



Rep. Cynthia Soto

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09700HB1976ham001

LRB097 09108 KMW 51502 a

1 AMENDMENT TO HOUSE BILL 1976

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1976 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Municipal Code is amended by  
5 changing Section 11-74.4-3 and 11-74.4-4 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

1 improved or vacant area within the boundaries of a  
2 redevelopment project area located within the territorial  
3 limits of the municipality where:

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

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

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

23 (C) Deterioration. With respect to buildings,  
24 defects including, but not limited to, major defects in  
25 the secondary building components such as doors,  
26 windows, porches, gutters and downspouts, and fascia.

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

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

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

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

22 (G) Lack of ventilation, light, or sanitary  
23 facilities. The absence of adequate ventilation for  
24 light or air circulation in spaces or rooms without  
25 windows, or that require the removal of dust, odor,  
26 gas, smoke, or other noxious airborne materials.

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

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

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

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

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

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

1 material impediment to the development or  
2 redevelopment of the redevelopment project area.

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

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

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

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

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

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

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

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

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

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



1 designated.

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

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

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

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

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

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

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

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

21          On and after November 1, 1999, "conservation area" means  
22          any improved area within the boundaries of a redevelopment  
23          project area located within the territorial limits of the  
24          municipality in which 50% or more of the structures in the area  
25          have an age of 35 years or more. Such an area is not yet a  
26          blighted area but because of a combination of 3 or more of the

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

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

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

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

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

1 including housing and property maintenance codes.

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

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

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

23 (8) Inadequate utilities. Underground and overhead  
24 utilities such as storm sewers and storm drainage, sanitary  
25 sewers, water lines, and gas, telephone, and electrical  
26 services that are shown to be inadequate. Inadequate

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

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

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

1 area.

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

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

25 (13) The total equalized assessed value of the proposed  
26 redevelopment project area has declined for 3 of the last 5

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

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

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

1 industrial park and a blighted area or conservation area  
2 contiguous to such vacant land.

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

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

21 (g) "Initial Sales Tax Amounts" means the amount of taxes  
22 paid under the Retailers' Occupation Tax Act, Use Tax Act,  
23 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 in a State Sales Tax Boundary



1 during the calendar year 1985.

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

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

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

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

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

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

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

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

23 (j) "State Utility Tax Increment Amount" means an amount  
24 equal to the aggregate increase in State electric and gas tax  
25 charges imposed on owners and tenants, other than residential  
26 customers, of properties located within the redevelopment

1 project area under Section 9-222 of the Public Utilities Act,  
2 over and above the aggregate of such charges as certified by  
3 the Department of Revenue and paid by owners and tenants, other  
4 than residential customers, of properties within the  
5 redevelopment project area during the base year, which shall be  
6 the calendar year immediately prior to the year of the adoption  
7 of the ordinance authorizing tax increment allocation  
8 financing.

9 (k) "Net State Utility Tax Increment" means the sum of the  
10 following: (a) 80% of the first \$100,000 of State Utility Tax  
11 Increment annually generated by a redevelopment project area;  
12 (b) 60% of the amount in excess of \$100,000 but not exceeding  
13 \$500,000 of the State Utility Tax Increment annually generated  
14 by a redevelopment project area; and (c) 40% of all amounts in  
15 excess of \$500,000 of State Utility Tax Increment annually  
16 generated by a redevelopment project area. For the State Fiscal  
17 Year 1999, and every year thereafter until the year 2007, for  
18 any municipality that has not entered into a contract or has  
19 not issued bonds prior to June 1, 1988 to finance redevelopment  
20 project costs within a redevelopment project area, the Net  
21 State Utility Tax Increment shall be calculated as follows: By  
22 multiplying the Net State Utility Tax Increment by 90% in the  
23 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%  
24 in the State Fiscal Year 2001; 60% in the State Fiscal Year  
25 2002; 50% in the State Fiscal Year 2003; 40% in the State  
26 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the

1 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.  
2 No payment shall be made for the State Fiscal Year 2008 and  
3 thereafter.

4 Municipalities that issue bonds in connection with the  
5 redevelopment project during the period from June 1, 1988 until  
6 3 years after the effective date of this Amendatory Act of 1988  
7 shall receive the Net State Utility Tax Increment, subject to  
8 appropriation, for 15 State Fiscal Years after the issuance of  
9 such bonds. For the 16th through the 20th State Fiscal Years  
10 after issuance of the bonds, the Net State Utility Tax  
11 Increment shall be calculated as follows: By multiplying the  
12 Net State Utility Tax Increment by 90% in year 16; 80% in year  
13 17; 70% in year 18; 60% in year 19; and 50% in year 20.  
14 Refunding of any bonds issued prior to June 1, 1988, shall not  
15 alter the revised Net State Utility Tax Increment payments set  
16 forth above.

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

21 (m) "Payment in lieu of taxes" means those estimated tax  
22 revenues from real property in a redevelopment project area  
23 derived from real property that has been acquired by a  
24 municipality which according to the redevelopment project or  
25 plan is to be used for a private use which taxing districts  
26 would have received had a municipality not acquired the real

1 property and adopted tax increment allocation financing and  
2 which would result from levies made after the time of the  
3 adoption of tax increment allocation financing to the time the  
4 current equalized value of real property in the redevelopment  
5 project area exceeds the total initial equalized value of real  
6 property in said area.

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



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

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

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

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

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

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

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

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

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

1 operation of the facilities to be developed; and

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

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

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

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

1 that have been approved by the planning commission of the  
2 municipality.

3 (3) The redevelopment plan establishes the estimated  
4 dates of completion of the redevelopment project and  
5 retirement of obligations issued to finance redevelopment  
6 project costs. Those dates may not be later than the dates  
7 set forth under Section 11-74.4-3.5.

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

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

23 (4) If any incremental revenues are being utilized  
24 under Section 8(a)(1) or 8(a)(2) of this Act in  
25 redevelopment project areas approved by ordinance after  
26 January 1, 1986, the municipality finds: (a) that the

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

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

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

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

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

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

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

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

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

23 (9) For redevelopment project areas designated prior  
24 to November 1, 1999, the redevelopment plan may be amended  
25 without further joint review board meeting or hearing,  
26 provided that the municipality shall give notice of any

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

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

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

1 classified as an industrial park conservation area or a  
2 blighted area or a conservation area, or a combination of both  
3 blighted areas and conservation areas.

4 (p-1) Notwithstanding any provision of this Act to the  
5 contrary, on and after August 25, 2009 (the effective date of  
6 Public Act 96-680), a redevelopment project area may include  
7 areas within a one-half mile radius of an existing or proposed  
8 Regional Transportation Authority Suburban Transit Access  
9 Route (STAR Line) station without a finding that the area is  
10 classified as an industrial park conservation area, a blighted  
11 area, a conservation area, or a combination thereof, but only  
12 if the municipality receives unanimous consent from the joint  
13 review board created to review the proposed redevelopment  
14 project area.

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

22 (1) Costs of studies, surveys, development of plans,  
23 and specifications, implementation and administration of  
24 the redevelopment plan including but not limited to staff  
25 and professional service costs for architectural,  
26 engineering, legal, financial, planning or other services,



1 provided however that no charges for professional services  
2 may be based on a percentage of the tax increment  
3 collected; except that on and after November 1, 1999 (the  
4 effective date of Public Act 91-478), no contracts for  
5 professional services, excluding architectural and  
6 engineering services, may be entered into if the terms of  
7 the contract extend beyond a period of 3 years. In  
8 addition, "redevelopment project costs" shall not include  
9 lobbying expenses. After consultation with the  
10 municipality, each tax increment consultant or advisor to a  
11 municipality that plans to designate or has designated a  
12 redevelopment project area shall inform the municipality  
13 in writing of any contracts that the consultant or advisor  
14 has entered into with entities or individuals that have  
15 received, or are receiving, payments financed by tax  
16 increment revenues produced by the redevelopment project  
17 area with respect to which the consultant or advisor has  
18 performed, or will be performing, service for the  
19 municipality. This requirement shall be satisfied by the  
20 consultant or advisor before the commencement of services  
21 for the municipality and thereafter whenever any other  
22 contracts with those individuals or entities are executed  
23 by the consultant or advisor;

24 (1.5) After July 1, 1999, annual administrative costs  
25 shall not include general overhead or administrative costs  
26 of the municipality that would still have been incurred by

1 the municipality if the municipality had not designated a  
2 redevelopment project area or approved a redevelopment  
3 plan;

4 (1.6) The cost of marketing sites within the  
5 redevelopment project area to prospective businesses,  
6 developers, and investors;

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

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

26 (4) Costs of the construction of public works or

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

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

26 (6) Financing costs, including but not limited to all

1 necessary and incidental expenses related to the issuance  
2 of obligations and which may include payment of interest on  
3 any obligations issued hereunder including interest  
4 accruing during the estimated period of construction of any  
5 redevelopment project for which such obligations are  
6 issued and for not exceeding 36 months thereafter and  
7 including reasonable reserves related thereto;

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

14 (7.5) For redevelopment project areas designated (or  
15 redevelopment project areas amended to add or increase the  
16 number of tax-increment-financing assisted housing units)  
17 on or after November 1, 1999, an elementary, secondary, or  
18 unit school district's increased costs attributable to  
19 assisted housing units located within the redevelopment  
20 project area for which the developer or redeveloper  
21 receives financial assistance through an agreement with  
22 the municipality or because the municipality incurs the  
23 cost of necessary infrastructure improvements within the  
24 boundaries of the assisted housing sites necessary for the  
25 completion of that housing as authorized by this Act, and  
26 which costs shall be paid by the municipality from the

1 Special Tax Allocation Fund when the tax increment revenue  
2 is received as a result of the assisted housing units and  
3 shall be calculated annually as follows:

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

22 (i) for unit school districts with a district  
23 average 1995-96 Per Capita Tuition Charge of less  
24 than \$5,900, no more than 25% of the total amount  
25 of property tax increment revenue produced by  
26 those housing units that have received tax

1 increment finance assistance under this Act;

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

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

14 (B) For alternate method districts, flat grant  
15 districts, and foundation districts with a district  
16 average 1995-96 Per Capita Tuition Charge equal to or  
17 more than \$5,900, excluding any school district with a  
18 population in excess of 1,000,000, by multiplying the  
19 district's increase in attendance resulting from the  
20 net increase in new students enrolled in that school  
21 district who reside in housing units within the  
22 redevelopment project area that have received  
23 financial assistance through an agreement with the  
24 municipality or because the municipality incurs the  
25 cost of necessary infrastructure improvements within  
26 the boundaries of the housing sites necessary for the

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

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

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

19 (iii) for secondary school districts, no more  
20 than 13% of the total amount of property tax  
21 increment revenue produced by those housing units  
22 that have received tax increment finance  
23 assistance under this Act.

24 (C) For any school district in a municipality with  
25 a population in excess of 1,000,000, the following  
26 restrictions shall apply to the reimbursement of

1 increased costs under this paragraph (7.5):

2 (i) no increased costs shall be reimbursed  
3 unless the school district certifies that each of  
4 the schools affected by the assisted housing  
5 project is at or over its student capacity;

6 (ii) the amount reimbursable shall be reduced  
7 by the value of any land donated to the school  
8 district by the municipality or developer, and by  
9 the value of any physical improvements made to the  
10 schools by the municipality or developer; and

11 (iii) the amount reimbursed may not affect  
12 amounts otherwise obligated by the terms of any  
13 bonds, notes, or other funding instruments, or the  
14 terms of any redevelopment agreement.

15 Any school district seeking payment under this  
16 paragraph (7.5) shall, after July 1 and before  
17 September 30 of each year, provide the municipality  
18 with reasonable evidence to support its claim for  
19 reimbursement before the municipality shall be  
20 required to approve or make the payment to the school  
21 district. If the school district fails to provide the  
22 information during this period in any year, it shall  
23 forfeit any claim to reimbursement for that year.  
24 School districts may adopt a resolution waiving the  
25 right to all or a portion of the reimbursement  
26 otherwise required by this paragraph (7.5). By



1 acceptance of this reimbursement the school district  
2 waives the right to directly or indirectly set aside,  
3 modify, or contest in any manner the establishment of  
4 the redevelopment project area or projects;

5 (7.7) For redevelopment project areas designated (or  
6 redevelopment project areas amended to add or increase the  
7 number of tax-increment-financing assisted housing units)  
8 on or after January 1, 2005 (the effective date of Public  
9 Act 93-961), a public library district's increased costs  
10 attributable to assisted housing units located within the  
11 redevelopment project area for which the developer or  
12 redeveloper receives financial assistance through an  
13 agreement with the municipality or because the  
14 municipality incurs the cost of necessary infrastructure  
15 improvements within the boundaries of the assisted housing  
16 sites necessary for the completion of that housing as  
17 authorized by this Act shall be paid to the library  
18 district by the municipality from the Special Tax  
19 Allocation Fund when the tax increment revenue is received  
20 as a result of the assisted housing units. This paragraph  
21 (7.7) applies only if (i) the library district is located  
22 in a county that is subject to the Property Tax Extension  
23 Limitation Law or (ii) the library district is not located  
24 in a county that is subject to the Property Tax Extension  
25 Limitation Law but the district is prohibited by any other  
26 law from increasing its tax levy rate without a prior voter

1 referendum.

2 The amount paid to a library district under this  
3 paragraph (7.7) shall be calculated by multiplying (i) the  
4 net increase in the number of persons eligible to obtain a  
5 library card in that district who reside in housing units  
6 within the redevelopment project area that have received  
7 financial assistance through an agreement with the  
8 municipality or because the municipality incurs the cost of  
9 necessary infrastructure improvements within the  
10 boundaries of the housing sites necessary for the  
11 completion of that housing as authorized by this Act since  
12 the designation of the redevelopment project area by (ii)  
13 the per-patron cost of providing library services so long  
14 as it does not exceed \$120. The per-patron cost shall be  
15 the Total Operating Expenditures Per Capita as stated in  
16 the most recent Illinois Public Library Statistics  
17 produced by the Library Research Center at the University  
18 of Illinois. The municipality may deduct from the amount  
19 that it must pay to a library district under this paragraph  
20 any amount that it has voluntarily paid to the library  
21 district from the tax increment revenue. The amount paid to  
22 a library district under this paragraph (7.7) shall be no  
23 more than 2% of the amount produced by the assisted housing  
24 units and deposited into the Special Tax Allocation Fund.

25 A library district is not eligible for any payment  
26 under this paragraph (7.7) unless the library district has

1 experienced an increase in the number of patrons from the  
2 municipality that created the tax-increment-financing  
3 district since the designation of the redevelopment  
4 project area.

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

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

25 (9) Payment in lieu of taxes;

26 (10) Costs of job training, retraining, advanced

1 vocational education or career education, including but  
2 not limited to courses in occupational, semi-technical or  
3 technical fields leading directly to employment, incurred  
4 by one or more taxing districts, provided that such costs  
5 (i) are related to the establishment and maintenance of  
6 additional job training, advanced vocational education or  
7 career education programs for persons employed or to be  
8 employed by employers located in a redevelopment project  
9 area; and (ii) when incurred by a taxing district or taxing  
10 districts other than the municipality, are set forth in a  
11 written agreement by or among the municipality and the  
12 taxing district or taxing districts, which agreement  
13 describes the program to be undertaken, including but not  
14 limited to the number of employees to be trained, a  
15 description of the training and services to be provided,  
16 the number and type of positions available or to be  
17 available, itemized costs of the program and sources of  
18 funds to pay for the same, and the term of the agreement.  
19 Such costs include, specifically, the payment by community  
20 college districts of costs pursuant to Sections 3-37, 3-38,  
21 3-40 and 3-40.1 of the Public Community College Act and by  
22 school districts of costs pursuant to Sections 10-22.20a  
23 and 10-23.3a of The School Code;

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

1 (A) such costs are to be paid directly from the  
2 special tax allocation fund established pursuant to  
3 this Act;

4 (B) such payments in any one year may not exceed  
5 30% of the annual interest costs incurred by the  
6 redeveloper with regard to the redevelopment project  
7 during that year;

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

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

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

1 (11) ~~i-~~

2 (E-5) the cost limits set forth in subparagraphs  
3 (B) and (D) of paragraph (11) shall be modified for the  
4 financing of rehabilitated or new housing units for  
5 extremely low-income households, as defined in Section  
6 3 of the Illinois Affordable Housing Act. The  
7 percentage of 100% shall be substituted for 30% in  
8 subparagraphs (B) and (D) of paragraph (11); and

9 (F) instead ~~instead~~ of the eligible costs provided  
10 by subparagraphs (B) and (D) of paragraph (11), as  
11 modified by this subparagraph, and notwithstanding any  
12 other provisions of this Act to the contrary, the  
13 municipality may pay from tax increment revenues up to  
14 50% of the cost of construction of new housing units to  
15 be occupied by low-income households and very  
16 low-income households as defined in Section 3 of the  
17 Illinois Affordable Housing Act. In addition, the  
18 municipality may pay from tax increment revenues up to  
19 100% of the cost of construction of new housing units  
20 to be occupied by extremely low-income households as  
21 defined in Section 3 of the Illinois Affordable Housing  
22 Act. The cost of construction of those units may be  
23 derived from the proceeds of bonds issued by the  
24 municipality under this Act or other constitutional or  
25 statutory authority or from other sources of municipal  
26 revenue that may be reimbursed from tax increment

1 revenues or the proceeds of bonds issued to finance the  
2 construction of that housing.

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

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

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



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

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

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

1 for the retailer or serviceman.

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

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

24 (q-1) For redevelopment project areas created pursuant to  
25 subsection (p-1), redevelopment project costs are limited to  
26 those costs in paragraph (q) that are related to the existing

1 or proposed Regional Transportation Authority Suburban Transit  
2 Access Route (STAR Line) station.

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

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

1 immediately prior to the year in which the municipality adopted  
2 tax increment allocation financing, less 3.0% of such amounts  
3 generated under the Retailers' Occupation Tax Act, Use Tax Act  
4 and Service Use Tax Act and the Service Occupation Tax Act,  
5 which sum shall be appropriated to the Department of Revenue to  
6 cover its costs of administering and enforcing this Section.  
7 For purposes of computing the aggregate amount of such taxes  
8 for base years occurring prior to 1985, the Department of  
9 Revenue shall compute the Initial Sales Tax Amount for such  
10 taxes and deduct therefrom an amount equal to 4% of the  
11 aggregate amount of taxes per year for each year the base year  
12 is prior to 1985, but not to exceed a total deduction of 12%.  
13 The amount so determined shall be known as the "Adjusted  
14 Initial Sales Tax Amount". For purposes of determining the  
15 State Sales Tax Increment the Department of Revenue shall for  
16 each period subtract from the tax amounts received from  
17 retailers and servicemen on transactions located in the State  
18 Sales Tax Boundary, the certified Initial Sales Tax Amounts,  
19 Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax  
20 Amounts for the Retailers' Occupation Tax Act, the Use Tax Act,  
21 the Service Use Tax Act and the Service Occupation Tax Act. For  
22 the State Fiscal Year 1989 this calculation shall be made by  
23 utilizing the calendar year 1987 to determine the tax amounts  
24 received. For the State Fiscal Year 1990, this calculation  
25 shall be made by utilizing the period from January 1, 1988,  
26 until September 30, 1988, to determine the tax amounts received

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

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

26 (u) "Taxing districts' capital costs" means those costs of

1 taxing districts for capital improvements that are found by the  
2 municipal corporate authorities to be necessary and directly  
3 result from the redevelopment project.

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

1 relevant portion thereof has been properly approved and filed  
2 in accordance with the applicable ordinance of the  
3 municipality.

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

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

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

19 (Source: P.A. 95-15, eff. 7-16-07; 95-164, eff. 1-1-08; 95-331,  
20 eff. 8-21-07; 95-346, eff. 8-21-07; 95-459, eff. 8-27-07;  
21 95-653, eff. 1-1-08; 95-662, eff. 10-11-07; 95-683, eff.  
22 10-19-07; 95-709, eff. 1-29-08; 95-876, eff. 8-21-08; 95-932,  
23 eff. 8-26-08; 95-934, eff. 8-26-08; 95-964, eff. 9-23-08;  
24 95-977, eff. 9-22-08; 95-1028, eff. 8-25-09 (see Section 5 of  
25 P.A. 96-717 for the effective date of changes made by P.A.  
26 95-1028); 96-328, eff. 8-11-09; 96-630, eff. 1-1-10; 96-680,

1 eff. 8-25-09; 96-1000, eff. 7-2-10.)

2 (65 ILCS 5/11-74.4-4) (from Ch. 24, par. 11-74.4-4)

3 Sec. 11-74.4-4. Municipal powers and duties; redevelopment  
4 project areas. ~~A municipality may:~~(a) The changes made by this  
5 amendatory Act of the 91st General Assembly do not apply to a  
6 municipality that, (i) before the effective date of this  
7 amendatory Act of the 91st General Assembly, has adopted an  
8 ordinance or resolution fixing a time and place for a public  
9 hearing under Section 11-74.4-5 or (ii) before July 1, 1999,  
10 has adopted an ordinance or resolution providing for a  
11 feasibility study under Section 11-74.4-4.1, but has not yet  
12 adopted an ordinance approving redevelopment plans and  
13 redevelopment projects or designating redevelopment project  
14 areas under this Section, until after that municipality adopts  
15 an ordinance approving redevelopment plans and redevelopment  
16 projects or designating redevelopment project areas under this  
17 Section; thereafter the changes made by this amendatory Act of  
18 the 91st General Assembly apply to the same extent that they  
19 apply to redevelopment plans and redevelopment projects that  
20 were approved and redevelopment projects that were designated  
21 before the effective date of this amendatory Act of the 91st  
22 General Assembly.

23 A municipality may:

24 (a) By ordinance introduced in the governing body of the  
25 municipality within 14 to 90 days from the completion of the



1 hearing specified in Section 11-74.4-5 approve redevelopment  
2 plans and redevelopment projects, and designate redevelopment  
3 project areas pursuant to notice and hearing required by this  
4 Act. No redevelopment project area shall be designated unless a  
5 plan and project are approved prior to the designation of such  
6 area and such area shall include only those contiguous parcels  
7 of real property and improvements thereon substantially  
8 benefited by the proposed redevelopment project improvements.  
9 Upon adoption of the ordinances, the municipality shall  
10 forthwith transmit to the county clerk of the county or  
11 counties within which the redevelopment project area is located  
12 a certified copy of the ordinances, a legal description of the  
13 redevelopment project area, a map of the redevelopment project  
14 area, identification of the year that the county clerk shall  
15 use for determining the total initial equalized assessed value  
16 of the redevelopment project area consistent with subsection  
17 (a) of Section 11-74.4-9, and a list of the parcel or tax  
18 identification number of each parcel of property included in  
19 the redevelopment project area.

20 (b) Make and enter into all contracts with property owners,  
21 developers, tenants, overlapping taxing bodies, and others  
22 necessary or incidental to the implementation and furtherance  
23 of its redevelopment plan and project. Contract provisions  
24 concerning loan repayment obligations in contracts entered  
25 into on or after the effective date of this amendatory Act of  
26 the 93rd General Assembly shall terminate no later than the

1 last to occur of the estimated dates of completion of the  
2 redevelopment project and retirement of the obligations issued  
3 to finance redevelopment project costs as required by item (3)  
4 of subsection (n) of Section 11-74.4-3. Payments received under  
5 contracts entered into by the municipality prior to the  
6 effective date of this amendatory Act of the 93rd General  
7 Assembly that are received after the redevelopment project area  
8 has been terminated by municipal ordinance shall be deposited  
9 into a special fund of the municipality to be used for other  
10 community redevelopment needs within the redevelopment project  
11 area.

12 (c) Within a redevelopment project area, acquire by  
13 purchase, donation, lease or eminent domain; own, convey,  
14 lease, mortgage or dispose of land and other property, real or  
15 personal, or rights or interests therein, and grant or acquire  
16 licenses, easements and options with respect thereto, all in  
17 the manner and at such price the municipality determines is  
18 reasonably necessary to achieve the objectives of the  
19 redevelopment plan and project. No conveyance, lease,  
20 mortgage, disposition of land or other property owned by a  
21 municipality, or agreement relating to the development of such  
22 municipal property shall be made except upon the adoption of an  
23 ordinance by the corporate authorities of the municipality.  
24 Furthermore, no conveyance, lease, mortgage, or other  
25 disposition of land owned by a municipality or agreement  
26 relating to the development of such municipal property shall be

1 made without making public disclosure of the terms of the  
2 disposition and all bids and proposals made in response to the  
3 municipality's request. The procedures for obtaining such bids  
4 and proposals shall provide reasonable opportunity for any  
5 person to submit alternative proposals or bids.

6 (d) Within a redevelopment project area, clear any area by  
7 demolition or removal of any existing buildings and structures.

8 (e) Within a redevelopment project area, renovate or  
9 rehabilitate or construct any structure or building, as  
10 permitted under this Act.

11 (f) Install, repair, construct, reconstruct or relocate  
12 streets, utilities and site improvements essential to the  
13 preparation of the redevelopment area for use in accordance  
14 with a redevelopment plan.

15 (g) Within a redevelopment project area, fix, charge and  
16 collect fees, rents and charges for the use of any building or  
17 property owned or leased by it or any part thereof, or facility  
18 therein.

19 (h) Accept grants, guarantees and donations of property,  
20 labor, or other things of value from a public or private source  
21 for use within a project redevelopment area.

22 (i) Acquire and construct public facilities within a  
23 redevelopment project area, as permitted under this Act.

24 (j) Incur project redevelopment costs and reimburse  
25 developers who incur redevelopment project costs, or reimburse  
26 an affiliate of a developer, including an entity that controls

1 a developer that is a limited partnership or limited liability  
2 company, authorized by a redevelopment agreement, and the  
3 reimbursement may take the form of a loan to the developer;  
4 provided, however, that on and after the effective date of this  
5 amendatory Act of the 91st General Assembly, no municipality  
6 shall incur redevelopment project costs (except for planning  
7 costs and any other eligible costs authorized by municipal  
8 ordinance or resolution that are subsequently included in the  
9 redevelopment plan for the area and are incurred by the  
10 municipality after the ordinance or resolution is adopted) that  
11 are not consistent with the program for accomplishing the  
12 objectives of the redevelopment plan as included in that plan  
13 and approved by the municipality until the municipality has  
14 amended the redevelopment plan as provided elsewhere in this  
15 Act.

16 (k) Create a commission of not less than 5 or more than 15  
17 persons to be appointed by the mayor or president of the  
18 municipality with the consent of the majority of the governing  
19 board of the municipality. Members of a commission appointed  
20 after the effective date of this amendatory Act of 1987 shall  
21 be appointed for initial terms of 1, 2, 3, 4 and 5 years,  
22 respectively, in such numbers as to provide that the terms of  
23 not more than 1/3 of all such members shall expire in any one  
24 year. Their successors shall be appointed for a term of 5  
25 years. The commission, subject to approval of the corporate  
26 authorities may exercise the powers enumerated in this Section.

1 The commission shall also have the power to hold the public  
2 hearings required by this division and make recommendations to  
3 the corporate authorities concerning the adoption of  
4 redevelopment plans, redevelopment projects and designation of  
5 redevelopment project areas.

6 (l) Make payment in lieu of taxes or a portion thereof to  
7 taxing districts. If payments in lieu of taxes or a portion  
8 thereof are made to taxing districts, those payments shall be  
9 made to all districts within a project redevelopment area on a  
10 basis which is proportional to the current collections of  
11 revenue which each taxing district receives from real property  
12 in the redevelopment project area.

13 (m) Exercise any and all other powers necessary to  
14 effectuate the purposes of this Act.

15 (n) If any member of the corporate authority, a member of a  
16 commission established pursuant to Section 11-74.4-4(k) of  
17 this Act, or an employee or consultant of the municipality  
18 involved in the planning and preparation of a redevelopment  
19 plan, or project for a redevelopment project area or proposed  
20 redevelopment project area, as defined in Sections  
21 11-74.4-3(i) through (k) of this Act, owns or controls an  
22 interest, direct or indirect, in any property included in any  
23 redevelopment area, or proposed redevelopment area, he or she  
24 shall disclose the same in writing to the clerk of the  
25 municipality, and shall also so disclose the dates and terms  
26 and conditions of any disposition of any such interest, which

1 disclosures shall be acknowledged by the corporate authorities  
2 and entered upon the minute books of the corporate authorities.  
3 If an individual holds such an interest then that individual  
4 shall refrain from any further official involvement in regard  
5 to such redevelopment plan, project or area, from voting on any  
6 matter pertaining to such redevelopment plan, project or area,  
7 or communicating with other members concerning corporate  
8 authorities, commission or employees concerning any matter  
9 pertaining to said redevelopment plan, project or area.  
10 Furthermore, no such member or employee shall acquire of any  
11 interest direct, or indirect, in any property in a  
12 redevelopment area or proposed redevelopment area after either  
13 (a) such individual obtains knowledge of such plan, project or  
14 area or (b) first public notice of such plan, project or area  
15 pursuant to Section 11-74.4-6 of this Division, whichever  
16 occurs first. For the purposes of this subsection, a property  
17 interest acquired in a single parcel of property by a member of  
18 the corporate authority, which property is used exclusively as  
19 the member's primary residence, shall not be deemed to  
20 constitute an interest in any property included in a  
21 redevelopment area or proposed redevelopment area that was  
22 established before December 31, 1989, but the member must  
23 disclose the acquisition to the municipal clerk under the  
24 provisions of this subsection. A single property interest  
25 acquired within one year after the effective date of this  
26 amendatory Act of the 94th General Assembly or 2 years after

1 the effective date of this amendatory Act of the 95th General  
2 Assembly by a member of the corporate authority does not  
3 constitute an interest in any property included in any  
4 redevelopment area or proposed redevelopment area, regardless  
5 of when the redevelopment area was established, if (i) the  
6 property is used exclusively as the member's primary residence,  
7 (ii) the member discloses the acquisition to the municipal  
8 clerk under the provisions of this subsection, (iii) the  
9 acquisition is for fair market value, (iv) the member acquires  
10 the property as a result of the property being publicly  
11 advertised for sale, and (v) the member refrains from voting  
12 on, and communicating with other members concerning, any matter  
13 when the benefits to the redevelopment project or area would be  
14 significantly greater than the benefits to the municipality as  
15 a whole. For the purposes of this subsection, a month-to-month  
16 leasehold interest in a single parcel of property by a member  
17 of the corporate authority shall not be deemed to constitute an  
18 interest in any property included in any redevelopment area or  
19 proposed redevelopment area, but the member must disclose the  
20 interest to the municipal clerk under the provisions of this  
21 subsection.

22 (o) Create a Tax Increment Economic Development Advisory  
23 Committee to be appointed by the Mayor or President of the  
24 municipality with the consent of the majority of the governing  
25 board of the municipality, the members of which Committee shall  
26 be appointed for initial terms of 1, 2, 3, 4 and 5 years

1 respectively, in such numbers as to provide that the terms of  
2 not more than 1/3 of all such members shall expire in any one  
3 year. Their successors shall be appointed for a term of 5  
4 years. The Committee shall have none of the powers enumerated  
5 in this Section. The Committee shall serve in an advisory  
6 capacity only. The Committee may advise the governing Board of  
7 the municipality and other municipal officials regarding  
8 development issues and opportunities within the redevelopment  
9 project area or the area within the State Sales Tax Boundary.  
10 The Committee may also promote and publicize development  
11 opportunities in the redevelopment project area or the area  
12 within the State Sales Tax Boundary.

13 (p) Municipalities may jointly undertake and perform  
14 redevelopment plans and projects and utilize the provisions of  
15 the Act wherever they have contiguous redevelopment project  
16 areas or they determine to adopt tax increment financing with  
17 respect to a redevelopment project area which includes  
18 contiguous real property within the boundaries of the  
19 municipalities, and in doing so, they may, by agreement between  
20 municipalities, issue obligations, separately or jointly, and  
21 expend revenues received under the Act for eligible expenses  
22 anywhere within contiguous redevelopment project areas or as  
23 otherwise permitted in the Act.

24 (q) Utilize revenues, other than State sales tax increment  
25 revenues, received under this Act from one redevelopment  
26 project area for eligible costs in another redevelopment



1 project area that is:

2 (i) contiguous to the redevelopment project area from  
3 which the revenues are received;

4 (ii) separated only by a public right of way from the  
5 redevelopment project area from which the revenues are  
6 received; or

7 (iii) separated only by forest preserve property from  
8 the redevelopment project area from which the revenues are  
9 received if the closest boundaries of the redevelopment  
10 project areas that are separated by the forest preserve  
11 property are less than one mile apart.

12 Utilize tax increment revenues for eligible costs that are  
13 received from a redevelopment project area created under the  
14 Industrial Jobs Recovery Law that is either contiguous to, or  
15 is separated only by a public right of way from, the  
16 redevelopment project area created under this Act which  
17 initially receives these revenues. Utilize revenues, other  
18 than State sales tax increment revenues, by transferring or  
19 loaning such revenues to a redevelopment project area created  
20 under the Industrial Jobs Recovery Law that is either  
21 contiguous to, or separated only by a public right of way from  
22 the redevelopment project area that initially produced and  
23 received those revenues; and, if the redevelopment project area  
24 (i) was established before the effective date of this  
25 amendatory Act of the 91st General Assembly and (ii) is located  
26 within a municipality with a population of more than 100,000,

1 utilize revenues or proceeds of obligations authorized by  
2 Section 11-74.4-7 of this Act, other than use or occupation tax  
3 revenues, to pay for any redevelopment project costs as defined  
4 by subsection (q) of Section 11-74.4-3 to the extent that the  
5 redevelopment project costs involve public property that is  
6 either contiguous to, or separated only by a public right of  
7 way from, a redevelopment project area whether or not  
8 redevelopment project costs or the source of payment for the  
9 costs are specifically set forth in the redevelopment plan for  
10 the redevelopment project area.

11 (r) If no redevelopment project has been initiated in a  
12 redevelopment project area within 7 years after the area was  
13 designated by ordinance under subsection (a), the municipality  
14 shall adopt an ordinance repealing the area's designation as a  
15 redevelopment project area; provided, however, that if an area  
16 received its designation more than 3 years before the effective  
17 date of this amendatory Act of 1994 and no redevelopment  
18 project has been initiated within 4 years after the effective  
19 date of this amendatory Act of 1994, the municipality shall  
20 adopt an ordinance repealing its designation as a redevelopment  
21 project area. Initiation of a redevelopment project shall be  
22 evidenced by either a signed redevelopment agreement or  
23 expenditures on eligible redevelopment project costs  
24 associated with a redevelopment project.

25 (Source: P.A. 94-1013, eff. 1-1-07; 95-1054, eff. 1-1-10;  
26 revised 9-16-10.)

1           Section 10. The Illinois Affordable Housing Act is amended  
2 by changing Section 3 as follows:

3           (310 ILCS 65/3) (from Ch. 67 1/2, par. 1253)

4           Sec. 3. Definitions. As used in this Act:

5           (a) "Program" means the Illinois Affordable Housing  
6 Program.

7           (b) "Trust Fund" means the Illinois Affordable Housing  
8 Trust Fund.

9           (b-5) "Capital Fund" means the Illinois Affordable Housing  
10 Capital Fund.

11           (c) "Low-income household" means a single person, family or  
12 unrelated persons living together whose adjusted income is more  
13 than 50%, but less than 80%, of the median income of the area  
14 of residence, adjusted for family size, as such adjusted income  
15 and median income for the area are determined from time to time  
16 by the United States Department of Housing and Urban  
17 Development for purposes of Section 8 of the United States  
18 Housing Act of 1937.

19           (d) "Very low-income household" means a single person,  
20 family or unrelated persons living together whose adjusted  
21 income is not more than 50% of the median income of the area of  
22 residence, adjusted for family size, as such adjusted income  
23 and median income for the area are determined from time to time  
24 by the United States Department of Housing and Urban

1 Development for purposes of Section 8 of the United States  
2 Housing Act of 1937.

3 (e) "Affordable housing" means residential housing that,  
4 so long as the same is occupied by low-income households or  
5 very low-income households, requires payment of monthly  
6 housing costs, including utilities other than telephone, of no  
7 more than 30% of the maximum allowable income as stated for  
8 such households as defined in this Section.

9 (f) "Multi-family housing" means a building or buildings  
10 providing housing to 5 or more households.

11 (g) "Single-family housing" means a building containing  
12 one to 4 dwelling units, including a mobile home as defined in  
13 subsection (b) of Section 3 of the Mobile Home Landlord and  
14 Tenant Rights Act, as amended.

15 (h) "Community-based organization" means a not-for-profit  
16 entity whose governing body includes a majority of members who  
17 reside in the community served by the organization.

18 (i) "Advocacy organization" means a not-for-profit  
19 organization which conducts, in part or in whole, activities to  
20 influence public policy on behalf of low-income or very  
21 low-income households.

22 (j) "Program Administrator" means the Illinois Housing  
23 Development Authority.

24 (k) "Funding Agent" means the Illinois Department of  
25 Revenue.

26 (l) "Commission" means the Affordable Housing Advisory

1 Commission.

2 (m) "Congregate housing" means a building or structure in  
3 which 2 or more households, inclusive, share common living  
4 areas and may share child care, cleaning, cooking and other  
5 household responsibilities.

6 (n) "Eligible applicant" means a proprietorship,  
7 partnership, for-profit corporation, not-for-profit  
8 corporation or unit of local government which seeks to use fund  
9 assets as provided in this Article.

10 (o) "Moderate income household" means a single person,  
11 family or unrelated persons living together whose adjusted  
12 income is more than 80% but less than 120% of the median income  
13 of the area of residence, adjusted for family size, as such  
14 adjusted income and median income for the area are determined  
15 from time to time by the United States Department of Housing  
16 and Urban Development for purposes of Section 8 of the United  
17 States Housing Act of 1937.

18 (p) "Affordable Housing Program Trust Fund Bonds or Notes"  
19 means the bonds or notes issued by the Program Administrator  
20 under the Illinois Housing Development Act to further the  
21 purposes of this Act.

22 (q) "Trust Fund Moneys" means all moneys, deposits,  
23 revenues, income, interest, dividends, receipts, taxes,  
24 proceeds and other amounts or funds deposited or to be  
25 deposited in the Trust Fund pursuant to Section 5(b) of this  
26 Act and any proceeds, investments or increase thereof.

1 (r) "Program Escrow" means accounts, except those accounts  
2 relating to any Affordable Housing Program Trust Fund Bonds or  
3 Notes, designated by the Program Administrator, into which  
4 Trust Fund Moneys are deposited.

5 (s) "Extremely low-income household" means a single  
6 person, family, or unrelated persons living together whose  
7 adjusted income is not more than 30% of the median income of  
8 the area of residence, adjusted for family size, as such  
9 adjusted income and median income for the area are determined  
10 from time to time by the United States Department of Housing  
11 and Urban Development for purposes of Section 8 of the United  
12 States Housing Act of 1937.

13 (Source: P.A. 95-710, eff. 6-1-08.)

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