



Rep. John E. Bradley

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1 AMENDMENT TO SENATE BILL 540

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 540 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The State Comptroller Act is amended by adding  
5 Section 30 as follows:

6 (15 ILCS 405/30 new)

7 Sec. 30. Tax Increment Finance administrator training.

8 (a) The Comptroller, in consultation with the State  
9 Comptroller Local Government Advisory Board, shall establish  
10 and cause to be conducted a training program for Tax Increment  
11 Finance administrators. In the case of any administrator who  
12 fails to satisfactorily complete the training program, the  
13 Comptroller shall so notify the municipal clerk or other  
14 elected official in the municipality in which that  
15 administrator is employed who shall notify the corporate  
16 authorities of the municipality within 30 days.

1       (b) The Comptroller shall establish a curriculum, which  
2 must include, but is not limited to, State reporting  
3 requirements, State law and regulation concerning the use of  
4 prevailing wage in redevelopment project areas, and eligible  
5 redevelopment project costs.

6       Section 7. The Economic Development Area Tax Increment  
7 Allocation Act is amended by changing Sections 3, 4, 5, 8, 9,  
8 and 11 as follows:

9       (20 ILCS 620/3) (from Ch. 67 1/2, par. 1003)

10       Sec. 3. Definitions. In this Act, words or terms shall have  
11 the following meanings unless the context or usage clearly  
12 indicates that another meaning is intended.

13       (a) "Department" means the Department of Commerce and  
14 Economic Opportunity.

15       (b) "Economic development plan" means the written plan of a  
16 municipality which sets forth an economic development program  
17 for an economic development project area. Each economic  
18 development plan shall include but not be limited to (1)  
19 estimated economic development project costs, (2) the sources  
20 of funds to pay such costs, (3) the nature and term of any  
21 obligations to be issued by the municipality to pay such costs,  
22 (4) the most recent equalized assessed valuation of the  
23 economic development project area, (5) an estimate of the  
24 equalized assessed valuation of the economic development

1 project area after completion of an economic development  
2 project, (6) the estimated date of completion of any economic  
3 development project proposed to be undertaken, (7) a general  
4 description of any proposed developer, user, or tenant of any  
5 property to be located or improved within the economic  
6 development project area, (8) a description of the type,  
7 structure and general character of the facilities to be  
8 developed or improved in the economic development project area,  
9 (9) a description of the general land uses to apply in the  
10 economic development project area, (10) a description of the  
11 type, class and number of employees to be employed in the  
12 operation of the facilities to be developed or improved in the  
13 economic development project area, and (11) a commitment by the  
14 municipality to fair employment practices and an affirmative  
15 action plan with respect to any economic development program to  
16 be undertaken by the municipality.

17 (c) "Economic development project" means any development  
18 project in furtherance of the objectives of this Act.

19 (d) "Economic development project area" means any improved  
20 or vacant area which (1) is located within or partially within  
21 or partially without the territorial limits of a municipality,  
22 provided that no area without the territorial limits of a  
23 municipality shall be included in an economic development  
24 project area without the express consent of the Department,  
25 acting as agent for the State, (2) is contiguous, (3) is not  
26 less in the aggregate than three hundred twenty acres, (4) is

1 suitable for siting by any commercial, manufacturing,  
2 industrial, research or transportation enterprise of  
3 facilities to include but not be limited to commercial  
4 businesses, offices, factories, mills, processing plants,  
5 assembly plants, packing plants, fabricating plants,  
6 industrial or commercial distribution centers, warehouses,  
7 repair overhaul or service facilities, freight terminals,  
8 research facilities, test facilities or transportation  
9 facilities, whether or not such area has been used at any time  
10 for such facilities and whether or not the area has been used  
11 or is suitable for other uses, including commercial  
12 agricultural purposes, and (5) which has been approved and  
13 certified by the Department pursuant to this Act.

14 (e) "Economic development project costs" mean and include  
15 the sum total of all reasonable or necessary costs incurred by  
16 a municipality incidental to an economic development project,  
17 including, without limitation, the following:

18 (1) Costs of studies, surveys, development of plans and  
19 specifications, implementation and administration of an  
20 economic development plan, personnel and professional service  
21 costs for architectural, engineering, legal, marketing,  
22 financial, planning, police, fire, public works or other  
23 services, provided that no charges for professional services  
24 may be based on a percentage of incremental tax revenues;

25 (2) Property assembly costs within an economic development  
26 project area, including but not limited to acquisition of land

1 and other real or personal property or rights or interests  
2 therein, and specifically including payments to developers or  
3 other nongovernmental persons as reimbursement for property  
4 assembly costs incurred by such developer or other  
5 nongovernmental person;

6 (3) Site preparation costs, including but not limited to  
7 clearance of any area within an economic development project  
8 area by demolition or removal of any existing buildings,  
9 structures, fixtures, utilities and improvements and clearing  
10 and grading; and including installation, repair, construction,  
11 reconstruction, or relocation of public streets, public  
12 utilities, and other public site improvements within or without  
13 an economic development project area which are essential to the  
14 preparation of the economic development project area for use in  
15 accordance with an economic development plan; and specifically  
16 including payments to developers or other nongovernmental  
17 persons as reimbursement for site preparation costs incurred by  
18 such developer or nongovernmental person;

19 (4) Costs of renovation, rehabilitation, reconstruction,  
20 relocation, repair or remodeling of any existing buildings,  
21 improvements, and fixtures within an economic development  
22 project area, and specifically including payments to  
23 developers or other nongovernmental persons as reimbursement  
24 for such costs incurred by such developer or nongovernmental  
25 person;

26 (5) Costs of construction, acquisition, and operation

1 within an economic development project area of public  
2 improvements, including but not limited to, publicly-owned  
3 buildings, structures, works, utilities or fixtures;

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

12 (7) All or a portion of a taxing district's capital costs  
13 resulting from an economic development project necessarily  
14 incurred or estimated to be incurred by a taxing district in  
15 the furtherance of the objectives of an economic development  
16 project, to the extent that the municipality by written  
17 agreement accepts and approves such costs;

18 (8) Relocation costs to the extent that a municipality  
19 determines that relocation costs shall be paid or is required  
20 to make payment of relocation costs by federal or State law;

21 (9) The estimated tax revenues from real property in an  
22 economic development project area acquired by a municipality  
23 which, according to the economic development plan, is to be  
24 used for a private use and which any taxing district would have  
25 received had the municipality not adopted tax increment  
26 allocation financing for an economic development project area

1 and which would result from such taxing district's levies made  
2 after the time of the adoption by the municipality of tax  
3 increment allocation financing to the time the current  
4 equalized assessed value of real property in the economic  
5 development project area exceeds the total initial equalized  
6 value of real property in said area;

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

1 3-38, 3-40 and 3-40.1 of the Public Community College Act and  
2 by school districts of costs pursuant to Sections 10-22.20a and  
3 10-23.3a of The School Code;

4 (11) Private financing costs incurred by developers or  
5 other nongovernmental persons in connection with an economic  
6 development project, and specifically including payments to  
7 developers or other nongovernmental persons as reimbursement  
8 for such costs incurred by such developer or other  
9 nongovernmental person, provided that:

10 (A) private financing costs shall be paid or reimbursed by  
11 a municipality only pursuant to the prior official action of  
12 the municipality evidencing an intent to pay or reimburse such  
13 private financing costs;

14 (B) except as provided in subparagraph (D), the aggregate  
15 amount of such costs paid or reimbursed by a municipality in  
16 any one year shall not exceed 30% of such costs paid or  
17 incurred by the developer or other nongovernmental person in  
18 that year;

19 (C) private financing costs shall be paid or reimbursed by  
20 a municipality solely from the special tax allocation fund  
21 established pursuant to this Act and shall not be paid or  
22 reimbursed from the proceeds of any obligations issued by a  
23 municipality;

24 (D) if there are not sufficient funds available in the  
25 special tax allocation fund in any year to make such payment or  
26 reimbursement in full, any amount of such interest cost



1 remaining to be paid or reimbursed by a municipality shall  
2 accrue and be payable when funds are available in the special  
3 tax allocation fund to make such payment; and

4 (E) in connection with its approval and certification of an  
5 economic development project pursuant to Section 5 of this Act,  
6 the Department shall review any agreement authorizing the  
7 payment or reimbursement by a municipality of private financing  
8 costs in its consideration of the impact on the revenues of the  
9 municipality and the affected taxing districts of the use of  
10 tax increment allocation financing.

11 (f) "Municipality" means a city, village or incorporated  
12 town.

13 (g) "Obligations" means any instrument evidencing the  
14 obligation of a municipality to pay money, including without  
15 limitation, bonds, notes, installment or financing contracts,  
16 certificates, tax anticipation warrants or notes, vouchers,  
17 and any other evidence of indebtedness.

18 (h) "Taxing districts" means counties, townships,  
19 municipalities, and school, road, park, sanitary, mosquito  
20 abatement, forest preserve, public health, fire protection,  
21 river conservancy, tuberculosis sanitarium and any other  
22 municipal corporations or districts with the power to levy  
23 taxes.

24 (Source: P.A. 94-793, eff. 5-19-06.)

1           Sec. 4. Establishment of economic development project  
2 areas; ordinance; notice; hearing; changes in economic  
3 development plan. Economic development project areas shall be  
4 established as follows:

5           (a) The corporate authorities of a municipality shall by  
6 ordinance propose the establishment of an economic development  
7 project area and fix a time and place for a public hearing, and  
8 shall submit a certified copy of the ordinance as adopted to  
9 the Department.

10           (b) (1) Notice of the public hearing shall be given by  
11 publication and mailing. Notice by publication shall be given  
12 by publication at least twice, the first publication to be not  
13 more than 30 nor less than 10 days prior to the hearing in a  
14 newspaper of general circulation within the taxing districts  
15 having property in the proposed economic development project  
16 area. Notice by mailing shall be given by depositing such  
17 notice together with a copy of the proposed economic  
18 development plan in the United States mails by certified mail  
19 addressed to the person or persons in whose name the general  
20 taxes for the last preceding year were paid on each lot, block,  
21 tract, or parcel of land lying within the economic development  
22 project area. The notice shall be mailed not less than 10 days  
23 prior to the date set for the public hearing. In the event  
24 taxes for the last preceding year were not paid, the notice  
25 shall also be sent to the persons last listed on the tax rolls  
26 within the preceding 3 years as the owners of such property.

1           (2) The notices issued pursuant to this Section shall  
2 include the following:

3           (A) The time and place of public hearing;

4           (B) The boundaries of the proposed economic development  
5 project area by legal description and by street location where  
6 possible;

7           (C) A notification that all interested persons will be  
8 given an opportunity to be heard at the public hearing;

9           (D) An invitation for any person to submit alternative  
10 proposals or bids for any proposed conveyance, lease, mortgage  
11 or other disposition of land within the proposed economic  
12 development project area;

13           (E) A description of the economic development plan or  
14 economic development project if a plan or project is a subject  
15 matter of the hearing; and

16           (F) Such other matters as the municipality may deem  
17 appropriate.

18           (3) Not less than 30 days prior to the date set for  
19 hearing, the municipality shall give notice by mail as provided  
20 in this subsection (b) to all taxing districts, of which  
21 taxable property is included in the economic development  
22 project area, and to the Department. In addition to the other  
23 requirements under this subsection (b), the notice shall  
24 include an invitation to the Department and each taxing  
25 district to submit comments to the municipality concerning the  
26 subject matter of the hearing prior to the date of hearing.

1           (c) At the public hearing any interested person, the  
2 Department or any affected taxing district may file written  
3 objections with the municipal clerk and may be heard orally  
4 with respect to any issues embodied in the notice. The  
5 municipality shall hear and determine all alternate proposals  
6 or bids for any proposed conveyance, lease, mortgage or other  
7 disposition of land and all protests and objections at the  
8 hearing, and the hearing may be adjourned to another date  
9 without further notice other than a motion to be entered upon  
10 the minutes fixing the time and place of the adjourned hearing.  
11 Public hearings with regard to an economic development plan,  
12 economic development project area, or economic development  
13 project may be held simultaneously.

14           (d) At the public hearing or at any time prior to the  
15 adoption by the municipality of an ordinance approving an  
16 economic development plan, the municipality may make changes in  
17 the economic development plan. Changes which (1) alter the  
18 exterior boundaries of the proposed economic development  
19 project area, (2) substantially affect the general land uses  
20 established in the proposed economic development plan, (3)  
21 substantially change the nature of the proposed economic  
22 development project, (4) change the general description of any  
23 proposed developer, user or tenant of any property to be  
24 located or improved within the economic development project  
25 area, or (5) change the description of the type, class and  
26 number of employees to be employed in the operation of the

1 facilities to be developed or improved within the economic  
2 development project area shall be made only after notice and  
3 hearing pursuant to the procedures set forth in this Section.  
4 Changes which do not (1) alter the exterior boundaries of a  
5 proposed economic development project area, (2) substantially  
6 affect the general land uses established in the proposed  
7 economic development plan, (3) substantially change the nature  
8 of the proposed economic development project, (4) change the  
9 general description of any proposed developer, user or tenant  
10 of any property to be located or improved within the economic  
11 development project area, or (5) change the description of the  
12 type, class and number of employees to be employed in the  
13 operation of the facilities to be developed or improved within  
14 the economic development project area may be made without  
15 further hearing, provided that the municipality shall give  
16 notice of its changes by mail to the Department and to each  
17 affected taxing district and by publication in a newspaper or  
18 newspapers of general circulation within the affected taxing  
19 districts. Such notice by mail and by publication shall each  
20 occur not later than 10 days following the adoption by  
21 ordinance of such changes.

22 (e) At any time within 30 days of the final adjournment of  
23 the public hearing, a municipality may, by ordinance, approve  
24 the economic development plan, establish the economic  
25 development project area, and authorize tax increment  
26 allocation financing for such economic development project

1 area. Any ordinance adopted which approves an economic  
2 development plan shall contain findings that the economic  
3 development project shall create or retain not less than 4,000  
4 ~~2,000~~ full-time equivalent jobs, that private investment in an  
5 amount not less than \$100,000,000 shall occur in the economic  
6 development project area, that the economic development  
7 project will encourage the increase of commerce and industry  
8 within the State, thereby reducing the evils attendant upon  
9 unemployment and increasing opportunities for personal income,  
10 and that the economic development project will increase or  
11 maintain the property, sales and income tax bases of the  
12 municipality and of the State. Any ordinance adopted which  
13 establishes an economic development project area shall contain  
14 the boundaries of such area by legal description and, where  
15 possible, by street location. Any ordinance adopted which  
16 authorizes tax increment allocation financing shall provide  
17 that the ad valorem taxes, if any, arising from the levies upon  
18 taxable real property in such economic development project area  
19 by taxing districts and tax rates determined in the manner  
20 provided in subsection (b) of Section 6 of this Act each year  
21 after the effective date of the ordinance until economic  
22 development project costs and all municipal obligations  
23 financing economic development project costs incurred under  
24 this Act have been paid shall be divided as follows:

25 (1) That portion of taxes levied upon each taxable lot,  
26 block, tract or parcel of real property which is attributable

1 to the lower of the current equalized assessed value or the  
2 initial equalized assessed value of each such taxable lot,  
3 block, tract or parcel of real property in the economic  
4 development project area shall be allocated to and when  
5 collected shall be paid by the county collector to the  
6 respective affected taxing districts in the manner required by  
7 law in the absence of the adoption of tax increment allocation  
8 financing.

9 (2) That portion, if any, of such taxes which is  
10 attributable to the increase in the current equalized assessed  
11 valuation of each taxable lot, block, tract or parcel of real  
12 property in the economic development project area over and  
13 above the initial equalized assessed value of each property in  
14 the economic development project area shall be allocated to and  
15 when collected shall be paid to the municipal treasurer who  
16 shall deposit such taxes into a special fund called the special  
17 tax allocation fund of the municipality for the purpose of  
18 paying economic development project costs and obligations  
19 incurred in the payment thereof.

20 (f) After a municipality has by ordinance approved an  
21 economic development plan and established an economic  
22 development project area, the plan may be amended and the  
23 boundaries of the area may be altered only as herein provided.  
24 Amendments which (1) alter the exterior boundaries of an  
25 economic development project area, (2) substantially affect  
26 the general land uses established pursuant to the economic

1 development plan, (3) substantially change the nature of the  
2 economic development project, (4) change the general  
3 description of any proposed developer, user, or tenant of any  
4 property to be located or improved within the economic  
5 development project area, or (5) change the description of the  
6 type, class and number of employees to be employed in the  
7 operation of the facilities to be developed or improved within  
8 the economic development project area, shall be made only after  
9 notice and hearing pursuant to the procedures set forth in this  
10 Section. Amendments which do not (1) alter the boundaries of  
11 the economic development project area, (2) substantially  
12 affect the general land uses established in the economic  
13 development plan, (3) substantially change the nature of the  
14 economic development project, (4) change the general  
15 description of any proposed developer, user, or tenant of any  
16 property to be located or improved within the economic  
17 development project area, or (5) change the description of the  
18 type, class and number of employees to be employed in the  
19 operation of the facilities to be developed or improved within  
20 the economic development project area may be made without  
21 further hearing, provided that the municipality shall give  
22 notice of any amendment by mail to the Department and to each  
23 taxing district and by publication in a newspaper or newspapers  
24 of general circulation within the affected taxing districts.  
25 Such notice by mail and by publication shall each occur not  
26 later than 10 days following the adoption by ordinance of any



1 amendments.

2 Notwithstanding anything to the contrary set forth in this  
3 Act, to the extent the maximum duration for obligations allowed  
4 under an economic development plan is less than the maximum  
5 duration permitted under Section 8 of this Act, a municipality  
6 may by ordinance amend such existing economic development plan  
7 to increase the duration of obligations allowed under the  
8 economic development plan up to the maximum duration permitted  
9 under Section 8 of this Act. [Such ordinance may also extend  
10 the estimated date of completion of the economic development  
11 project up to the maximum duration of any obligations permitted  
12 therein.] Such ordinance may be adopted without further hearing  
13 or notice and without complying with the procedures provided in  
14 this Act pertaining to an amendment to or the initial approval  
15 of an economic development plan.

16 (Source: P.A. 86-38.)

17 (20 ILCS 620/5) (from Ch. 67 1/2, par. 1005)

18 Sec. 5. Submission to Department; certification by  
19 Department; limitation on number of permissible economic  
20 development project areas. (a) The municipality shall submit  
21 certified copies of any ordinances adopted approving an  
22 economic development plan, establishing an economic  
23 development project area, and authorizing tax increment  
24 allocation financing for such economic development project  
25 area to the Department, together with (1) a map of the economic

1 development project area, (2) a copy of the economic  
2 development plan as approved, (3) an analysis, and any  
3 supporting documents and statistics, demonstrating that the  
4 economic development project shall create or retain not less  
5 than 4,000 ~~2,000~~ full-time equivalent jobs and that private  
6 investment in the amount of not less than \$100,000,000 shall  
7 occur in the economic development project area, (4) an estimate  
8 of the economic impact of the economic development project and  
9 the use of tax increment allocation financing upon the revenues  
10 of the municipality and the affected taxing districts, (5) a  
11 record of all public hearings had in connection with the  
12 establishment of the economic development project area, and (6)  
13 such other information as the Department by regulation may  
14 require.

15 (b) Upon receipt of an application from a municipality the  
16 Department shall review the application to determine whether  
17 the economic development project area qualifies as an economic  
18 development project area under this Act. At its discretion, the  
19 Department may accept or reject the application or may request  
20 such additional information as it deems necessary or advisable  
21 to aid its review. If any such area is found to be qualified to  
22 be an economic development project area, the Department shall  
23 approve and certify such economic development project area and  
24 shall provide written notice of its approval and certification  
25 to the municipality and to the county clerk. In determining  
26 whether an economic development project area shall be approved

1 and certified, the Department shall consider (1) whether,  
2 without public intervention, the State would suffer  
3 substantial economic dislocation, such as relocation of a  
4 commercial business or industrial or manufacturing facility to  
5 another state, territory or country, or would not otherwise  
6 benefit from private investment offering substantial  
7 employment opportunities and economic growth, and (2) the  
8 impact on the revenues of the municipality and the affected  
9 taxing districts of the use of tax increment allocation  
10 financing in connection with the economic development project.

11 (c) On or before the date which is 18 months following the  
12 date on which this Act becomes law, the Department shall submit  
13 to the General Assembly a report detailing the number of  
14 economic development project areas it has approved and  
15 certified, the number and type of jobs created or retained  
16 therein, the aggregate amount of private investment therein,  
17 the impact on the revenues of municipalities and affected  
18 taxing districts of the use of tax increment allocation  
19 financing therein, and such additional information as the  
20 Department may determine to be relevant. On or after the date  
21 which is 20 months following the date on which this Act becomes  
22 law the authority granted hereunder to municipalities to  
23 establish economic development project areas and to adopt tax  
24 increment allocation financing in connection therewith and to  
25 the Department to approve and certify economic development  
26 project areas shall expire unless the General Assembly shall

1 have authorized municipalities and the Department to continue  
2 to exercise the powers granted to them hereunder.

3 (Source: P.A. 86-38.)

4 (20 ILCS 620/8) (from Ch. 67 1/2, par. 1008)

5 Sec. 8. Issuance of obligations for economic development  
6 project costs. Obligations secured by the special tax  
7 allocation fund provided for in Section 7 of this Act for an  
8 economic development project area may be issued to provide for  
9 economic development project costs. Those obligations, when so  
10 issued, shall be retired in the manner provided in the  
11 ordinance authorizing the issuance of the obligations by the  
12 receipts of taxes levied as specified in Section 6 of this Act  
13 against the taxable property included in the economic  
14 development project area and by other revenue designated or  
15 pledged by the municipality. A municipality may in the  
16 ordinance pledge all or any part of the funds in and to be  
17 deposited in the special tax allocation fund created pursuant  
18 to Section 7 of this Act to the payment of the economic  
19 development project costs and obligations. Whenever a  
20 municipality pledges all of the funds to the credit of a  
21 special tax allocation fund to secure obligations issued or to  
22 be issued to pay economic development project costs, the  
23 municipality may specifically provide that funds remaining to  
24 the credit of such special tax allocation fund after the  
25 payment of such obligations shall be accounted for annually and

1 shall be deemed to be "surplus" funds, and such "surplus" funds  
2 shall be distributed as hereinafter provided. Whenever a  
3 municipality pledges less than all of the monies to the credit  
4 of a special tax allocation fund to secure obligations issued  
5 or to be issued to pay economic development project costs, the  
6 municipality shall provide that monies to the credit of the  
7 special tax allocation fund and not subject to such pledge or  
8 otherwise encumbered or required for payment of contractual  
9 obligations for specific economic development project costs  
10 shall be calculated annually and shall be deemed to be  
11 "surplus" funds, and such "surplus" funds shall be distributed  
12 as hereinafter provided. All funds to the credit of a special  
13 tax allocation fund which are deemed to be "surplus" funds  
14 shall be distributed annually within 180 days of the close of  
15 the municipality's fiscal year by being paid by the municipal  
16 treasurer to the county collector. The county collector shall  
17 thereafter make distribution to the respective taxing  
18 districts in the same manner and proportion as the most recent  
19 distribution by the county collector to those taxing districts  
20 of real property taxes from real property in the economic  
21 development project area.

22 Without limiting the foregoing in this Section the  
23 municipality may, in addition to obligations secured by the  
24 special tax allocation fund, pledge for a period not greater  
25 than the term of the obligations towards payment of those  
26 obligations any part or any combination of the following: (i)

1 net revenues of all or part of any economic development  
2 project; (ii) taxes levied and collected on any or all property  
3 in the municipality, including, specifically, taxes levied or  
4 imposed by the municipality in a special service area pursuant  
5 to "An Act to provide the manner of levying or imposing taxes  
6 for the provision of special services to areas within the  
7 boundaries of home rule units and non-home rule municipalities  
8 and counties", approved September 21, 1973, as now or hereafter  
9 amended; (iii) the full faith and credit of the municipality;  
10 (iv) a mortgage on part or all of the economic development  
11 project; or (v) any other taxes or anticipated receipts that  
12 the municipality may lawfully pledge.

13 Such obligations may be issued in one or more series  
14 bearing interest at such rate or rates as the corporate  
15 authorities of the municipality shall determine by ordinance,  
16 which rate or rates may be variable or fixed, without regard to  
17 any limitations contained in any law now in effect or hereafter  
18 adopted. Such obligations shall bear such date or dates, mature  
19 at such time or times not exceeding 38 ~~20~~ years from their  
20 respective dates, but in no event exceeding 38 ~~23~~ years from  
21 the date of establishment of the economic development project  
22 area, be in such denomination, be in such form, whether coupon,  
23 registered or book-entry, carry such registration, conversion  
24 and exchange privileges, be executed in such manner, be payable  
25 in such medium of payment at such place or places within or  
26 without the State of Illinois, contain such covenants, terms

1 and conditions, be subject to redemption with or without  
2 premium, be subject to defeasance upon such terms, and have  
3 such rank or priority, as such ordinance shall provide.  
4 Obligations issued pursuant to this Act may be sold at public  
5 or private sale at such price as shall be determined by the  
6 corporate authorities of the municipalities. Such obligations  
7 may, but need not, be issued utilizing the provisions of any  
8 one or more of the omnibus bond Acts specified in Section 1.33  
9 of "An Act to revise the law in relation to the construction of  
10 the statutes", approved March 5, 1874, as now or hereafter  
11 amended. No referendum approval of the electors shall be  
12 required as a condition to the issuance of obligations pursuant  
13 to this Act except as provided in this Section.

14 Whenever a municipality issues bonds for the purpose of  
15 financing economic development project costs, the municipality  
16 may provide by ordinance for the appointment of a trustee,  
17 which may be any trust company within the State, and for the  
18 establishment of the funds or accounts to be maintained by such  
19 trustee as the municipality shall deem necessary to provide for  
20 the security and payment of the bonds. If the municipality  
21 provides for the appointment of a trustee, the trustee shall be  
22 considered the assignee of any payments assigned by the  
23 municipality pursuant to the ordinance and this Section. Any  
24 amounts paid to the trustee as assignee shall be deposited in  
25 the funds or accounts established pursuant to the trust  
26 agreement, and shall be held by the trustee in trust for the

1 benefit of the holders of the bonds, and the holders shall have  
2 a lien on and a security interest in those bonds or accounts so  
3 long as the bonds remain outstanding and unpaid. Upon  
4 retirement of the bonds, the trustee shall pay over any excess  
5 amounts held to the municipality for deposit in the special tax  
6 allocation fund.

7 In the event the municipality authorizes the issuance of  
8 obligations pursuant to the authority of this Act secured by  
9 the full faith and credit of the municipality, or pledges ad  
10 valorem taxes pursuant to clause (ii) of the second paragraph  
11 of this Section, which obligations are other than obligations  
12 which may be issued under home rule powers provided by Article  
13 VII, Section 6 of the Illinois Constitution or which ad valorem  
14 taxes are other than ad valorem taxes which may be pledged  
15 under home rule powers provided by Article VII, Section 6 of  
16 the Illinois Constitution or which are levied in a special  
17 service area pursuant to "An Act to provide the manner of  
18 levying or imposing taxes for the provision of special services  
19 to areas within the boundaries of home rule units and non-home  
20 rule municipalities and counties", approved September 21,  
21 1973, as now or hereafter amended, the ordinance authorizing  
22 the issuance of those obligations or pledging those taxes shall  
23 be published within 10 days after the ordinance has been  
24 adopted, in one or more newspapers having a general circulation  
25 within the municipality. The publication of the ordinance shall  
26 be accompanied by a notice of (1) the specific number of voters



1 required to sign a petition requesting the question of the  
2 issuance of the obligations or pledging such ad valorem taxes  
3 to be submitted to the electors; (2) the time within which the  
4 petition must be filed; and (3) the date of the prospective  
5 referendum. The municipal clerk shall provide a petition form  
6 to any individual requesting one.

7 If no petition is filed with the municipal clerk, as  
8 hereinafter provided in this Section, within 21 days after the  
9 publication of the ordinance, the ordinance shall be in effect.  
10 However, if within that 21 day period a petition is filed with  
11 the municipal clerk, signed by electors numbering not less than  
12 15% of the number of electors voting for the mayor or president  
13 at the last general municipal election, asking that the  
14 question of issuing obligations using full faith and credit of  
15 the municipality as security for the cost of paying for  
16 economic development project costs, or of pledging such ad  
17 valorem taxes for the payment of those obligations, or both, be  
18 submitted to the electors of the municipality, the municipality  
19 shall not be authorized to issue obligations of the  
20 municipality using the full faith and credit of the  
21 municipality as security or pledging such ad valorem taxes for  
22 the payment of those obligations, or both, until the  
23 proposition has been submitted to and approved by a majority of  
24 the voters voting on the proposition at a regularly scheduled  
25 election. The municipality shall certify the proposition to the  
26 proper election authorities for submission in accordance with

1 the general election law.

2 The ordinance authorizing the obligations may provide that  
3 the obligations shall contain a recital that they are issued  
4 pursuant to this Act, which recital shall be conclusive  
5 evidence of their validity and of the regularity of their  
6 issuance.

7 In the event the municipality authorizes issuance of  
8 obligations pursuant to this Act secured by the full faith and  
9 credit of the municipality, the ordinance authorizing the  
10 obligations may provide for the levy and collection of a direct  
11 annual tax upon all taxable property within the municipality  
12 sufficient to pay the principal thereof and interest thereon as  
13 it matures, which levy may be in addition to and exclusive of  
14 the maximum of all other taxes authorized to be levied by the  
15 municipality, which levy, however, shall be abated to the  
16 extent that monies from other sources are available for payment  
17 of the obligations and the municipality certifies the amount of  
18 those monies available to the county clerk.

19 A certified copy of the ordinance shall be filed with the  
20 county clerk of each county in which any portion of the  
21 municipality is situated, and shall constitute the authority  
22 for the extension and collection of the taxes to be deposited  
23 in the special tax allocation fund.

24 A municipality may also issue its obligations to refund, in  
25 whole or in part, obligations theretofore issued by the  
26 municipality under the authority of this Act, whether at or

1 prior to maturity. However, the last maturity of the refunding  
2 obligations shall not be expressed to mature later than 38 ~~23~~  
3 years from the date of the ordinance establishing the economic  
4 development project area.

5 In the event a municipality issues obligations under home  
6 rule powers or other legislative authority, the proceeds of  
7 which are pledged to pay for economic development project  
8 costs, the municipality may, if it has followed the procedures  
9 in conformance with this Act, retire those obligations from  
10 funds in the special tax allocation fund in amounts and in such  
11 manner as if those obligations had been issued pursuant to the  
12 provisions of this Act.

13 No obligations issued pursuant to this Act shall be  
14 regarded as indebtedness of the municipality issuing those  
15 obligations or any other taxing district for the purpose of any  
16 limitation imposed by law.

17 Obligations issued pursuant to this Act shall not be  
18 subject to the provisions of "An Act to authorize public  
19 corporations to issue bonds, other evidences of indebtedness  
20 and tax anticipation warrants subject to interest rate  
21 limitations set forth therein", approved May 26, 1970, as  
22 amended.

23 (Source: P.A. 86-38.)

24 (20 ILCS 620/9) (from Ch. 67 1/2, par. 1009)

25 Sec. 9. Powers of municipalities. In addition to powers

1 which it may now have, any municipality has the power under  
2 this Act:

3 (a) To make and enter into all contracts necessary or  
4 incidental to the implementation and furtherance of an economic  
5 development plan.

6 (b) Within an economic development project area, to acquire  
7 by purchase, donation, lease or eminent domain, and to own,  
8 convey, lease, mortgage or dispose of land and other real or  
9 personal property or rights or interests therein; and to grant  
10 or acquire licenses, easements and options with respect  
11 thereto, all in the manner and at such price the municipality  
12 determines is reasonably necessary to achieve the objectives of  
13 the economic development project. No conveyance, lease,  
14 mortgage, disposition of land or other property acquired by the  
15 municipality, or agreement relating to the development of  
16 property, shall be made or executed except pursuant to prior  
17 official action of the municipality. No conveyance, lease,  
18 mortgage or other disposition of land, and no agreement  
19 relating to the development of property, shall be made without  
20 making public disclosure of the terms and disposition of all  
21 bids and proposals submitted to the municipality in connection  
22 therewith.

23 (c) To clear any area within an economic development  
24 project area by demolition or removal of any existing  
25 buildings, structures, fixtures, utilities or improvements,  
26 and to clear and grade land.

1 (d) To install, repair, construct, reconstruct or relocate  
2 public streets, public utilities, and other public site  
3 improvements within or without an economic development project  
4 area which are essential to the preparation of an economic  
5 development project area for use in accordance with an economic  
6 development plan.

7 (e) To renovate, rehabilitate, reconstruct, relocate,  
8 repair or remodel any existing buildings, improvements, and  
9 fixtures within an economic development project area.

10 (f) To construct, acquire, and operate public  
11 improvements, including but not limited to, publicly-owned  
12 buildings, structures, works, utilities or fixtures within any  
13 economic development project area.

14 (g) To issue obligations as in this Act provided.

15 (h) To fix, charge and collect fees, rents and charges for  
16 the use of any building, facility or property or any portion  
17 thereof owned or leased by the municipality within an economic  
18 development project area.

19 (i) To accept grants, guarantees, donations of property or  
20 labor, or any other thing of value for use in connection with  
21 an economic development project.

22 (j) To pay or cause to be paid economic development project  
23 costs. Any payments to be made by the municipality to  
24 developers or other nongovernmental persons for economic  
25 development project costs incurred by such developer or other  
26 nongovernmental person shall be made only pursuant to the prior

1 official action of the municipality evidencing an intent to pay  
2 or cause to be paid such economic development project costs. A  
3 municipality is not required to obtain any right, title or  
4 interest in any real or personal property in order to pay  
5 economic development project costs associated with such  
6 property. The municipality shall adopt such accounting  
7 procedures as may be necessary to determine that such economic  
8 development project costs are properly paid.

9 (k) To exercise any and all other powers necessary to  
10 effectuate the purposes of this Act.

11 (l) To create a commission of not less than 5 or more than  
12 15 persons to be appointed by the mayor or president of the  
13 municipality with the consent of the majority of the corporate  
14 authorities of the municipality. Members of a commission shall  
15 be appointed for initial terms of 1, 2, 3, 4, and 5 years,  
16 respectively, in such numbers as to provide that the terms of  
17 not more than 1/3 of all such members shall expire in any one  
18 year. Their successors shall be appointed for a term of 5  
19 years. The commission, subject to approval of the corporate  
20 authorities, may exercise the powers enumerated in this  
21 Section. The commission shall also have the power to hold the  
22 public hearings required by this Act and make recommendations  
23 to the corporate authorities concerning the approval of  
24 economic development plans, the establishment of economic  
25 development project areas, and the adoption of tax increment  
26 allocation financing for economic development project areas.

1 (Source: P.A. 91-357, eff. 7-29-99.)

2 (20 ILCS 620/11) (from Ch. 67 1/2, par. 1011)

3 Sec. 11. Payment of project costs; revenues from municipal  
4 property. Revenues received by a municipality from any  
5 property, building or facility owned, leased or operated by the  
6 municipality or any agency or authority established by the  
7 municipality may be used to pay economic development project  
8 costs, or reduce outstanding obligations of the municipality  
9 incurred under this Act for economic development project costs.  
10 The municipality may place those revenues in the special tax  
11 allocation fund which shall be held by the municipal treasurer  
12 or other person designated by the municipality. Revenue  
13 received by the municipality from the sale or other disposition  
14 of real or personal property or rights or interests therein  
15 acquired by the municipality with the proceeds of obligations  
16 funded by tax increment allocation financing may be used to  
17 acquire and operate other municipal property within the  
18 economic development project area or ~~shall~~ be deposited by the  
19 municipality in the special tax allocation fund.

20 (Source: P.A. 86-38.)

21 Section 10. The Property Tax Code is amended by changing  
22 Section 20-15 as follows:

23 (35 ILCS 200/20-15)

1           Sec. 20-15. Information on bill or separate statement.  
2           There shall be printed on each bill, or on a separate slip  
3           which shall be mailed with the bill:

4           (a) a statement itemizing the rate at which taxes have  
5           been extended for each of the taxing districts in the  
6           county in whose district the property is located, and in  
7           those counties utilizing electronic data processing  
8           equipment the dollar amount of tax due from the person  
9           assessed allocable to each of those taxing districts,  
10          including a separate statement of the dollar amount of tax  
11          due which is allocable to a tax levied under the Illinois  
12          Local Library Act or to any other tax levied by a  
13          municipality or township for public library purposes,

14          (b) a separate statement for each of the taxing  
15          districts of the dollar amount of tax due which is  
16          allocable to a tax levied under the Illinois Pension Code  
17          or to any other tax levied by a municipality or township  
18          for public pension or retirement purposes,

19          (c) the total tax rate,

20          (d) the total amount of tax due, ~~and~~

21          (e) the amount by which the total tax and the tax  
22          allocable to each taxing district differs from the  
23          taxpayer's last prior tax bill, ~~and~~

24          (f) the name and identification number of the  
25          redevelopment project area where the property is located,  
26          if applicable, and



1           (g) a State Internet website address where taxpayers  
2           can access information about tax increment financing and  
3           redevelopment project areas.

4           The county treasurer shall ensure that only those taxing  
5           districts in which a parcel of property is located shall be  
6           listed on the bill for that property.

7           In all counties the statement shall also provide:

8           (1) the property index number or other suitable  
9           description,

10          (2) the assessment of the property,

11          (3) the equalization factors imposed by the county and  
12          by the Department, and

13          (4) the equalized assessment resulting from the  
14          application of the equalization factors to the basic  
15          assessment.

16          In all counties which do not classify property for purposes  
17          of taxation, for property on which a single family residence is  
18          situated the statement shall also include a statement to  
19          reflect the fair cash value determined for the property. In all  
20          counties which classify property for purposes of taxation in  
21          accordance with Section 4 of Article IX of the Illinois  
22          Constitution, for parcels of residential property in the lowest  
23          assessment classification the statement shall also include a  
24          statement to reflect the fair cash value determined for the  
25          property.

26          In all counties, the statement must include information

1 that certain taxpayers may be eligible for tax exemptions,  
2 abatements, and other assistance programs and that, for more  
3 information, taxpayers should consult with the office of their  
4 township or county assessor and with the Illinois Department of  
5 Revenue.

6 In all counties, the statement shall include information  
7 that certain taxpayers may be eligible for the Senior Citizens  
8 and Disabled Persons Property Tax Relief and Pharmaceutical  
9 Assistance Act and that applications are available from the  
10 Illinois Department on Aging.

11 In counties which use the estimated or accelerated billing  
12 methods, these statements shall only be provided with the final  
13 installment of taxes due. The provisions of this Section create  
14 a mandatory statutory duty. They are not merely directory or  
15 discretionary. The failure or neglect of the collector to mail  
16 the bill, or the failure of the taxpayer to receive the bill,  
17 shall not affect the validity of any tax, or the liability for  
18 the payment of any tax.

19 (Source: P.A. 95-644, eff. 10-12-07.)

20 Section 15. The Illinois Municipal Code is amended by  
21 changing Sections 8-8-3, 8-8-3.5, 11-74.4-3, 11-74.4-3.5,  
22 11-74.4-4, 11-74.4-5, 11-74.6-15, and 11-74.6-22 as follows:

23 (65 ILCS 5/8-8-3) (from Ch. 24, par. 8-8-3)

24 Sec. 8-8-3. Audit requirements.

1           (a) The corporate authorities of each municipality coming  
2 under the provisions of this Division 8 shall cause an audit of  
3 the funds and accounts of the municipality to be made by an  
4 accountant or accountants employed by such municipality or by  
5 an accountant or accountants retained by the Comptroller, as  
6 hereinafter provided.

7           (b) The accounts and funds of each municipality having a  
8 population of 800 or more or having a bonded debt or owning or  
9 operating any type of public utility shall be audited annually.  
10 The audit herein required shall include all of the accounts and  
11 funds of the municipality. Such audit shall be begun as soon as  
12 possible after the close of the fiscal year, and shall be  
13 completed and the report submitted within 6 months after the  
14 close of such fiscal year, unless an extension of time shall be  
15 granted by the Comptroller in writing. The accountant or  
16 accountants making the audit shall submit not less than 2  
17 copies of the audit report to the corporate authorities of the  
18 municipality being audited. Municipalities not operating  
19 utilities may cause audits of the accounts of municipalities to  
20 be made more often than herein provided, by an accountant or  
21 accountants. The audit report of such audit when filed with the  
22 Comptroller together with an audit report covering the  
23 remainder of the period for which an audit is required to be  
24 filed hereunder shall satisfy the requirements of this section.

25           (c) Municipalities of less than 800 population which do not  
26 own or operate public utilities and do not have bonded debt,

1 shall file annually with the Comptroller a financial report  
2 containing information required by the Comptroller. Such  
3 annual financial report shall be on forms devised by the  
4 Comptroller in such manner as to not require professional  
5 accounting services for its preparation.

6 (d) In addition to any audit report required, all  
7 municipalities, except municipalities of less than 800  
8 population which do not own or operate public utilities and do  
9 not have bonded debt, shall file annually with the Comptroller  
10 a supplemental report on forms devised and approved by the  
11 Comptroller.

12 (e) Notwithstanding any provision of law to the contrary,  
13 if a municipality (i) has a population of less than 200, (ii)  
14 has bonded debt in the amount of \$50,000 or less, and (iii)  
15 owns or operates a public utility, then the municipality shall  
16 cause an audit of the funds and accounts of the municipality to  
17 be made by an accountant employed by the municipality or  
18 retained by the Comptroller for fiscal year 2011 and every  
19 fourth fiscal year thereafter or until the municipality has a  
20 population of 200 or more, has bonded debt in excess of  
21 \$50,000, or no longer owns or operates a public utility.  
22 Nothing in this subsection shall be construed as limiting the  
23 municipality's duty to file an annual financial report with the  
24 Comptroller or to comply with the filing requirements  
25 concerning the county clerk.

26 (f) On and after January 1, 2012, the State Comptroller

1 must post on the State Comptroller's official website the  
2 information submitted by a municipality pursuant to  
3 subsections (b) and (c) of this Section. The information must  
4 be posted no later than 45 days after the State Comptroller  
5 receives the information from the municipality. The State  
6 Comptroller must also post a list of municipalities that are  
7 not in compliance with the reporting requirements set forth in  
8 subsections (b) and (c) of this Section.

9 (g) The State Comptroller has the authority to grant  
10 extensions for delinquent audit reports. The Comptroller may  
11 charge a municipality a fee for a delinquent audit of \$5 per  
12 day for the first 15 days past due, \$10 per day for 16 through  
13 30 days past due, \$15 per day for 31 through 45 days past due,  
14 and \$20 per day for the 46th day and every day thereafter. All  
15 fees collected pursuant to this subsection (g) shall be  
16 deposited into the Comptroller's Administrative Fund.

17 (Source: P.A. 96-1309, eff. 7-27-10.)

18 (65 ILCS 5/8-8-3.5)

19 Sec. 8-8-3.5. Tax Increment Financing Report. The reports  
20 filed under subsection (d) of Section 11-74.4-5 of the Tax  
21 Increment Allocation Redevelopment Act and the reports filed  
22 under subsection (d) of Section 11-74.6-22 of the Industrial  
23 Jobs Recovery Law in the Illinois Municipal Code must be  
24 separate from any other annual report filed with the  
25 Comptroller. The Comptroller must, in cooperation with

1 reporting municipalities, create a format for the reporting of  
2 information described in paragraphs (1.5) and (5) and in  
3 subparagraph (G) of paragraph (7) of subsection (d) of Section  
4 11-74.4-5 of the Tax Increment Allocation Redevelopment Act and  
5 the information described in paragraphs (1.5) and (5) and in  
6 subparagraph (G) of paragraph (7) of subsection (d) of Section  
7 11-74.6-22 of the Industrial Jobs Recovery Law that facilitates  
8 consistent reporting among the reporting municipalities. The  
9 Comptroller may allow these reports to be filed electronically  
10 and may display the report, or portions of the report,  
11 electronically via the Internet. All reports filed under this  
12 Section must be made available for examination and copying by  
13 the public at all reasonable times. A Tax Increment Financing  
14 Report must be filed with the Comptroller within 180 days after  
15 the close of the municipal fiscal year or as soon thereafter as  
16 the audit for the redevelopment project area for that fiscal  
17 year becomes available. If the Tax Increment Finance  
18 administrator provides the Comptroller's office with  
19 sufficient evidence that the report is in the process of being  
20 completed by an auditor, the Comptroller may grant an  
21 extension. If the required report is not filed within the time  
22 extended by the Comptroller, the Comptroller may charge a  
23 municipality a fee of \$5 per day for the first 15 days past  
24 due, \$10 per day for 16 through 30 days past due, \$15 per day  
25 for 31 through 45 days past due, and \$20 per day for the 46th  
26 day and every day thereafter. All fees collected pursuant to

1 this Section shall be deposited into the Comptroller's  
2 Administrative Fund.

3 (Source: P.A. 91-478, eff. 11-1-99; 91-900, eff. 7-6-00.)

4 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

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

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

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

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

1 improved part of the redevelopment project area:

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

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

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

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



1 not including housing and property maintenance codes.

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

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

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

25 (H) Inadequate utilities. Underground and overhead  
26 utilities such as storm sewers and storm drainage,

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

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

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

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

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

1           improper subdivision, parcels of inadequate shape and  
2           size to meet contemporary development standards, or  
3           other evidence demonstrating an absence of effective  
4           community planning.

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

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

26                (A) Obsolete platting of vacant land that results

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

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

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

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

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

1 remediation costs constitute a material impediment to  
2 the development or redevelopment of the redevelopment  
3 project area.

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

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

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

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

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

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

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

1           (F) The area qualified as a blighted improved area  
2           immediately prior to becoming vacant, unless there has  
3           been substantial private investment in the immediately  
4           surrounding area.

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

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

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

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



1 original use.

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

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

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

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

25 (7) Lack of ventilation, light, or sanitary  
26 facilities. The absence of adequate ventilation for light

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

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

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

1 of inadequate size and shape in relation to present-day  
2 standards of development for health and safety and the  
3 presence of multiple buildings on a single parcel. For  
4 there to be a finding of excessive land coverage, these  
5 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 of  
8 fire due to the close proximity of buildings, lack of  
9 adequate or proper access to a public right-of-way, lack of  
10 reasonably required off-street parking, or inadequate  
11 provision for loading and service.

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

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

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

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

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

24 (c) "Industrial park" means an area in a blighted or  
25 conservation area suitable for use by any manufacturing,  
26 industrial, research or transportation enterprise, of

1 facilities to include but not be limited to factories, mills,  
2 processing plants, assembly plants, packing plants,  
3 fabricating plants, industrial distribution centers,  
4 warehouses, repair overhaul or service facilities, freight  
5 terminals, research facilities, test facilities or railroad  
6 facilities.

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

18 (e) "Labor surplus municipality" means a municipality in  
19 which, at any time during the 6 months before the municipality  
20 by ordinance designates an industrial park conservation area,  
21 the unemployment rate was over 6% and was also 100% or more of  
22 the national average unemployment rate for that same time as  
23 published in the United States Department of Labor Bureau of  
24 Labor Statistics publication entitled "The Employment  
25 Situation" or its successor publication. For the purpose of  
26 this subsection, if unemployment rate statistics for the

1 municipality are not available, the unemployment rate in the  
2 municipality shall be deemed to be the same as the unemployment  
3 rate in the principal county in which the municipality is  
4 located.

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

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

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

24 (h) "Municipal Sales Tax Increment" means an amount equal  
25 to the increase in the aggregate amount of taxes paid to a  
26 municipality from the Local Government Tax Fund arising from

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

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



1 Tax Amounts or the Revised Initial Sales Tax Amounts, as the  
2 case may be.

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

1 that has not entered into a contract or has not issued bonds  
2 prior to June 1, 1988 to finance redevelopment project costs  
3 within a State Sales Tax Boundary, the Net State Sales Tax  
4 Increment shall be calculated as follows: By multiplying the  
5 Net State Sales Tax Increment by 90% in the State Fiscal Year  
6 1999; 80% in the State Fiscal Year 2000; 70% in the State  
7 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the  
8 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%  
9 in the State Fiscal Year 2005; 20% in the State Fiscal Year  
10 2006; and 10% in the State Fiscal Year 2007. No payment shall  
11 be made for State Fiscal Year 2008 and thereafter.

12 Municipalities that issued bonds in connection with a  
13 redevelopment project in a redevelopment project area within  
14 the State Sales Tax Boundary prior to July 29, 1991, or that  
15 entered into contracts in connection with a redevelopment  
16 project in a redevelopment project area before June 1, 1988,  
17 shall continue to receive their proportional share of the  
18 Illinois Tax Increment Fund distribution until the date on  
19 which the redevelopment project is completed or terminated. If,  
20 however, a municipality that issued bonds in connection with a  
21 redevelopment project in a redevelopment project area within  
22 the State Sales Tax Boundary prior to July 29, 1991 retires the  
23 bonds prior to June 30, 2007 or a municipality that entered  
24 into contracts in connection with a redevelopment project in a  
25 redevelopment project area before June 1, 1988 completes the  
26 contracts prior to June 30, 2007, then so long as the

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

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

24 (k) "Net State Utility Tax Increment" means the sum of the  
25 following: (a) 80% of the first \$100,000 of State Utility Tax  
26 Increment annually generated by a redevelopment project area;

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

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

1 Net State Utility Tax Increment by 90% in year 16; 80% in year  
2 17; 70% in year 18; 60% in year 19; and 50% in year 20.  
3 Refunding of any bonds issued prior to June 1, 1988, shall not  
4 alter the revised Net State Utility Tax Increment payments set  
5 forth above.

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

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

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

1 "conservation area" or combination thereof or "industrial park  
2 conservation area," and thereby to enhance the tax bases of the  
3 taxing districts which extend into the redevelopment project  
4 area. On and after November 1, 1999 (the effective date of  
5 Public Act 91-478), no redevelopment plan may be approved or  
6 amended that includes the development of vacant land (i) with a  
7 golf course and related clubhouse and other facilities or (ii)  
8 designated by federal, State, county, or municipal government  
9 as public land for outdoor recreational activities or for  
10 nature preserves and used for that purpose within 5 years prior  
11 to the adoption of the redevelopment plan. For the purpose of  
12 this subsection, "recreational activities" is limited to mean  
13 camping and hunting. On and after January 1, 2012, no  
14 redevelopment plan may be approved that allocates more than 25%  
15 of the estimated redevelopment project costs to residential  
16 developments, other than residential development projects that  
17 include affordable housing for low-income and very low-income  
18 households, as those terms are defined by the Illinois  
19 Affordable Housing Act, and no redevelopment plan shall be  
20 amended to exceed that 25% limitation. Each redevelopment plan  
21 shall set forth in writing the program to be undertaken to  
22 accomplish the objectives and shall include but not be limited  
23 to:

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

26 (B) evidence indicating that the redevelopment project

1 area on the whole has not been subject to growth and  
2 development through investment by private enterprise;

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

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

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

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

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

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

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

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

1 agreement.

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

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

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

26 (3) The redevelopment plan establishes the estimated



1 dates of completion of the redevelopment project and  
2 retirement of obligations issued to finance redevelopment  
3 project costs. Those dates may not be later than the dates  
4 set forth under Section 11-74.4-3.5.

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

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

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

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

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

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

1 data from the most recent federal census.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23           (4) Costs of the construction of public works or  
24 improvements, including any direct or indirect costs  
25 relating to Green Globes or LEED certified construction  
26 elements or construction elements with an equivalent



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

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

23 (6) Financing costs, including but not limited to all  
24 necessary and incidental expenses related to the issuance  
25 of obligations and which may include payment of interest on  
26 any obligations issued hereunder including interest

1 accruing during the estimated period of construction of any  
2 redevelopment project for which such obligations are  
3 issued and for not exceeding 36 months thereafter and  
4 including reasonable reserves related thereto;

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

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

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

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

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

1 of less than \$5,900, no more than 17% of the total  
2 amount of property tax increment revenue produced  
3 by those housing units that have received tax  
4 increment finance assistance under this Act; and

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

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

1 cost as defined in Section 10-20.12a of the School Code  
2 less any increase in general state aid as defined in  
3 Section 18-8.05 of the School Code attributable to  
4 these added new students subject to the following  
5 annual limitations:

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

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

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

21 (C) For any school district in a municipality with  
22 a population in excess of 1,000,000, the following  
23 restrictions shall apply to the reimbursement of  
24 increased costs under this paragraph (7.5):

25 (i) no increased costs shall be reimbursed  
26 unless the school district certifies that each of

1           the schools affected by the assisted housing  
2           project is at or over its student capacity;

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

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

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

1           the redevelopment project area or projects;

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

25          The amount paid to a library district under this  
26          paragraph (7.7) shall be calculated by multiplying (i) the

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

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



1 project area.

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

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

22 (9) Payment in lieu of taxes;

23 (10) Costs of job training, retraining, advanced  
24 vocational education or career education, including but  
25 not limited to courses in occupational, semi-technical or  
26 technical fields leading directly to employment, incurred

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

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

24 (A) such costs are to be paid directly from the  
25 special tax allocation fund established pursuant to  
26 this Act;

1           (B) such payments in any one year may not exceed  
2           30% of the annual interest costs incurred by the  
3           redeveloper with regard to the redevelopment project  
4           during that year;

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

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

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

24          (F) Instead of the eligible costs provided by  
25          subparagraphs (B) and (D) of paragraph (11), as  
26          modified by this subparagraph, and notwithstanding any

1 other provisions of this Act to the contrary, the  
2 municipality may pay from tax increment revenues up to  
3 50% of the cost of construction of new housing units to  
4 be occupied by low-income households and very  
5 low-income households as defined in Section 3 of the  
6 Illinois Affordable Housing Act. The cost of  
7 construction of those units may be derived from the  
8 proceeds of bonds issued by the municipality under this  
9 Act or other constitutional or statutory authority or  
10 from other sources of municipal revenue that may be  
11 reimbursed from tax increment revenues or the proceeds  
12 of bonds issued to finance the construction of that  
13 housing.

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

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

26 (11.5) If the redevelopment project area is located

1 within a municipality with a population of more than  
2 100,000, the cost of day care services for children of  
3 employees from low-income families working for businesses  
4 located within the redevelopment project area and all or a  
5 portion of the cost of operation of day care centers  
6 established by redevelopment project area businesses to  
7 serve employees from low-income families working in  
8 businesses located in the redevelopment project area. For  
9 the purposes of this paragraph, "low-income families"  
10 means families whose annual income does not exceed 80% of  
11 the municipal, county, or regional median income, adjusted  
12 for family size, as the annual income and municipal,  
13 county, or regional median income are determined from time  
14 to time by the United States Department of Housing and  
15 Urban Development.

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

19 (13) After November 1, 1999 (the effective date of  
20 Public Act 91-478), none of the redevelopment project costs  
21 enumerated in this subsection shall be eligible  
22 redevelopment project costs if those costs would provide  
23 direct financial support to a retail entity initiating  
24 operations in the redevelopment project area while  
25 terminating operations at another Illinois location within  
26 10 miles of the redevelopment project area but outside the

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

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

1 Department of the Interior.

2 If a special service area has been established pursuant to  
3 the Special Service Area Tax Act or Special Service Area Tax  
4 Law, then any tax increment revenues derived from the tax  
5 imposed pursuant to the Special Service Area Tax Act or Special  
6 Service Area Tax Law may be used within the redevelopment  
7 project area for the purposes permitted by that Act or Law as  
8 well as the purposes permitted by this Act.

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

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

21 (s) "State Sales Tax Increment" means an amount equal to  
22 the increase in the aggregate amount of taxes paid by retailers  
23 and servicemen, other than retailers and servicemen subject to  
24 the Public Utilities Act, on transactions at places of business  
25 located within a State Sales Tax Boundary pursuant to the  
26 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use



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

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

1 Initial Sales Tax Amounts. Municipalities intending to receive  
2 a distribution of State Sales Tax Increment must report a list  
3 of retailers to the Department of Revenue by October 31, 1988  
4 and by July 31, of each year thereafter.

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

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

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

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

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

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

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

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

13 (65 ILCS 5/11-74.4-3.5)

14 Sec. 11-74.4-3.5. Completion dates for redevelopment  
15 projects.

16 (a) Unless otherwise stated in this Section, the estimated  
17 dates of completion of the redevelopment project and retirement  
18 of obligations issued to finance redevelopment project costs  
19 (including refunding bonds under Section 11-74.4-7) may not be  
20 later than December 31 of the year in which the payment to the  
21 municipal treasurer, as provided in subsection (b) of Section  
22 11-74.4-8 of this Act, is to be made with respect to ad valorem  
23 taxes levied in the 23rd calendar year after the year in which  
24 the ordinance approving the redevelopment project area was  
25 adopted if the ordinance was adopted on or after January 15,

1 1981.

2 (a-5) On and after January 1, 2012, the estimated date of  
3 completion of a redevelopment project and retirement of  
4 obligations issued to finance redevelopment project costs,  
5 including, but not limited to, refunding bonds under Section  
6 11-74.4-7, shall be no later than December 31 of the year in  
7 which the payment to the municipal treasurer, as provided in  
8 subsection (b) of Section 11-74.4-8, is to be made with respect  
9 to ad valorem taxes levied in the 23rd calendar year after the  
10 year in which the ordinance approving the redevelopment project  
11 area was adopted unless all taxing districts serving on the  
12 joint review board send documentation supporting a later  
13 estimated date of completion to the State Comptroller and the  
14 extension of the later estimated date of completion date is  
15 authorized by a subsequent amendment to this Code. The State  
16 Comptroller must post this documentation on the State  
17 Comptroller's official website. This information must be  
18 posted no later than 45 days after the State Comptroller  
19 receives the information from the taxing districts.

20 (b) The estimated dates of completion of the redevelopment  
21 project and retirement of obligations issued to finance  
22 redevelopment project costs (including refunding bonds under  
23 Section 11-74.4-7) may not be later than December 31 of the  
24 year in which the payment to the municipal treasurer as  
25 provided in subsection (b) of Section 11-74.4-8 of this Act is  
26 to be made with respect to ad valorem taxes levied in the 32nd

1 calendar year after the year in which the ordinance approving  
2 the redevelopment project area was adopted, if the ordinance  
3 was adopted on September 9, 1999 by the Village of Downs.

4 The estimated dates of completion of the redevelopment  
5 project and retirement of obligations issued to finance  
6 redevelopment project costs (including refunding bonds under  
7 Section 11-74.4-7) may not be later than December 31 of the  
8 year in which the payment to the municipal treasurer as  
9 provided in subsection (b) of Section 11-74.4-8 of this Act is  
10 to be made with respect to ad valorem taxes levied in the 33rd  
11 calendar year after the year in which the ordinance approving  
12 the redevelopment project area was adopted, if the ordinance  
13 was adopted on May 20, 1985 by the Village of Wheeling.

14 The estimated dates of completion of the redevelopment  
15 project and retirement of obligations issued to finance  
16 redevelopment project costs (including refunding bonds under  
17 Section 11-74.4-7) may not be later than December 31 of the  
18 year in which the payment to the municipal treasurer as  
19 provided in subsection (b) of Section 11-74.4-8 of this Act is  
20 to be made with respect to ad valorem taxes levied in the 28th  
21 calendar year after the year in which the ordinance approving  
22 the redevelopment project area was adopted, if the ordinance  
23 was adopted on October 12, 1989 by the City of Lawrenceville.

24 (c) The estimated dates of completion of the redevelopment  
25 project and retirement of obligations issued to finance  
26 redevelopment project costs (including refunding bonds under

1 Section 11-74.4-7) may not be later than December 31 of the  
2 year in which the payment to the municipal treasurer as  
3 provided in subsection (b) of Section 11-74.4-8 of this Act is  
4 to be made with respect to ad valorem taxes levied in the 35th  
5 calendar year after the year in which the ordinance approving  
6 the redevelopment project area was adopted:

7 (1) if the ordinance was adopted before January 15,  
8 1981;

9 (2) if the ordinance was adopted in December 1983,  
10 April 1984, July 1985, or December 1989;

11 (3) if the ordinance was adopted in December 1987 and  
12 the redevelopment project is located within one mile of  
13 Midway Airport;

14 (4) if the ordinance was adopted before January 1, 1987  
15 by a municipality in Mason County;

16 (5) if the municipality is subject to the Local  
17 Government Financial Planning and Supervision Act or the  
18 Financially Distressed City Law;

19 (6) if the ordinance was adopted in December 1984 by  
20 the Village of Rosemont;

21 (7) if the ordinance was adopted on December 31, 1986  
22 by a municipality located in Clinton County for which at  
23 least \$250,000 of tax increment bonds were authorized on  
24 June 17, 1997, or if the ordinance was adopted on December  
25 31, 1986 by a municipality with a population in 1990 of  
26 less than 3,600 that is located in a county with a



1 population in 1990 of less than 34,000 and for which at  
2 least \$250,000 of tax increment bonds were authorized on  
3 June 17, 1997;

4 (8) if the ordinance was adopted on October 5, 1982 by  
5 the City of Kankakee, or if the ordinance was adopted on  
6 December 29, 1986 by East St. Louis;

7 (9) if the ordinance was adopted on November 12, 1991  
8 by the Village of Sauget;

9 (10) if the ordinance was adopted on February 11, 1985  
10 by the City of Rock Island;

11 (11) if the ordinance was adopted before December 18,  
12 1986 by the City of Moline;

13 (12) if the ordinance was adopted in September 1988 by  
14 Sauk Village;

15 (13) if the ordinance was adopted in October 1993 by  
16 Sauk Village;

17 (14) if the ordinance was adopted on December 29, 1986  
18 by the City of Galva;

19 (15) if the ordinance was adopted in March 1991 by the  
20 City of Centreville;

21 (16) if the ordinance was adopted on January 23, 1991  
22 by the City of East St. Louis;

23 (17) if the ordinance was adopted on December 22, 1986  
24 by the City of Aledo;

25 (18) if the ordinance was adopted on February 5, 1990  
26 by the City of Clinton;

1           (19) if the ordinance was adopted on September 6, 1994  
2           by the City of Freeport;

3           (20) if the ordinance was adopted on December 22, 1986  
4           by the City of Tuscola;

5           (21) if the ordinance was adopted on December 23, 1986  
6           by the City of Sparta;

7           (22) if the ordinance was adopted on December 23, 1986  
8           by the City of Beardstown;

9           (23) if the ordinance was adopted on April 27, 1981,  
10          October 21, 1985, or December 30, 1986 by the City of  
11          Belleville;

12          (24) if the ordinance was adopted on December 29, 1986  
13          by the City of Collinsville;

14          (25) if the ordinance was adopted on September 14, 1994  
15          by the City of Alton;

16          (26) if the ordinance was adopted on November 11, 1996  
17          by the City of Lexington;

18          (27) if the ordinance was adopted on November 5, 1984  
19          by the City of LeRoy;

20          (28) if the ordinance was adopted on April 3, 1991 or  
21          June 3, 1992 by the City of Markham;

22          (29) if the ordinance was adopted on November 11, 1986  
23          by the City of Pekin;

24          (30) if the ordinance was adopted on December 15, 1981  
25          by the City of Champaign;

26          (31) if the ordinance was adopted on December 15, 1986

1 by the City of Urbana;

2 (32) if the ordinance was adopted on December 15, 1986  
3 by the Village of Heyworth;

4 (33) if the ordinance was adopted on February 24, 1992  
5 by the Village of Heyworth;

6 (34) if the ordinance was adopted on March 16, 1995 by  
7 the Village of Heyworth;

8 (35) if the ordinance was adopted on December 23, 1986  
9 by the Town of Cicero;

10 (36) if the ordinance was adopted on December 30, 1986  
11 by the City of Effingham;

12 (37) if the ordinance was adopted on May 9, 1991 by the  
13 Village of Tilton;

14 (38) if the ordinance was adopted on October 20, 1986  
15 by the City of Elmhurst;

16 (39) if the ordinance was adopted on January 19, 1988  
17 by the City of Waukegan;

18 (40) if the ordinance was adopted on September 21, 1998  
19 by the City of Waukegan;

20 (41) if the ordinance was adopted on December 31, 1986  
21 by the City of Sullivan;

22 (42) if the ordinance was adopted on December 23, 1991  
23 by the City of Sullivan;

24 (43) if the ordinance was adopted on December 31, 1986  
25 by the City of Oglesby;

26 (44) if the ordinance was adopted on July 28, 1987 by

1 the City of Marion;

2 (45) if the ordinance was adopted on April 23, 1990 by  
3 the City of Marion;

4 (46) if the ordinance was adopted on August 20, 1985 by  
5 the Village of Mount Prospect;

6 (47) if the ordinance was adopted on February 2, 1998  
7 by the Village of Woodhull;

8 (48) if the ordinance was adopted on April 20, 1993 by  
9 the Village of Princeville;

10 (49) if the ordinance was adopted on July 1, 1986 by  
11 the City of Granite City;

12 (50) if the ordinance was adopted on February 2, 1989  
13 by the Village of Lombard;

14 (51) if the ordinance was adopted on December 29, 1986  
15 by the Village of Gardner;

16 (52) if the ordinance was adopted on July 14, 1999 by  
17 the Village of Paw Paw;

18 (53) if the ordinance was adopted on November 17, 1986  
19 by the Village of Franklin Park;

20 (54) if the ordinance was adopted on November 20, 1989  
21 by the Village of South Holland;

22 (55) if the ordinance was adopted on July 14, 1992 by  
23 the Village of Riverdale;

24 (56) if the ordinance was adopted on December 29, 1986  
25 by the City of Galesburg;

26 (57) if the ordinance was adopted on April 1, 1985 by

1 the City of Galesburg;

2 (58) if the ordinance was adopted on May 21, 1990 by  
3 the City of West Chicago;

4 (59) if the ordinance was adopted on December 16, 1986  
5 by the City of Oak Forest;

6 (60) if the ordinance was adopted in 1999 by the City  
7 of Villa Grove;

8 (61) if the ordinance was adopted on January 13, 1987  
9 by the Village of Mt. Zion;

10 (62) if the ordinance was adopted on December 30, 1986  
11 by the Village of Manteno;

12 (63) if the ordinance was adopted on April 3, 1989 by  
13 the City of Chicago Heights;

14 (64) if the ordinance was adopted on January 6, 1999 by  
15 the Village of Rosemont;

16 (65) if the ordinance was adopted on December 19, 2000  
17 by the Village of Stone Park;

18 (66) if the ordinance was adopted on December 22, 1986  
19 by the City of DeKalb;

20 (67) if the ordinance was adopted on December 2, 1986  
21 by the City of Aurora;

22 (68) if the ordinance was adopted on December 31, 1986  
23 by the Village of Milan;

24 (69) if the ordinance was adopted on September 8, 1994  
25 by the City of West Frankfort;

26 (70) if the ordinance was adopted on December 23, 1986

1 by the Village of Libertyville;

2 (71) if the ordinance was adopted on December 22, 1986  
3 by the Village of Hoffman Estates;

4 (72) if the ordinance was adopted on September 17, 1986  
5 by the Village of Sherman;

6 (73) if the ordinance was adopted on December 16, 1986  
7 by the City of Macomb;

8 (74) if the ordinance was adopted on June 11, 2002 by  
9 the City of East Peoria to create the West Washington  
10 Street TIF;

11 (75) if the ordinance was adopted on June 11, 2002 by  
12 the City of East Peoria to create the Camp Street TIF;

13 (76) if the ordinance was adopted on August 7, 2000 by  
14 the City of Des Plaines;

15 (77) if the ordinance was adopted on December 22, 1986  
16 by the City of Washington to create the Washington Square  
17 TIF #2;

18 (78) if the ordinance was adopted on December 29, 1986  
19 by the City of Morris;

20 (79) if the ordinance was adopted on July 6, 1998 by  
21 the Village of Steeleville;

22 (80) if the ordinance was adopted on December 29, 1986  
23 by the City of Pontiac to create TIF I (the Main St TIF);

24 (81) if the ordinance was adopted on December 29, 1986  
25 by the City of Pontiac to create TIF II (the Interstate  
26 TIF);

1           (82) if the ordinance was adopted on November 6, 2002  
2           by the City of Chicago to create the Madden/Wells TIF  
3           District;

4           (83) if the ordinance was adopted on November 4, 1998  
5           by the City of Chicago to create the Roosevelt/Racine TIF  
6           District;

7           (84) if the ordinance was adopted on June 10, 1998 by  
8           the City of Chicago to create the Stony Island  
9           Commercial/Burnside Industrial Corridors TIF District;

10          (85) if the ordinance was adopted on November 29, 1989  
11          by the City of Chicago to create the Englewood Mall TIF  
12          District;

13          (86) if the ordinance was adopted on December 27, 1986  
14          by the City of Mendota;

15          (87) if the ordinance was adopted on December 31, 1986  
16          by the Village of Cahokia;

17          (88) if the ordinance was adopted on September 20, 1999  
18          by the City of Belleville;

19          (89) if the ordinance was adopted on December 30, 1986  
20          by the Village of Bellevue to create the Bellevue TIF  
21          District 1;

22          (90) if the ordinance was adopted on December 13, 1993  
23          by the Village of Crete;

24          (91) if the ordinance was adopted on February 12, 2001  
25          by the Village of Crete;

26          (92) if the ordinance was adopted on April 23, 2001 by

1 the Village of Crete;

2 (93) if the ordinance was adopted on December 16, 1986  
3 by the City of Champaign;

4 (94) if the ordinance was adopted on December 20, 1986  
5 by the City of Charleston; ~~or~~

6 (95) if the ordinance was adopted on October 14, 1993  
7 and amended on August 2, 2010 by the City of Venice; ~~or~~

8 (96) ~~(94)~~ if the ordinance was adopted on June 6, 1989  
9 by the Village of Romeoville; or ~~or~~

10 (97) if the ordinance was adopted on October 27, 1998  
11 by the City of Moline.

12 (d) For redevelopment project areas for which bonds were  
13 issued before July 29, 1991, or for which contracts were  
14 entered into before June 1, 1988, in connection with a  
15 redevelopment project in the area within the State Sales Tax  
16 Boundary, the estimated dates of completion of the  
17 redevelopment project and retirement of obligations to finance  
18 redevelopment project costs (including refunding bonds under  
19 Section 11-74.4-7) may be extended by municipal ordinance to  
20 December 31, 2013. The termination procedures of subsection (b)  
21 of Section 11-74.4-8 are not required for these redevelopment  
22 project areas in 2009 but are required in 2013. The extension  
23 allowed by Public Act 87-1272 shall not apply to real property  
24 tax increment allocation financing under Section 11-74.4-8.

25 (e) Those dates, for purposes of real property tax  
26 increment allocation financing pursuant to Section 11-74.4-8



1 only, shall be not more than 35 years for redevelopment project  
2 areas that were adopted on or after December 16, 1986 and for  
3 which at least \$8 million worth of municipal bonds were  
4 authorized on or after December 19, 1989 but before January 1,  
5 1990; provided that the municipality elects to extend the life  
6 of the redevelopment project area to 35 years by the adoption  
7 of an ordinance after at least 14 but not more than 30 days'  
8 written notice to the taxing bodies, that would otherwise  
9 constitute the joint review board for the redevelopment project  
10 area, before the adoption of the ordinance.

11 (f) Those dates, for purposes of real property tax  
12 increment allocation financing pursuant to Section 11-74.4-8  
13 only, shall be not more than 35 years for redevelopment project  
14 areas that were established on or after December 1, 1981 but  
15 before January 1, 1982 and for which at least \$1,500,000 worth  
16 of tax increment revenue bonds were authorized on or after  
17 September 30, 1990 but before July 1, 1991; provided that the  
18 municipality elects to extend the life of the redevelopment  
19 project area to 35 years by the adoption of an ordinance after  
20 at least 14 but not more than 30 days' written notice to the  
21 taxing bodies, that would otherwise constitute the joint review  
22 board for the redevelopment project area, before the adoption  
23 of the ordinance.

24 (g) In consolidating the material relating to completion  
25 dates from Sections 11-74.4-3 and 11-74.4-7 into this Section,  
26 it is not the intent of the General Assembly to make any

1 substantive change in the law, except for the extension of the  
2 completion dates for the City of Aurora, the Village of Milan,  
3 the City of West Frankfort, the Village of Libertyville, and  
4 the Village of Hoffman Estates set forth under items (67),  
5 (68), (69), (70), and (71) of subsection (c) of this Section.

6 (Source: P.A. 95-932, eff. 8-26-08; 95-964, eff. 9-23-08;  
7 incorporates P.A. 95-777, eff. 9-22-08, and 95-1028, eff.  
8 8-25-09 (see Section 5 of P.A. 96-717 for the effective date of  
9 changes made by P.A. 95-1028); 96-127, eff. 8-4-09; 96-182,  
10 eff. 8-10-09; 96-208, eff. 8-10-09; 96-209, eff. 1-1-10;  
11 96-213, eff. 8-10-09; 96-264, eff. 8-11-09; 96-328, eff.  
12 8-11-09; 96-439, eff. 8-14-09; 96-454, eff. 8-14-09; 96-722,  
13 eff. 8-25-09; 96-773, eff. 8-28-09; 96-830, eff. 12-4-09;  
14 96-837, eff. 12-16-09; 96-1000, eff. 7-2-10; 96-1359, eff.  
15 7-28-10; 96-1494, eff. 12-30-10; 96-1514, eff. 2-4-11;  
16 96-1552, eff. 3-10-11; revised 4-5-11.)

17 (65 ILCS 5/11-74.4-4) (from Ch. 24, par. 11-74.4-4)

18 Sec. 11-74.4-4. Municipal powers and duties; redevelopment  
19 project areas. The changes made by this amendatory Act of the  
20 91st General Assembly do not apply to a municipality that, (i)  
21 before the effective date of this amendatory Act of the 91st  
22 General Assembly, has adopted an ordinance or resolution fixing  
23 a time and place for a public hearing under Section 11-74.4-5  
24 or (ii) before July 1, 1999, has adopted an ordinance or  
25 resolution providing for a feasibility study under Section

1 11-74.4-4.1, but has not yet adopted an ordinance approving  
2 redevelopment plans and redevelopment projects or designating  
3 redevelopment project areas under this Section, until after  
4 that municipality adopts an ordinance approving redevelopment  
5 plans and redevelopment projects or designating redevelopment  
6 project areas under this Section; thereafter the changes made  
7 by this amendatory Act of the 91st General Assembly apply to  
8 the same extent that they apply to redevelopment plans and  
9 redevelopment projects that were approved and redevelopment  
10 projects that were designated before the effective date of this  
11 amendatory Act of the 91st General Assembly.

12 A municipality may:

13 (a) By ordinance introduced in the governing body of the  
14 municipality within 14 to 90 days from the completion of the  
15 hearing specified in Section 11-74.4-5 approve redevelopment  
16 plans and redevelopment projects, and designate redevelopment  
17 project areas pursuant to notice and hearing required by this  
18 Act. No redevelopment project area shall be designated unless a  
19 plan and project are approved prior to the designation of such  
20 area and such area shall include only those contiguous parcels  
21 of real property and improvements thereon substantially  
22 benefited by the proposed redevelopment project improvements.  
23 Upon adoption of the ordinances, the municipality shall  
24 forthwith transmit to the Department of Commerce and Economic  
25 Opportunity, the State Comptroller, and the county clerk of the  
26 county or counties within which the redevelopment project area

1 is located a certified copy of the ordinances, a legal  
2 description of the redevelopment project area, a map of the  
3 redevelopment project area, identification of the year that the  
4 county clerk shall use for determining the total initial  
5 equalized assessed value of the redevelopment project area  
6 consistent with subsection (a) of Section 11-74.4-9, and a list  
7 of the parcel or tax identification number of each parcel of  
8 property included in the redevelopment project area. On and  
9 after January 1, 2012, the State Comptroller must post this  
10 documentation on the State Comptroller's official website.  
11 This information must be posted no later than 45 days after the  
12 State Comptroller receives it from the municipality.  
13 Notwithstanding any other provision of law, in a municipality  
14 with a population exceeding 25,000 inhabitants, no  
15 redevelopment project area may be designated on or after  
16 January 1, 2012 if, as of the anticipated effective date of the  
17 designation, the equalized assessed value of all property in  
18 the redevelopment project area plus the total current equalized  
19 assessed value of all property located in the municipality and  
20 subject to tax increment financing under this Division exceeds  
21 35% of the total equalized assessed value of all property  
22 located in the municipality.

23 (b) Make and enter into all contracts with property owners,  
24 developers, tenants, overlapping taxing bodies, and others  
25 necessary or incidental to the implementation and furtherance  
26 of its redevelopment plan and project. Contract provisions

1 concerning loan repayment obligations in contracts entered  
2 into on or after the effective date of this amendatory Act of  
3 the 93rd General Assembly shall terminate no later than the  
4 last to occur of the estimated dates of completion of the  
5 redevelopment project and retirement of the obligations issued  
6 to finance redevelopment project costs as required by item (3)  
7 of subsection (n) of Section 11-74.4-3. Payments received under  
8 contracts entered into by the municipality prior to the  
9 effective date of this amendatory Act of the 93rd General  
10 Assembly that are received after the redevelopment project area  
11 has been terminated by municipal ordinance shall be deposited  
12 into a special fund of the municipality to be used for other  
13 community redevelopment needs within the redevelopment project  
14 area.

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

1 Furthermore, no conveyance, lease, mortgage, or other  
2 disposition of land owned by a municipality or agreement  
3 relating to the development of such municipal property shall be  
4 made without making public disclosure of the terms of the  
5 disposition and all bids and proposals made in response to the  
6 municipality's request. The procedures for obtaining such bids  
7 and proposals shall provide reasonable opportunity for any  
8 person to submit alternative proposals or bids.

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

11 (e) Within a redevelopment project area, renovate or  
12 rehabilitate or construct any structure or building, as  
13 permitted under this Act.

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

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

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

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

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

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

1 hearings required by this division and make recommendations to  
2 the corporate authorities concerning the adoption of  
3 redevelopment plans, redevelopment projects and designation of  
4 redevelopment project areas.

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

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

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



1 and entered upon the minute books of the corporate authorities.  
2 If an individual holds such an interest then that individual  
3 shall refrain from any further official involvement in regard  
4 to such redevelopment plan, project or area, from voting on any  
5 matter pertaining to such redevelopment plan, project or area,  
6 or communicating with other members concerning corporate  
7 authorities, commission or employees concerning any matter  
8 pertaining to said redevelopment plan, project or area.  
9 Furthermore, no such member or employee shall acquire of any  
10 interest direct, or indirect, in any property in a  
11 redevelopment area or proposed redevelopment area after either  
12 (a) such individual obtains knowledge of such plan, project or  
13 area or (b) first public notice of such plan, project or area  
14 pursuant to Section 11-74.4-6 of this Division, whichever  
15 occurs first. For the purposes of this subsection, a property  
16 interest acquired in a single parcel of property by a member of  
17 the corporate authority, which property is used exclusively as  
18 the member's primary residence, shall not be deemed to  
19 constitute an interest in any property included in a  
20 redevelopment area or proposed redevelopment area that was  
21 established before December 31, 1989, but the member must  
22 disclose the acquisition to the municipal clerk under the  
23 provisions of this subsection. A single property interest  
24 acquired within one year after the effective date of this  
25 amendatory Act of the 94th General Assembly or 2 years after  
26 the effective date of this amendatory Act of the 95th General

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

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

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

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

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

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

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

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

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

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

10 On and after January 1, 2012, revenues used pursuant to  
11 this subsection shall be used only for the mutual benefit of  
12 the redevelopment project area that the revenues were received  
13 from and the redevelopment project area that the revenues were  
14 sent to. A redevelopment project area that uses revenues  
15 pursuant to this subsection may not transfer revenues to  
16 another redevelopment project area before repaying the  
17 redevelopment project area that the revenues were received  
18 from.

19 (r) If no redevelopment project has been initiated in a  
20 redevelopment project area within 7 years after the area was  
21 designated by ordinance under subsection (a), the municipality  
22 shall adopt an ordinance repealing the area's designation as a  
23 redevelopment project area; provided, however, that if an area  
24 received its designation more than 3 years before the effective  
25 date of this amendatory Act of 1994 and no redevelopment  
26 project has been initiated within 4 years after the effective

1 date of this amendatory Act of 1994, the municipality shall  
2 adopt an ordinance repealing its designation as a redevelopment  
3 project area. Initiation of a redevelopment project shall be  
4 evidenced by either a signed redevelopment agreement or  
5 expenditures on eligible redevelopment project costs  
6 associated with a redevelopment project.

7 Notwithstanding any other provision of this Section to the  
8 contrary, with respect to a redevelopment project area  
9 designated by an ordinance that was adopted on July 29, 1998 by  
10 the City of Chicago, the City of Chicago shall adopt an  
11 ordinance repealing the area's designation as a redevelopment  
12 project area if no redevelopment project has been initiated in  
13 the redevelopment project area within 15 years after the  
14 designation of the area. The City of Chicago may retroactively  
15 repeal any ordinance adopted by the City of Chicago, pursuant  
16 to this subsection (r), that repealed the designation of a  
17 redevelopment project area designated by an ordinance that was  
18 adopted by the City of Chicago on July 29, 1998. The City of  
19 Chicago has 90 days after the effective date of this amendatory  
20 Act to repeal the ordinance. The changes to this Section made  
21 by this amendatory Act of the 96th General Assembly apply  
22 retroactively to July 27, 2005.

23 (s) Notwithstanding any provision of this Section to the  
24 contrary, the owner or party responsible for the payment of  
25 real estate taxes upon property located within a redevelopment  
26 project area shall retain the right to contest or object in

1 good faith to the proposed property tax assessment upon that  
2 property in any given year during the term of the redevelopment  
3 project area agreement.

4 (Source: P.A. 95-1054, eff. 1-1-10; 96-1555, eff. 3-18-11.)

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

6 Sec. 11-74.4-5. Public hearing; joint review board.

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

1           Prior to the adoption of an ordinance proposing the  
2 designation of a redevelopment project area, or approving a  
3 redevelopment plan or redevelopment project, the municipality  
4 by its corporate authorities, or as it may determine by any  
5 commission designated under subsection (k) of Section  
6 11-74.4-4 shall adopt an ordinance or resolution fixing a time  
7 and place for public hearing. At least 10 days prior to the  
8 adoption of the ordinance or resolution establishing the time  
9 and place for the public hearing, the municipality shall make  
10 available for public inspection a redevelopment plan or a  
11 separate report that provides in reasonable detail the basis  
12 for the eligibility of the redevelopment project area. The  
13 report along with the name of a person to contact for further  
14 information shall be sent within a reasonable time after the  
15 adoption of such ordinance or resolution to the affected taxing  
16 districts by certified mail. On and after the effective date of  
17 this amendatory Act of the 91st General Assembly, the  
18 municipality shall print in a newspaper of general circulation  
19 within the municipality a notice that interested persons may  
20 register with the municipality in order to receive information  
21 on the proposed designation of a redevelopment project area or  
22 the approval of a redevelopment plan. The notice shall state  
23 the place of registration and the operating hours of that  
24 place. The municipality shall have adopted reasonable rules to  
25 implement this registration process under Section 11-74.4-4.2.  
26 The municipality shall provide notice of the availability of



1 the redevelopment plan and eligibility report, including how to  
2 obtain this information, by mail within a reasonable time after  
3 the adoption of the ordinance or resolution, to all residential  
4 addresses that, after a good faith effort, the municipality  
5 determines are located outside the proposed redevelopment  
6 project area and within 750 feet of the boundaries of the  
7 proposed redevelopment project area. This requirement is  
8 subject to the limitation that in a municipality with a  
9 population of over 100,000, if the total number of residential  
10 addresses outside the proposed redevelopment project area and  
11 within 750 feet of the boundaries of the proposed redevelopment  
12 project area exceeds 750, the municipality shall be required to  
13 provide the notice to only the 750 residential addresses that,  
14 after a good faith effort, the municipality determines are  
15 outside the proposed redevelopment project area and closest to  
16 the boundaries of the proposed redevelopment project area.  
17 Notwithstanding the foregoing, notice given after August 7,  
18 2001 (the effective date of Public Act 92-263) and before the  
19 effective date of this amendatory Act of the 92nd General  
20 Assembly to residential addresses within 750 feet of the  
21 boundaries of a proposed redevelopment project area shall be  
22 deemed to have been sufficiently given in compliance with this  
23 Act if given only to residents outside the boundaries of the  
24 proposed redevelopment project area. The notice shall also be  
25 provided by the municipality, regardless of its population, to  
26 those organizations and residents that have registered with the

1 municipality for that information in accordance with the  
2 registration guidelines established by the municipality under  
3 Section 11-74.4-4.2.

4 At the public hearing any interested person or affected  
5 taxing district may file with the municipal clerk written  
6 objections to and may be heard orally in respect to any issues  
7 embodied in the notice. The municipality shall hear all  
8 protests and objections at the hearing, granting each witness a  
9 reasonable amount of time for testimony, and the hearing may be  
10 adjourned to another date without further notice other than a  
11 motion to be entered upon the minutes fixing the time and place  
12 of the subsequent hearing. At the public hearing or at any time  
13 prior to the adoption by the municipality of an ordinance  
14 approving a redevelopment plan, the municipality may make  
15 changes in the redevelopment plan. Changes which (1) add  
16 additional parcels of property to the proposed redevelopment  
17 project area, other than parcels to be removed from a  
18 redevelopment project area for the purpose of inclusion in  
19 another redevelopment project area, (2) substantially affect  
20 the general land uses proposed in the redevelopment plan, (3)  
21 substantially change the nature of or extend the life of the  
22 redevelopment project, or (4) increase the number of inhabited  
23 residential units to be displaced from the redevelopment  
24 project area, as measured from the time of creation of the  
25 redevelopment project area, to a total of more than 10, shall  
26 be made only after the municipality gives notice, convenes a

1 joint review board, and conducts a public hearing pursuant to  
2 the procedures set forth in this Section and in Section  
3 11-74.4-6 of this Act. Changes which do not (1) add additional  
4 parcels of property to the proposed redevelopment project area,  
5 other than parcels to be removed from a redevelopment project  
6 area for the purpose of inclusion in another redevelopment  
7 project area, (2) substantially affect the general land uses  
8 proposed in the redevelopment plan, (3) substantially change  
9 the nature of or extend the life of the redevelopment project,  
10 or (4) increase the number of inhabited residential units to be  
11 displaced from the redevelopment project area, as measured from  
12 the time of creation of the redevelopment project area, to a  
13 total of more than 10, may be made without further hearing,  
14 provided that the municipality shall give notice of any such  
15 changes by mail to each affected taxing district and registrant  
16 on the interested parties registry, provided for under Section  
17 11-74.4-4.2, and by publication in a newspaper of general  
18 circulation within the affected taxing district. Such notice by  
19 mail and by publication shall each occur not later than 10 days  
20 following the adoption by ordinance of such changes. Hearings  
21 with regard to a redevelopment project area, project or plan  
22 may be held simultaneously.

23 (b) Prior to holding a public hearing to approve or amend a  
24 redevelopment plan or to designate or add additional parcels of  
25 property to a redevelopment project area, the municipality  
26 shall convene a joint review board. The board shall consist of

1 a representative selected by each community college district,  
2 local elementary school district and high school district or  
3 each local community unit school district, park district,  
4 library district, township, fire protection district, and  
5 county that will have the authority to directly levy taxes on  
6 the property within the proposed redevelopment project area at  
7 the time that the proposed redevelopment project area is  
8 approved, a representative selected by the municipality and a  
9 public member. The public member shall first be selected and  
10 then the board's chairperson shall be selected by a majority of  
11 the board members present and voting.

12 For redevelopment project areas with redevelopment plans  
13 or proposed redevelopment plans that would result in the  
14 displacement of residents from 10 or more inhabited residential  
15 units or that include 75 or more inhabited residential units,  
16 the public member shall be a person who resides in the  
17 redevelopment project area. If, as determined by the housing  
18 impact study provided for in paragraph (5) of subsection (n) of  
19 Section 11-74.4-3, or if no housing impact study is required  
20 then based on other reasonable data, the majority of  
21 residential units are occupied by very low, low, or moderate  
22 income households, as defined in Section 3 of the Illinois  
23 Affordable Housing Act, the public member shall be a person who  
24 resides in very low, low, or moderate income housing within the  
25 redevelopment project area. Municipalities with fewer than  
26 15,000 residents shall not be required to select a person who

1 lives in very low, low, or moderate income housing within the  
2 redevelopment project area, provided that the redevelopment  
3 plan or project will not result in displacement of residents  
4 from 10 or more inhabited units, and the municipality so  
5 certifies in the plan. If no person satisfying these  
6 requirements is available or if no qualified person will serve  
7 as the public member, then the joint review board is relieved  
8 of this paragraph's selection requirements for the public  
9 member.

10 Within 90 days of the effective date of this amendatory Act  
11 of the 91st General Assembly, each municipality that designated  
12 a redevelopment project area for which it was not required to  
13 convene a joint review board under this Section shall convene a  
14 joint review board to perform the duties specified under  
15 paragraph (e) of this Section.

16 All board members shall be appointed and the first board  
17 meeting shall be held at least 14 days but not more than 28  
18 days after the mailing of notice by the municipality to the  
19 taxing districts as required by Section 11-74.4-6(c).  
20 Notwithstanding the preceding sentence, a municipality that  
21 adopted either a public hearing resolution or a feasibility  
22 resolution between July 1, 1999 and July 1, 2000 that called  
23 for the meeting of the joint review board within 14 days of  
24 notice of public hearing to affected taxing districts is deemed  
25 to be in compliance with the notice, meeting, and public  
26 hearing provisions of the Act. Such notice shall also advise

1 the taxing bodies represented on the joint review board of the  
2 time and place of the first meeting of the board. Additional  
3 meetings of the board shall be held upon the call of any  
4 member. The municipality seeking designation of the  
5 redevelopment project area shall provide administrative  
6 support to the board.

7 The board shall review (i) the public record, planning  
8 documents and proposed ordinances approving the redevelopment  
9 plan and project and (ii) proposed amendments to the  
10 redevelopment plan or additions of parcels of property to the  
11 redevelopment project area to be adopted by the municipality.  
12 As part of its deliberations, the board may hold additional  
13 hearings on the proposal. A board's initial recommendation  
14 shall be an advisory, non-binding recommendation. The  
15 recommendation shall be adopted by a majority of those members  
16 present and voting. The recommendations shall be submitted to  
17 the municipality within 30 days after convening of the board.  
18 Failure of the board to submit its report on a timely basis  
19 shall not be cause to delay the public hearing or any other  
20 step in the process of designating or amending the  
21 redevelopment project area but shall be deemed to constitute  
22 approval by the joint review board of the matters before it.

23 The board shall base its recommendation to approve or  
24 disapprove the redevelopment plan and the designation of the  
25 redevelopment project area or the amendment of the  
26 redevelopment plan or addition of parcels of property to the

1 redevelopment project area on the basis of the redevelopment  
2 project area and redevelopment plan satisfying the plan  
3 requirements, the eligibility criteria defined in Section  
4 11-74.4-3, and the objectives of this Act.

5 The board shall issue a written report describing why the  
6 redevelopment plan and project area or the amendment thereof  
7 meets or fails to meet one or more of the objectives of this  
8 Act and both the plan requirements and the eligibility criteria  
9 defined in Section 11-74.4-3. In the event the Board does not  
10 file a report it shall be presumed that these taxing bodies  
11 find the redevelopment project area and redevelopment plan  
12 satisfy the objectives of this Act and the plan requirements  
13 and eligibility criteria.

14 If the board recommends rejection of the matters before it,  
15 the municipality will have 30 days within which to resubmit the  
16 plan or amendment. During this period, the municipality will  
17 meet and confer with the board and attempt to resolve those  
18 issues set forth in the board's written report that led to the  
19 rejection of the plan or amendment.

20 Notwithstanding the resubmission set forth above, the  
21 municipality may commence the scheduled public hearing and  
22 either adjourn the public hearing or continue the public  
23 hearing until a date certain. Prior to continuing any public  
24 hearing to a date certain, the municipality shall announce  
25 during the public hearing the time, date, and location for the  
26 reconvening of the public hearing. Any changes to the

1 redevelopment plan necessary to satisfy the issues set forth in  
2 the joint review board report shall be the subject of a public  
3 hearing before the hearing is adjourned if the changes would  
4 (1) substantially affect the general land uses proposed in the  
5 redevelopment plan, (2) substantially change the nature of or  
6 extend the life of the redevelopment project, or (3) increase  
7 the number of inhabited residential units to be displaced from  
8 the redevelopment project area, as measured from the time of  
9 creation of the redevelopment project area, to a total of more  
10 than 10. Changes to the redevelopment plan necessary to satisfy  
11 the issues set forth in the joint review board report shall not  
12 require any further notice or convening of a joint review board  
13 meeting, except that any changes to the redevelopment plan that  
14 would add additional parcels of property to the proposed  
15 redevelopment project area shall be subject to the notice,  
16 public hearing, and joint review board meeting requirements  
17 established for such changes by subsection (a) of Section  
18 11-74.4-5.

19 Before January 1, 2012, in ~~in~~ the event that the  
20 municipality and the board are unable to resolve these  
21 differences, or in the event that the resubmitted plan or  
22 amendment is rejected by the board, the municipality may  
23 proceed with the plan or amendment, but only upon a  
24 three-fifths vote of the corporate authority responsible for  
25 approval of the plan or amendment, excluding positions of  
26 members that are vacant and those members that are ineligible



1 to vote because of conflicts of interest.

2 On and after January 1, 2012, in the event that a  
3 resubmitted plan or amendment is rejected by a three-fifths  
4 vote of the representatives on the joint review board, with  
5 each member having an equal vote, the municipality may not  
6 proceed with the plan or amendment. Each taxing district voting  
7 to reject a plan or amendment shall send documentation  
8 explaining its opposition to the State Comptroller. The State  
9 Comptroller must post this documentation on the State  
10 Comptroller's official website. This information must be  
11 posted no later than 45 days after the State Comptroller  
12 receives the information from the taxing districts.

13 (c) After a municipality has by ordinance approved a  
14 redevelopment plan and designated a redevelopment project  
15 area, the plan may be amended and additional properties may be  
16 added to the redevelopment project area only as herein  
17 provided. Amendments which (1) add additional parcels of  
18 property to the proposed redevelopment project area, (2)  
19 substantially affect the general land uses proposed in the  
20 redevelopment plan, (3) substantially change the nature of the  
21 redevelopment project, (4) increase the total estimated  
22 redevelopment project costs set out in the redevelopment plan  
23 by more than 5% after adjustment for inflation from the date  
24 the plan was adopted, (5) add additional redevelopment project  
25 costs to the itemized list of redevelopment project costs set  
26 out in the redevelopment plan, or (6) increase the number of

1 inhabited residential units to be displaced from the  
2 redevelopment project area, as measured from the time of  
3 creation of the redevelopment project area, to a total of more  
4 than 10, shall be made only after the municipality gives  
5 notice, convenes a joint review board, and conducts a public  
6 hearing pursuant to the procedures set forth in this Section  
7 and in Section 11-74.4-6 of this Act. Changes which do not (1)  
8 add additional parcels of property to the proposed  
9 redevelopment project area, (2) substantially affect the  
10 general land uses proposed in the redevelopment plan, (3)  
11 substantially change the nature of the redevelopment project,  
12 (4) increase the total estimated redevelopment project cost set  
13 out in the redevelopment plan by more than 5% after adjustment  
14 for inflation from the date the plan was adopted, (5) add  
15 additional redevelopment project costs to the itemized list of  
16 redevelopment project costs set out in the redevelopment plan,  
17 or (6) increase the number of inhabited residential units to be  
18 displaced from the redevelopment project area, as measured from  
19 the time of creation of the redevelopment project area, to a  
20 total of more than 10, may be made without further public  
21 hearing and related notices and procedures including the  
22 convening of a joint review board as set forth in Section  
23 11-74.4-6 of this Act, provided that the municipality shall  
24 give notice of any such changes by mail to each affected taxing  
25 district and registrant on the interested parties registry,  
26 provided for under Section 11-74.4-4.2, and by publication in a

1 newspaper of general circulation within the affected taxing  
2 district. Such notice by mail and by publication shall each  
3 occur not later than 10 days following the adoption by  
4 ordinance of such changes.

5 (d) After the effective date of this amendatory Act of the  
6 91st General Assembly, a municipality shall submit in an  
7 electronic format the following information for each  
8 redevelopment project area (i) to the State Comptroller under  
9 Section 8-8-3.5 of the Illinois Municipal Code and (ii) to all  
10 taxing districts overlapping the redevelopment project area no  
11 later than 180 days after the close of each municipal fiscal  
12 year or as soon thereafter as the audited financial statements  
13 become available and, in any case, shall be submitted before  
14 the annual meeting of the Joint Review Board to each of the  
15 taxing districts that overlap the redevelopment project area:

16 (1) Any amendments to the redevelopment plan, the  
17 redevelopment project area, or the State Sales Tax  
18 Boundary.

19 (1.5) A list of the redevelopment project areas  
20 administered by the municipality and, if applicable, the  
21 date each redevelopment project area was designated or  
22 terminated by the municipality.

23 (2) Audited financial statements of the special tax  
24 allocation fund once a cumulative total of \$100,000 has  
25 been deposited in the fund.

26 (3) Certification of the Chief Executive Officer of the

1 municipality that the municipality has complied with all of  
2 the requirements of this Act during the preceding fiscal  
3 year.

4 (4) An opinion of legal counsel that the municipality  
5 is in compliance with this Act.

6 (5) An analysis of the special tax allocation fund  
7 which sets forth:

8 (A) the balance in the special tax allocation fund  
9 at the beginning of the fiscal year;

10 (B) all amounts deposited in the special tax  
11 allocation fund by source, including any amounts  
12 received from another redevelopment project area;

13 (C) an itemized list of all expenditures from the  
14 special tax allocation fund by category of permissible  
15 redevelopment project cost, including any amounts  
16 transferred to another redevelopment project area; and

17 (D) the balance in the special tax allocation fund  
18 at the end of the fiscal year including a breakdown of  
19 that balance by source and a breakdown of that balance  
20 identifying any portion of the balance that is  
21 required, pledged, earmarked, or otherwise designated  
22 for payment of or securing of obligations and  
23 anticipated redevelopment project costs. Any portion  
24 of such ending balance that has not been identified or  
25 is not identified as being required, pledged,  
26 earmarked, or otherwise designated for payment of or

1           securing of obligations or anticipated redevelopment  
2           projects costs shall be designated as surplus as set  
3           forth in Section 11-74.4-7 hereof. Beginning on  
4           January 1, 2012, all accumulated tax incremental  
5           revenues that have not been designated for use for a  
6           specific development project or other specified  
7           anticipated use shall be designated as surplus.  
8           Beginning on January 1, 2012, all accumulated tax  
9           incremental revenues that have been designated for use  
10          for a specific development project or other specified  
11          use but that have not been used for that project or use  
12          shall be designated as surplus after 10 years.

13           (6) A description of all property purchased by the  
14          municipality within the redevelopment project area  
15          including:

16                   (A) Street address.

17                   (B) Approximate size or description of property.

18                   (C) Purchase price.

19                   (D) Seller of property.

20           (7) A statement setting forth all activities  
21          undertaken in furtherance of the objectives of the  
22          redevelopment plan, including:

23                   (A) Any project implemented in the preceding  
24          fiscal year.

25                   (B) A description of the redevelopment activities  
26          undertaken.

1 (C) A description of any agreements entered into by  
2 the municipality with regard to the disposition or  
3 redevelopment of any property within the redevelopment  
4 project area or the area within the State Sales Tax  
5 Boundary.

6 (D) Additional information on the use of all funds  
7 received under this Division and steps taken by the  
8 municipality to achieve the objectives of the  
9 redevelopment plan.

10 (E) Information regarding contracts that the  
11 municipality's tax increment advisors or consultants  
12 have entered into with entities or persons that have  
13 received, or are receiving, payments financed by tax  
14 increment revenues produced by the same redevelopment  
15 project area.

16 (F) Any reports submitted to the municipality by  
17 the joint review board.

18 (G) A review of public and, to the extent possible,  
19 private investment actually undertaken to date after  
20 the effective date of this amendatory Act of the 91st  
21 General Assembly and estimated to be undertaken during  
22 the following year. This review shall, on a  
23 project-by-project basis, set forth the estimated  
24 amounts of public and private investment incurred  
25 after the effective date of this amendatory Act of the  
26 91st General Assembly and provide the ratio of private

1 investment to public investment to the date of the  
2 report and as estimated to the completion of the  
3 redevelopment project.

4 (8) With regard to any obligations issued by the  
5 municipality:

6 (A) copies of any official statements; and

7 (B) an analysis prepared by financial advisor or  
8 underwriter setting forth: (i) nature and term of  
9 obligation; and (ii) projected debt service including  
10 required reserves and debt coverage.

11 (9) For special tax allocation funds that have  
12 experienced cumulative deposits of incremental tax  
13 revenues of \$100,000 or more, a certified audit report  
14 reviewing compliance with this Act performed by an  
15 independent public accountant certified and licensed by  
16 the authority of the State of Illinois. The financial  
17 portion of the audit must be conducted in accordance with  
18 Standards for Audits of Governmental Organizations,  
19 Programs, Activities, and Functions adopted by the  
20 Comptroller General of the United States (1981), as  
21 amended, or the standards specified by Section 8-8-5 of the  
22 Illinois Municipal Auditing Law of the Illinois Municipal  
23 Code. The audit report shall contain a letter from the  
24 independent certified public accountant indicating  
25 compliance or noncompliance with the requirements of  
26 subsection (q) of Section 11-74.4-3. For redevelopment

1 plans or projects that would result in the displacement of  
2 residents from 10 or more inhabited residential units or  
3 that contain 75 or more inhabited residential units, notice  
4 of the availability of the information, including how to  
5 obtain the report, required in this subsection shall also  
6 be sent by mail to all residents or organizations that  
7 operate in the municipality that register with the  
8 municipality for that information according to  
9 registration procedures adopted under Section 11-74.4-4.2.  
10 All municipalities are subject to this provision.

11 (10) A list of all intergovernmental agreements in  
12 effect during the fiscal year to which the municipality is  
13 a party and an accounting of any moneys transferred or  
14 received by the municipality during that fiscal year  
15 pursuant to those intergovernmental agreements.

16 (11) A detailed list of jobs created or retained during  
17 the fiscal year, both temporary and permanent, along with a  
18 description of whether the jobs are in the public or  
19 private sector, to the extent that the information is  
20 required to be reported to the municipality pursuant to a  
21 redevelopment agreement or other written agreement.

22 (d-1) Prior to the effective date of this amendatory Act of  
23 the 91st General Assembly, municipalities with populations of  
24 over 1,000,000 shall, after adoption of a redevelopment plan or  
25 project, make available upon request to any taxing district in  
26 which the redevelopment project area is located the following



1 information:

2 (1) Any amendments to the redevelopment plan, the  
3 redevelopment project area, or the State Sales Tax  
4 Boundary; and

5 (2) In connection with any redevelopment project area  
6 for which the municipality has outstanding obligations  
7 issued to provide for redevelopment project costs pursuant  
8 to Section 11-74.4-7, audited financial statements of the  
9 special tax allocation fund.

10 (e) The joint review board shall meet annually 180 days  
11 after the close of the municipal fiscal year or as soon as the  
12 redevelopment project audit for that fiscal year becomes  
13 available to review the effectiveness and status of the  
14 redevelopment project area up to that date.

15 (f) (Blank).

16 (g) In the event that a municipality has held a public  
17 hearing under this Section prior to March 14, 1994 (the  
18 effective date of Public Act 88-537), the requirements imposed  
19 by Public Act 88-537 relating to the method of fixing the time  
20 and place for public hearing, the materials and information  
21 required to be made available for public inspection, and the  
22 information required to be sent after adoption of an ordinance  
23 or resolution fixing a time and place for public hearing shall  
24 not be applicable.

25 (h) On and after the effective date of this amendatory Act  
26 of the 96th General Assembly, the State Comptroller must post

1 on the State Comptroller's official website the information  
2 submitted by a municipality pursuant to subsection (d) of this  
3 Section. The information must be posted no later than 45 days  
4 after the State Comptroller receives the information from the  
5 municipality. The State Comptroller must also post a list of  
6 the municipalities not in compliance with the reporting  
7 requirements set forth in subsection (d) of this Section.

8 (i) No later than 10 years after the corporate authorities  
9 of a municipality adopt an ordinance to establish a  
10 redevelopment project area, the municipality must compile a  
11 status report concerning the redevelopment project area. The  
12 status report must detail without limitation the following: (i)  
13 the amount of revenue generated within the redevelopment  
14 project area, (ii) any expenditures made by the municipality  
15 for the redevelopment project area including without  
16 limitation expenditures from the special tax allocation fund,  
17 (iii) the status of planned activities, goals, and objectives  
18 set forth in the redevelopment plan including details on new or  
19 planned construction within the redevelopment project area,  
20 (iv) the amount of private and public investment within the  
21 redevelopment project area, and (v) any other relevant  
22 evaluation or performance data. Within 30 days after the  
23 municipality compiles the status report, the municipality must  
24 hold at least one public hearing concerning the report. The  
25 municipality must provide 20 days' public notice of the  
26 hearing.

1           (j) Beginning in fiscal year 2011 and in each fiscal year  
2 thereafter, a municipality must detail in its annual budget (i)  
3 the revenues generated from redevelopment project areas by  
4 source and (ii) the expenditures made by the municipality for  
5 redevelopment project areas.

6           (k) The State Comptroller may charge a municipality an  
7 annual fee for the Comptroller's costs related to the  
8 requirements of this Act. The aggregate total of fees charged  
9 to any municipality in any year under this subsection shall not  
10 exceed \$5,000 for a municipality with a population in excess of  
11 2,000,000 inhabitants, \$1,000 for a municipality with a  
12 population in excess of 100,000 inhabitants but not more than  
13 2,000,000 inhabitants, \$500 for a municipality with a  
14 population in excess of 50,000 inhabitants but not more than  
15 100,000 inhabitants, and \$250 for a municipality with a  
16 population of not more than 50,000 inhabitants. All fees  
17 collected under this subsection shall be deposited into the  
18 Comptroller's Administrative Fund.

19           (Source: P.A. 96-1335, eff. 7-27-10.)

20           (65 ILCS 5/11-74.6-15)

21           Sec. 11-74.6-15. Municipal Powers and Duties. A  
22 municipality may:

23           (a) By ordinance introduced in the governing body of the  
24 municipality within 14 to 90 days from the final adjournment of  
25 the hearing specified in Section 11-74.6-22, approve

1 redevelopment plans and redevelopment projects, and designate  
2 redevelopment planning areas and redevelopment project areas  
3 pursuant to notice and hearing required by this Act. No  
4 redevelopment planning area or redevelopment project area  
5 shall be designated unless a plan and project are approved  
6 before the designation of the area and the area shall include  
7 only those parcels of real property and improvements on those  
8 parcels substantially benefited by the proposed redevelopment  
9 project improvements. Upon adoption of the ordinances, the  
10 municipality shall forthwith transmit to the Department of  
11 Commerce and Economic Opportunity, the State Comptroller, and  
12 the county clerk of the county or counties within which the  
13 redevelopment project area is located a certified copy of the  
14 ordinances, a legal description of the redevelopment project  
15 area, a map of the redevelopment project area, identification  
16 of the year that the county clerk shall use for determining the  
17 total initial equalized assessed value of the redevelopment  
18 project area consistent with subsection (a) of Section  
19 11-74.6-40, and a list of the parcel or tax identification  
20 number of each parcel of property included in the redevelopment  
21 project area. On or after January 1, 2012, the State  
22 Comptroller must post this documentation on the State  
23 Comptroller's official website. This information must be  
24 posted no later than 45 days after the State Comptroller  
25 receives it from the municipality. Notwithstanding any other  
26 provision of law, in a municipality with a population exceeding

1 25,000 inhabitants, no redevelopment project area may be  
2 designated on or after January 1, 2012 if, as of the effective  
3 date of the designation, the equalized assessed value of all  
4 property in the redevelopment project area plus the total  
5 current equalized assessed value of all property located in the  
6 municipality and subject to tax increment financing under this  
7 Division exceeds 35% of the total equalized assessed value of  
8 all property located in the municipality.

9 (b) Make and enter into all contracts necessary or  
10 incidental to the implementation and furtherance of its  
11 redevelopment plan and project.

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 to that property,  
17 all in the manner and at a price that the municipality  
18 determines is reasonably necessary to achieve the objectives of  
19 the 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 the  
22 municipal property shall be made or executed except pursuant to  
23 prior official action of the corporate authorities of the  
24 municipality. No conveyance, lease, mortgage, or other  
25 disposition of land owned by a municipality, and no agreement  
26 relating to the development of the municipal property, shall be

1 made without making public disclosure of the terms and the  
2 disposition of all bids and proposals submitted to the  
3 municipality in connection therewith. The procedures for  
4 obtaining the bids and proposals shall provide reasonable  
5 opportunity for any person to submit alternative proposals or  
6 bids.

7 (d) Within a redevelopment project area, clear any area by  
8 demolition or removal of any existing buildings, structures,  
9 fixtures, utilities or improvements, and to clear and grade  
10 land.

11 (e) Within a redevelopment project area, renovate or  
12 rehabilitate or construct any structure or building, as  
13 permitted under this Law.

14 (f) Within or without a redevelopment project area,  
15 install, repair, construct, reconstruct or relocate streets,  
16 utilities and site improvements essential to the preparation of  
17 the redevelopment area for use in accordance with a  
18 redevelopment plan.

19 (g) Within a redevelopment project area, fix, charge and  
20 collect fees, rents and charges for the use of all or any part  
21 of any building or property owned or leased by it.

22 (h) Issue obligations as provided in this Act.

23 (i) Accept grants, guarantees and donations of property,  
24 labor, or other things of value from a public or private source  
25 for use within a project redevelopment area.

26 (j) Acquire and construct public facilities within a

1 redevelopment project area, as permitted under this Law.

2 (k) Incur, pay or cause to be paid redevelopment project  
3 costs; provided, however, that on and after the effective date  
4 of this amendatory Act of the 91st General Assembly, no  
5 municipality shall incur redevelopment project costs (except  
6 for planning and other eligible costs authorized by municipal  
7 ordinance or resolution that are subsequently included in the  
8 redevelopment plan for the area and are incurred after the  
9 ordinance or resolution is adopted) that are not consistent  
10 with the program for accomplishing the objectives of the  
11 redevelopment plan as included in that plan and approved by the  
12 municipality until the municipality has amended the  
13 redevelopment plan as provided elsewhere in this Law. Any  
14 payments to be made by the municipality to redevelopers or  
15 other nongovernmental persons for redevelopment project costs  
16 incurred by such redeveloper or other nongovernmental person  
17 shall be made only pursuant to the prior official action of the  
18 municipality evidencing an intent to pay or cause to be paid  
19 such redevelopment project costs. A municipality is not  
20 required to obtain any right, title or interest in any real or  
21 personal property in order to pay redevelopment project costs  
22 associated with such property. The municipality shall adopt  
23 such accounting procedures as may be necessary to determine  
24 that such redevelopment project costs are properly paid.

25 (l) Create a commission of not less than 5 or more than 15  
26 persons to be appointed by the mayor or president of the

1 municipality with the consent of the majority of the governing  
2 board of the municipality. Members of a commission appointed  
3 after the effective date of this Law shall be appointed for  
4 initial terms of 1, 2, 3, 4 and 5 years, respectively, in  
5 numbers so that the terms of not more than 1/3 of all members  
6 expire in any one year. Their successors shall be appointed for  
7 a term of 5 years. The commission, subject to approval of the  
8 corporate authorities of the municipality, may exercise the  
9 powers enumerated in this Section. The commission shall also  
10 have the power to hold the public hearings required by this Act  
11 and make recommendations to the corporate authorities  
12 concerning the adoption of redevelopment plans, redevelopment  
13 projects and designation of redevelopment project areas.

14 (m) Make payment in lieu of all or a portion of real  
15 property taxes due to taxing districts. If payments in lieu of  
16 all or a portion of taxes are made to taxing districts, those  
17 payments shall be made to all districts within a redevelopment  
18 project area on a basis that is proportional to the current  
19 collection of revenue which each taxing district receives from  
20 real property in the redevelopment project area.

21 (n) Exercise any and all other powers necessary to  
22 effectuate the purposes of this Act.

23 (o) In conjunction with other municipalities, undertake  
24 and perform redevelopment plans and projects and utilize the  
25 provisions of the Act wherever they have contiguous  
26 redevelopment project areas or they determine to adopt tax



1 increment allocation financing with respect to a redevelopment  
2 project area that includes contiguous real property within the  
3 boundaries of the municipalities, and, by agreement between  
4 participating municipalities, to issue obligations, separately  
5 or jointly, and expend revenues received under this Act for  
6 eligible expenses anywhere within contiguous redevelopment  
7 project areas or as otherwise permitted in the Act.

8 (p) Create an Industrial Jobs Recovery Advisory Committee  
9 of not more than 15 members to be appointed by the mayor or  
10 president of the municipality with the consent of the majority  
11 of the governing board of the municipality. The members of that  
12 Committee shall be appointed for initial terms of 1, 2, and 3  
13 years respectively, in numbers so that the terms of not more  
14 than 1/3 of all members expire in any one year. Their  
15 successors shall be appointed for a term of 3 years. The  
16 Committee shall have none of the powers enumerated in this  
17 Section. The Committee shall serve in an advisory capacity  
18 only. The Committee may advise the governing board of the  
19 municipality and other municipal officials regarding  
20 development issues and opportunities within the redevelopment  
21 project area. The Committee may also promote and publicize  
22 development opportunities in the redevelopment project area.

23 (q) If a redevelopment project has not been initiated in a  
24 redevelopment project area within 5 years after the area was  
25 designated by ordinance under subsection (a), the municipality  
26 shall adopt an ordinance repealing the area's designation as a

1 redevelopment project area. Initiation of a redevelopment  
2 project shall be evidenced by either a signed redevelopment  
3 agreement or expenditures on eligible redevelopment project  
4 costs associated with a redevelopment project.

5 (r) Within a redevelopment planning area, transfer or loan  
6 tax increment revenues from one redevelopment project area to  
7 another redevelopment project area for expenditure on eligible  
8 costs in the receiving area.

9 (s) Use tax increment revenue produced in a redevelopment  
10 project area created under this Law by transferring or loaning  
11 such revenues to a redevelopment project area created under the  
12 Tax Increment Allocation Redevelopment Act that is either  
13 contiguous to, or separated only by a public right of way from,  
14 the redevelopment project area that initially produced and  
15 received those revenues. On and after January 1, 2012, revenues  
16 used pursuant to this subsection shall be used only for the  
17 mutual benefit of the redevelopment project area that the  
18 revenues were received from and the redevelopment project area  
19 to which the revenues were sent. A redevelopment project area  
20 that uses revenues pursuant to this subsection for  
21 reimbursement of private developer costs may not transfer  
22 revenues to another redevelopment project area before repaying  
23 the redevelopment project area from which the revenues were  
24 received. Notwithstanding the above, in a municipality with a  
25 population of less than 25,000 inhabitants, public costs as  
26 defined in paragraph (4) of subsection (a) of Section 11-74.4-3

1 shall not be subject to this transfer prohibition.

2 (Source: P.A. 90-258, eff. 7-30-97; 91-474, eff. 11-1-99.)

3 (65 ILCS 5/11-74.6-22)

4 Sec. 11-74.6-22. Adoption of ordinance; requirements;  
5 changes.

6 (a) Before adoption of an ordinance proposing the  
7 designation of a redevelopment planning area or a redevelopment  
8 project area, or both, or approving a redevelopment plan or  
9 redevelopment project, the municipality or commission  
10 designated pursuant to subsection (1) of Section 11-74.6-15  
11 shall fix by ordinance or resolution a time and place for  
12 public hearing. Prior to the adoption of the ordinance or  
13 resolution establishing the time and place for the public  
14 hearing, the municipality shall make available for public  
15 inspection a redevelopment plan or a report that provides in  
16 sufficient detail, the basis for the eligibility of the  
17 redevelopment project area. The report along with the name of a  
18 person to contact for further information shall be sent to the  
19 affected taxing district by certified mail within a reasonable  
20 time following the adoption of the ordinance or resolution  
21 establishing the time and place for the public hearing.

22 At the public hearing any interested person or affected  
23 taxing district may file with the municipal clerk written  
24 objections to the ordinance and may be heard orally on any  
25 issues that are the subject of the hearing. The municipality

1 shall hear and determine all alternate proposals or bids for  
2 any proposed conveyance, lease, mortgage or other disposition  
3 of land and all protests and objections at the hearing and the  
4 hearing may be adjourned to another date without further notice  
5 other than a motion to be entered upon the minutes fixing the  
6 time and place of the later hearing. At the public hearing or  
7 at any time prior to the adoption by the municipality of an  
8 ordinance approving a redevelopment plan, the municipality may  
9 make changes in the redevelopment plan. Changes which (1) add  
10 additional parcels of property to the proposed redevelopment  
11 project area, other than parcels to be removed from a  
12 redevelopment project area for the purpose of inclusion in  
13 another redevelopment project area, (2) substantially affect  
14 the general land uses proposed in the redevelopment plan, or  
15 (3) substantially change the nature of or extend the life of  
16 the redevelopment project shall be made only after the  
17 municipality gives notice, convenes a joint review board, and  
18 conducts a public hearing pursuant to the procedures set forth  
19 in this Section and in Section 11-74.6-25. Changes which do not  
20 (1) add additional parcels of property to the proposed  
21 redevelopment project area, other than parcels to be removed  
22 from a redevelopment project area for the purpose of inclusion  
23 in another redevelopment project area, (2) substantially  
24 affect the general land uses proposed in the redevelopment  
25 plan, or (3) substantially change the nature of or extend the  
26 life of the redevelopment project may be made without further

1 hearing, provided that the municipality shall give notice of  
2 any such changes by mail to each affected taxing district and  
3 by publication in a newspaper of general circulation within the  
4 affected taxing district. Such notice by mail and by  
5 publication shall each occur not later than 10 days following  
6 the adoption by ordinance of such changes.

7 (b) Before adoption of an ordinance proposing the  
8 designation of a redevelopment planning area or a redevelopment  
9 project area, or both, or amending the boundaries of an  
10 existing redevelopment project area or redevelopment planning  
11 area, or both, the municipality shall convene a joint review  
12 board to consider the proposal. The board shall consist of a  
13 representative selected by each taxing district that has  
14 authority to levy real property taxes on the property within  
15 the proposed redevelopment project area and that has at least  
16 5% of its total equalized assessed value located within the  
17 proposed redevelopment project area, a representative selected  
18 by the municipality and a public member. The public member and  
19 the board's chairperson shall be selected by a majority of  
20 other board members.

21 All board members shall be appointed and the first board  
22 meeting held within 14 days following the notice by the  
23 municipality to all the taxing districts as required by  
24 subsection (c) of Section 11-74.6-25. The notice shall also  
25 advise the taxing bodies represented on the joint review board  
26 of the time and place of the first meeting of the board.

1 Additional meetings of the board shall be held upon the call of  
2 any 2 members. The municipality seeking designation of the  
3 redevelopment project area may provide administrative support  
4 to the board.

5 The board shall review the public record, planning  
6 documents and proposed ordinances approving the redevelopment  
7 plan and project to be adopted by the municipality. As part of  
8 its deliberations, the board may hold additional hearings on  
9 the proposal. A board's recommendation, if any, shall be a  
10 written recommendation adopted by a majority vote of the board  
11 and submitted to the municipality within 30 days after the  
12 board convenes. A board's recommendation shall be binding upon  
13 the municipality. Failure of the board to submit its  
14 recommendation on a timely basis shall not be cause to delay  
15 the public hearing or the process of establishing or amending  
16 the redevelopment project area. The board's recommendation on  
17 the proposal shall be based upon the area satisfying the  
18 applicable eligibility criteria defined in Section 11-74.6-10  
19 and whether there is a basis for the municipal findings set  
20 forth in the redevelopment plan as required by this Act. If the  
21 board does not file a recommendation it shall be presumed that  
22 the board has found that the redevelopment project area  
23 satisfies the eligibility criteria.

24 (c) After a municipality has by ordinance approved a  
25 redevelopment plan and designated a redevelopment planning  
26 area or a redevelopment project area, or both, the plan may be

1 amended and additional properties may be added to the  
2 redevelopment project area only as herein provided. Amendments  
3 which (1) add additional parcels of property to the proposed  
4 redevelopment project area, (2) substantially affect the  
5 general land uses proposed in the redevelopment plan, (3)  
6 substantially change the nature of the redevelopment project,  
7 (4) increase the total estimated redevelopment project costs  
8 set out in the redevelopment plan by more than 5% after  
9 adjustment for inflation from the date the plan was adopted, or  
10 (5) add additional redevelopment project costs to the itemized  
11 list of redevelopment project costs set out in the  
12 redevelopment plan shall be made only after the municipality  
13 gives notice, convenes a joint review board, and conducts a  
14 public hearing pursuant to the procedures set forth in this  
15 Section and in Section 11-74.6-25. Changes which do not (1) add  
16 additional parcels of property to the proposed redevelopment  
17 project area, (2) substantially affect the general land uses  
18 proposed in the redevelopment plan, (3) substantially change  
19 the nature of the redevelopment project, (4) increase the total  
20 estimated redevelopment project cost set out in the  
21 redevelopment plan by more than 5% after adjustment for  
22 inflation from the date the plan was adopted, or (5) add  
23 additional redevelopment project costs to the itemized list of  
24 redevelopment project costs set out in the redevelopment plan  
25 may be made without further hearing, provided that the  
26 municipality shall give notice of any such changes by mail to

1 each affected taxing district and by publication in a newspaper  
2 of general circulation within the affected taxing district.  
3 Such notice by mail and by publication shall each occur not  
4 later than 10 days following the adoption by ordinance of such  
5 changes.

6 (d) After the effective date of this amendatory Act of the  
7 91st General Assembly, a municipality shall submit in an  
8 electronic format the following information for each  
9 redevelopment project area (i) to the State Comptroller under  
10 Section 8-8-3.5 of the Illinois Municipal Code and (ii) to all  
11 taxing districts overlapping the redevelopment project area no  
12 later than 180 days after the close of each municipal fiscal  
13 year or as soon thereafter as the audited financial statements  
14 become available and, in any case, shall be submitted before  
15 the annual meeting of the joint review board to each of the  
16 taxing districts that overlap the redevelopment project area:

17 (1) Any amendments to the redevelopment plan, or the  
18 redevelopment project area.

19 (1.5) A list of the redevelopment project areas  
20 administered by the municipality and, if applicable, the  
21 date each redevelopment project area was designated or  
22 terminated by the municipality.

23 (2) Audited financial statements of the special tax  
24 allocation fund once a cumulative total of \$100,000 of tax  
25 increment revenues has been deposited in the fund.

26 (3) Certification of the Chief Executive Officer of the



1 municipality that the municipality has complied with all of  
2 the requirements of this Act during the preceding fiscal  
3 year.

4 (4) An opinion of legal counsel that the municipality  
5 is in compliance with this Act.

6 (5) An analysis of the special tax allocation fund  
7 which sets forth:

8 (A) the balance in the special tax allocation fund  
9 at the beginning of the fiscal year;

10 (B) all amounts deposited in the special tax  
11 allocation fund by source, including any amounts  
12 received from another redevelopment project area;

13 (C) an itemized list of all expenditures from the  
14 special tax allocation fund by category of permissible  
15 redevelopment project cost, including any amounts  
16 transferred to another redevelopment project area; and

17 (D) the balance in the special tax allocation fund  
18 at the end of the fiscal year including a breakdown of  
19 that balance by source and a breakdown of that balance  
20 identifying any portion of the balance that is  
21 required, pledged, earmarked, or otherwise designated  
22 for payment of or securing of obligations and  
23 anticipated redevelopment project costs. Any portion  
24 of such ending balance that has not been identified or  
25 is not identified as being required, pledged,  
26 earmarked, or otherwise designated for payment of or

1           securing of obligations or anticipated redevelopment  
2           project costs shall be designated as surplus as set  
3           forth in Section 11-74.6-30 hereof. Beginning on  
4           January 1, 2012, all accumulated tax incremental  
5           revenues that have not been designated for use for a  
6           specific development project or other specified  
7           anticipated use shall be designated as surplus.  
8           Beginning on January 1, 2012, all accumulated tax  
9           incremental revenues that have been designated for use  
10          for a specific development project or other specified  
11          use but that have not been used for that project or use  
12          shall be designated as surplus after 10 years.

13           (6) A description of all property purchased by the  
14          municipality within the redevelopment project area  
15          including:

16                   (A) Street address.

17                   (B) Approximate size or description of property.

18                   (C) Purchase price.

19                   (D) Seller of property.

20           (7) A statement setting forth all activities  
21          undertaken in furtherance of the objectives of the  
22          redevelopment plan, including:

23                   (A) Any project implemented in the preceding  
24          fiscal year.

25                   (B) A description of the redevelopment activities  
26          undertaken.

1           (C) A description of any agreements entered into by  
2           the municipality with regard to the disposition or  
3           redevelopment of any property within the redevelopment  
4           project area.

5           (D) Additional information on the use of all funds  
6           received under this Division and steps taken by the  
7           municipality to achieve the objectives of the  
8           redevelopment plan.

9           (E) Information regarding contracts that the  
10          municipality's tax increment advisors or consultants  
11          have entered into with entities or persons that have  
12          received, or are receiving, payments financed by tax  
13          increment revenues produced by the same redevelopment  
14          project area.

15          (F) Any reports submitted to the municipality by  
16          the joint review board.

17          (G) A review of public and, to the extent possible,  
18          private investment actually undertaken to date after  
19          the effective date of this amendatory Act of the 91st  
20          General Assembly and estimated to be undertaken during  
21          the following year. This review shall, on a  
22          project-by-project basis, set forth the estimated  
23          amounts of public and private investment incurred  
24          after the effective date of this amendatory Act of the  
25          91st General Assembly and provide the ratio of private  
26          investment to public investment to the date of the

1 report and as estimated to the completion of the  
2 redevelopment project.

3 (8) With regard to any obligations issued by the  
4 municipality:

5 (A) copies of any official statements; and

6 (B) an analysis prepared by financial advisor or  
7 underwriter setting forth: (i) nature and term of  
8 obligation; and (ii) projected debt service including  
9 required reserves and debt coverage.

10 (9) For special tax allocation funds that have received  
11 cumulative deposits of incremental tax revenues of  
12 \$100,000 or more, a certified audit report reviewing  
13 compliance with this Act performed by an independent public  
14 accountant certified and licensed by the authority of the  
15 State of Illinois. The financial portion of the audit must  
16 be conducted in accordance with Standards for Audits of  
17 Governmental Organizations, Programs, Activities, and  
18 Functions adopted by the Comptroller General of the United  
19 States (1981), as amended, or the standards specified by  
20 Section 8-8-5 of the Illinois Municipal Auditing Law of the  
21 Illinois Municipal Code. The audit report shall contain a  
22 letter from the independent certified public accountant  
23 indicating compliance or noncompliance with the  
24 requirements of subsection (o) of Section 11-74.6-10.

25 (10) A list of all intergovernmental agreements  
26 relating to the redevelopment project area in effect during

1       the fiscal year to which the municipality is a party and an  
2       accounting of any moneys transferred or received by the  
3       municipality during that fiscal year pursuant to those  
4       intergovernmental agreements.

5       (11) A detailed list of jobs created or retained during  
6       the fiscal year, both temporary and permanent, along with a  
7       description of whether the jobs are in the public or  
8       private sector, to the extent that the information is  
9       required to be reported to the municipality pursuant to a  
10      redevelopment agreement or other written agreement.

11       (e) The joint review board shall meet annually 180 days  
12 after the close of the municipal fiscal year or as soon as the  
13 redevelopment project audit for that fiscal year becomes  
14 available to review the effectiveness and status of the  
15 redevelopment project area up to that date.

16       (f) On and after January 1, 2012, the State Comptroller  
17       must post on the State Comptroller's official website the  
18       information submitted by a municipality pursuant to subsection  
19       (d) of this Section. The information must be posted no later  
20       than 45 days after the State Comptroller receives the  
21       information from the municipality. The State Comptroller must  
22       also post a list of the municipalities not in compliance with  
23       the reporting requirements set forth in subsection (d) of this  
24       Section.

25       (g) The State Comptroller may charge a municipality an  
26       annual fee for the Comptroller's costs related to the

1 requirements of this Act. The aggregate total of fees charged  
2 to any municipality in any year under this subsection shall not  
3 exceed \$5,000 for a municipality with a population in excess of  
4 2,000,000 inhabitants, \$1,000 for a municipality with a  
5 population in excess of 100,000 inhabitants but not more than  
6 2,000,000 inhabitants, \$500 for a municipality with a  
7 population in excess of 50,000 inhabitants but not more than  
8 100,000 inhabitants, and \$250 for a municipality with a  
9 population of not more than 50,000 inhabitants. All fees  
10 collected under this subsection shall be deposited into the  
11 Comptroller's Administrative Fund.

12 (Source: P.A. 91-474, eff. 11-1-99; 91-900, eff. 7-6-00.)

13 Section 20. The School Code is amended by changing Section  
14 18-8.05 as follows:

15 (105 ILCS 5/18-8.05)

16 Sec. 18-8.05. Basis for apportionment of general State  
17 financial aid and supplemental general State aid to the common  
18 schools for the 1998-1999 and subsequent school years.

19 (A) General Provisions.

20 (1) The provisions of this Section apply to the 1998-1999  
21 and subsequent school years. The system of general State  
22 financial aid provided for in this Section is designed to  
23 assure that, through a combination of State financial aid and

1 required local resources, the financial support provided each  
2 pupil in Average Daily Attendance equals or exceeds a  
3 prescribed per pupil Foundation Level. This formula approach  
4 imputes a level of per pupil Available Local Resources and  
5 provides for the basis to calculate a per pupil level of  
6 general State financial aid that, when added to Available Local  
7 Resources, equals or exceeds the Foundation Level. The amount  
8 of per pupil general State financial aid for school districts,  
9 in general, varies in inverse relation to Available Local  
10 Resources. Per pupil amounts are based upon each school  
11 district's Average Daily Attendance as that term is defined in  
12 this Section.

13 (2) In addition to general State financial aid, school  
14 districts with specified levels or concentrations of pupils  
15 from low income households are eligible to receive supplemental  
16 general State financial aid grants as provided pursuant to  
17 subsection (H). The supplemental State aid grants provided for  
18 school districts under subsection (H) shall be appropriated for  
19 distribution to school districts as part of the same line item  
20 in which the general State financial aid of school districts is  
21 appropriated under this Section.

22 (3) To receive financial assistance under this Section,  
23 school districts are required to file claims with the State  
24 Board of Education, subject to the following requirements:

25 (a) Any school district which fails for any given  
26 school year to maintain school as required by law, or to

1 maintain a recognized school is not eligible to file for  
2 such school year any claim upon the Common School Fund. In  
3 case of nonrecognition of one or more attendance centers in  
4 a school district otherwise operating recognized schools,  
5 the claim of the district shall be reduced in the  
6 proportion which the Average Daily Attendance in the  
7 attendance center or centers bear to the Average Daily  
8 Attendance in the school district. A "recognized school"  
9 means any public school which meets the standards as  
10 established for recognition by the State Board of  
11 Education. A school district or attendance center not  
12 having recognition status at the end of a school term is  
13 entitled to receive State aid payments due upon a legal  
14 claim which was filed while it was recognized.

15 (b) School district claims filed under this Section are  
16 subject to Sections 18-9 and 18-12, except as otherwise  
17 provided in this Section.

18 (c) If a school district operates a full year school  
19 under Section 10-19.1, the general State aid to the school  
20 district shall be determined by the State Board of  
21 Education in accordance with this Section as near as may be  
22 applicable.

23 (d) (Blank).

24 (4) Except as provided in subsections (H) and (L), the  
25 board of any district receiving any of the grants provided for  
26 in this Section may apply those funds to any fund so received



1 for which that board is authorized to make expenditures by law.

2 School districts are not required to exert a minimum  
3 Operating Tax Rate in order to qualify for assistance under  
4 this Section.

5 (5) As used in this Section the following terms, when  
6 capitalized, shall have the meaning ascribed herein:

7 (a) "Average Daily Attendance": A count of pupil  
8 attendance in school, averaged as provided for in  
9 subsection (C) and utilized in deriving per pupil financial  
10 support levels.

11 (b) "Available Local Resources": A computation of  
12 local financial support, calculated on the basis of Average  
13 Daily Attendance and derived as provided pursuant to  
14 subsection (D).

15 (c) "Corporate Personal Property Replacement Taxes":  
16 Funds paid to local school districts pursuant to "An Act in  
17 relation to the abolition of ad valorem personal property  
18 tax and the replacement of revenues lost thereby, and  
19 amending and repealing certain Acts and parts of Acts in  
20 connection therewith", certified August 14, 1979, as  
21 amended (Public Act 81-1st S.S.-1).

22 (d) "Foundation Level": A prescribed level of per pupil  
23 financial support as provided for in subsection (B).

24 (e) "Operating Tax Rate": All school district property  
25 taxes extended for all purposes, except Bond and Interest,  
26 Summer School, Rent, Capital Improvement, and Vocational

1 Education Building purposes.

2 (B) Foundation Level.

3 (1) The Foundation Level is a figure established by the  
4 State representing the minimum level of per pupil financial  
5 support that should be available to provide for the basic  
6 education of each pupil in Average Daily Attendance. As set  
7 forth in this Section, each school district is assumed to exert  
8 a sufficient local taxing effort such that, in combination with  
9 the aggregate of general State financial aid provided the  
10 district, an aggregate of State and local resources are  
11 available to meet the basic education needs of pupils in the  
12 district.

13 (2) For the 1998-1999 school year, the Foundation Level of  
14 support is \$4,225. For the 1999-2000 school year, the  
15 Foundation Level of support is \$4,325. For the 2000-2001 school  
16 year, the Foundation Level of support is \$4,425. For the  
17 2001-2002 school year and 2002-2003 school year, the Foundation  
18 Level of support is \$4,560. For the 2003-2004 school year, the  
19 Foundation Level of support is \$4,810. For the 2004-2005 school  
20 year, the Foundation Level of support is \$4,964. For the  
21 2005-2006 school year, the Foundation Level of support is  
22 \$5,164. For the 2006-2007 school year, the Foundation Level of  
23 support is \$5,334. For the 2007-2008 school year, the  
24 Foundation Level of support is \$5,734. For the 2008-2009 school  
25 year, the Foundation Level of support is \$5,959.

1           (3) For the 2009-2010 school year and each school year  
2 thereafter, the Foundation Level of support is \$6,119 or such  
3 greater amount as may be established by law by the General  
4 Assembly.

5           (C) Average Daily Attendance.

6           (1) For purposes of calculating general State aid pursuant  
7 to subsection (E), an Average Daily Attendance figure shall be  
8 utilized. The Average Daily Attendance figure for formula  
9 calculation purposes shall be the monthly average of the actual  
10 number of pupils in attendance of each school district, as  
11 further averaged for the best 3 months of pupil attendance for  
12 each school district. In compiling the figures for the number  
13 of pupils in attendance, school districts and the State Board  
14 of Education shall, for purposes of general State aid funding,  
15 conform attendance figures to the requirements of subsection  
16 (F).

17           (2) The Average Daily Attendance figures utilized in  
18 subsection (E) shall be the requisite attendance data for the  
19 school year immediately preceding the school year for which  
20 general State aid is being calculated or the average of the  
21 attendance data for the 3 preceding school years, whichever is  
22 greater. The Average Daily Attendance figures utilized in  
23 subsection (H) shall be the requisite attendance data for the  
24 school year immediately preceding the school year for which  
25 general State aid is being calculated.

1 (D) Available Local Resources.

2 (1) For purposes of calculating general State aid pursuant  
3 to subsection (E), a representation of Available Local  
4 Resources per pupil, as that term is defined and determined in  
5 this subsection, shall be utilized. Available Local Resources  
6 per pupil shall include a calculated dollar amount representing  
7 local school district revenues from local property taxes and  
8 from Corporate Personal Property Replacement Taxes, expressed  
9 on the basis of pupils in Average Daily Attendance. Calculation  
10 of Available Local Resources shall exclude any tax amnesty  
11 funds received as a result of Public Act 93-26.

12 (2) In determining a school district's revenue from local  
13 property taxes, the State Board of Education shall utilize the  
14 equalized assessed valuation of all taxable property of each  
15 school district as of September 30 of the previous year. The  
16 equalized assessed valuation utilized shall be obtained and  
17 determined as provided in subsection (G).

18 (3) For school districts maintaining grades kindergarten  
19 through 12, local property tax revenues per pupil shall be  
20 calculated as (i) the product of the applicable equalized  
21 assessed valuation for the district multiplied by 3.00% plus  
22 (ii) any surplus received by the school district in the  
23 previous year from a special tax allocation fund, as provided  
24 by the Tax Increment Allocation Redevelopment Act or the  
25 Industrial Jobs Recovery Law, and divided by the district's

1 Average Daily Attendance figure. For school districts  
2 maintaining grades kindergarten through 8, local property tax  
3 revenues per pupil shall be calculated as (i) the product of  
4 the applicable equalized assessed valuation for the district  
5 multiplied by 2.30% plus (ii) any surplus received by the  
6 school district in the previous year from a special tax  
7 allocation fund, as provided by the Tax Increment Allocation  
8 Redevelopment Act or the Industrial Jobs Recovery Law, and  
9 divided by the district's Average Daily Attendance figure. For  
10 school districts maintaining grades 9 through 12, local  
11 property tax revenues per pupil shall be (i) the applicable  
12 equalized assessed valuation of the district multiplied by  
13 1.05% plus (ii) any surplus received by the school district in  
14 the previous year from a special tax allocation fund, as  
15 provided by the Tax Increment Allocation Redevelopment Act or  
16 the Industrial Jobs Recovery Law, and divided by the district's  
17 Average Daily Attendance figure.

18 For partial elementary unit districts created pursuant to  
19 Article 11E of this Code, local property tax revenues per pupil  
20 shall be calculated as (i) the product of the equalized  
21 assessed valuation for property within the partial elementary  
22 unit district for elementary purposes, as defined in Article  
23 11E of this Code, multiplied by 2.06% plus (ii) any surplus  
24 received by the school district in the previous year from a  
25 special tax allocation fund, as provided by the Tax Increment  
26 Allocation Redevelopment Act or the Industrial Jobs Recovery

1 Law and divided by the district's Average Daily Attendance  
2 figure, plus (i) the product of the equalized assessed  
3 valuation for property within the partial elementary unit  
4 district for high school purposes, as defined in Article 11E of  
5 this Code, multiplied by 0.94% plus (ii) any surplus received  
6 by the school district in the previous year from a special tax  
7 allocation fund, as provided by the Tax Increment Allocation  
8 Redevelopment Act or the Industrial Jobs Recovery Law and  
9 divided by the district's Average Daily Attendance figure.

10 (4) The Corporate Personal Property Replacement Taxes paid  
11 to each school district during the calendar year one year  
12 before the calendar year in which a school year begins, divided  
13 by the Average Daily Attendance figure for that district, shall  
14 be added to the local property tax revenues per pupil as  
15 derived by the application of the immediately preceding  
16 paragraph (3). The sum of these per pupil figures for each  
17 school district shall constitute Available Local Resources as  
18 that term is utilized in subsection (E) in the calculation of  
19 general State aid.

20 (E) Computation of General State Aid.

21 (1) For each school year, the amount of general State aid  
22 allotted to a school district shall be computed by the State  
23 Board of Education as provided in this subsection.

24 (2) For any school district for which Available Local  
25 Resources per pupil is less than the product of 0.93 times the

1 Foundation Level, general State aid for that district shall be  
2 calculated as an amount equal to the Foundation Level minus  
3 Available Local Resources, multiplied by the Average Daily  
4 Attendance of the school district.

5 (3) For any school district for which Available Local  
6 Resources per pupil is equal to or greater than the product of  
7 0.93 times the Foundation Level and less than the product of  
8 1.75 times the Foundation Level, the general State aid per  
9 pupil shall be a decimal proportion of the Foundation Level  
10 derived using a linear algorithm. Under this linear algorithm,  
11 the calculated general State aid per pupil shall decline in  
12 direct linear fashion from 0.07 times the Foundation Level for  
13 a school district with Available Local Resources equal to the  
14 product of 0.93 times the Foundation Level, to 0.05 times the  
15 Foundation Level for a school district with Available Local  
16 Resources equal to the product of 1.75 times the Foundation  
17 Level. The allocation of general State aid for school districts  
18 subject to this paragraph 3 shall be the calculated general  
19 State aid per pupil figure multiplied by the Average Daily  
20 Attendance of the school district.

21 (4) For any school district for which Available Local  
22 Resources per pupil equals or exceeds the product of 1.75 times  
23 the Foundation Level, the general State aid for the school  
24 district shall be calculated as the product of \$218 multiplied  
25 by the Average Daily Attendance of the school district.

26 (5) The amount of general State aid allocated to a school

1 district for the 1999-2000 school year meeting the requirements  
2 set forth in paragraph (4) of subsection (G) shall be increased  
3 by an amount equal to the general State aid that would have  
4 been received by the district for the 1998-1999 school year by  
5 utilizing the Extension Limitation Equalized Assessed  
6 Valuation as calculated in paragraph (4) of subsection (G) less  
7 the general State aid allotted for the 1998-1999 school year.  
8 This amount shall be deemed a one time increase, and shall not  
9 affect any future general State aid allocations.

10 (F) Compilation of Average Daily Attendance.

11 (1) Each school district shall, by July 1 of each year,  
12 submit to the State Board of Education, on forms prescribed by  
13 the State Board of Education, attendance figures for the school  
14 year that began in the preceding calendar year. The attendance  
15 information so transmitted shall identify the average daily  
16 attendance figures for each month of the school year. Beginning  
17 with the general State aid claim form for the 2002-2003 school  
18 year, districts shall calculate Average Daily Attendance as  
19 provided in subdivisions (a), (b), and (c) of this paragraph  
20 (1).

21 (a) In districts that do not hold year-round classes,  
22 days of attendance in August shall be added to the month of  
23 September and any days of attendance in June shall be added  
24 to the month of May.

25 (b) In districts in which all buildings hold year-round



1 classes, days of attendance in July and August shall be  
2 added to the month of September and any days of attendance  
3 in June shall be added to the month of May.

4 (c) In districts in which some buildings, but not all,  
5 hold year-round classes, for the non-year-round buildings,  
6 days of attendance in August shall be added to the month of  
7 September and any days of attendance in June shall be added  
8 to the month of May. The average daily attendance for the  
9 year-round buildings shall be computed as provided in  
10 subdivision (b) of this paragraph (1). To calculate the  
11 Average Daily Attendance for the district, the average  
12 daily attendance for the year-round buildings shall be  
13 multiplied by the days in session for the non-year-round  
14 buildings for each month and added to the monthly  
15 attendance of the non-year-round buildings.

16 Except as otherwise provided in this Section, days of  
17 attendance by pupils shall be counted only for sessions of not  
18 less than 5 clock hours of school work per day under direct  
19 supervision of: (i) teachers, or (ii) non-teaching personnel or  
20 volunteer personnel when engaging in non-teaching duties and  
21 supervising in those instances specified in subsection (a) of  
22 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils  
23 of legal school age and in kindergarten and grades 1 through  
24 12.

25 Days of attendance by tuition pupils shall be accredited  
26 only to the districts that pay the tuition to a recognized

1 school.

2 (2) Days of attendance by pupils of less than 5 clock hours  
3 of school shall be subject to the following provisions in the  
4 compilation of Average Daily Attendance.

5 (a) Pupils regularly enrolled in a public school for  
6 only a part of the school day may be counted on the basis  
7 of 1/6 day for every class hour of instruction of 40  
8 minutes or more attended pursuant to such enrollment,  
9 unless a pupil is enrolled in a block-schedule format of 80  
10 minutes or more of instruction, in which case the pupil may  
11 be counted on the basis of the proportion of minutes of  
12 school work completed each day to the minimum number of  
13 minutes that school work is required to be held that day.

14 (b) Days of attendance may be less than 5 clock hours  
15 on the opening and closing of the school term, and upon the  
16 first day of pupil attendance, if preceded by a day or days  
17 utilized as an institute or teachers' workshop.

18 (c) A session of 4 or more clock hours may be counted  
19 as a day of attendance upon certification by the regional  
20 superintendent, and approved by the State Superintendent  
21 of Education to the extent that the district has been  
22 forced to use daily multiple sessions.

23 (d) A session of 3 or more clock hours may be counted  
24 as a day of attendance (1) when the remainder of the school  
25 day or at least 2 hours in the evening of that day is  
26 utilized for an in-service training program for teachers,

1 up to a maximum of 5 days per school year, provided a  
2 district conducts an in-service training program for  
3 teachers in accordance with Section 10-22.39 of this Code;  
4 or, in lieu of 4 such days, 2 full days may be used, in  
5 which event each such day may be counted as a day required  
6 for a legal school calendar pursuant to Section 10-19 of  
7 this Code; (1.5) when, of the 5 days allowed under item  
8 (1), a maximum of 4 days are used for parent-teacher  
9 conferences, or, in lieu of 4 such days, 2 full days are  
10 used, in which case each such day may be counted as a  
11 calendar day required under Section 10-19 of this Code,  
12 provided that the full-day, parent-teacher conference  
13 consists of (i) a minimum of 5 clock hours of  
14 parent-teacher conferences, (ii) both a minimum of 2 clock  
15 hours of parent-teacher conferences held in the evening  
16 following a full day of student attendance, as specified in  
17 subsection (F)(1)(c), and a minimum of 3 clock hours of  
18 parent-teacher conferences held on the day immediately  
19 following evening parent-teacher conferences, or (iii)  
20 multiple parent-teacher conferences held in the evenings  
21 following full days of student attendance, as specified in  
22 subsection (F)(1)(c), in which the time used for the  
23 parent-teacher conferences is equivalent to a minimum of 5  
24 clock hours; and (2) when days in addition to those  
25 provided in items (1) and (1.5) are scheduled by a school  
26 pursuant to its school improvement plan adopted under

1 Article 34 or its revised or amended school improvement  
2 plan adopted under Article 2, provided that (i) such  
3 sessions of 3 or more clock hours are scheduled to occur at  
4 regular intervals, (ii) the remainder of the school days in  
5 which such sessions occur are utilized for in-service  
6 training programs or other staff development activities  
7 for teachers, and (iii) a sufficient number of minutes of  
8 school work under the direct supervision of teachers are  
9 added to the school days between such regularly scheduled  
10 sessions to accumulate not less than the number of minutes  
11 by which such sessions of 3 or more clock hours fall short  
12 of 5 clock hours. Any full days used for the purposes of  
13 this paragraph shall not be considered for computing  
14 average daily attendance. Days scheduled for in-service  
15 training programs, staff development activities, or  
16 parent-teacher conferences may be scheduled separately for  
17 different grade levels and different attendance centers of  
18 the district.

19 (e) A session of not less than one clock hour of  
20 teaching hospitalized or homebound pupils on-site or by  
21 telephone to the classroom may be counted as 1/2 day of  
22 attendance, however these pupils must receive 4 or more  
23 clock hours of instruction to be counted for a full day of  
24 attendance.

25 (f) A session of at least 4 clock hours may be counted  
26 as a day of attendance for first grade pupils, and pupils

1 in full day kindergartens, and a session of 2 or more hours  
2 may be counted as 1/2 day of attendance by pupils in  
3 kindergartens which provide only 1/2 day of attendance.

4 (g) For children with disabilities who are below the  
5 age of 6 years and who cannot attend 2 or more clock hours  
6 because of their disability or immaturity, a session of not  
7 less than one clock hour may be counted as 1/2 day of  
8 attendance; however for such children whose educational  
9 needs so require a session of 4 or more clock hours may be  
10 counted as a full day of attendance.

11 (h) A recognized kindergarten which provides for only  
12 1/2 day of attendance by each pupil shall not have more  
13 than 1/2 day of attendance counted in any one day. However,  
14 kindergartens may count 2 1/2 days of attendance in any 5  
15 consecutive school days. When a pupil attends such a  
16 kindergarten for 2 half days on any one school day, the  
17 pupil shall have the following day as a day absent from  
18 school, unless the school district obtains permission in  
19 writing from the State Superintendent of Education.  
20 Attendance at kindergartens which provide for a full day of  
21 attendance by each pupil shall be counted the same as  
22 attendance by first grade pupils. Only the first year of  
23 attendance in one kindergarten shall be counted, except in  
24 case of children who entered the kindergarten in their  
25 fifth year whose educational development requires a second  
26 year of kindergarten as determined under the rules and

1 regulations of the State Board of Education.

2 (i) On the days when the Prairie State Achievement  
3 Examination is administered under subsection (c) of  
4 Section 2-3.64 of this Code, the day of attendance for a  
5 pupil whose school day must be shortened to accommodate  
6 required testing procedures may be less than 5 clock hours  
7 and shall be counted towards the 176 days of actual pupil  
8 attendance required under Section 10-19 of this Code,  
9 provided that a sufficient number of minutes of school work  
10 in excess of 5 clock hours are first completed on other  
11 school days to compensate for the loss of school work on  
12 the examination days.

13 (G) Equalized Assessed Valuation Data.

14 (1) For purposes of the calculation of Available Local  
15 Resources required pursuant to subsection (D), the State Board  
16 of Education shall secure from the Department of Revenue the  
17 value as equalized or assessed by the Department of Revenue of  
18 all taxable property of every school district, together with  
19 (i) the applicable tax rate used in extending taxes for the  
20 funds of the district as of September 30 of the previous year  
21 and (ii) the limiting rate for all school districts subject to  
22 property tax extension limitations as imposed under the  
23 Property Tax Extension Limitation Law.

24 The Department of Revenue shall add to the equalized  
25 assessed value of all taxable property of each school district

1 situated entirely or partially within a county that is or was  
2 subject to the provisions of Section 15-176 or 15-177 of the  
3 Property Tax Code (a) an amount equal to the total amount by  
4 which the homestead exemption allowed under Section 15-176 or  
5 15-177 of the Property Tax Code for real property situated in  
6 that school district exceeds the total amount that would have  
7 been allowed in that school district if the maximum reduction  
8 under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in  
9 all other counties in tax year 2003 or (ii) \$5,000 in all  
10 counties in tax year 2004 and thereafter and (b) an amount  
11 equal to the aggregate amount for the taxable year of all  
12 additional exemptions under Section 15-175 of the Property Tax  
13 Code for owners with a household income of \$30,000 or less. The  
14 county clerk of any county that is or was subject to the  
15 provisions of Section 15-176 or 15-177 of the Property Tax Code  
16 shall annually calculate and certify to the Department of  
17 Revenue for each school district all homestead exemption  
18 amounts under Section 15-176 or 15-177 of the Property Tax Code  
19 and all amounts of additional exemptions under Section 15-175  
20 of the Property Tax Code for owners with a household income of  
21 \$30,000 or less. It is the intent of this paragraph that if the  
22 general homestead exemption for a parcel of property is  
23 determined under Section 15-176 or 15-177 of the Property Tax  
24 Code rather than Section 15-175, then the calculation of  
25 Available Local Resources shall not be affected by the  
26 difference, if any, between the amount of the general homestead

1 exemption allowed for that parcel of property under Section  
2 15-176 or 15-177 of the Property Tax Code and the amount that  
3 would have been allowed had the general homestead exemption for  
4 that parcel of property been determined under Section 15-175 of  
5 the Property Tax Code. It is further the intent of this  
6 paragraph that if additional exemptions are allowed under  
7 Section 15-175 of the Property Tax Code for owners with a  
8 household income of less than \$30,000, then the calculation of  
9 Available Local Resources shall not be affected by the  
10 difference, if any, because of those additional exemptions.

11 This equalized assessed valuation, as adjusted further by  
12 the requirements of this subsection, shall be utilized in the  
13 calculation of Available Local Resources.

14 (2) The equalized assessed valuation in paragraph (1) shall  
15 be adjusted, as applicable, in the following manner:

16 (a) For the purposes of calculating State aid under  
17 this Section, with respect to any part of a school district  
18 within a redevelopment project area in respect to which a  
19 municipality has adopted tax increment allocation  
20 financing pursuant to the Tax Increment Allocation  
21 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11  
22 of the Illinois Municipal Code or the Industrial Jobs  
23 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the  
24 Illinois Municipal Code, no part of the current equalized  
25 assessed valuation of real property located in any such  
26 project area which is attributable to an increase above the



1 total initial equalized assessed valuation of such  
2 property shall be used as part of the equalized assessed  
3 valuation of the district, until such time as all  
4 redevelopment project costs have been paid, as provided in  
5 Section 11-74.4-8 of the Tax Increment Allocation  
6 Redevelopment Act or in Section 11-74.6-35 of the  
7 Industrial Jobs Recovery Law. For the purpose of the  
8 equalized assessed valuation of the district, the total  
9 initial equalized assessed valuation or the current  
10 equalized assessed valuation, whichever is lower, shall be  
11 used until such time as all redevelopment project costs  
12 have been paid.

13 (b) The real property equalized assessed valuation for  
14 a school district shall be adjusted by subtracting from the  
15 real property value as equalized or assessed by the  
16 Department of Revenue for the district an amount computed  
17 by dividing the amount of any abatement of taxes under  
18 Section 18-170 of the Property Tax Code by 3.00% for a  
19 district maintaining grades kindergarten through 12, by  
20 2.30% for a district maintaining grades kindergarten  
21 through 8, or by 1.05% for a district maintaining grades 9  
22 through 12 and adjusted by an amount computed by dividing  
23 the amount of any abatement of taxes under subsection (a)  
24 of Section 18-165 of the Property Tax Code by the same  
25 percentage rates for district type as specified in this  
26 subparagraph (b).

1           (3) For the 1999-2000 school year and each school year  
2 thereafter, if a school district meets all of the criteria of  
3 this subsection (G) (3), the school district's Available Local  
4 Resources shall be calculated under subsection (D) using the  
5 district's Extension Limitation Equalized Assessed Valuation  
6 as calculated under this subsection (G) (3).

7           For purposes of this subsection (G) (3) the following terms  
8 shall have the following meanings:

9           "Budget Year": The school year for which general State  
10 aid is calculated and awarded under subsection (E).

11           "Base Tax Year": The property tax levy year used to  
12 calculate the Budget Year allocation of general State aid.

13           "Preceding Tax Year": The property tax levy year  
14 immediately preceding the Base Tax Year.

15           "Base Tax Year's Tax Extension": The product of the  
16 equalized assessed valuation utilized by the County Clerk  
17 in the Base Tax Year multiplied by the limiting rate as  
18 calculated by the County Clerk and defined in the Property  
19 Tax Extension Limitation Law.

20           "Preceding Tax Year's Tax Extension": The product of  
21 the equalized assessed valuation utilized by the County  
22 Clerk in the Preceding Tax Year multiplied by the Operating  
23 Tax Rate as defined in subsection (A).

24           "Extension Limitation Ratio": A numerical ratio,  
25 certified by the County Clerk, in which the numerator is  
26 the Base Tax Year's Tax Extension and the denominator is

1 the Preceding Tax Year's Tax Extension.

2 "Operating Tax Rate": The operating tax rate as defined  
3 in subsection (A).

4 If a school district is subject to property tax extension  
5 limitations as imposed under the Property Tax Extension  
6 Limitation Law, the State Board of Education shall calculate  
7 the Extension Limitation Equalized Assessed Valuation of that  
8 district. For the 1999-2000 school year, the Extension  
9 Limitation Equalized Assessed Valuation of a school district as  
10 calculated by the State Board of Education shall be equal to  
11 the product of the district's 1996 Equalized Assessed Valuation  
12 and the district's Extension Limitation Ratio. Except as  
13 otherwise provided in this paragraph for a school district that  
14 has approved or does approve an increase in its limiting rate,  
15 for the 2000-2001 school year and each school year thereafter,  
16 the Extension Limitation Equalized Assessed Valuation of a  
17 school district as calculated by the State Board of Education  
18 shall be equal to the product of the Equalized Assessed  
19 Valuation last used in the calculation of general State aid and  
20 the district's Extension Limitation Ratio. If the Extension  
21 Limitation Equalized Assessed Valuation of a school district as  
22 calculated under this subsection (G)(3) is less than the  
23 district's equalized assessed valuation as calculated pursuant  
24 to subsections (G)(1) and (G)(2), then for purposes of  
25 calculating the district's general State aid for the Budget  
26 Year pursuant to subsection (E), that Extension Limitation

1 Equalized Assessed Valuation shall be utilized to calculate the  
2 district's Available Local Resources under subsection (D). For  
3 the 2009-2010 school year and each school year thereafter, if a  
4 school district has approved or does approve an increase in its  
5 limiting rate, pursuant to Section 18-190 of the Property Tax  
6 Code, affecting the Base Tax Year, the Extension Limitation  
7 Equalized Assessed Valuation of the school district, as  
8 calculated by the State Board of Education, shall be equal to  
9 the product of the Equalized Assessed Valuation last used in  
10 the calculation of general State aid times an amount equal to  
11 one plus the percentage increase, if any, in the Consumer Price  
12 Index for all Urban Consumers for all items published by the  
13 United States Department of Labor for the 12-month calendar  
14 year preceding the Base Tax Year, plus the Equalized Assessed  
15 Valuation of new property, annexed property, and recovered tax  
16 increment value and minus the Equalized Assessed Valuation of  
17 disconnected property. New property and recovered tax  
18 increment value shall have the meanings set forth in the  
19 Property Tax Extension Limitation Law.

20 Partial elementary unit districts created in accordance  
21 with Article 11E of this Code shall not be eligible for the  
22 adjustment in this subsection (G)(3) until the fifth year  
23 following the effective date of the reorganization.

24 (3.5) For the 2010-2011 school year and each school year  
25 thereafter, if a school district's boundaries span multiple  
26 counties, then the Department of Revenue shall send to the

1 State Board of Education, for the purpose of calculating  
2 general State aid, the limiting rate and individual rates by  
3 purpose for the county that contains the majority of the school  
4 district's Equalized Assessed Valuation.

5 (4) For the purposes of calculating general State aid for  
6 the 1999-2000 school year only, if a school district  
7 experienced a triennial reassessment on the equalized assessed  
8 valuation used in calculating its general State financial aid  
9 apportionment for the 1998-1999 school year, the State Board of  
10 Education shall calculate the Extension Limitation Equalized  
11 Assessed Valuation that would have been used to calculate the  
12 district's 1998-1999 general State aid. This amount shall equal  
13 the product of the equalized assessed valuation used to  
14 calculate general State aid for the 1997-1998 school year and  
15 the district's Extension Limitation Ratio. If the Extension  
16 Limitation Equalized Assessed Valuation of the school district  
17 as calculated under this paragraph (4) is less than the  
18 district's equalized assessed valuation utilized in  
19 calculating the district's 1998-1999 general State aid  
20 allocation, then for purposes of calculating the district's  
21 general State aid pursuant to paragraph (5) of subsection (E),  
22 that Extension Limitation Equalized Assessed Valuation shall  
23 be utilized to calculate the district's Available Local  
24 Resources.

25 (5) For school districts having a majority of their  
26 equalized assessed valuation in any county except Cook, DuPage,

1 Kane, Lake, McHenry, or Will, if the amount of general State  
2 aid allocated to the school district for the 1999-2000 school  
3 year under the provisions of subsection (E), (H), and (J) of  
4 this Section is less than the amount of general State aid  
5 allocated to the district for the 1998-1999 school year under  
6 these subsections, then the general State aid of the district  
7 for the 1999-2000 school year only shall be increased by the  
8 difference between these amounts. The total payments made under  
9 this paragraph (5) shall not exceed \$14,000,000. Claims shall  
10 be prorated if they exceed \$14,000,000.

11 (H) Supplemental General State Aid.

12 (1) In addition to the general State aid a school district  
13 is allotted pursuant to subsection (E), qualifying school  
14 districts shall receive a grant, paid in conjunction with a  
15 district's payments of general State aid, for supplemental  
16 general State aid based upon the concentration level of  
17 children from low-income households within the school  
18 district. Supplemental State aid grants provided for school  
19 districts under this subsection shall be appropriated for  
20 distribution to school districts as part of the same line item  
21 in which the general State financial aid of school districts is  
22 appropriated under this Section.

23 (1.5) This paragraph (1.5) applies only to those school  
24 years preceding the 2003-2004 school year. For purposes of this  
25 subsection (H), the term "Low-Income Concentration Level"

1 shall be the low-income eligible pupil count from the most  
2 recently available federal census divided by the Average Daily  
3 Attendance of the school district. If, however, (i) the  
4 percentage decrease from the 2 most recent federal censuses in  
5 the low-income eligible pupil count of a high school district  
6 with fewer than 400 students exceeds by 75% or more the  
7 percentage change in the total low-income eligible pupil count  
8 of contiguous elementary school districts, whose boundaries  
9 are coterminous with the high school district, or (ii) a high  
10 school district within 2 counties and serving 5 elementary  
11 school districts, whose boundaries are coterminous with the  
12 high school district, has a percentage decrease from the 2 most  
13 recent federal censuses in the low-income eligible pupil count  
14 and there is a percentage increase in the total low-income  
15 eligible pupil count of a majority of the elementary school  
16 districts in excess of 50% from the 2 most recent federal  
17 censuses, then the high school district's low-income eligible  
18 pupil count from the earlier federal census shall be the number  
19 used as the low-income eligible pupil count for the high school  
20 district, for purposes of this subsection (H). The changes made  
21 to this paragraph (1) by Public Act 92-28 shall apply to  
22 supplemental general State aid grants for school years  
23 preceding the 2003-2004 school year that are paid in fiscal  
24 year 1999 or thereafter and to any State aid payments made in  
25 fiscal year 1994 through fiscal year 1998 pursuant to  
26 subsection 1(n) of Section 18-8 of this Code (which was

1 repealed on July 1, 1998), and any high school district that is  
2 affected by Public Act 92-28 is entitled to a recomputation of  
3 its supplemental general State aid grant or State aid paid in  
4 any of those fiscal years. This recomputation shall not be  
5 affected by any other funding.

6 (1.10) This paragraph (1.10) applies to the 2003-2004  
7 school year and each school year thereafter. For purposes of  
8 this subsection (H), the term "Low-Income Concentration Level"  
9 shall, for each fiscal year, be the low-income eligible pupil  
10 count as of July 1 of the immediately preceding fiscal year (as  
11 determined by the Department of Human Services based on the  
12 number of pupils who are eligible for at least one of the  
13 following low income programs: Medicaid, the Children's Health  
14 Insurance Program, TANF, or Food Stamps, excluding pupils who  
15 are eligible for services provided by the Department of  
16 Children and Family Services, averaged over the 2 immediately  
17 preceding fiscal years for fiscal year 2004 and over the 3  
18 immediately preceding fiscal years for each fiscal year  
19 thereafter) divided by the Average Daily Attendance of the  
20 school district.

21 (2) Supplemental general State aid pursuant to this  
22 subsection (H) shall be provided as follows for the 1998-1999,  
23 1999-2000, and 2000-2001 school years only:

24 (a) For any school district with a Low Income  
25 Concentration Level of at least 20% and less than 35%, the  
26 grant for any school year shall be \$800 multiplied by the



1 low income eligible pupil count.

2 (b) For any school district with a Low Income  
3 Concentration Level of at least 35% and less than 50%, the  
4 grant for the 1998-1999 school year shall be \$1,100  
5 multiplied by the low income eligible pupil count.

6 (c) For any school district with a Low Income  
7 Concentration Level of at least 50% and less than 60%, the  
8 grant for the 1998-99 school year shall be \$1,500  
9 multiplied by the low income eligible pupil count.

10 (d) For any school district with a Low Income  
11 Concentration Level of 60% or more, the grant for the  
12 1998-99 school year shall be \$1,900 multiplied by the low  
13 income eligible pupil count.

14 (e) For the 1999-2000 school year, the per pupil amount  
15 specified in subparagraphs (b), (c), and (d) immediately  
16 above shall be increased to \$1,243, \$1,600, and \$2,000,  
17 respectively.

18 (f) For the 2000-2001 school year, the per pupil  
19 amounts specified in subparagraphs (b), (c), and (d)  
20 immediately above shall be \$1,273, \$1,640, and \$2,050,  
21 respectively.

22 (2.5) Supplemental general State aid pursuant to this  
23 subsection (H) shall be provided as follows for the 2002-2003  
24 school year:

25 (a) For any school district with a Low Income  
26 Concentration Level of less than 10%, the grant for each

1 school year shall be \$355 multiplied by the low income  
2 eligible pupil count.

3 (b) For any school district with a Low Income  
4 Concentration Level of at least 10% and less than 20%, the  
5 grant for each school year shall be \$675 multiplied by the  
6 low income eligible pupil count.

7 (c) For any school district with a Low Income  
8 Concentration Level of at least 20% and less than 35%, the  
9 grant for each school year shall be \$1,330 multiplied by  
10 the low income eligible pupil count.

11 (d) For any school district with a Low Income  
12 Concentration Level of at least 35% and less than 50%, the  
13 grant for each school year shall be \$1,362 multiplied by  
14 the low income eligible pupil count.

15 (e) For any school district with a Low Income  
16 Concentration Level of at least 50% and less than 60%, the  
17 grant for each school year shall be \$1,680 multiplied by  
18 the low income eligible pupil count.

19 (f) For any school district with a Low Income  
20 Concentration Level of 60% or more, the grant for each  
21 school year shall be \$2,080 multiplied by the low income  
22 eligible pupil count.

23 (2.10) Except as otherwise provided, supplemental general  
24 State aid pursuant to this subsection (H) shall be provided as  
25 follows for the 2003-2004 school year and each school year  
26 thereafter:

1           (a) For any school district with a Low Income  
2 Concentration Level of 15% or less, the grant for each  
3 school year shall be \$355 multiplied by the low income  
4 eligible pupil count.

5           (b) For any school district with a Low Income  
6 Concentration Level greater than 15%, the grant for each  
7 school year shall be \$294.25 added to the product of \$2,700  
8 and the square of the Low Income Concentration Level, all  
9 multiplied by the low income eligible pupil count.

10          For the 2003-2004 school year and each school year  
11 thereafter through the 2008-2009 school year only, the grant  
12 shall be no less than the grant for the 2002-2003 school year.  
13 For the 2009-2010 school year only, the grant shall be no less  
14 than the grant for the 2002-2003 school year multiplied by  
15 0.66. For the 2010-2011 school year only, the grant shall be no  
16 less than the grant for the 2002-2003 school year multiplied by  
17 0.33. Notwithstanding the provisions of this paragraph to the  
18 contrary, if for any school year supplemental general State aid  
19 grants are prorated as provided in paragraph (1) of this  
20 subsection (H), then the grants under this paragraph shall be  
21 prorated.

22          For the 2003-2004 school year only, the grant shall be no  
23 greater than the grant received during the 2002-2003 school  
24 year added to the product of 0.25 multiplied by the difference  
25 between the grant amount calculated under subsection (a) or (b)  
26 of this paragraph (2.10), whichever is applicable, and the

1 grant received during the 2002-2003 school year. For the  
2 2004-2005 school year only, the grant shall be no greater than  
3 the grant received during the 2002-2003 school year added to  
4 the product of 0.50 multiplied by the difference between the  
5 grant amount calculated under subsection (a) or (b) of this  
6 paragraph (2.10), whichever is applicable, and the grant  
7 received during the 2002-2003 school year. For the 2005-2006  
8 school year only, the grant shall be no greater than the grant  
9 received during the 2002-2003 school year added to the product  
10 of 0.75 multiplied by the difference between the grant amount  
11 calculated under subsection (a) or (b) of this paragraph  
12 (2.10), whichever is applicable, and the grant received during  
13 the 2002-2003 school year.

14 (3) School districts with an Average Daily Attendance of  
15 more than 1,000 and less than 50,000 that qualify for  
16 supplemental general State aid pursuant to this subsection  
17 shall submit a plan to the State Board of Education prior to  
18 October 30 of each year for the use of the funds resulting from  
19 this grant of supplemental general State aid for the  
20 improvement of instruction in which priority is given to  
21 meeting the education needs of disadvantaged children. Such  
22 plan shall be submitted in accordance with rules and  
23 regulations promulgated by the State Board of Education.

24 (4) School districts with an Average Daily Attendance of  
25 50,000 or more that qualify for supplemental general State aid  
26 pursuant to this subsection shall be required to distribute

1 from funds available pursuant to this Section, no less than  
2 \$261,000,000 in accordance with the following requirements:

3 (a) The required amounts shall be distributed to the  
4 attendance centers within the district in proportion to the  
5 number of pupils enrolled at each attendance center who are  
6 eligible to receive free or reduced-price lunches or  
7 breakfasts under the federal Child Nutrition Act of 1966  
8 and under the National School Lunch Act during the  
9 immediately preceding school year.

10 (b) The distribution of these portions of supplemental  
11 and general State aid among attendance centers according to  
12 these requirements shall not be compensated for or  
13 contravened by adjustments of the total of other funds  
14 appropriated to any attendance centers, and the Board of  
15 Education shall utilize funding from one or several sources  
16 in order to fully implement this provision annually prior  
17 to the opening of school.

18 (c) Each attendance center shall be provided by the  
19 school district a distribution of noncategorical funds and  
20 other categorical funds to which an attendance center is  
21 entitled under law in order that the general State aid and  
22 supplemental general State aid provided by application of  
23 this subsection supplements rather than supplants the  
24 noncategorical funds and other categorical funds provided  
25 by the school district to the attendance centers.

26 (d) Any funds made available under this subsection that

1 by reason of the provisions of this subsection are not  
2 required to be allocated and provided to attendance centers  
3 may be used and appropriated by the board of the district  
4 for any lawful school purpose.

5 (e) Funds received by an attendance center pursuant to  
6 this subsection shall be used by the attendance center at  
7 the discretion of the principal and local school council  
8 for programs to improve educational opportunities at  
9 qualifying schools through the following programs and  
10 services: early childhood education, reduced class size or  
11 improved adult to student classroom ratio, enrichment  
12 programs, remedial assistance, attendance improvement, and  
13 other educationally beneficial expenditures which  
14 supplement the regular and basic programs as determined by  
15 the State Board of Education. Funds provided shall not be  
16 expended for any political or lobbying purposes as defined  
17 by board rule.

18 (f) Each district subject to the provisions of this  
19 subdivision (H) (4) shall submit an acceptable plan to meet  
20 the educational needs of disadvantaged children, in  
21 compliance with the requirements of this paragraph, to the  
22 State Board of Education prior to July 15 of each year.  
23 This plan shall be consistent with the decisions of local  
24 school councils concerning the school expenditure plans  
25 developed in accordance with part 4 of Section 34-2.3. The  
26 State Board shall approve or reject the plan within 60 days

1 after its submission. If the plan is rejected, the district  
2 shall give written notice of intent to modify the plan  
3 within 15 days of the notification of rejection and then  
4 submit a modified plan within 30 days after the date of the  
5 written notice of intent to modify. Districts may amend  
6 approved plans pursuant to rules promulgated by the State  
7 Board of Education.

8 Upon notification by the State Board of Education that  
9 the district has not submitted a plan prior to July 15 or a  
10 modified plan within the time period specified herein, the  
11 State aid funds affected by that plan or modified plan  
12 shall be withheld by the State Board of Education until a  
13 plan or modified plan is submitted.

14 If the district fails to distribute State aid to  
15 attendance centers in accordance with an approved plan, the  
16 plan for the following year shall allocate funds, in  
17 addition to the funds otherwise required by this  
18 subsection, to those attendance centers which were  
19 underfunded during the previous year in amounts equal to  
20 such underfunding.

21 For purposes of determining compliance with this  
22 subsection in relation to the requirements of attendance  
23 center funding, each district subject to the provisions of  
24 this subsection shall submit as a separate document by  
25 December 1 of each year a report of expenditure data for  
26 the prior year in addition to any modification of its

1 current plan. If it is determined that there has been a  
2 failure to comply with the expenditure provisions of this  
3 subsection regarding contravention or supplanting, the  
4 State Superintendent of Education shall, within 60 days of  
5 receipt of the report, notify the district and any affected  
6 local school council. The district shall within 45 days of  
7 receipt of that notification inform the State  
8 Superintendent of Education of the remedial or corrective  
9 action to be taken, whether by amendment of the current  
10 plan, if feasible, or by adjustment in the plan for the  
11 following year. Failure to provide the expenditure report  
12 or the notification of remedial or corrective action in a  
13 timely manner shall result in a withholding of the affected  
14 funds.

15 The State Board of Education shall promulgate rules and  
16 regulations to implement the provisions of this  
17 subsection. No funds shall be released under this  
18 subdivision (H) (4) to any district that has not submitted a  
19 plan that has been approved by the State Board of  
20 Education.

21 (I) (Blank).

22 (J) Supplementary Grants in Aid.

23 (1) Notwithstanding any other provisions of this Section,  
24 the amount of the aggregate general State aid in combination



1 with supplemental general State aid under this Section for  
2 which each school district is eligible shall be no less than  
3 the amount of the aggregate general State aid entitlement that  
4 was received by the district under Section 18-8 (exclusive of  
5 amounts received under subsections 5(p) and 5(p-5) of that  
6 Section) for the 1997-98 school year, pursuant to the  
7 provisions of that Section as it was then in effect. If a  
8 school district qualifies to receive a supplementary payment  
9 made under this subsection (J), the amount of the aggregate  
10 general State aid in combination with supplemental general  
11 State aid under this Section which that district is eligible to  
12 receive for each school year shall be no less than the amount  
13 of the aggregate general State aid entitlement that was  
14 received by the district under Section 18-8 (exclusive of  
15 amounts received under subsections 5(p) and 5(p-5) of that  
16 Section) for the 1997-1998 school year, pursuant to the  
17 provisions of that Section as it was then in effect.

18 (2) If, as provided in paragraph (1) of this subsection  
19 (J), a school district is to receive aggregate general State  
20 aid in combination with supplemental general State aid under  
21 this Section for the 1998-99 school year and any subsequent  
22 school year that in any such school year is less than the  
23 amount of the aggregate general State aid entitlement that the  
24 district received for the 1997-98 school year, the school  
25 district shall also receive, from a separate appropriation made  
26 for purposes of this subsection (J), a supplementary payment

1 that is equal to the amount of the difference in the aggregate  
2 State aid figures as described in paragraph (1).

3 (3) (Blank).

4 (K) Grants to Laboratory and Alternative Schools.

5 In calculating the amount to be paid to the governing board  
6 of a public university that operates a laboratory school under  
7 this Section or to any alternative school that is operated by a  
8 regional superintendent of schools, the State Board of  
9 Education shall require by rule such reporting requirements as  
10 it deems necessary.

11 As used in this Section, "laboratory school" means a public  
12 school which is created and operated by a public university and  
13 approved by the State Board of Education. The governing board  
14 of a public university which receives funds from the State  
15 Board under this subsection (K) may not increase the number of  
16 students enrolled in its laboratory school from a single  
17 district, if that district is already sending 50 or more  
18 students, except under a mutual agreement between the school  
19 board of a student's district of residence and the university  
20 which operates the laboratory school. A laboratory school may  
21 not have more than 1,000 students, excluding students with  
22 disabilities in a special education program.

23 As used in this Section, "alternative school" means a  
24 public school which is created and operated by a Regional  
25 Superintendent of Schools and approved by the State Board of

1 Education. Such alternative schools may offer courses of  
2 instruction for which credit is given in regular school  
3 programs, courses to prepare students for the high school  
4 equivalency testing program or vocational and occupational  
5 training. A regional superintendent of schools may contract  
6 with a school district or a public community college district  
7 to operate an alternative school. An alternative school serving  
8 more than one educational service region may be established by  
9 the regional superintendents of schools of the affected  
10 educational service regions. An alternative school serving  
11 more than one educational service region may be operated under  
12 such terms as the regional superintendents of schools of those  
13 educational service regions may agree.

14 Each laboratory and alternative school shall file, on forms  
15 provided by the State Superintendent of Education, an annual  
16 State aid claim which states the Average Daily Attendance of  
17 the school's students by month. The best 3 months' Average  
18 Daily Attendance shall be computed for each school. The general  
19 State aid entitlement shall be computed by multiplying the  
20 applicable Average Daily Attendance by the Foundation Level as  
21 determined under this Section.

22 (L) Payments, Additional Grants in Aid and Other Requirements.

23 (1) For a school district operating under the financial  
24 supervision of an Authority created under Article 34A, the  
25 general State aid otherwise payable to that district under this

1 Section, but not the supplemental general State aid, shall be  
2 reduced by an amount equal to the budget for the operations of  
3 the Authority as certified by the Authority to the State Board  
4 of Education, and an amount equal to such reduction shall be  
5 paid to the Authority created for such district for its  
6 operating expenses in the manner provided in Section 18-11. The  
7 remainder of general State school aid for any such district  
8 shall be paid in accordance with Article 34A when that Article  
9 provides for a disposition other than that provided by this  
10 Article.

11 (2) (Blank).

12 (3) Summer school. Summer school payments shall be made as  
13 provided in Section 18-4.3.

14 (M) Education Funding Advisory Board.

15 The Education Funding Advisory Board, hereinafter in this  
16 subsection (M) referred to as the "Board", is hereby created.  
17 The Board shall consist of 5 members who are appointed by the  
18 Governor, by and with the advice and consent of the Senate. The  
19 members appointed shall include representatives of education,  
20 business, and the general public. One of the members so  
21 appointed shall be designated by the Governor at the time the  
22 appointment is made as the chairperson of the Board. The  
23 initial members of the Board may be appointed any time after  
24 the effective date of this amendatory Act of 1997. The regular  
25 term of each member of the Board shall be for 4 years from the

1 third Monday of January of the year in which the term of the  
2 member's appointment is to commence, except that of the 5  
3 initial members appointed to serve on the Board, the member who  
4 is appointed as the chairperson shall serve for a term that  
5 commences on the date of his or her appointment and expires on  
6 the third Monday of January, 2002, and the remaining 4 members,  
7 by lots drawn at the first meeting of the Board that is held  
8 after all 5 members are appointed, shall determine 2 of their  
9 number to serve for terms that commence on the date of their  
10 respective appointments and expire on the third Monday of  
11 January, 2001, and 2 of their number to serve for terms that  
12 commence on the date of their respective appointments and  
13 expire on the third Monday of January, 2000. All members  
14 appointed to serve on the Board shall serve until their  
15 respective successors are appointed and confirmed. Vacancies  
16 shall be filled in the same manner as original appointments. If  
17 a vacancy in membership occurs at a time when the Senate is not  
18 in session, the Governor shall make a temporary appointment  
19 until the next meeting of the Senate, when he or she shall  
20 appoint, by and with the advice and consent of the Senate, a  
21 person to fill that membership for the unexpired term. If the  
22 Senate is not in session when the initial appointments are  
23 made, those appointments shall be made as in the case of  
24 vacancies.

25 The Education Funding Advisory Board shall be deemed  
26 established, and the initial members appointed by the Governor

1 to serve as members of the Board shall take office, on the date  
2 that the Governor makes his or her appointment of the fifth  
3 initial member of the Board, whether those initial members are  
4 then serving pursuant to appointment and confirmation or  
5 pursuant to temporary appointments that are made by the  
6 Governor as in the case of vacancies.

7 The State Board of Education shall provide such staff  
8 assistance to the Education Funding Advisory Board as is  
9 reasonably required for the proper performance by the Board of  
10 its responsibilities.

11 For school years after the 2000-2001 school year, the  
12 Education Funding Advisory Board, in consultation with the  
13 State Board of Education, shall make recommendations as  
14 provided in this subsection (M) to the General Assembly for the  
15 foundation level under subdivision (B)(3) of this Section and  
16 for the supplemental general State aid grant level under  
17 subsection (H) of this Section for districts with high  
18 concentrations of children from poverty. The recommended  
19 foundation level shall be determined based on a methodology  
20 which incorporates the basic education expenditures of  
21 low-spending schools exhibiting high academic performance. The  
22 Education Funding Advisory Board shall make such  
23 recommendations to the General Assembly on January 1 of odd  
24 numbered years, beginning January 1, 2001.

25 (N) (Blank).

1 (O) References.

2 (1) References in other laws to the various subdivisions of  
3 Section 18-8 as that Section existed before its repeal and  
4 replacement by this Section 18-8.05 shall be deemed to refer to  
5 the corresponding provisions of this Section 18-8.05, to the  
6 extent that those references remain applicable.

7 (2) References in other laws to State Chapter 1 funds shall  
8 be deemed to refer to the supplemental general State aid  
9 provided under subsection (H) of this Section.

10 (P) Public Act 93-838 and Public Act 93-808 make inconsistent  
11 changes to this Section. Under Section 6 of the Statute on  
12 Statutes there is an irreconcilable conflict between Public Act  
13 93-808 and Public Act 93-838. Public Act 93-838, being the last  
14 acted upon, is controlling. The text of Public Act 93-838 is  
15 the law regardless of the text of Public Act 93-808.

16 (Source: P.A. 95-331, eff. 8-21-07; 95-644, eff. 10-12-07;  
17 95-707, eff. 1-11-08; 95-744, eff. 7-18-08; 95-903, eff.  
18 8-25-08; 96-45, eff. 7-15-09; 96-152, eff. 8-7-09; 96-300, eff.  
19 8-11-09; 96-328, eff. 8-11-09; 96-640, eff. 8-24-09; 96-959,  
20 eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1480, eff. 11-18-10;  
21 revised 11-24-10.)

22 Section 99. Effective date. This Act takes effect January  
23 1, 2012."