovation, and
24 rehabilitation of all low and very low-income housing
25 units, as defined in Section 3 of the Illinois
26 Affordable Housing Act, within the redevelopment

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

1 time; the guidelines, however, shall be in effect for
2 as long as tax increment revenue is being used to pay
3 for costs associated with the units or for the
4 retirement of bonds issued to finance the units or for
5 the life of the redevelopment project area, whichever
6 is later.

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

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

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

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

20 (14) No cost shall be a redevelopment project cost in a
21 redevelopment project area if used to demolish, remove, or
22 substantially modify a historic resource, after August 26,
23 2008 (the effective date of Public Act 95-934) ~~this~~
24 ~~amendatory Act of the 95th General Assembly~~, unless no
25 prudent and feasible alternative exists. "Historic
26 resource" for the purpose of this item (14) means (i) a

1 place or structure that is included or eligible for
2 inclusion on the National Register of Historic Places or
3 (ii) a contributing structure in a district on the National
4 Register of Historic Places. This item (14) does not apply
5 to a place or structure for which demolition, removal, or
6 modification is subject to review by the preservation
7 agency of a Certified Local Government designated as such
8 by the National Park Service of the United States
9 Department of the Interior.

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

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

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

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

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

1 ending on June 30, to determine the tax amounts received which
2 shall have deducted therefrom the certified Initial Sales Tax
3 Amounts, Adjusted Initial Sales Tax Amounts or the Revised
4 Initial Sales Tax Amounts. Municipalities intending to receive
5 a distribution of State Sales Tax Increment must report a list
6 of retailers to the Department of Revenue by October 31, 1988
7 and by July 31, of each year thereafter.

8 (t) "Taxing districts" means counties, townships, cities
9 and incorporated towns and villages, school, road, park,
10 sanitary, mosquito abatement, forest preserve, public health,
11 fire protection, river conservancy, tuberculosis sanitarium
12 and any other municipal corporations or districts with the
13 power to levy taxes.

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

18 (v) As used in subsection (a) of Section 11-74.4-3 of this
19 Act, "vacant land" means any parcel or combination of parcels
20 of real property without industrial, commercial, and
21 residential buildings which has not been used for commercial
22 agricultural purposes within 5 years prior to the designation
23 of the redevelopment project area, unless the parcel is
24 included in an industrial park conservation area or the parcel
25 has been subdivided; provided that if the parcel was part of a
26 larger tract that has been divided into 3 or more smaller

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

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

26 (Source: P.A. 94-260, eff. 7-19-05; 94-268, eff. 7-19-05;

1 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff.
2 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.
3 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,
4 eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07;
5 94-1092, eff. 1-26-07; 95-15, eff. 7-16-07; 95-164, eff.
6 1-1-08; 95-331, eff. 8-21-07; 95-346, eff. 8-21-07; 95-459,
7 eff. 8-27-07; 95-653, eff. 1-1-08; 95-662, eff. 10-11-07;
8 95-683, eff. 10-19-07; 95-709, eff. 1-29-08; 95-876, eff.
9 8-21-08; 95-932, eff. 8-26-08; 95-934, eff. 8-26-08; 95-964,
10 eff. 9-23-08; 95-977, eff. 9-22-08; revised 10-16-08.)

11 (Text of Section after amendment by P.A. 95-1028)

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

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

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

25 (1) If improved, industrial, commercial, and

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

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

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

19 (C) Deterioration. With respect to buildings,
20 defects including, but not limited to, major defects in
21 the secondary building components such as doors,
22 windows, porches, gutters and downspouts, and fascia.
23 With respect to surface improvements, that the
24 condition of roadways, alleys, curbs, gutters,
25 sidewalks, off-street parking, and surface storage
26 areas evidence deterioration, including, but not

1 limited to, surface cracking, crumbling, potholes,
2 depressions, loose paving material, and weeds
3 protruding through paved surfaces.

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

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

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

18 (G) Lack of ventilation, light, or sanitary
19 facilities. The absence of adequate ventilation for
20 light or air circulation in spaces or rooms without
21 windows, or that require the removal of dust, odor,
22 gas, smoke, or other noxious airborne materials.
23 Inadequate natural light and ventilation means the
24 absence of skylights or windows for interior spaces or
25 rooms and improper window sizes and amounts by room
26 area to window area ratios. Inadequate sanitary

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

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

15 (I) Excessive land coverage and overcrowding of
16 structures and community facilities. The
17 over-intensive use of property and the crowding of
18 buildings and accessory facilities onto a site.
19 Examples of problem conditions warranting the
20 designation of an area as one exhibiting excessive land
21 coverage are: (i) the presence of buildings either
22 improperly situated on parcels or located on parcels of
23 inadequate size and shape in relation to present-day
24 standards of development for health and safety and (ii)
25 the presence of multiple buildings on a single parcel.
26 For there to be a finding of excessive land coverage,

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

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

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

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

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

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

25 (2) If vacant, the sound growth of the redevelopment
26 project area is impaired by a combination of 2 or more of

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

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

17 (B) Diversity of ownership of parcels of vacant
18 land sufficient in number to retard or impede the
19 ability to assemble the land for development.

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

23 (D) Deterioration of structures or site
24 improvements in neighboring areas adjacent to the
25 vacant land.

26 (E) The area has incurred Illinois Environmental

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

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

24 (3) If vacant, the sound growth of the redevelopment
25 project area is impaired by one of the following factors
26 that (i) is present, with that presence documented, to a

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

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

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

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

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

23 (E) Prior to November 1, 1999, the area is not less
24 than 50 nor more than 100 acres and 75% of which is
25 vacant (notwithstanding that the area has been used for
26 commercial agricultural purposes within 5 years prior

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

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

12 (b) 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), "conservation area" shall have the meaning set forth
16 in this Section prior to that date.

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

25 (1) Dilapidation. An advanced state of disrepair or
26 neglect of necessary repairs to the primary structural

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

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

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

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

24 (5) Illegal use of individual structures. The use of
25 structures in violation of applicable federal, State, or
26 local laws, exclusive of those applicable to the presence

1 of structures below minimum code standards.

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

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

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

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

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

24 (11) Lack of community planning. The proposed
25 redevelopment project area was developed prior to or
26 without the benefit or guidance of a community plan. This

1 means that the development occurred prior to the adoption
2 by the municipality of a comprehensive or other community
3 plan or that the plan was not followed at the time of the
4 area's development. This factor must be documented by
5 evidence of adverse or incompatible land-use
6 relationships, inadequate street layout, improper
7 subdivision, parcels of inadequate shape and size to meet
8 contemporary development standards, or other evidence
9 demonstrating an absence of effective community planning.

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

21 (13) The total equalized assessed value of the proposed
22 redevelopment project area has declined 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 balance
25 of the municipality for 3 of the last 5 calendar years for
26 which information is available or is increasing at an

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

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

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

25 (e) "Labor surplus municipality" means a municipality in
26 which, at any time during the 6 months before the municipality

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

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

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

24 (g-1) "Revised Initial Sales Tax Amounts" means the amount
25 of taxes paid under the Retailers' Occupation Tax Act, Use Tax
26 Act, Service Use Tax Act, the Service Occupation Tax Act, the

1 Municipal Retailers' Occupation Tax Act, and the Municipal
2 Service Occupation Tax Act by retailers and servicemen on
3 transactions at places located within the State Sales Tax
4 Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

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

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

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

10 (i) "Net State Sales Tax Increment" means the sum of the
11 following: (a) 80% of the first \$100,000 of State Sales Tax
12 Increment annually generated within a State Sales Tax Boundary;
13 (b) 60% of the amount in excess of \$100,000 but not exceeding
14 \$500,000 of State Sales Tax Increment annually generated within
15 a State Sales Tax Boundary; and (c) 40% of all amounts in
16 excess of \$500,000 of State Sales Tax Increment annually
17 generated within a State Sales Tax Boundary. If, however, a
18 municipality established a tax increment financing district in
19 a county with a population in excess of 3,000,000 before
20 January 1, 1986, and the municipality entered into a contract
21 or issued bonds after January 1, 1986, but before December 31,
22 1986, to finance redevelopment project costs within a State
23 Sales Tax Boundary, then the Net State Sales Tax Increment
24 means, for the fiscal years beginning July 1, 1990, and July 1,
25 1991, 100% of the State Sales Tax Increment annually generated
26 within a State Sales Tax Boundary; and notwithstanding any

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

19 Municipalities that issued bonds in connection with a
20 redevelopment project in a redevelopment project area within
21 the State Sales Tax Boundary prior to July 29, 1991, or that
22 entered into contracts in connection with a redevelopment
23 project in a redevelopment project area before June 1, 1988,
24 shall continue to receive their proportional share of the
25 Illinois Tax Increment Fund distribution until the date on
26 which the redevelopment project is completed or terminated. If,

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

19 (j) "State Utility Tax Increment Amount" means an amount
20 equal to the aggregate increase in State electric and gas tax
21 charges imposed on owners and tenants, other than residential
22 customers, of properties located within the redevelopment
23 project area under Section 9-222 of the Public Utilities Act,
24 over and above the aggregate of such charges as certified by
25 the Department of Revenue and paid by owners and tenants, other
26 than residential customers, of properties within the

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

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

26 Municipalities that issue bonds in connection with the

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

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

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

1 project area exceeds the total initial equalized value of real
2 property in said area.

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

23 (A) an itemized list of estimated redevelopment
24 project costs;

25 (B) evidence indicating that the redevelopment project
26 area on the whole has not been subject to growth and

1 development through investment by private enterprise;

2 (C) an assessment of any financial impact of the
3 redevelopment project area on or any increased demand for
4 services from any taxing district affected by the plan and
5 any program to address such financial impact or increased
6 demand;

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

8 (E) the nature and term of the obligations to be
9 issued;

10 (F) the most recent equalized assessed valuation of the
11 redevelopment project area;

12 (G) an estimate as to the equalized assessed valuation
13 after redevelopment and the general land uses to apply in
14 the redevelopment project area;

15 (H) a commitment to fair employment practices and an
16 affirmative action plan;

17 (I) if it concerns an industrial park conservation
18 area, the plan shall also include a general description of
19 any proposed developer, user and tenant of any property, a
20 description of the type, structure and general character of
21 the facilities to be developed, a description of the type,
22 class and number of new employees to be employed in the
23 operation of the facilities to be developed; and

24 (J) if property is to be annexed to the municipality,
25 the plan shall include the terms of the annexation
26 agreement.

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

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

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

25 (3) The redevelopment plan establishes the estimated
26 dates of completion of the redevelopment project and

1 retirement of obligations issued to finance redevelopment
2 project costs. Those dates may not be later than the dates
3 set forth under Section 11-74.4-3.5., ~~or (DDD) (EEE), or~~
4 ~~(FFF), or (GGG), or (HHH), or (III), or (JJJ), (KKK), (LLL)~~
5 ~~(MMM), or (NNN) if the ordinance was adopted on December~~
6 ~~23, 1986 by the Village of Libertyville. (NNN) if the~~
7 ~~ordinance was adopted on December 22, 1986 by the Village~~
8 ~~of Hoffman Estates.~~

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

17 (3.5) The municipality finds, in the case of an
18 industrial park conservation area, also that the
19 municipality is a labor surplus municipality and that the
20 implementation of the redevelopment plan will reduce
21 unemployment, create new jobs and by the provision of new
22 facilities enhance the tax base of the taxing districts
23 that extend into the redevelopment project area.

24 (4) If any incremental revenues are being utilized
25 under Section 8(a)(1) or 8(a)(2) of this Act in
26 redevelopment project areas approved by ordinance after

1 January 1, 1986, the municipality finds: (a) that the
2 redevelopment project area would not reasonably be
3 developed without the use of such incremental revenues, and
4 (b) that such incremental revenues will be exclusively
5 utilized for the development of the redevelopment project
6 area.

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

19 Part I of the housing impact study shall include (i)
20 data as to whether the residential units are single family
21 or multi-family units, (ii) the number and type of rooms
22 within the units, if that information is available, (iii)
23 whether the units are inhabited or uninhabited, as
24 determined not less than 45 days before the date that the
25 ordinance or resolution required by subsection (a) of
26 Section 11-74.4-5 is passed, and (iv) data as to the racial

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

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

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

22 (7) On and after November 1, 1999, no redevelopment
23 plan shall be adopted, nor an existing plan amended, nor
24 shall residential housing that is occupied by households of
25 low-income and very low-income persons in currently
26 existing redevelopment project areas be removed after

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

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

24 (9) For redevelopment project areas designated prior
25 to November 1, 1999, the redevelopment plan may be amended
26 without further joint review board meeting or hearing,

1 provided that the municipality shall give notice of any
2 such changes by mail to each affected taxing district and
3 registrant on the interested party registry, to authorize
4 the municipality to expend tax increment revenues for
5 redevelopment project costs defined by paragraphs (5) and
6 (7.5), subparagraphs (E) and (F) of paragraph (11), and
7 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so
8 long as the changes do not increase the total estimated
9 redevelopment project costs set out in the redevelopment
10 plan by more than 5% after adjustment for inflation from
11 the date the plan was adopted.

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

24 (p) "Redevelopment project area" means an area designated
25 by the municipality, which is not less in the aggregate than 1
26 1/2 acres and in respect to which the municipality has made a

1 finding that there exist conditions which cause the area to be
2 classified as an industrial park conservation area or a
3 blighted area or a conservation area, or a combination of both
4 blighted areas and conservation areas.

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

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

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

12 (1.5) After July 1, 1999, annual administrative costs
13 shall not include general overhead or administrative costs
14 of the municipality that would still have been incurred by
15 the municipality if the municipality had not designated a
16 redevelopment project area or approved a redevelopment
17 plan;

18 (1.6) The cost of marketing sites within the
19 redevelopment project area to prospective businesses,
20 developers, and investors;

21 (2) Property assembly costs, including but not limited
22 to acquisition of land and other property, real or
23 personal, or rights or interests therein, demolition of
24 buildings, site preparation, site improvements that serve
25 as an engineered barrier addressing ground level or below
26 ground environmental contamination, including, but not

1 limited to parking lots and other concrete or asphalt
2 barriers, and the clearing and grading of land;

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

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

1 municipal building is required to meet an increase in the
2 need for public safety purposes anticipated to result from
3 the implementation of the redevelopment plan;

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

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

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

22 (7.5) For redevelopment project areas designated (or
23 redevelopment project areas amended to add or increase the
24 number of tax-increment-financing assisted housing units)
25 on or after November 1, 1999, an elementary, secondary, or
26 unit school district's increased costs attributable to

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

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

1 general State aid as defined in Section 18-8.05 of the
2 School Code attributable to these added new students
3 subject to the following annual limitations:

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

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

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

22 (B) For alternate method districts, flat grant
23 districts, and foundation districts with a district
24 average 1995-96 Per Capita Tuition Charge equal to or
25 more than \$5,900, excluding any school district with a
26 population in excess of 1,000,000, by multiplying the

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

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

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

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

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

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

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

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

23 Any school district seeking payment under this
24 paragraph (7.5) shall, after July 1 and before
25 September 30 of each year, provide the municipality
26 with reasonable evidence to support its claim for

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

13 (7.7) For redevelopment project areas designated (or
14 redevelopment project areas amended to add or increase the
15 number of tax-increment-financing assisted housing units)
16 on or after January 1, 2005 (the effective date of Public
17 Act 93-961), a public library district's increased costs
18 attributable to assisted housing units located within the
19 redevelopment project area for which the developer or
20 redeveloper receives financial assistance through an
21 agreement with the municipality or because the
22 municipality incurs the cost of necessary infrastructure
23 improvements within the boundaries of the assisted housing
24 sites necessary for the completion of that housing as
25 authorized by this Act shall be paid to the library
26 district by the municipality from the Special Tax

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

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

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

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

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

1 redevelopment project area or projects;

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

7 (9) Payment in lieu of taxes;

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

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

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

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

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

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

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

1 to this Act; and

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

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

25 The eligible costs provided under this
26 subparagraph (F) of paragraph (11) shall be an eligible

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

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

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

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

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

24 (14) No cost shall be a redevelopment project cost in a
25 redevelopment project area if used to demolish, remove, or
26 substantially modify a historic resource, after August 26,

1 2008 (the effective date of Public Act 95-934) ~~this~~
2 ~~amendatory Act of the 95th General Assembly~~, unless no
3 prudent and feasible alternative exists. "Historic
4 resource" for the purpose of this item (14) means (i) a
5 place or structure that is included or eligible for
6 inclusion on the National Register of Historic Places or
7 (ii) a contributing structure in a district on the National
8 Register of Historic Places. This item (14) does not apply
9 to a place or structure for which demolition, removal, or
10 modification is subject to review by the preservation
11 agency of a Certified Local Government designated as such
12 by the National Park Service of the United States
13 Department of the Interior.

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

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

1 Sales Tax Increment.

2 (s) "State Sales Tax Increment" means an amount equal to
3 the increase in the aggregate amount of taxes paid by retailers
4 and servicemen, other than retailers and servicemen subject to
5 the Public Utilities Act, on transactions at places of business
6 located within a State Sales Tax Boundary pursuant to the
7 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use
8 Tax Act, and the Service Occupation Tax Act, except such
9 portion of such increase that is paid into the State and Local
10 Sales Tax Reform Fund, the Local Government Distributive Fund,
11 the Local Government Tax Fund and the County and Mass Transit
12 District Fund, for as long as State participation exists, over
13 and above the Initial Sales Tax Amounts, Adjusted Initial Sales
14 Tax Amounts or the Revised Initial Sales Tax Amounts for such
15 taxes as certified by the Department of Revenue and paid under
16 those Acts by retailers and servicemen on transactions at
17 places of business located within the State Sales Tax Boundary
18 during the base year which shall be the calendar year
19 immediately prior to the year in which the municipality adopted
20 tax increment allocation financing, less 3.0% of such amounts
21 generated under the Retailers' Occupation Tax Act, Use Tax Act
22 and Service Use Tax Act and the Service Occupation Tax Act,
23 which sum shall be appropriated to the Department of Revenue to
24 cover its costs of administering and enforcing this Section.
25 For purposes of computing the aggregate amount of such taxes
26 for base years occurring prior to 1985, the Department of

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

1 Initial State Sales Tax Amounts, Adjusted Initial Sales Tax
2 Amounts or the Revised Initial Sales Tax Amounts as
3 appropriate. For every State Fiscal Year thereafter, the
4 applicable period shall be the 12 months beginning July 1 and
5 ending on June 30, to determine the tax amounts received which
6 shall have deducted therefrom the certified Initial Sales Tax
7 Amounts, Adjusted Initial Sales Tax Amounts or the Revised
8 Initial Sales Tax Amounts. Municipalities intending to receive
9 a distribution of State Sales Tax Increment must report a list
10 of retailers to the Department of Revenue by October 31, 1988
11 and by July 31, of each year thereafter.

12 (t) "Taxing districts" means counties, townships, cities
13 and incorporated towns and villages, school, road, park,
14 sanitary, mosquito abatement, forest preserve, public health,
15 fire protection, river conservancy, tuberculosis sanitarium
16 and any other municipal corporations or districts with the
17 power to levy taxes.

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

22 (v) As used in subsection (a) of Section 11-74.4-3 of this
23 Act, "vacant land" means any parcel or combination of parcels
24 of real property without industrial, commercial, and
25 residential buildings which has not been used for commercial
26 agricultural purposes within 5 years prior to the designation

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

22 (w) "Annual Total Increment" means the sum of each
23 municipality's annual Net Sales Tax Increment and each
24 municipality's annual Net Utility Tax Increment. The ratio of
25 the Annual Total Increment of each municipality to the Annual
26 Total Increment for all municipalities, as most recently

1 calculated by the Department, shall determine the proportional
2 shares of the Illinois Tax Increment Fund to be distributed to
3 each municipality.

4 (Source: P.A. 94-260, eff. 7-19-05; 94-268, eff. 7-19-05;
5 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff.
6 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.
7 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,
8 eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07;
9 94-1092, eff. 1-26-07; 95-15, eff. 7-16-07; 95-164, eff.
10 1-1-08; 95-331, eff. 8-21-07; 95-346, eff. 8-21-07; 95-459,
11 eff. 8-27-07; 95-653, eff. 1-1-08; 95-662, eff. 10-11-07;
12 95-683, eff. 10-19-07; 95-709, eff. 1-29-08; 95-876, eff.
13 8-21-08; 95-932, eff. 8-26-08; 95-934, eff. 8-26-08; 95-964,
14 eff. 9-23-08; 95-977, eff. 9-22-08; 95-1028, eff. 1-1-10;
15 revised 1-27-09.)

16 Section 95. No acceleration or delay. Where this Act makes
17 changes in a statute that is represented in this Act by text
18 that is not yet or no longer in effect (for example, a Section
19 represented by multiple versions), the use of that text does
20 not accelerate or delay the taking effect of (i) the changes
21 made by this Act or (ii) provisions derived from any other
22 Public Act.

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.