



## 97TH GENERAL ASSEMBLY

### State of Illinois

### 2011 and 2012

### HB0179

Introduced 1/18/2011, by Rep. Dan Reitz

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-3	from Ch. 24, par. 11-74.4-3
75 ILCS 5/4-9	from Ch. 81, par. 4-9
75 ILCS 5/4-10	from Ch. 81, par. 4-10
75 ILCS 10/5	from Ch. 81, par. 115
75 ILCS 16/30-45	

Amends the Illinois Local Library Act, the Illinois Library System Act, and the Public Library District Act of 1991. Provides that, as an alternative to a personal bond on the treasurer of the library, system, or district, the board may require the treasurer to secure an insurance policy or other insurance instrument with coverage for negligent or intentional acts by library, system, or district employees. Contains provisions concerning the required amount of coverage. Provides that the cost of the coverage shall be borne by the library, system, or district. In the Illinois Local Library Act, provides that the board's annual report on the condition of its trust shall be made within 60 days (instead of 30 days) after the end of the fiscal year. Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code to remove a reference to the Illinois Public Library Statistics produced by the Library Research Center at the University of Illinois. Effective January 1, 2012.

LRB097 05443 HLH 45501 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning libraries.

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

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

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

20 (1) If improved, industrial, commercial, and  
21 residential buildings or improvements are detrimental to  
22 the public safety, health, or welfare because of a  
23 combination of 5 or more of the following factors, each of

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

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

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

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

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

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

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

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

1 preventing ingress and egress to and from all rooms and  
2 units within a building.

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

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

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

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

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

22 (L) 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.  
25 This means that the development occurred prior to the  
26 adoption by the municipality of a comprehensive or

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

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

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

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

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

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

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

23 (E) The area has incurred Illinois Environmental  
24 Protection Agency or United States Environmental  
25 Protection Agency remediation costs for, or a study  
26 conducted by an independent consultant recognized as



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

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

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

1 the vacant part of the redevelopment project area to which  
2 it pertains:

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

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

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

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

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

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

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

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

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

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

1 so serious and so extensive that the buildings must be  
2 removed.

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

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

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

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

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

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

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

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

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

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

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

21 (11) Lack of community planning. The proposed  
22 redevelopment project area was developed prior to or  
23 without the benefit or guidance of a community plan. This  
24 means that the development occurred prior to the adoption  
25 by the municipality of a comprehensive or other community  
26 plan or that the plan was not followed at the time of the

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

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

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

1 calendar years for which information is available.

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

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

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



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

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

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

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

1 Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

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

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

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

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

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

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

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

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

1 financing.

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

23 Municipalities that issue bonds in connection with the  
24 redevelopment project during the period from June 1, 1988 until  
25 3 years after the effective date of this Amendatory Act of 1988  
26 shall receive the Net State Utility Tax Increment, subject to

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

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

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

26 (n) "Redevelopment plan" means the comprehensive program



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

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

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

25 (C) an assessment of any financial impact of the  
26 redevelopment project area on or any increased demand for

1 services from any taxing district affected by the plan and  
2 any program to address such financial impact or increased  
3 demand;

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

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

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

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

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

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

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

24 The provisions of items (B) and (C) of this subsection (n)  
25 shall not apply to a municipality that before March 14, 1994  
26 (the effective date of Public Act 88-537) had fixed, either by

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

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

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

22 (3) The redevelopment plan establishes the estimated  
23 dates of completion of the redevelopment project and  
24 retirement of obligations issued to finance redevelopment  
25 project costs. Those dates may not be later than the dates  
26 set forth under Section 11-74.4-3.5.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (p-1) Notwithstanding any provision of this Act to the  
24 contrary, on and after August 25, 2009 (the effective date of  
25 Public Act 96-680), a redevelopment project area may include  
26 areas within a one-half mile radius of an existing or proposed



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

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

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

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

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

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

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

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

8 (3) Costs of rehabilitation, reconstruction or repair  
9 or remodeling of existing public or private buildings,  
10 fixtures, and leasehold improvements; and the cost of  
11 replacing an existing public building if pursuant to the  
12 implementation of a redevelopment project the existing  
13 public building is to be demolished to use the site for  
14 private investment or devoted to a different use requiring  
15 private investment; including any direct or indirect costs  
16 relating to Green Globes or LEED certified construction  
17 elements or construction elements with an equivalent  
18 certification;

19 (4) Costs of the construction of public works or  
20 improvements, including any direct or indirect costs  
21 relating to Green Globes or LEED certified construction  
22 elements or construction elements with an equivalent  
23 certification, except that on and after November 1, 1999,  
24 redevelopment project costs shall not include the cost of  
25 constructing a new municipal public building principally  
26 used to provide offices, storage space, or conference

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

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

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

1           (7) To the extent the municipality by written agreement  
2           accepts and approves the same, all or a portion of a taxing  
3           district's capital costs resulting from the redevelopment  
4           project necessarily incurred or to be incurred within a  
5           taxing district in furtherance of the objectives of the  
6           redevelopment plan and project.

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

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

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

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

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

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

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

1 annual limitations:

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

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

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

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

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

25 (ii) the amount reimbursable shall be reduced  
26 by the value of any land donated to the school



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

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

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

24 (7.7) For redevelopment project areas designated (or  
25 redevelopment project areas amended to add or increase the  
26 number of tax-increment-financing assisted housing units)

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

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

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

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

25 Any library district seeking payment under this  
26 paragraph (7.7) shall, after July 1 and before September 30

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

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

19 (9) Payment in lieu of taxes;

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

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

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

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

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

1 during that year;

2 (C) if there are not sufficient funds available in  
3 the special tax allocation fund to make the payment  
4 pursuant to this paragraph (11) then the amounts so due  
5 shall accrue and be payable when sufficient funds are  
6 available in the special tax allocation fund;

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

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

21 (F) Instead of the eligible costs provided by  
22 subparagraphs (B) and (D) of paragraph (11), as  
23 modified by this subparagraph, and notwithstanding any  
24 other provisions of this Act to the contrary, the  
25 municipality may pay from tax increment revenues up to  
26 50% of the cost of construction of new housing units to

1 be occupied by low-income households and very  
2 low-income households as defined in Section 3 of the  
3 Illinois Affordable Housing Act. The cost of  
4 construction of those units may be derived from the  
5 proceeds of bonds issued by the municipality under this  
6 Act or other constitutional or statutory authority or  
7 from other sources of municipal revenue that may be  
8 reimbursed from tax increment revenues or the proceeds  
9 of bonds issued to finance the construction of that  
10 housing.

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

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

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



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

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

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

1 opening of the same operation or like retail entity owned  
2 or operated by more than 50% of the original ownership in a  
3 redevelopment project area, but it does not mean closing an  
4 operation for reasons beyond the control of the retail  
5 entity, as documented by the retail entity, subject to a  
6 reasonable finding by the municipality that the current  
7 location contained inadequate space, had become  
8 economically obsolete, or was no longer a viable location  
9 for the retailer or serviceman.

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

25 If a special service area has been established pursuant to  
26 the Special Service Area Tax Act or Special Service Area Tax

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

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

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

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

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

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

1 and by July 31, of each year thereafter.

2 (t) "Taxing districts" means counties, townships, cities  
3 and incorporated towns and villages, school, road, park,  
4 sanitary, mosquito abatement, forest preserve, public health,  
5 fire protection, river conservancy, tuberculosis sanitarium  
6 and any other municipal corporations or districts with the  
7 power to levy taxes.

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

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

1 declared to be legally sufficient for all purposes of this Act.  
2 For purposes of this Section and only for land subject to the  
3 subdivision requirements of the Plat Act, land is subdivided  
4 when the original plat of the proposed Redevelopment Project  
5 Area or relevant portion thereof has been properly certified,  
6 acknowledged, approved, and recorded or filed in accordance  
7 with the Plat Act and a preliminary plat, if any, for any  
8 subsequent phases of the proposed Redevelopment Project Area or  
9 relevant portion thereof has been properly approved and filed  
10 in accordance with the applicable ordinance of the  
11 municipality.

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

20 (x) "LEED certified" means any certification level of  
21 construction elements by a qualified Leadership in Energy and  
22 Environmental Design Accredited Professional as determined by  
23 the U.S. Green Building Council.

24 (y) "Green Globes certified" means any certification level  
25 of construction elements by a qualified Green Globes  
26 Professional as determined by the Green Building Initiative.

1 (Source: P.A. 95-15, eff. 7-16-07; 95-164, eff. 1-1-08; 95-331,  
2 eff. 8-21-07; 95-346, eff. 8-21-07; 95-459, eff. 8-27-07;  
3 95-653, eff. 1-1-08; 95-662, eff. 10-11-07; 95-683, eff.  
4 10-19-07; 95-709, eff. 1-29-08; 95-876, eff. 8-21-08; 95-932,  
5 eff. 8-26-08; 95-934, eff. 8-26-08; 95-964, eff. 9-23-08;  
6 95-977, eff. 9-22-08; 95-1028, eff. 8-25-09 (see Section 5 of  
7 P.A. 96-717 for the effective date of changes made by P.A.  
8 95-1028); 96-328, eff. 8-11-09; 96-630, eff. 1-1-10; 96-680,  
9 eff. 8-25-09; 96-1000, eff. 7-2-10.)

10 Section 10. The Illinois Local Library Act is amended by  
11 changing Sections 4-9 and 4-10 as follows:

12 (75 ILCS 5/4-9) (from Ch. 81, par. 4-9)

13 Sec. 4-9. In townships and in cities, villages and  
14 incorporated towns having a population of 500,000 or less, the  
15 board of trustees shall require the treasurer of such board or  
16 such other person as may be designated as the custodian of the  
17 moneys paid over to such board to give a bond to be approved by  
18 such board and in such amount, not less than 50% of the total  
19 funds received by the library in the last fiscal year,  
20 conditioned that he will safely keep and pay over upon the  
21 order of such board all funds received and held by him for such  
22 board of trustees. For a library in a city, village,  
23 incorporated town or township, the board of library trustees  
24 may designate the treasurer of the corporate authority, or the



1 supervisor in the case of a township, as the custodian of the  
2 library fund, and the bond given by the treasurer or the  
3 supervisor shall satisfy the bond requirements of this section  
4 when properly endorsed. The cost of any surety bond shall be  
5 borne by the library. As an alternative to a personal bond on  
6 the treasurer or custodian of funds, the board of trustees may  
7 require the treasurer or custodian to secure for the library an  
8 insurance policy or other insurance instrument that provides  
9 the library with coverage for negligent or intentional acts by  
10 library officials and employees that could result in the loss  
11 of library funds. The coverage shall be in an amount at least  
12 equal to 50% of the average amount of the library's operating  
13 fund from the prior 3 fiscal years. The coverage shall be  
14 placed with an insurer approved by the board. The cost of any  
15 such coverage shall be borne by the library. The library shall  
16 provide the Illinois State Library a copy of the library's  
17 certificate of insurance at the time the library's annual  
18 report is filed.

19 (Source: P.A. 85-751.)

20 (75 ILCS 5/4-10) (from Ch. 81, par. 4-10)

21 Sec. 4-10. Within 60 ~~30~~ days after the expiration of each  
22 fiscal year of the city, incorporated town, village or  
23 township, the board of trustees shall make a report of the  
24 condition of their trust on the last day of the fiscal year, to  
25 the city council, board of trustees or board of town trustees,

1 as the case may be. This report shall be made in writing and  
2 shall be verified under oath by the secretary, or some other  
3 responsible officer of the board of trustees. It shall contain  
4 (1) an itemized statement of the various sums of money received  
5 from the library fund and from other sources; (2) an itemized  
6 statement of the objects and purposes for which those sums of  
7 money have been expended; (3) a statement of the number of  
8 books and periodicals available for use, and the number and  
9 character thereof circulated; (4) a statement of the real and  
10 personal property acquired by legacy, purchase, gift or  
11 otherwise; (5) a statement of the character of any extensions  
12 of library service which have been undertaken; (6) a statement  
13 of the financial requirements of the library for the ensuing  
14 fiscal year for inclusion in the appropriation of the corporate  
15 authority, and of the amount of money which, in the judgment of  
16 the board of library trustees, it will be necessary to levy for  
17 library purposes in the next annual tax levy ordinance; (7) a  
18 statement as to the amount of accumulations and the reasons  
19 therefor; (8) a statement as to any outstanding liabilities  
20 including those for bonds still outstanding or amounts due for  
21 judgments, settlements, liability insurance, or for amounts  
22 due under a certificate of the board; (9) any other statistics,  
23 information and suggestions that may be of interest. A report  
24 shall also be filed, at the same time, with the Illinois State  
25 Library. The board of trustees in a township shall also submit  
26 its appropriation and levy determinations to the Board of

1 Township Trustees as provided in "The Illinois Municipal Budget  
2 Law", as amended.

3 (Source: P.A. 84-770.)

4 Section 15. The Illinois Library System Act is amended by  
5 changing Section 5 as follows:

6 (75 ILCS 10/5) (from Ch. 81, par. 115)

7 Sec. 5. Each library system created as provided in Section  
8 4 of this Act shall be governed by a board of directors  
9 numbering at least 5 and no more than 15 persons, except as  
10 required by Section 6 for library systems in cities with a  
11 population of 500,000 or more. The board shall be  
12 representative of the variety of library interests in the  
13 system, and at least a majority shall be elected or selected  
14 from the governing boards of the member public libraries, with  
15 not more than one director representing a single member  
16 library. For library systems as defined in subparagraph (3) of  
17 the definition of "library system" in Section 2, the board  
18 members shall be representative of the types of libraries that  
19 library system serves. The number of directors, the manner of  
20 election or selection, the term of office and the provision for  
21 filling vacancies shall be determined by the system governing  
22 board except that all board members must be eligible electors  
23 in the geographical area of the system. No director of any  
24 library system, however, shall be permitted to serve for more

1 than a total of 6 years unless 2 years have elapsed since his  
2 sixth year of service.

3 The board of directors shall elect a president, secretary  
4 and treasurer. Before entering upon his duties, the treasurer  
5 shall be required to give a bond in an amount to be approved by  
6 the board, but in no case shall such amount be less than 50% of  
7 the system's area and per capita grant for the previous year,  
8 conditioned that he will safely keep and pay over upon the  
9 order of such board all funds received and held by him for the  
10 library system. As an alternative to a personal bond on the  
11 treasurer, the board of trustees may require the treasurer to  
12 secure for the system an insurance policy or other insurance  
13 instrument that provides the library with coverage for  
14 negligent or intentional acts by system officials and employees  
15 that could result in the loss of system funds. The coverage  
16 shall be in an amount at least equal to 50% of the average  
17 amount of the system's operating fund from the prior 3 fiscal  
18 years. The coverage shall be placed with an insurer approved by  
19 the board. The cost of any such coverage shall be borne by the  
20 system. The system shall provide the Illinois State Library a  
21 copy of the system's certificate of insurance at the time the  
22 system's annual report is filed. The funds of the library  
23 system shall be deposited in a bank or savings and loan  
24 association designated by the board of directors and shall be  
25 expended only under the direction of such board upon properly  
26 authenticated vouchers.

1           No bank or savings and loan association shall receive  
2 public funds as permitted by this Section, unless it has  
3 complied with the requirements established pursuant to Section  
4 6 of the Public Funds Investment Act.

5           The members of the board of directors of the library system  
6 shall serve without compensation but their actual and necessary  
7 expenses shall be a proper charge against the library fund.

8 (Source: P.A. 93-527, eff. 8-14-03.)

9           Section 20. The Public Library District Act of 1991 is  
10 amended by changing Section 30-45 as follows:

11           (75 ILCS 16/30-45)

12           Sec. 30-45. Duties of officers.

13           (a) The duties of the officers of the board are as provided  
14 in this Section.

15           (b) The president shall preside over all meetings, appoint  
16 members of committees authorized by the district's  
17 regulations, and perform other duties specified by the  
18 district's regulations, ordinances, or other appropriate  
19 action. In the president's absence, the vice president shall  
20 preside at meetings. The president shall not have or exercise  
21 veto powers.

22           (c) The vice president's duties shall be prescribed by  
23 regulations.

24           (d) The treasurer shall keep and maintain accounts and

1 records of the district during the treasurer's term in office,  
2 indicating in those accounts and records a record of all  
3 receipts, disbursements, and balances in any funds.

4 Annual audit and financial report requirements shall  
5 conform with Section 3 of the Governmental Account Audit Act.

6 (e) The treasurer shall give bond to the district to  
7 faithfully discharge the duties of the office and to account to  
8 the district for all district funds coming into the treasurer's  
9 hands. The bond shall be in an amount and with sureties  
10 approved by the board. The amount of the bond shall be based  
11 upon a minimum of 50% of the total funds received by the  
12 district in the last previous fiscal year. The cost of any  
13 surety bond shall be borne by the district. As an alternative  
14 to a personal bond on the treasurer, the treasurer may secure  
15 for the district an insurance policy or other insurance  
16 instrument that provides the district with coverage for  
17 negligent or intentional acts by district officials and  
18 employees that could result in the loss of district funds. The  
19 coverage shall be in an amount at least equal to 50% of the  
20 average amount of the district's operating fund from the prior  
21 3 fiscal years. The coverage shall be placed with an insurer  
22 approved by the board. The cost of any such coverage shall be  
23 borne by the district. The system shall provide the Illinois  
24 State Library a copy of the district's certificate of insurance  
25 at the time the district's annual report is filed.

26 (f) Any person, entity, or public body or agency possessing

1 district funds, property, or records shall, upon demand by any  
2 trustee, transfer and release the funds, property, or records  
3 to the treasurer.

4 (g) The secretary shall keep and maintain appropriate  
5 records for his or her term in office and shall include in  
6 those records a record of the minutes of all meetings, the  
7 names of those in attendance, the ordinances enacted, the  
8 resolutions and regulations adopted, and all other pertinent  
9 written matter affecting the operation of the district. The  
10 secretary may administer oaths and affirmations for the  
11 purposes of this Act.

12 (Source: P.A. 87-1277; 88-442.)

13 Section 99. Effective date. This Act takes effect January  
14 1, 2012.