

# HB3633



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB3633

Introduced 2/24/2009, by Rep. Mark L. Walker

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-3

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

Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. Adds costs of and associated with transit oriented developments to the definitions of "redevelopment project costs". Defines "transit oriented development". Makes revisory changes. Contains a non-acceleration clause. Effective immediately.

LRB096 08981 RLJ 19120 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

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

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

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

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

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

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

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

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

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

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

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

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

1 protruding through paved surfaces.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (6) Excessive vacancies. The presence of buildings

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

22 (g-1) "Revised Initial Sales Tax Amounts" means the amount  
23 of taxes paid under the Retailers' Occupation Tax Act, Use Tax  
24 Act, Service Use Tax Act, the Service Occupation Tax Act, the  
25 Municipal Retailers' Occupation Tax Act, and the Municipal  
26 Service Occupation Tax Act by retailers and servicemen on

1 transactions at places located within the State Sales Tax  
2 Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

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

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

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

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

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

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

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

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

1 of the ordinance authorizing tax increment allocation  
2 financing.

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 data from the most recent federal census.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

26 (4.1) Costs of and associated with transit oriented

1           developments.

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

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

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

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

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

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

1 subject to the following annual limitations:

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

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

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

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

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

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

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

25 (iii) for secondary school districts, no more  
26 than 13% of the total amount of property tax

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

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

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

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

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

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



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

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

1 (7.7) applies only if (i) the library district is located  
2 in a county that is subject to the Property Tax Extension  
3 Limitation Law or (ii) the library district is not located  
4 in a county that is subject to the Property Tax Extension  
5 Limitation Law but the district is prohibited by any other  
6 law from increasing its tax levy rate without a prior voter  
7 referendum.

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

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

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

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

26 (8) Relocation costs to the extent that a municipality

1 determines that relocation costs shall be paid or is  
2 required to make payment of relocation costs by federal or  
3 State law or in order to satisfy subparagraph (7) of  
4 subsection (n);

5 (9) Payment in lieu of taxes;

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

1 3-40 and 3-40.1 of the Public Community College Act and by  
2 school districts of costs pursuant to Sections 10-22.20a  
3 and 10-23.3a of The School Code;

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

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

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

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

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

26 (E) the cost limits set forth in subparagraphs (B)

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

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

23 The eligible costs provided under this  
24 subparagraph (F) of paragraph (11) shall be an eligible  
25 cost for the construction, renovation, and  
26 rehabilitation of all low and very low-income housing

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

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

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

25          (12) Unless explicitly stated herein the cost of  
26          construction of new privately-owned buildings shall not be



1 an eligible redevelopment project cost.

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

22 (14) No cost shall be a redevelopment project cost in a  
23 redevelopment project area if used to demolish, remove, or  
24 substantially modify a historic resource, after August 26,  
25 2008 (the effective date of Public Act 95-934) ~~this~~  
26 ~~amendatory Act of the 95th General Assembly~~, unless no

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

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

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

26 (s) "State Sales Tax Increment" means an amount equal to

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

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

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

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

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

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

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

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

1 each municipality.

2 (x) "Transit oriented development" means a compact area of  
3 development of not more than 250 acres, located within a  
4 one-half mile radius of an existing or proposed rail or motor  
5 bus station, or an inter-modal or multi-modal passenger  
6 facility, that is part of a "public mass transportation system"  
7 (as defined in the Local Mass Transit District Act (70 ILCS  
8 3610/)) with significant or potentially significant bus or rail  
9 passenger volume, and characterized, whether the area is  
10 improved or vacant, by at least 2 of the following 3 factors  
11 being present to a meaningful extent and reasonably distributed  
12 throughout the project area so that a municipality may  
13 reasonably find, based upon a documented condition analysis,  
14 that the factors are clearly present within the intent of the  
15 Act:

16 (1) Inadequate utilities or transportation or parking  
17 infrastructures. At grade, underground, or overhead  
18 utilities such as storm sewers, storm drainage, sanitary  
19 sewers, water lines, gas lines, telephone or electrical  
20 services, or transportation or parking infrastructures  
21 such as roadways, streets, alleys, sidewalks, signals,  
22 signage, parking facilities, or bicycle facilities that  
23 are shown to be inadequate for commercial and residential  
24 development within the transit-oriented development area  
25 that supports the existing or proposed mass transit  
26 facility because those utilities or transportation or

1 parking infrastructures are:

2 (A) of insufficient capacity to serve the uses in  
3 the redevelopment project area such that major  
4 improvements are required;

5 (B) deteriorated, antiquated, obsolete, or in such  
6 disrepair that major repair is required; or

7 (C) lacking within the redevelopment project area.

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

14 (3) Lack of transit oriented development planning.  
15 Inadequate transit oriented development planning because  
16 the proposed redevelopment project area was developed  
17 prior to or without the benefit or guidance of an adequate  
18 transit oriented development plan, and which redevelopment  
19 project area is now being designed to support transit  
20 operations by encouraging new or increased transit  
21 ridership through:

22 (A) the provision of public improvements necessary  
23 to provide or improve access to an existing or proposed  
24 mass transit facility, including, but not limited to,  
25 roadways, streets, alleys, sidewalks, signals,  
26 signage, parking facilities, bicycle facilities, and



1           necessary utilities; and

2           (B) the construction of a mix of development  
3           products, including, but not limited to, commercial,  
4           retail, office, and housing at a greater density than  
5           would normally occur in the redevelopment project area  
6           absent the presence of a mass transit facility and  
7           transit oriented development planning.

8           (Source: P.A. 94-260, eff. 7-19-05; 94-268, eff. 7-19-05;  
9           94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff.  
10           6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.  
11           5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,  
12           eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07;  
13           94-1092, eff. 1-26-07; 95-15, eff. 7-16-07; 95-164, eff.  
14           1-1-08; 95-331, eff. 8-21-07; 95-346, eff. 8-21-07; 95-459,  
15           eff. 8-27-07; 95-653, eff. 1-1-08; 95-662, eff. 10-11-07;  
16           95-683, eff. 10-19-07; 95-709, eff. 1-29-08; 95-876, eff.  
17           8-21-08; 95-932, eff. 8-26-08; 95-934, eff. 8-26-08; 95-964,  
18           eff. 9-23-08; 95-977, eff. 9-22-08; revised 10-16-08.)

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

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

24           (a) For any redevelopment project area that has been  
25           designated pursuant to this Section by an ordinance adopted

1 prior to November 1, 1999 (the effective date of Public Act  
2 91-478), "blighted area" shall have the meaning set forth in  
3 this Section prior to that date.

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

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

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

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

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

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

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

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

26 (G) Lack of ventilation, light, or sanitary

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

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

23 (I) Excessive land coverage and overcrowding of  
24 structures and community facilities. The  
25 over-intensive use of property and the crowding of  
26 buildings and accessory facilities onto a site.

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

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

21 (K) Environmental clean-up. The proposed  
22 redevelopment project area has incurred Illinois  
23 Environmental Protection Agency or United States  
24 Environmental Protection Agency remediation costs for,  
25 or a study conducted by an independent consultant  
26 recognized as having expertise in environmental

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

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

20 (M) The total equalized assessed value of the  
21 proposed redevelopment project area has declined for 3  
22 of the last 5 calendar years prior to the year in which  
23 the redevelopment project area is designated or is  
24 increasing at an annual rate that is less than the  
25 balance of the municipality for 3 of the last 5  
26 calendar years for which information is available or is

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

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

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

25 (B) Diversity of ownership of parcels of vacant  
26 land sufficient in number to retard or impede the

1 ability to assemble the land for development.

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

5 (D) Deterioration of structures or site  
6 improvements in neighboring areas adjacent to the  
7 vacant land.

8 (E) 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  
17 the development or redevelopment of the redevelopment  
18 project area.

19 (F) The total equalized assessed value of the  
20 proposed redevelopment project area has declined for 3  
21 of the last 5 calendar years prior to the year in which  
22 the redevelopment project area is designated or is  
23 increasing at an annual rate that is less than the  
24 balance of the municipality for 3 of the last 5  
25 calendar years for which information is available or is  
26 increasing at an annual rate that is less than the



1 Consumer Price Index for All Urban Consumers published  
2 by the United States Department of Labor or successor  
3 agency for 3 of the last 5 calendar years prior to the  
4 year in which the redevelopment project area is  
5 designated.

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

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

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

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

1           (D) The area consists of an unused or illegal  
2 disposal site containing earth, stone, building  
3 debris, or similar materials that were removed from  
4 construction, demolition, excavation, or dredge sites.

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

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

20           (b) For any redevelopment project area that has been  
21 designated pursuant to this Section by an ordinance adopted  
22 prior to November 1, 1999 (the effective date of Public Act  
23 91-478), "conservation area" shall have the meaning set forth  
24 in this Section prior to that date.

25           On and after November 1, 1999, "conservation area" means  
26 any improved area within the boundaries of a redevelopment

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

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

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

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

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

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

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

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

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

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

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

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

18           (12) 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 the

1 development or redevelopment of the redevelopment project  
2 area.

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

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

22 (d) "Industrial park conservation area" means an area  
23 within the boundaries of a redevelopment project area located  
24 within the territorial limits of a municipality that is a labor  
25 surplus municipality or within 1 1/2 miles of the territorial  
26 limits of a municipality that is a labor surplus municipality

1 if the area is annexed to the municipality; which area is zoned  
2 as industrial no later than at the time the municipality by  
3 ordinance designates the redevelopment project area, and which  
4 area includes both vacant land suitable for use as an  
5 industrial park and a blighted area or conservation area  
6 contiguous to such vacant land.

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

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

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



1 Service Use Tax Act, the Service Occupation Tax Act, the  
2 Municipal Retailers' Occupation Tax Act, and the Municipal  
3 Service Occupation Tax Act by retailers and servicemen on  
4 transactions at places located in a State Sales Tax Boundary  
5 during the calendar year 1985.

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

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

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

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

18 (i) "Net State Sales Tax Increment" means the sum of the  
19 following: (a) 80% of the first \$100,000 of State Sales Tax  
20 Increment annually generated within a State Sales Tax Boundary;  
21 (b) 60% of the amount in excess of \$100,000 but not exceeding  
22 \$500,000 of State Sales Tax Increment annually generated within  
23 a State Sales Tax Boundary; and (c) 40% of all amounts in  
24 excess of \$500,000 of State Sales Tax Increment annually  
25 generated within a State Sales Tax Boundary. If, however, a  
26 municipality established a tax increment financing district in

1 a county with a population in excess of 3,000,000 before  
2 January 1, 1986, and the municipality entered into a contract  
3 or issued bonds after January 1, 1986, but before December 31,  
4 1986, to finance redevelopment project costs within a State  
5 Sales Tax Boundary, then the Net State Sales Tax Increment  
6 means, for the fiscal years beginning July 1, 1990, and July 1,  
7 1991, 100% of the State Sales Tax Increment annually generated  
8 within a State Sales Tax Boundary; and notwithstanding any  
9 other provision of this Act, for those fiscal years the  
10 Department of Revenue shall distribute to those municipalities  
11 100% of their Net State Sales Tax Increment before any  
12 distribution to any other municipality and regardless of  
13 whether or not those other municipalities will receive 100% of  
14 their Net State Sales Tax Increment. For Fiscal Year 1999, and  
15 every year thereafter until the year 2007, for any municipality  
16 that has not entered into a contract or has not issued bonds  
17 prior to June 1, 1988 to finance redevelopment project costs  
18 within a State Sales Tax Boundary, the Net State Sales Tax  
19 Increment shall be calculated as follows: By multiplying the  
20 Net State Sales Tax Increment by 90% in the State Fiscal Year  
21 1999; 80% in the State Fiscal Year 2000; 70% in the State  
22 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the  
23 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%  
24 in the State Fiscal Year 2005; 20% in the State Fiscal Year  
25 2006; and 10% in the State Fiscal Year 2007. No payment shall  
26 be made for State Fiscal Year 2008 and thereafter.

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

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

13           (k) "Net State Utility Tax Increment" means the sum of the  
14 following: (a) 80% of the first \$100,000 of State Utility Tax  
15 Increment annually generated by a redevelopment project area;  
16 (b) 60% of the amount in excess of \$100,000 but not exceeding  
17 \$500,000 of the State Utility Tax Increment annually generated  
18 by a redevelopment project area; and (c) 40% of all amounts in  
19 excess of \$500,000 of State Utility Tax Increment annually  
20 generated by a redevelopment project area. For the State Fiscal  
21 Year 1999, and every year thereafter until the year 2007, for  
22 any municipality that has not entered into a contract or has  
23 not issued bonds prior to June 1, 1988 to finance redevelopment  
24 project costs within a redevelopment project area, the Net  
25 State Utility Tax Increment shall be calculated as follows: By  
26 multiplying the Net State Utility Tax Increment by 90% in the

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

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

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

25 (m) "Payment in lieu of taxes" means those estimated tax  
26 revenues from real property in a redevelopment project area

1 derived from real property that has been acquired by a  
2 municipality which according to the redevelopment project or  
3 plan is to be used for a private use which taxing districts  
4 would have received had a municipality not acquired the real  
5 property and adopted tax increment allocation financing and  
6 which would result from levies made after the time of the  
7 adoption of tax increment allocation financing to the time the  
8 current equalized value of real property in the redevelopment  
9 project area exceeds the total initial equalized value of real  
10 property in said area.

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



1 this subsection, "recreational activities" is limited to mean  
2 camping and hunting. Each redevelopment plan shall set forth in  
3 writing the program to be undertaken to accomplish the  
4 objectives and shall include but not be limited to:

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

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

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

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

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

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

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

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

25 (I) if it concerns an industrial park conservation  
26 area, the plan shall also include a general description of

1 any proposed developer, user and tenant of any property, a  
2 description of the type, structure and general character of  
3 the facilities to be developed, a description of the type,  
4 class and number of new employees to be employed in the  
5 operation of the facilities to be developed; and

6 (J) if property is to be annexed to the municipality,  
7 the plan shall include the terms of the annexation  
8 agreement.

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

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

22 (2) The municipality finds that the redevelopment plan  
23 and project conform to the comprehensive plan for the  
24 development of the municipality as a whole, or, for  
25 municipalities with a population of 100,000 or more,  
26 regardless of when the redevelopment plan and project was

1        adopted, the redevelopment plan and project either: (i)  
2        conforms to the strategic economic development or  
3        redevelopment plan issued by the designated planning  
4        authority of the municipality, or (ii) includes land uses  
5        that have been approved by the planning commission of the  
6        municipality.

7        (3) The redevelopment plan establishes the estimated  
8        dates of completion of the redevelopment project and  
9        retirement of obligations issued to finance redevelopment  
10       project costs. Those dates may not be later than the dates  
11       set forth under Section 11-74.4-3.5., ~~or (DDD) (EEE), or~~  
12       ~~(FFF), or (GGG), or (HHH), or (III), or (JJJ), (KKK), (LLL)~~  
13       ~~(MMM), or (NNN) if the ordinance was adopted on December~~  
14       ~~23, 1986 by the Village of Libertyville. (NNN) if the~~  
15       ~~ordinance was adopted on December 22, 1986 by the Village~~  
16       ~~of Hoffman Estates.~~

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

25        (3.5) The municipality finds, in the case of an  
26        industrial park conservation area, also that the

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

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

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

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

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

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

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

25           (8) On and after November 1, 1999, if, after the  
26 adoption of the redevelopment plan for the redevelopment

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

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

20 (o) "Redevelopment project" means any public and private  
21 development project in furtherance of the objectives of a  
22 redevelopment plan. On and after November 1, 1999 (the  
23 effective date of Public Act 91-478), no redevelopment plan may  
24 be approved or amended that includes the development of vacant  
25 land (i) with a golf course and related clubhouse and other  
26 facilities or (ii) designated by federal, State, county, or

1 municipal government as public land for outdoor recreational  
2 activities or for nature preserves and used for that purpose  
3 within 5 years prior to the adoption of the redevelopment plan.  
4 For the purpose of this subsection, "recreational activities"  
5 is limited to mean camping and hunting.

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

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

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



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

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

26 (1.6) The cost of marketing sites within the

1 redevelopment project area to prospective businesses,  
2 developers, and investors;

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

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

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

1 building as provided under paragraph (3) of subsection (q)  
2 of Section 11-74.4-3 unless either (i) the construction of  
3 the new municipal building implements a redevelopment  
4 project that was included in a redevelopment plan that was  
5 adopted by the municipality prior to November 1, 1999 or  
6 (ii) the municipality makes a reasonable determination in  
7 the redevelopment plan, supported by information that  
8 provides the basis for that determination, that the new  
9 municipal building is required to meet an increase in the  
10 need for public safety purposes anticipated to result from  
11 the implementation of the redevelopment plan;

12 (4.1) Costs of and associated with transit oriented  
13 developments.

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

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

26 (7) To the extent the municipality by written agreement

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

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

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

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

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

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

26 (iii) for secondary school districts with a

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

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

1           (i) for unit school districts, no more than 40%  
2 of the total amount of property tax increment  
3 revenue produced by those housing units that have  
4 received tax increment finance assistance under  
5 this Act;

6           (ii) for elementary school districts, no more  
7 than 27% 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; and

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

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

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

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

1           the value of any physical improvements made to the  
2           schools by the municipality or developer; and

3                   (iii) the amount reimbursed may not affect  
4           amounts otherwise obligated by the terms of any  
5           bonds, notes, or other funding instruments, or the  
6           terms of any redevelopment agreement.

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

23          (7.7) For redevelopment project areas designated (or  
24          redevelopment project areas amended to add or increase the  
25          number of tax-increment-financing assisted housing units)  
26          on or after January 1, 2005 (the effective date of Public



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

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

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

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

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

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

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

17 (9) Payment in lieu of taxes;

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

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

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

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

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

26 (C) if there are not sufficient funds available in

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

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

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

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

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

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

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

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

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

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

14 (13) After November 1, 1999 (the effective date of  
15 Public Act 91-478), none of the redevelopment project costs  
16 enumerated in this subsection shall be eligible  
17 redevelopment project costs if those costs would provide  
18 direct financial support to a retail entity initiating  
19 operations in the redevelopment project area while  
20 terminating operations at another Illinois location within  
21 10 miles of the redevelopment project area but outside the  
22 boundaries of the redevelopment project area municipality.  
23 For purposes of this paragraph, termination means a closing  
24 of a retail operation that is directly related to the  
25 opening of the same operation or like retail entity owned  
26 or operated by more than 50% of the original ownership in a



1 redevelopment project area, but it does not mean closing an  
2 operation for reasons beyond the control of the retail  
3 entity, as documented by the retail entity, subject to a  
4 reasonable finding by the municipality that the current  
5 location contained inadequate space, had become  
6 economically obsolete, or was no longer a viable location  
7 for the retailer or serviceman.

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

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

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

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 (x) "Transit oriented development" means a compact area of  
15 development of not more than 250 acres, located within a  
16 one-half mile radius of an existing or proposed rail or motor  
17 bus station, or an inter-modal or multi-modal passenger  
18 facility, that is part of a "public mass transportation system"  
19 (as defined in the Local Mass Transit District Act (70 ILCS  
20 3610/)) with significant or potentially significant bus or rail  
21 passenger volume, and characterized, whether the area is  
22 improved or vacant, by at least 2 of the following 3 factors  
23 being present to a meaningful extent and reasonably distributed  
24 throughout the project area so that a municipality may  
25 reasonably find, based upon a documented condition analysis,  
26 that the factors are clearly present within the intent of the

1 Act:

2 (1) Inadequate utilities or transportation or parking  
3 infrastructures. At grade, underground, or overhead  
4 utilities such as storm sewers, storm drainage, sanitary  
5 sewers, water lines, gas lines, telephone or electrical  
6 services, or transportation or parking infrastructures  
7 such as roadways, streets, alleys, sidewalks, signals,  
8 signage, parking facilities, or bicycle facilities that  
9 are shown to be inadequate for commercial and residential  
10 development within the transit-oriented development area  
11 that supports the existing or proposed mass transit  
12 facility because those utilities or transportation or  
13 parking infrastructures are:

14 (A) of insufficient capacity to serve the uses in  
15 the redevelopment project area such that major  
16 improvements are required;

17 (B) deteriorated, antiquated, obsolete, or in such  
18 disrepair that major repair is required; or

19 (C) lacking within the redevelopment project area.

20 (2) Deleterious land use or layout. Deleterious land  
21 use or layout as a result of the existence of incompatible  
22 land-use relationships, buildings occupied by  
23 inappropriate mixed-uses, or uses considered to be  
24 noxious, offensive, or unsuitable for the surrounding  
25 area.

26 (3) Lack of transit oriented development planning.

1 Inadequate transit oriented development planning because  
2 the proposed redevelopment project area was developed  
3 prior to or without the benefit or guidance of an adequate  
4 transit oriented development plan, and which redevelopment  
5 project area is now being designed to support transit  
6 operations by encouraging new or increased transit  
7 ridership through:

8 (A) the provision of public improvements necessary  
9 to provide or improve access to an existing or proposed  
10 mass transit facility, including, but not limited to,  
11 roadways, streets, alleys, sidewalks, signals,  
12 signage, parking facilities, bicycle facilities, and  
13 necessary utilities; and

14 (B) the construction of a mix of development  
15 products, including, but not limited to, commercial,  
16 retail, office, and housing at a greater density than  
17 would normally occur in the redevelopment project area  
18 absent the presence of a mass transit facility and  
19 transit oriented development planning.

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



1 eff. 8-27-07; 95-653, eff. 1-1-08; 95-662, eff. 10-11-07;  
2 95-683, eff. 10-19-07; 95-709, eff. 1-29-08; 95-876, eff.  
3 8-21-08; 95-932, eff. 8-26-08; 95-934, eff. 8-26-08; 95-964,  
4 eff. 9-23-08; 95-977, eff. 9-22-08; 95-1028, eff. 1-1-10;  
5 revised 1-27-09.)

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

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law.