

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       (p-1) Notwithstanding any provision of this Act to the  
2 contrary, on and after the effective date of this amendatory  
3 Act of the 96th General Assembly, a redevelopment project area  
4 may include areas within a one-half mile radius of an existing  
5 or proposed Regional Transportation Authority Suburban Transit  
6 Access Route (STAR Line) station without a finding that the  
7 area is classified as an industrial park conservation area, a  
8 blighted area, a conservation area, or a combination thereof,  
9 but only if the municipality receives unanimous consent from  
10 the joint review board created to review the proposed  
11 redevelopment project area.

12       (q) "Redevelopment project costs", except for  
13 redevelopment project areas created pursuant to subsection  
14 (p-1), mean and include the sum total of all reasonable or  
15 necessary costs incurred or estimated to be incurred, and any  
16 such costs incidental to a redevelopment plan and a  
17 redevelopment project. Such costs include, without limitation,  
18 the following:

19           (1) Costs of studies, surveys, development of plans,  
20 and specifications, implementation and administration of  
21 the redevelopment plan including but not limited to staff  
22 and professional service costs for architectural,  
23 engineering, legal, financial, planning or other services,  
24 provided however that no charges for professional services  
25 may be based on a percentage of the tax increment  
26 collected; except that on and after November 1, 1999 (the



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

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

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

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

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

20           (4) Costs of the construction of public works or  
21 improvements, except that on and after November 1, 1999,  
22 redevelopment project costs shall not include the cost of  
23 constructing a new municipal public building principally  
24 used to provide offices, storage space, or conference  
25 facilities or vehicle storage, maintenance, or repair for  
26 administrative, public safety, or public works personnel

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

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

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

25 (7) To the extent the municipality by written agreement  
26 accepts and approves the same, all or a portion of a taxing

1 district's capital costs resulting from the redevelopment  
2 project necessarily incurred or to be incurred within a  
3 taxing district in furtherance of the objectives of the  
4 redevelopment plan and project.

5 (7.5) For redevelopment project areas designated (or  
6 redevelopment project areas amended to add or increase the  
7 number of tax-increment-financing assisted housing units)  
8 on or after November 1, 1999, an elementary, secondary, or  
9 unit school district's increased costs attributable to  
10 assisted housing units located within the redevelopment  
11 project area for which the developer or redeveloper  
12 receives financial assistance through an agreement with  
13 the municipality or because the municipality incurs the  
14 cost of necessary infrastructure improvements within the  
15 boundaries of the assisted housing sites necessary for the  
16 completion of that housing as authorized by this Act, and  
17 which costs shall be paid by the municipality from the  
18 Special Tax Allocation Fund when the tax increment revenue  
19 is received as a result of the assisted housing units and  
20 shall be calculated annually as follows:

21 (A) for foundation districts, excluding any school  
22 district in a municipality with a population in excess  
23 of 1,000,000, by multiplying the district's increase  
24 in attendance resulting from the net increase in new  
25 students enrolled in that school district who reside in  
26 housing units within the redevelopment project area

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

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

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

25                   (iii) for secondary school districts with a  
26                   district average 1995-96 Per Capita Tuition Charge

1           of less than \$5,900, no more than 8% of the total  
2           amount of property tax increment revenue produced  
3           by those housing units that have received tax  
4           increment finance assistance under this Act.

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

26                 (i) for unit school districts, no more than 40%

1 of the total amount of property tax increment  
2 revenue produced by those housing units that have  
3 received tax increment finance assistance under  
4 this Act;

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

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

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

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

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

1 schools by the municipality or developer; and  
2 (iii) the amount reimbursed may not affect  
3 amounts otherwise obligated by the terms of any  
4 bonds, notes, or other funding instruments, or the  
5 terms of any redevelopment agreement.

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

22 (7.7) 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 January 1, 2005 (the effective date of Public  
26 Act 93-961), a public library district's increased costs



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

19       The amount paid to a library district under this  
20      paragraph (7.7) shall be calculated by multiplying (i) the  
21      net increase in the number of persons eligible to obtain a  
22      library card in that district who reside in housing units  
23      within the redevelopment project area that have received  
24      financial assistance through an agreement with the  
25      municipality or because the municipality incurs the cost of  
26      necessary infrastructure improvements within the

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

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

22 Any library district seeking payment under this  
23 paragraph (7.7) shall, after July 1 and before September 30  
24 of each year, provide the municipality with convincing  
25 evidence to support its claim for reimbursement before the  
26 municipality shall be required to approve or make the

1 payment to the library district. If the library district  
2 fails to provide the information during this period in any  
3 year, it shall forfeit any claim to reimbursement for that  
4 year. Library districts may adopt a resolution waiving the  
5 right to all or a portion of the reimbursement otherwise  
6 required by this paragraph (7.7). By acceptance of such  
7 reimbursement, the library district shall forfeit any  
8 right to directly or indirectly set aside, modify, or  
9 contest in any manner whatsoever the establishment of the  
10 redevelopment project area or projects;

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

16 (9) Payment in lieu of taxes;

17 (10) Costs of job training, retraining, advanced  
18 vocational education or career education, including but  
19 not limited to courses in occupational, semi-technical or  
20 technical fields leading directly to employment, incurred  
21 by one or more taxing districts, provided that such costs  
22 (i) are related to the establishment and maintenance of  
23 additional job training, advanced vocational education or  
24 career education programs for persons employed or to be  
25 employed by employers located in a redevelopment project  
26 area; and (ii) when incurred by a taxing district or taxing

1 districts other than the municipality, are set forth in a  
2 written agreement by or among the municipality and the  
3 taxing district or taxing districts, which agreement  
4 describes the program to be undertaken, including but not  
5 limited to the number of employees to be trained, a  
6 description of the training and services to be provided,  
7 the number and type of positions available or to be  
8 available, itemized costs of the program and sources of  
9 funds to pay for the same, and the term of the agreement.  
10 Such costs include, specifically, the payment by community  
11 college districts of costs pursuant to Sections 3-37, 3-38,  
12 3-40 and 3-40.1 of the Public Community College Act and by  
13 school districts of costs pursuant to Sections 10-22.20a  
14 and 10-23.3a of The School Code;

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

18 (A) such costs are to be paid directly from the  
19 special tax allocation fund established pursuant to  
20 this Act;

21 (B) such payments in any one year may not exceed  
22 30% of the annual interest costs incurred by the  
23 redeveloper with regard to the redevelopment project  
24 during that year;

25 (C) if there are not sufficient funds available in  
26 the special tax allocation fund to make the payment

1           pursuant to this paragraph (11) then the amounts so due  
2           shall accrue and be payable when sufficient funds are  
3           available in the special tax allocation fund;

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

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

18          (F) Instead of the eligible costs provided by  
19          subparagraphs (B) and (D) of paragraph (11), as  
20          modified by this subparagraph, and notwithstanding any  
21          other provisions of this Act to the contrary, the  
22          municipality may pay from tax increment revenues up to  
23          50% of the cost of construction of new housing units to  
24          be occupied by low-income households and very  
25          low-income households as defined in Section 3 of the  
26          Illinois Affordable Housing Act. The cost of

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

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

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

20           (11.5) If the redevelopment project area is located  
21          within a municipality with a population of more than  
22          100,000, the cost of day care services for children of  
23          employees from low-income families working for businesses  
24          located within the redevelopment project area and all or a  
25          portion of the cost of operation of day care centers  
26          established by redevelopment project area businesses to

1       serve employees from low-income families working in  
2       businesses located in the redevelopment project area. For  
3       the purposes of this paragraph, "low-income families"  
4       means families whose annual income does not exceed 80% of  
5       the municipal, county, or regional median income, adjusted  
6       for family size, as the annual income and municipal,  
7       county, or regional median income are determined from time  
8       to time by the United States Department of Housing and  
9       Urban Development.

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

13       (13) After November 1, 1999 (the effective date of  
14       Public Act 91-478), none of the redevelopment project costs  
15       enumerated in this subsection shall be eligible  
16       redevelopment project costs if those costs would provide  
17       direct financial support to a retail entity initiating  
18       operations in the redevelopment project area while  
19       terminating operations at another Illinois location within  
20       10 miles of the redevelopment project area but outside the  
21       boundaries of the redevelopment project area municipality.  
22       For purposes of this paragraph, termination means a closing  
23       of a retail operation that is directly related to the  
24       opening of the same operation or like retail entity owned  
25       or operated by more than 50% of the original ownership in a  
26       redevelopment project area, but it does not mean closing an



1 operation for reasons beyond the control of the retail  
2 entity, as documented by the retail entity, subject to a  
3 reasonable finding by the municipality that the current  
4 location contained inadequate space, had become  
5 economically obsolete, or was no longer a viable location  
6 for the retailer or serviceman.

7 (14) No cost shall be a redevelopment project cost in a  
8 redevelopment project area if used to demolish, remove, or  
9 substantially modify a historic resource, after August 26,  
10 2008 (the effective date of Public Act 95-934) ~~this~~  
11 ~~amendatory Act of the 95th General Assembly~~, unless no  
12 prudent and feasible alternative exists. "Historic  
13 resource" for the purpose of this item (14) means (i) a  
14 place or structure that is included or eligible for  
15 inclusion on the National Register of Historic Places or  
16 (ii) a contributing structure in a district on the National  
17 Register of Historic Places. This item (14) does not apply  
18 to a place or structure for which demolition, removal, or  
19 modification is subject to review by the preservation  
20 agency of a Certified Local Government designated as such  
21 by the National Park Service of the United States  
22 Department of the Interior.

23 If a special service area has been established pursuant to  
24 the Special Service Area Tax Act or Special Service Area Tax  
25 Law, then any tax increment revenues derived from the tax  
26 imposed pursuant to the Special Service Area Tax Act or Special

1 Service Area Tax Law may be used within the redevelopment  
2 project area for the purposes permitted by that Act or Law as  
3 well as the purposes permitted by this Act.

4 (q-1) For redevelopment project areas created pursuant to  
5 subsection (p-1), "redevelopment project costs" are limited to  
6 those costs in paragraph (q) that are related to the existing  
7 or proposed Regional Transportation Authority Suburban Transit  
8 Access Route (STAR Line) station.

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

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

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

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

26 (t) "Taxing districts" means counties, townships, cities

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

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

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

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

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

18 (Source: P.A. 94-260, eff. 7-19-05; 94-268, eff. 7-19-05;  
19 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff.  
20 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.  
21 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,  
22 eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07;  
23 94-1092, eff. 1-26-07; 95-15, eff. 7-16-07; 95-164, eff.  
24 1-1-08; 95-331, eff. 8-21-07; 95-346, eff. 8-21-07; 95-459,  
25 eff. 8-27-07; 95-653, eff. 1-1-08; 95-662, eff. 10-11-07;  
26 95-683, eff. 10-19-07; 95-709, eff. 1-29-08; 95-876, eff.

1 8-21-08; 95-932, eff. 8-26-08; 95-934, eff. 8-26-08; 95-964,  
2 eff. 9-23-08; 95-977, eff. 9-22-08; revised 10-16-08.)

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

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

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

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

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

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

8           (B) Obsolescence. The condition or process of  
9           falling into disuse. Structures have become ill-suited  
10          for the original use.

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

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



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

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

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

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

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

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

26          (J) Deleterious land use or layout. The existence

1 of incompatible land-use relationships, buildings  
2 occupied by inappropriate mixed-uses, or uses  
3 considered to be noxious, offensive, or unsuitable for  
4 the surrounding area.

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

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

1 size to meet contemporary development standards, or  
2 other evidence demonstrating an absence of effective  
3 community planning.

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

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

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

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

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

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

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

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

1           the development or redevelopment of the redevelopment  
2           project area.

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

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

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

26                  (B) The area consists of unused rail yards, rail

1 tracks, or railroad rights-of-way.

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

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

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

26 (F) The area qualified as a blighted improved area

1 immediately prior to becoming vacant, unless there has  
2 been substantial private investment in the immediately  
3 surrounding area.

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

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

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

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



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

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

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

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

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

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

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

19 (9) Excessive land coverage and overcrowding of  
20 structures and community facilities. The over-intensive  
21 use of property and the crowding of buildings and accessory  
22 facilities onto a site. Examples of problem conditions  
23 warranting the designation of an area as one exhibiting  
24 excessive land coverage are: the presence of buildings  
25 either improperly situated on parcels or located on parcels  
26 of inadequate size and shape in relation to present-day

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

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

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

1 demonstrating an absence of effective community planning.

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

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

23 (c) "Industrial park" means an area in a blighted or  
24 conservation area suitable for use by any manufacturing,  
25 industrial, research or transportation enterprise, of  
26 facilities to include but not be limited to factories, mills,

1 processing plants, assembly plants, packing plants,  
2 fabricating plants, industrial distribution centers,  
3 warehouses, repair overhaul or service facilities, freight  
4 terminals, research facilities, test facilities or railroad  
5 facilities.

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

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

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

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

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

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

23 (h) "Municipal Sales Tax Increment" means an amount equal  
24 to the increase in the aggregate amount of taxes paid to a  
25 municipality from the Local Government Tax Fund arising from  
26 sales by retailers and servicemen within the redevelopment

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

1 Initial Sales Tax Amounts for the Municipal Retailers'  
2 Occupation Tax Act and the Municipal Service Occupation Tax  
3 Act. For the State Fiscal Year 1989, this calculation shall be  
4 made by utilizing the calendar year 1987 to determine the tax  
5 amounts received. For the State Fiscal Year 1990, this  
6 calculation shall be made by utilizing the period from January  
7 1, 1988, until September 30, 1988, to determine the tax amounts  
8 received from retailers and servicemen pursuant to the  
9 Municipal Retailers' Occupation Tax and the Municipal Service  
10 Occupation Tax Act, which shall have deducted therefrom  
11 nine-twelfths of the certified Initial Sales Tax Amounts, the  
12 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
13 Tax Amounts as appropriate. For the State Fiscal Year 1991,  
14 this calculation shall be made by utilizing the period from  
15 October 1, 1988, to June 30, 1989, 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,  
20 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
21 Tax Amounts as appropriate. For every State Fiscal Year  
22 thereafter, the applicable period shall be the 12 months  
23 beginning July 1 and ending June 30 to determine the tax  
24 amounts received which shall have deducted therefrom the  
25 certified Initial Sales Tax Amounts, the Adjusted Initial Sales  
26 Tax Amounts or the Revised Initial Sales Tax Amounts, as the



1 case may be.

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

1 prior to June 1, 1988 to finance redevelopment project costs  
2 within a State Sales Tax Boundary, the Net State Sales Tax  
3 Increment shall be calculated as follows: By multiplying the  
4 Net State Sales Tax Increment by 90% in the State Fiscal Year  
5 1999; 80% in the State Fiscal Year 2000; 70% in the State  
6 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the  
7 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%  
8 in the State Fiscal Year 2005; 20% in the State Fiscal Year  
9 2006; and 10% in the State Fiscal Year 2007. No payment shall  
10 be made for State Fiscal Year 2008 and thereafter.

11 Municipalities that issued bonds in connection with a  
12 redevelopment project in a redevelopment project area within  
13 the State Sales Tax Boundary prior to July 29, 1991, or that  
14 entered into contracts in connection with a redevelopment  
15 project in a redevelopment project area before June 1, 1988,  
16 shall continue to receive their proportional share of the  
17 Illinois Tax Increment Fund distribution until the date on  
18 which the redevelopment project is completed or terminated. If,  
19 however, a municipality 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 retires the  
22 bonds prior to June 30, 2007 or a municipality that entered  
23 into contracts in connection with a redevelopment project in a  
24 redevelopment project area before June 1, 1988 completes the  
25 contracts prior to June 30, 2007, then so long as the  
26 redevelopment project is not completed or is not terminated,

1 the Net State Sales Tax Increment shall be calculated,  
2 beginning on the date on which the bonds are retired or the  
3 contracts are completed, as follows: By multiplying the Net  
4 State Sales Tax Increment by 60% in the State Fiscal Year 2002;  
5 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year  
6 2004; 30% in the State Fiscal Year 2005; 20% in the State  
7 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No  
8 payment shall be made for State Fiscal Year 2008 and  
9 thereafter. Refunding of any bonds issued prior to July 29,  
10 1991, shall not alter the Net State Sales Tax Increment.

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

23 (k) "Net State Utility Tax Increment" means the sum of the  
24 following: (a) 80% of the first \$100,000 of State Utility Tax  
25 Increment annually generated by a redevelopment project area;  
26 (b) 60% of the amount in excess of \$100,000 but not exceeding

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

18 Municipalities that issue bonds in connection with the  
19 redevelopment project during the period from June 1, 1988 until  
20 3 years after the effective date of this Amendatory Act of 1988  
21 shall receive the Net State Utility Tax Increment, subject to  
22 appropriation, for 15 State Fiscal Years after the issuance of  
23 such bonds. For the 16th through the 20th State Fiscal Years  
24 after issuance of the bonds, the Net State Utility Tax  
25 Increment shall be calculated as follows: By multiplying the  
26 Net State Utility Tax Increment by 90% in year 16; 80% in year

1 17; 70% in year 18; 60% in year 19; and 50% in year 20.  
2 Refunding of any bonds issued prior to June 1, 1988, shall not  
3 alter the revised Net State Utility Tax Increment payments set  
4 forth above.

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

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

21 (n) "Redevelopment plan" means the comprehensive program  
22 of the municipality for development or redevelopment intended  
23 by the payment of redevelopment project costs to reduce or  
24 eliminate those conditions the existence of which qualified the  
25 redevelopment project area as a "blighted area" or  
26 "conservation area" or combination thereof or "industrial park

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

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

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

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

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

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

1 issued;

2 (F) the most recent equalized assessed valuation of the  
3 redevelopment project area;

4 (G) an estimate as to the equalized assessed valuation  
5 after redevelopment and the general land uses to apply in  
6 the redevelopment project area;

7 (H) a commitment to fair employment practices and an  
8 affirmative action plan;

9 (I) if it concerns an industrial park conservation  
10 area, the plan shall also include a general description of  
11 any proposed developer, user and tenant of any property, a  
12 description of the type, structure and general character of  
13 the facilities to be developed, a description of the type,  
14 class and number of new employees to be employed in the  
15 operation of the facilities to be developed; and

16 (J) if property is to be annexed to the municipality,  
17 the plan shall include the terms of the annexation  
18 agreement.

19 The provisions of items (B) and (C) of this subsection (n)  
20 shall not apply to a municipality that before March 14, 1994  
21 (the effective date of Public Act 88-537) had fixed, either by  
22 its corporate authorities or by a commission designated under  
23 subsection (k) of Section 11-74.4-4, a time and place for a  
24 public hearing as required by subsection (a) of Section  
25 11-74.4-5. No redevelopment plan shall be adopted unless a  
26 municipality complies with all of the following requirements:

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

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

17           (3) The redevelopment plan establishes the estimated  
18 dates of completion of the redevelopment project and  
19 retirement of obligations issued to finance redevelopment  
20 project costs. Those dates may not be later than the dates  
21 set forth under Section 11-74.4-3.5., ~~or (DDD) (EEE), or~~  
22 ~~(FFF), or (GGG), or (HHH), or (III), or (JJJ), (KKK), (LLL)~~  
23 ~~(MMM), or (NNN) if the ordinance was adopted on December~~  
24 ~~23, 1986 by the Village of Libertyville. (NNN) if the~~  
25 ~~ordinance was adopted on December 22, 1986 by the Village~~  
26 ~~of Hoffman Estates.~~



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

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

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

25           (5) If the redevelopment plan will not result in  
26 displacement of residents from 10 or more inhabited

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

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

24 Part II of the housing impact study shall identify the  
25 inhabited residential units in the proposed redevelopment  
26 project area that are to be or may be removed. If inhabited

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

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

14 (7) On and after November 1, 1999, no redevelopment  
15 plan shall be adopted, nor an existing plan amended, nor  
16 shall residential housing that is occupied by households of  
17 low-income and very low-income persons in currently  
18 existing redevelopment project areas be removed after  
19 November 1, 1999 unless the redevelopment plan provides,  
20 with respect to inhabited housing units that are to be  
21 removed for households of low-income and very low-income  
22 persons, affordable housing and relocation assistance not  
23 less than that which would be provided under the federal  
24 Uniform Relocation Assistance and Real Property  
25 Acquisition Policies Act of 1970 and the regulations under  
26 that Act, including the eligibility criteria. Affordable

1 housing may be either existing or newly constructed  
2 housing. For purposes of this paragraph (7), "low-income  
3 households", "very low-income households", and "affordable  
4 housing" have the meanings set forth in the Illinois  
5 Affordable Housing Act. The municipality shall make a good  
6 faith effort to ensure that this affordable housing is  
7 located in or near the redevelopment project area within  
8 the municipality.

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

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

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

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

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

23 (p-1) Notwithstanding any provision of this Act to the  
24 contrary, on and after the effective date of this amendatory  
25 Act of the 96th General Assembly, a redevelopment project area  
26 may include areas within a one-half mile radius of an existing

1 or proposed Regional Transportation Authority Suburban Transit  
2 Access Route (STAR Line) station without a finding that the  
3 area is classified as an industrial park conservation area, a  
4 blighted area, a conservation area, or a combination thereof,  
5 but only if the municipality receives unanimous consent from  
6 the joint review board created to review the proposed  
7 redevelopment project area.

8 (q) "Redevelopment project costs", except for  
9 redevelopment project areas created pursuant to subsection  
10 (p-1), mean and include the sum total of all reasonable or  
11 necessary costs incurred or estimated to be incurred, and any  
12 such costs incidental to a redevelopment plan and a  
13 redevelopment project. Such costs include, without limitation,  
14 the following:

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

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

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

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

26 (2) Property assembly costs, including but not limited

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

1           (ii) for elementary school districts, no more  
2           than 27% 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; and

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

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

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

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

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

1 terms of any redevelopment agreement.

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

18 (7.7) 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 January 1, 2005 (the effective date of Public  
22 Act 93-961), a public library district's increased costs  
23 attributable to assisted housing units located within the  
24 redevelopment project area for which the developer or  
25 redeveloper receives financial assistance through an  
26 agreement with the municipality or because the

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

15 The amount paid to a library district under this  
16 paragraph (7.7) shall be calculated by multiplying (i) the  
17 net increase in the number of persons eligible to obtain a  
18 library card in that district who reside in housing units  
19 within the redevelopment project area that have received  
20 financial assistance through an agreement with the  
21 municipality or because the municipality incurs the cost of  
22 necessary infrastructure improvements within the  
23 boundaries of the housing sites necessary for the  
24 completion of that housing as authorized by this Act since  
25 the designation of the redevelopment project area by (ii)  
26 the per-patron cost of providing library services so long

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

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

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



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

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

12 (9) Payment in lieu of taxes;

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

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

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

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

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

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

26 (D) the total of such interest payments paid

1           pursuant to this Act may not exceed 30% of the total  
2           (i) cost paid or incurred by the redeveloper for the  
3           redevelopment project plus (ii) redevelopment project  
4           costs excluding any property assembly costs and any  
5           relocation costs incurred by a municipality pursuant  
6           to this Act; and

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

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

1 reimbursed from tax increment revenues or the proceeds  
2 of bonds issued to finance the construction of that  
3 housing.

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

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

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

1 the municipal, county, or regional median income, adjusted  
2 for family size, as the annual income and municipal,  
3 county, or regional median income are determined from time  
4 to time by the United States Department of Housing and  
5 Urban Development.

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

9 (13) After November 1, 1999 (the effective date of  
10 Public Act 91-478), none of the redevelopment project costs  
11 enumerated in this subsection shall be eligible  
12 redevelopment project costs if those costs would provide  
13 direct financial support to a retail entity initiating  
14 operations in the redevelopment project area while  
15 terminating operations at another Illinois location within  
16 10 miles of the redevelopment project area but outside the  
17 boundaries of the redevelopment project area municipality.  
18 For purposes of this paragraph, termination means a closing  
19 of a retail operation that is directly related to the  
20 opening of the same operation or like retail entity owned  
21 or operated by more than 50% of the original ownership in a  
22 redevelopment project area, but it does not mean closing an  
23 operation for reasons beyond the control of the retail  
24 entity, as documented by the retail entity, subject to a  
25 reasonable finding by the municipality that the current  
26 location contained inadequate space, had become

1 economically obsolete, or was no longer a viable location  
2 for the retailer or serviceman.

3 (14) No cost shall be a redevelopment project cost in a  
4 redevelopment project area if used to demolish, remove, or  
5 substantially modify a historic resource, after August 26,  
6 2008 (the effective date of Public Act 95-934) ~~this~~  
7 ~~amendatory Act of the 95th General Assembly~~, unless no  
8 prudent and feasible alternative exists. "Historic  
9 resource" for the purpose of this item (14) means (i) a  
10 place or structure that is included or eligible for  
11 inclusion on the National Register of Historic Places or  
12 (ii) a contributing structure in a district on the National  
13 Register of Historic Places. This item (14) does not apply  
14 to a place or structure for which demolition, removal, or  
15 modification is subject to review by the preservation  
16 agency of a Certified Local Government designated as such  
17 by the National Park Service of the United States  
18 Department of the Interior.

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

26 (q-1) For redevelopment project areas created pursuant to

1 subsection (p-1), "redevelopment project costs" are limited to  
2 those costs in paragraph (q) that are related to the existing  
3 or proposed Regional Transportation Authority Suburban Transit  
4 Access Route (STAR Line) station.

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

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



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

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

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

1 power to levy taxes.

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

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

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

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

14 (Source: P.A. 94-260, eff. 7-19-05; 94-268, eff. 7-19-05;  
15 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff.  
16 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.  
17 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,  
18 eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07;  
19 94-1092, eff. 1-26-07; 95-15, eff. 7-16-07; 95-164, eff.  
20 1-1-08; 95-331, eff. 8-21-07; 95-346, eff. 8-21-07; 95-459,  
21 eff. 8-27-07; 95-653, eff. 1-1-08; 95-662, eff. 10-11-07;  
22 95-683, eff. 10-19-07; 95-709, eff. 1-29-08; 95-876, eff.  
23 8-21-08; 95-932, eff. 8-26-08; 95-934, eff. 8-26-08; 95-964,  
24 eff. 9-23-08; 95-977, eff. 9-22-08; 95-1028, eff. 1-1-10;  
25 revised 1-27-09.)

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

8           Section 99. Effective date. This Act takes effect upon  
9 becoming law.