



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

SB2511

Introduced 10/25/2011, by Sen. Chris Lauzen

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the State Comptroller Act. Creates a provision allowing the Comptroller to establish and conduct a training and certification program for Tax Increment Finance administrators. Sets forth requirements of the program. Amends the Property Tax Code. Requires the name and identification number of a redevelopment project area where the property is located and a State Internet website address with information on tax increment financing to be printed on specified bills. Amends the Illinois Municipal Code. Provides that on and after January 1, 2012, the State Comptroller must post on its website specified information. Sets forth requirements concerning filing reports, daily charges for delinquent reports, the completion date of a redevelopment project, uses of specified revenues, and approval of a redevelopment plan. Further provides that a municipality shall include, in specified statements, a detailed list of jobs created during the fiscal year. Amends the Industrial Jobs Recovery Law of the Illinois Municipal Code. Provides that a municipality must electronically submit financial statements for each redevelopment project area. Sets forth requirements concerning intergovernmental agreements. Requires the State Comptroller to post on its website the information submitted by a municipality concerning audit reports. Makes other changes. Amends the School Code. Provides that for certain school districts, the calculated local property tax revenues per pupil shall include any surplus received by the school district in the previous year from a special tax allocation fund, as provided by the Tax Increment Allocation Redevelopment Act or the Industrial Jobs Recovery Law. Effective January 1, 2012.

LRB097 14292 KMW 59062 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

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

4 Section 5. The 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.

17 (b) The Comptroller shall establish a curriculum, which  
18 must include, but is not limited to, State reporting  
19 requirements, State law and regulation concerning the use of  
20 prevailing wage in redevelopment project areas, and eligible  
21 redevelopment project costs.

22 Section 10. The Property Tax Code is amended by changing

1 Section 20-15 as follows:

2 (35 ILCS 200/20-15)

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

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

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

21 (c) the total tax rate,

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

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

1           (f) the name and identification number of the  
2           redevelopment project area where the property is located,  
3           if applicable, and

4           (g) a State Internet website address where taxpayers  
5           can access information about tax increment financing and  
6           redevelopment project areas.

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

10          In all counties the statement shall also provide:

11           (1) the property index number or other suitable  
12           description,

13           (2) the assessment of the property,

14           (3) the equalization factors imposed by the county and  
15           by the Department, and

16           (4) the equalized assessment resulting from the  
17           application of the equalization factors to the basic  
18           assessment.

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

1 statement to reflect the fair cash value determined for the  
2 property.

3 In all counties, the statement must include information  
4 that certain taxpayers may be eligible for tax exemptions,  
5 abatements, and other assistance programs and that, for more  
6 information, taxpayers should consult with the office of their  
7 township or county assessor and with the Illinois Department of  
8 Revenue.

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

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

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

23 Section 15. The Illinois Municipal Code is amended by  
24 changing Sections 8-8-3, 8-8-3.5, 11-74.4-3, 11-74.4-3.5,  
25 11-74.4-4, 11-74.4-5, 11-74.6-15, and 11-74.6-22 as follows:

1 (65 ILCS 5/8-8-3) (from Ch. 24, par. 8-8-3)

2 Sec. 8-8-3. Audit requirements.

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

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

1 filed hereunder shall satisfy the requirements of this section.

2 (c) Municipalities of less than 800 population which do not  
3 own or operate public utilities and do not have bonded debt,  
4 shall file annually with the Comptroller a financial report  
5 containing information required by the Comptroller. Such  
6 annual financial report shall be on forms devised by the  
7 Comptroller in such manner as to not require professional  
8 accounting services for its preparation.

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

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

1 Comptroller or to comply with the filing requirements  
2 concerning the county clerk.

3 (f) On and after January 1, 2012, the State Comptroller  
4 must post on the State Comptroller's official website the  
5 information submitted by a municipality pursuant to  
6 subsections (b) and (c) of this Section. The information must  
7 be posted no later than 45 days after the State Comptroller  
8 receives the information from the municipality. The State  
9 Comptroller must also post a list of municipalities that are  
10 not in compliance with the reporting requirements set forth in  
11 subsections (b) and (c) of this Section.

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

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

21 (65 ILCS 5/8-8-3.5)

22 Sec. 8-8-3.5. Tax Increment Financing Report. The reports  
23 filed under subsection (d) of Section 11-74.4-5 of the Tax  
24 Increment Allocation Redevelopment Act and the reports filed  
25 under subsection (d) of Section 11-74.6-22 of the Industrial



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

1 due, \$10 per day for 16 through 30 days past due, \$15 per day  
2 for 31 through 45 days past due, and \$20 per day for the 46th  
3 day and every day thereafter. All fees collected pursuant to  
4 this Section shall be deposited into the Comptroller's  
5 Administrative Fund.

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

7 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

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

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

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

21 (1) If improved, industrial, commercial, and  
22 residential buildings or improvements are detrimental to  
23 the public safety, health, or welfare because of a  
24 combination of 5 or more of the following factors, each of  
25 which is (i) present, with that presence documented, to a

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

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

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

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

26 (D) Presence of structures below minimum code

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

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

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

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

1 units within a building.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

20 (3) If vacant, the sound growth of the redevelopment  
21 project area is impaired by one of the following factors  
22 that (i) is 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) is reasonably distributed throughout  
26 the vacant part of the redevelopment project area to which

1           it pertains:

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

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

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

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

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

1 comprehensive plan adopted prior to January 1, 1982,  
2 and the area has not been developed for that designated  
3 purpose.

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

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

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

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

1 removed.

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

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

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

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

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

1 extent, or duration of the vacancies.

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

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

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

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

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

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

1 evidence of adverse or incompatible land-use  
2 relationships, inadequate street layout, improper  
3 subdivision, parcels of inadequate shape and size to meet  
4 contemporary development standards, or other evidence  
5 demonstrating an absence of effective community planning.

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

22 Municipalities that issue bonds in connection with the  
23 redevelopment project during the period from June 1, 1988 until  
24 3 years after the effective date of this Amendatory Act of 1988  
25 shall receive the Net State Utility Tax Increment, subject to  
26 appropriation, for 15 State Fiscal Years after the issuance of

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

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

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

25 (n) "Redevelopment plan" means the comprehensive program  
26 of the municipality for development or redevelopment intended



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

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

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

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

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

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

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

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

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

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

1 operation of the facilities to be developed; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 increment finance assistance under this Act;

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

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

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

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

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

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

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

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



1 increased costs under this paragraph (7.5):

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

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

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

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

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

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

1 referendum.

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

24 A library district is not eligible for any payment  
25 under this paragraph (7.7) unless the library district has  
26 experienced an increase in the number of patrons from the

1 municipality that created the tax-increment-financing  
2 district since the designation of the redevelopment  
3 project area.

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

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

24 (9) Payment in lieu of taxes;

25 (10) Costs of job training, retraining, advanced  
26 vocational education or career education, including but

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

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

26 (A) such costs are to be paid directly from the

1 special tax allocation fund established pursuant to  
2 this Act;

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

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

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

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

26 (F) Instead of the eligible costs provided by

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

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

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



1 is later.

2 (11.5) If the redevelopment project area is located  
3 within a municipality with a population of more than  
4 100,000, the cost of day care services for children of  
5 employees from low-income families working for businesses  
6 located within the redevelopment project area and all or a  
7 portion of the cost of operation of day care centers  
8 established by redevelopment project area businesses to  
9 serve employees from low-income families working in  
10 businesses located in the redevelopment project area. For  
11 the purposes of this paragraph, "low-income families"  
12 means families whose annual income does not exceed 80% of  
13 the municipal, county, or regional median income, adjusted  
14 for family size, as the annual income and municipal,  
15 county, or regional median income are determined from time  
16 to time by the United States Department of Housing and  
17 Urban Development.

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

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

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

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

1 agency of a Certified Local Government designated as such  
2 by the National Park Service of the United States  
3 Department of the Interior.

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

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

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

23 (s) "State Sales Tax Increment" means an amount equal to  
24 the increase in the aggregate amount of taxes paid by retailers  
25 and servicemen, other than retailers and servicemen subject to  
26 the Public Utilities Act, on transactions at places of business

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

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

1 shall have deducted therefrom the certified Initial Sales Tax  
2 Amounts, Adjusted Initial Sales Tax Amounts or the Revised  
3 Initial Sales Tax Amounts. Municipalities intending to receive  
4 a distribution of State Sales Tax Increment must report a list  
5 of retailers to the Department of Revenue by October 31, 1988  
6 and by July 31, of each year thereafter.

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

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

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

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

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

25 (x) "LEED certified" means any certification level of  
26 construction elements by a qualified Leadership in Energy and

1 Environmental Design Accredited Professional as determined by  
2 the U.S. Green Building Council.

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

6 (Source: P.A. 96-328, eff. 8-11-09; 96-630, eff. 1-1-10;  
7 96-680, eff. 8-25-09; 96-1000, eff. 7-2-10; 97-101, eff.  
8 1-1-12.)

9 (65 ILCS 5/11-74.4-3.5)

10 Sec. 11-74.4-3.5. Completion dates for redevelopment  
11 projects.

12 (a) Unless otherwise stated in this Section, the estimated  
13 dates of completion of the redevelopment project and retirement  
14 of obligations issued to finance redevelopment project costs  
15 (including refunding bonds under Section 11-74.4-7) may not be  
16 later than December 31 of the year in which the payment to the  
17 municipal treasurer, as provided in subsection (b) of Section  
18 11-74.4-8 of this Act, is to be made with respect to ad valorem  
19 taxes levied in the 23rd calendar year after the year in which  
20 the ordinance approving the redevelopment project area was  
21 adopted if the ordinance was adopted on or after January 15,  
22 1981.

23 (a-5) On and after January 1, 2012, the estimated date of  
24 completion of a redevelopment project and retirement of  
25 obligations issued to finance redevelopment project costs,



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

16 (b) The estimated dates of completion of the redevelopment  
17 project and retirement of obligations issued to finance  
18 redevelopment project costs (including refunding bonds under  
19 Section 11-74.4-7) may not be later than December 31 of the  
20 year in which the payment to the municipal treasurer as  
21 provided in subsection (b) of Section 11-74.4-8 of this Act is  
22 to be made with respect to ad valorem taxes levied in the 32nd  
23 calendar year after the year in which the ordinance approving  
24 the redevelopment project area was adopted, if the ordinance  
25 was adopted on September 9, 1999 by the Village of Downs.

26 The estimated dates of completion of the redevelopment

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

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

20 (c) 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 35th

1 calendar year after the year in which the ordinance approving  
2 the redevelopment project area was adopted:

3 (1) if the ordinance was adopted before January 15,  
4 1981;

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

7 (3) if the ordinance was adopted in December 1987 and  
8 the redevelopment project is located within one mile of  
9 Midway Airport;

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

12 (5) if the municipality is subject to the Local  
13 Government Financial Planning and Supervision Act or the  
14 Financially Distressed City Law;

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

17 (7) if the ordinance was adopted on December 31, 1986  
18 by a municipality located in Clinton County for which at  
19 least \$250,000 of tax increment bonds were authorized on  
20 June 17, 1997, or if the ordinance was adopted on December  
21 31, 1986 by a municipality with a population in 1990 of  
22 less than 3,600 that is located in a county with a  
23 population in 1990 of less than 34,000 and for which at  
24 least \$250,000 of tax increment bonds were authorized on  
25 June 17, 1997;

26 (8) if the ordinance was adopted on October 5, 1982 by

1 the City of Kankakee, or if the ordinance was adopted on  
2 December 29, 1986 by East St. Louis;

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

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

7 (11) if the ordinance was adopted before December 18,  
8 1986 by the City of Moline;

9 (12) if the ordinance was adopted in September 1988 by  
10 Sauk Village;

11 (13) if the ordinance was adopted in October 1993 by  
12 Sauk Village;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22          (31) if the ordinance was adopted on December 15, 1986  
23          by the City of Urbana;

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

26          (33) if the ordinance was adopted on February 24, 1992

1 by the Village of Heyworth;

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

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

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

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

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

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

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

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

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

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

22 (44) if the ordinance was adopted on July 28, 1987 by  
23 the City of Marion;

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

26 (46) if the ordinance was adopted on August 20, 1985 by

1 the Village of Mount Prospect;

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

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

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

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

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

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

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

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

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

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

22 (57) if the ordinance was adopted on April 1, 1985 by  
23 the City of Galesburg;

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

26 (59) if the ordinance was adopted on December 16, 1986

1 by the City of Oak Forest;

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

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

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

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

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

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

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

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

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

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

22 (70) if the ordinance was adopted on December 23, 1986  
23 by the Village of Libertyville;

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

26 (72) if the ordinance was adopted on September 17, 1986



1 by the Village of Sherman;

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

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

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

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

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

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

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

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

20 (81) if the ordinance was adopted on December 29, 1986  
21 by the City of Pontiac to create TIF II (the Interstate  
22 TIF);

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

26 (83) if the ordinance was adopted on November 4, 1998

1 by the City of Chicago to create the Roosevelt/Racine TIF  
2 District;

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

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

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

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

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

15 (89) if the ordinance was adopted on December 30, 1986  
16 by the Village of Bellevue to create the Bellevue TIF  
17 District 1;

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

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

22 (92) if the ordinance was adopted on April 23, 2001 by  
23 the Village of Crete;

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

26 (94) if the ordinance was adopted on December 20, 1986

1 by the City of Charleston; ~~or~~  
2 (95) ~~(94)~~ if the ordinance was adopted on June 6, 1989  
3 by the Village of Romeoville; ~~or~~  
4 (96) ~~(95)~~ if the ordinance was adopted on October 14,  
5 1993 and amended on August 2, 2010 by the City of Venice; ~~or~~  
6 (97) ~~(95)~~ if the ordinance was adopted on June 1, 1994  
7 by the City of Markham; ~~or~~  
8 (98) ~~(95)~~ if the ordinance was adopted on May 19, 1998  
9 by the Village of Bensenville; or ~~or~~  
10 (99) 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. 96-127, eff. 8-4-09; 96-182, eff. 8-10-09;  
7 96-208, eff. 8-10-09; 96-209, eff. 1-1-10; 96-213, eff.  
8 8-10-09; 96-264, eff. 8-11-09; 96-328, eff. 8-11-09; 96-439,  
9 eff. 8-14-09; 96-454, eff. 8-14-09; 96-722, eff. 8-25-09;  
10 96-773, eff. 8-28-09; 96-830, eff. 12-4-09; 96-837, eff.  
11 12-16-09; 96-1000, eff. 7-2-10; 96-1359, eff. 7-28-10;  
12 96-1494, eff. 12-30-10; 96-1514, eff. 2-4-11; 96-1552, eff.  
13 3-10-11; 97-93, eff. 1-1-12; 97-372, eff. 8-15-11; 97-600, eff.  
14 8-26-11; revised 9-28-11.)

15 (65 ILCS 5/11-74.4-4) (from Ch. 24, par. 11-74.4-4)

16 Sec. 11-74.4-4. Municipal powers and duties; redevelopment  
17 project areas. The changes made by this amendatory Act of the  
18 91st General Assembly do not apply to a municipality that, (i)  
19 before the effective date of this amendatory Act of the 91st  
20 General Assembly, has adopted an ordinance or resolution fixing  
21 a time and place for a public hearing under Section 11-74.4-5  
22 or (ii) before July 1, 1999, has adopted an ordinance or  
23 resolution providing for a feasibility study under Section  
24 11-74.4-4.1, but has not yet adopted an ordinance approving  
25 redevelopment plans and redevelopment projects or designating

1 redevelopment project areas under this Section, until after  
2 that municipality adopts an ordinance approving redevelopment  
3 plans and redevelopment projects or designating redevelopment  
4 project areas under this Section; thereafter the changes made  
5 by this amendatory Act of the 91st General Assembly apply to  
6 the same extent that they apply to redevelopment plans and  
7 redevelopment projects that were approved and redevelopment  
8 projects that were designated before the effective date of this  
9 amendatory Act of the 91st General Assembly.

10 A municipality may:

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

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

21 (b) Make and enter into all contracts with property owners,  
22 developers, tenants, overlapping taxing bodies, and others  
23 necessary or incidental to the implementation and furtherance  
24 of its redevelopment plan and project. Contract provisions  
25 concerning loan repayment obligations in contracts entered  
26 into on or after the effective date of this amendatory Act of

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

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



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

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

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

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

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

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

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

25 (j) Incur project redevelopment costs and reimburse  
26 developers who incur redevelopment project costs authorized by

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

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

1 redevelopment plans, redevelopment projects and designation of  
2 redevelopment project areas.

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

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

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

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

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

19 (o) Create a Tax Increment Economic Development Advisory  
20 Committee to be appointed by the Mayor or President of the  
21 municipality with the consent of the majority of the governing  
22 board of the municipality, the members of which Committee shall  
23 be appointed for initial terms of 1, 2, 3, 4 and 5 years  
24 respectively, in such numbers as to provide that the terms of  
25 not more than 1/3 of all such members shall expire in any one  
26 year. Their successors shall be appointed for a term of 5

1 years. The Committee shall have none of the powers enumerated  
2 in this Section. The Committee shall serve in an advisory  
3 capacity only. The Committee may advise the governing Board of  
4 the municipality and other municipal officials regarding  
5 development issues and opportunities within the redevelopment  
6 project area or the area within the State Sales Tax Boundary.  
7 The Committee may also promote and publicize development  
8 opportunities in the redevelopment project area or the area  
9 within the State Sales Tax Boundary.

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

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

25 (i) contiguous to the redevelopment project area from  
26 which the revenues are received;

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

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

9       Utilize tax increment revenues for eligible costs that are  
10      received from a redevelopment project area created under the  
11      Industrial Jobs Recovery Law that is either contiguous to, or  
12      is separated only by a public right of way from, the  
13      redevelopment project area created under this Act which  
14      initially receives these revenues. Utilize revenues, other  
15      than State sales tax increment revenues, by transferring or  
16      loaning such revenues to a redevelopment project area created  
17      under the Industrial Jobs Recovery Law that is either  
18      contiguous to, or separated only by a public right of way from  
19      the redevelopment project area that initially produced and  
20      received those revenues; and, if the redevelopment project area  
21      (i) was established before the effective date of this  
22      amendatory Act of the 91st General Assembly and (ii) is located  
23      within a municipality with a population of more than 100,000,  
24      utilize revenues or proceeds of obligations authorized by  
25      Section 11-74.4-7 of this Act, other than use or occupation tax  
26      revenues, to pay for any redevelopment project costs as defined

1 by subsection (q) of Section 11-74.4-3 to the extent that the  
2 redevelopment project costs involve public property that is  
3 either contiguous to, or separated only by a public right of  
4 way from, a redevelopment project area whether or not  
5 redevelopment project costs or the source of payment for the  
6 costs are specifically set forth in the redevelopment plan for  
7 the redevelopment project area.

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

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



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

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

21 (s) Notwithstanding any provision of this Section to the  
22 contrary, the owner or party responsible for the payment of  
23 real estate taxes upon property located within a redevelopment  
24 project area shall retain the right to contest or object in  
25 good faith to the proposed property tax assessment upon that  
26 property in any given year during the term of the redevelopment

1 project area agreement.

2 (Source: P.A. 96-1555, eff. 3-18-11; 97-333, eff. 8-12-11.)

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

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

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

24 Prior to the adoption of an ordinance proposing the  
25 designation of a redevelopment project area, or approving a

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

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

1 Section 11-74.4-4.2.

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

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

21 (b) Prior to holding a public hearing to approve or amend a  
22 redevelopment plan or to designate or add additional parcels of  
23 property to a redevelopment project area, the municipality  
24 shall convene a joint review board. The board shall consist of  
25 a representative selected by each community college district,  
26 local elementary school district and high school district or

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

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

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

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

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



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

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

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

1 requirements, the eligibility criteria defined in Section  
2 11-74.4-3, and the objectives of this Act.

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

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

18 Notwithstanding the resubmission set forth above, the  
19 municipality may commence the scheduled public hearing and  
20 either adjourn the public hearing or continue the public  
21 hearing until a date certain. Prior to continuing any public  
22 hearing to a date certain, the municipality shall announce  
23 during the public hearing the time, date, and location for the  
24 reconvening of the public hearing. Any changes to the  
25 redevelopment plan necessary to satisfy the issues set forth in  
26 the joint review board report shall be the subject of a public

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

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

26 On and after January 1, 2012, in the event that a

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

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

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

1 occur not later than 10 days following the adoption by  
2 ordinance of such changes.

3 (d) After the effective date of this amendatory Act of the  
4 91st General Assembly, a municipality shall submit in an  
5 electronic format the following information for each  
6 redevelopment project area (i) to the State Comptroller under  
7 Section 8-8-3.5 of the Illinois Municipal Code and (ii) to all  
8 taxing districts overlapping the redevelopment project area no  
9 later than 180 days after the close of each municipal fiscal  
10 year or as soon thereafter as the audited financial statements  
11 become available and, in any case, shall be submitted before  
12 the annual meeting of the Joint Review Board to each of the  
13 taxing districts that overlap the redevelopment project area:

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

17 (1.5) A list of the redevelopment project areas  
18 administered by the municipality and, if applicable, the  
19 date each redevelopment project area was designated or  
20 terminated by the municipality.

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

24 (3) Certification of the Chief Executive Officer of the  
25 municipality that the municipality has complied with all of  
26 the requirements of this Act during the preceding fiscal

1 year.

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

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

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

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

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

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

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

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

14                   (A) Street address.

15                   (B) Approximate size or description of property.

16                   (C) Purchase price.

17                   (D) Seller of property.

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

21                   (A) Any project implemented in the preceding  
22          fiscal year.

23                   (B) A description of the redevelopment activities  
24          undertaken.

25                   (C) A description of any agreements entered into by  
26          the municipality with regard to the disposition or



1 redevelopment of any property within the redevelopment  
2 project area or the area within the State Sales Tax  
3 Boundary.

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

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

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

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

1           redevelopment project.

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

4                   (A) copies of any official statements; and

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

9           (9) For special tax allocation funds that have  
10           experienced cumulative deposits of incremental tax  
11           revenues of \$100,000 or more, a certified audit report  
12           reviewing compliance with this Act performed by an  
13           independent public accountant certified and licensed by  
14           the authority of the State of Illinois. The financial  
15           portion of the audit must be conducted in accordance with  
16           Standards for Audits of Governmental Organizations,  
17           Programs, Activities, and Functions adopted by the  
18           Comptroller General of the United States (1981), as  
19           amended, or the standards specified by Section 8-8-5 of the  
20           Illinois Municipal Auditing Law of the Illinois Municipal  
21           Code. The audit report shall contain a letter from the  
22           independent certified public accountant indicating  
23           compliance or noncompliance with the requirements of  
24           subsection (q) of Section 11-74.4-3. For redevelopment  
25           plans or projects that would result in the displacement of  
26           residents from 10 or more inhabited residential units or

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

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

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

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

26 (1) Any amendments to the redevelopment plan, the

1 redevelopment project area, or the State Sales Tax  
2 Boundary; and

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

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

13 (f) (Blank).

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

23 (h) On and after the effective date of this amendatory Act  
24 of the 96th General Assembly, the State Comptroller must post  
25 on the State Comptroller's official website the information  
26 submitted by a municipality pursuant to subsection (d) of this

1 Section. The information must be posted no later than 45 days  
2 after the State Comptroller receives the information from the  
3 municipality. The State Comptroller must also post a list of  
4 the municipalities not in compliance with the reporting  
5 requirements set forth in subsection (d) of this Section.

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

25 (j) Beginning in fiscal year 2011 and in each fiscal year  
26 thereafter, a municipality must detail in its annual budget (i)

1 the revenues generated from redevelopment project areas by  
2 source and (ii) the expenditures made by the municipality for  
3 redevelopment project areas.

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

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

18 (65 ILCS 5/11-74.6-15)

19 Sec. 11-74.6-15. Municipal Powers and Duties. A  
20 municipality may:

21 (a) By ordinance introduced in the governing body of the  
22 municipality within 14 to 90 days from the final adjournment of  
23 the hearing specified in Section 11-74.6-22, approve  
24 redevelopment plans and redevelopment projects, and designate  
25 redevelopment planning areas and redevelopment project areas

1 pursuant to notice and hearing required by this Act. No  
2 redevelopment planning area or redevelopment project area  
3 shall be designated unless a plan and project are approved  
4 before the designation of the area and the area shall include  
5 only those parcels of real property and improvements on those  
6 parcels substantially benefited by the proposed redevelopment  
7 project improvements. Upon adoption of the ordinances, the  
8 municipality shall forthwith transmit to the Department of  
9 Commerce and Economic Opportunity, the State Comptroller, and  
10 the county clerk of the county or counties within which the  
11 redevelopment project area is located a certified copy of the  
12 ordinances, a legal description of the redevelopment project  
13 area, a map of the redevelopment project area, identification  
14 of the year that the county clerk shall use for determining the  
15 total initial equalized assessed value of the redevelopment  
16 project area consistent with subsection (a) of Section  
17 11-74.6-40, and a list of the parcel or tax identification  
18 number of each parcel of property included in the redevelopment  
19 project area. On or after January 1, 2012, the State  
20 Comptroller must post this documentation on the State  
21 Comptroller's official website. This information must be  
22 posted no later than 45 days after the State Comptroller  
23 receives it from the municipality. Notwithstanding any other  
24 provision of law, in a municipality with a population exceeding  
25 25,000 inhabitants, no redevelopment project area may be  
26 designated on or after January 1, 2012 if, as of the effective

1 date of the designation, the equalized assessed value of all  
2 property in the redevelopment project area plus the total  
3 current equalized assessed value of all property located in the  
4 municipality and subject to tax increment financing under this  
5 Division exceeds 35% of the total equalized assessed value of  
6 all property located in the municipality.

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

10 (c) Within a redevelopment project area, acquire by  
11 purchase, donation, lease or eminent domain; own, convey,  
12 lease, mortgage or dispose of land and other property, real or  
13 personal, or rights or interests therein, and grant or acquire  
14 licenses, easements and options with respect to that property,  
15 all in the manner and at a price that the municipality  
16 determines is reasonably necessary to achieve the objectives of  
17 the redevelopment plan and project. No conveyance, lease,  
18 mortgage, disposition of land or other property owned by a  
19 municipality, or agreement relating to the development of the  
20 municipal property shall be made or executed except pursuant to  
21 prior official action of the corporate authorities of the  
22 municipality. No conveyance, lease, mortgage, or other  
23 disposition of land owned by a municipality, and no agreement  
24 relating to the development of the municipal property, shall be  
25 made without making public disclosure of the terms and the  
26 disposition of all bids and proposals submitted to the



1 municipality in connection therewith. The procedures for  
2 obtaining the bids and proposals shall provide reasonable  
3 opportunity for any person to submit alternative proposals or  
4 bids.

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

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

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

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

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

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

24 (j) Acquire and construct public facilities within a  
25 redevelopment project area, as permitted under this Law.

26 (k) Incur, pay or cause to be paid redevelopment project

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

23 (1) Create a commission of not less than 5 or more than 15  
24 persons to be appointed by the mayor or president of the  
25 municipality with the consent of the majority of the governing  
26 board of the municipality. Members of a commission appointed

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

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

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

21 (o) In conjunction with other municipalities, undertake  
22 and perform redevelopment plans and projects and utilize the  
23 provisions of the Act wherever they have contiguous  
24 redevelopment project areas or they determine to adopt tax  
25 increment allocation financing with respect to a redevelopment  
26 project area that includes contiguous real property within the

1 boundaries of the municipalities, and, by agreement between  
2 participating municipalities, to issue obligations, separately  
3 or jointly, and expend revenues received under this Act for  
4 eligible expenses anywhere within contiguous redevelopment  
5 project areas or as otherwise permitted in the Act. Two or more  
6 municipalities may designate a joint redevelopment project  
7 area under this subsection (o) for a single Industrial Park  
8 Conservation Area comprising of property within or near the  
9 boundaries of each municipality if: (i) both municipalities are  
10 located within the same Metropolitan Statistical Area, as  
11 defined by the United States Office of Management and Budget,  
12 (ii) the 4-year average unemployment rate for that Metropolitan  
13 Statistical Area was at least 11.3%, and (iii) at least one  
14 participating municipality demonstrates that it has made  
15 commitments to acquire capital assets to commence the project  
16 and that the acquisition will occur on or before December 31,  
17 2011. The joint redevelopment project area must encompass an  
18 interstate highway exchange for access and be located, in part,  
19 adjacent to a landfill or other solid waste disposal facility.

20 (p) Create an Industrial Jobs Recovery Advisory Committee  
21 of not more than 15 members to be appointed by the mayor or  
22 president of the municipality with the consent of the majority  
23 of the governing board of the municipality. The members of that  
24 Committee shall be appointed for initial terms of 1, 2, and 3  
25 years respectively, in numbers so that the terms of not more  
26 than 1/3 of all members expire in any one year. Their

1 successors shall be appointed for a term of 3 years. The  
2 Committee shall have none of the powers enumerated in this  
3 Section. The Committee shall serve in an advisory capacity  
4 only. The Committee may advise the governing board of the  
5 municipality and other municipal officials regarding  
6 development issues and opportunities within the redevelopment  
7 project area. The Committee may also promote and publicize  
8 development opportunities in the redevelopment project area.

9 (q) If a redevelopment project has not been initiated in a  
10 redevelopment project area within 5 years after the area was  
11 designated by ordinance under subsection (a), the municipality  
12 shall adopt an ordinance repealing the area's designation as a  
13 redevelopment project area. Initiation of a redevelopment  
14 project shall be evidenced by either a signed redevelopment  
15 agreement or expenditures on eligible redevelopment project  
16 costs associated with a redevelopment project.

17 (r) Within a redevelopment planning area, transfer or loan  
18 tax increment revenues from one redevelopment project area to  
19 another redevelopment project area for expenditure on eligible  
20 costs in the receiving area.

21 (s) Use tax increment revenue produced in a redevelopment  
22 project area created under this Law by transferring or loaning  
23 such revenues to a redevelopment project area created under the  
24 Tax Increment Allocation Redevelopment Act that is either  
25 contiguous to, or separated only by a public right of way from,  
26 the redevelopment project area that initially produced and

1 received those revenues. On and after January 1, 2012, revenues  
2 used pursuant to this subsection shall be used only for the  
3 mutual benefit of the redevelopment project area that the  
4 revenues were received from and the redevelopment project area  
5 to which the revenues were sent. A redevelopment project area  
6 that uses revenues pursuant to this subsection for  
7 reimbursement of private developer costs may not transfer  
8 revenues to another redevelopment project area before repaying  
9 the redevelopment project area from which the revenues were  
10 received. Notwithstanding the above, in a municipality with a  
11 population of less than 25,000 inhabitants, public costs as  
12 defined in paragraph (4) of subsection (a) of Section 11-74.4-3  
13 shall not be subject to this transfer prohibition.

14 (Source: P.A. 97-591, eff. 8-26-11.)

15 (65 ILCS 5/11-74.6-22)

16 Sec. 11-74.6-22. Adoption of ordinance; requirements;  
17 changes.

18 (a) Before adoption of an ordinance proposing the  
19 designation of a redevelopment planning area or a redevelopment  
20 project area, or both, or approving a redevelopment plan or  
21 redevelopment project, the municipality or commission  
22 designated pursuant to subsection (1) of Section 11-74.6-15  
23 shall fix by ordinance or resolution a time and place for  
24 public hearing. Prior to the adoption of the ordinance or  
25 resolution establishing the time and place for the public

1 hearing, the municipality shall make available for public  
2 inspection a redevelopment plan or a report that provides in  
3 sufficient detail, the basis for the eligibility of the  
4 redevelopment project area. The report along with the name of a  
5 person to contact for further information shall be sent to the  
6 affected taxing district by certified mail within a reasonable  
7 time following the adoption of the ordinance or resolution  
8 establishing the time and place for the public hearing.

9 At the public hearing any interested person or affected  
10 taxing district may file with the municipal clerk written  
11 objections to the ordinance and may be heard orally on any  
12 issues that are the subject of the hearing. The municipality  
13 shall hear and determine all alternate proposals or bids for  
14 any proposed conveyance, lease, mortgage or other disposition  
15 of land and all protests and objections at the hearing and the  
16 hearing may be adjourned to another date without further notice  
17 other than a motion to be entered upon the minutes fixing the  
18 time and place of the later hearing. At the public hearing or  
19 at any time prior to the adoption by the municipality of an  
20 ordinance approving a redevelopment plan, the municipality may  
21 make changes in the redevelopment plan. Changes which (1) add  
22 additional parcels of property to the proposed redevelopment  
23 project area, other than parcels to be removed from a  
24 redevelopment project area for the purpose of inclusion in  
25 another redevelopment project area, (2) substantially affect  
26 the general land uses proposed in the redevelopment plan, or

1 (3) substantially change the nature of or extend the life of  
2 the redevelopment project shall be made only after the  
3 municipality gives notice, convenes a joint review board, and  
4 conducts a public hearing pursuant to the procedures set forth  
5 in this Section and in Section 11-74.6-25. Changes which do not  
6 (1) add additional parcels of property to the proposed  
7 redevelopment project area, other than parcels to be removed  
8 from a redevelopment project area for the purpose of inclusion  
9 in another redevelopment project area, (2) substantially  
10 affect the general land uses proposed in the redevelopment  
11 plan, or (3) substantially change the nature of or extend the  
12 life of the redevelopment project may be made without further  
13 hearing, provided that the municipality shall give notice of  
14 any such changes by mail to each affected taxing district and  
15 by publication once in a newspaper of general circulation  
16 within the affected taxing district. Such notice by mail and by  
17 publication shall each occur not later than 10 days following  
18 the adoption by ordinance of such changes.

19 (b) Before adoption of an ordinance proposing the  
20 designation of a redevelopment planning area or a redevelopment  
21 project area, or both, or amending the boundaries of an  
22 existing redevelopment project area or redevelopment planning  
23 area, or both, the municipality shall convene a joint review  
24 board to consider the proposal. The board shall consist of a  
25 representative selected by each taxing district that has  
26 authority to levy real property taxes on the property within



1 the proposed redevelopment project area and that has at least  
2 5% of its total equalized assessed value located within the  
3 proposed redevelopment project area, a representative selected  
4 by the municipality and a public member. The public member and  
5 the board's chairperson shall be selected by a majority of  
6 other board members.

7 All board members shall be appointed and the first board  
8 meeting held within 14 days following the notice by the  
9 municipality to all the taxing districts as required by  
10 subsection (c) of Section 11-74.6-25. The notice shall also  
11 advise the taxing bodies represented on the joint review board  
12 of the time and place of the first meeting of the board.  
13 Additional meetings of the board shall be held upon the call of  
14 any 2 members. The municipality seeking designation of the  
15 redevelopment project area may provide administrative support  
16 to the board.

17 The board shall review the public record, planning  
18 documents and proposed ordinances approving the redevelopment  
19 plan and project to be adopted by the municipality. As part of  
20 its deliberations, the board may hold additional hearings on  
21 the proposal. A board's recommendation, if any, shall be a  
22 written recommendation adopted by a majority vote of the board  
23 and submitted to the municipality within 30 days after the  
24 board convenes. A board's recommendation shall be binding upon  
25 the municipality. Failure of the board to submit its  
26 recommendation on a timely basis shall not be cause to delay

1 the public hearing or the process of establishing or amending  
2 the redevelopment project area. The board's recommendation on  
3 the proposal shall be based upon the area satisfying the  
4 applicable eligibility criteria defined in Section 11-74.6-10  
5 and whether there is a basis for the municipal findings set  
6 forth in the redevelopment plan as required by this Act. If the  
7 board does not file a recommendation it shall be presumed that  
8 the board has found that the redevelopment project area  
9 satisfies the eligibility criteria.

10 (c) After a municipality has by ordinance approved a  
11 redevelopment plan and designated a redevelopment planning  
12 area or a redevelopment project area, or both, the plan may be  
13 amended and additional properties may be added to the  
14 redevelopment project area only as herein provided. Amendments  
15 which (1) add additional parcels of property to the proposed  
16 redevelopment project area, (2) substantially affect the  
17 general land uses proposed in the redevelopment plan, (3)  
18 substantially change the nature of the redevelopment project,  
19 (4) increase the total estimated redevelopment project costs  
20 set out in the redevelopment plan by more than 5% after  
21 adjustment for inflation from the date the plan was adopted, or  
22 (5) add additional redevelopment project costs to the itemized  
23 list of redevelopment project costs set out in the  
24 redevelopment plan shall be made only after the municipality  
25 gives notice, convenes a joint review board, and conducts a  
26 public hearing pursuant to the procedures set forth in this

1 Section and in Section 11-74.6-25. Changes which do not (1) add  
2 additional parcels of property to the proposed redevelopment  
3 project area, (2) substantially affect the general land uses  
4 proposed in the redevelopment plan, (3) substantially change  
5 the nature of the redevelopment project, (4) increase the total  
6 estimated redevelopment project cost set out in the  
7 redevelopment plan by more than 5% after adjustment for  
8 inflation from the date the plan was adopted, or (5) add  
9 additional redevelopment project costs to the itemized list of  
10 redevelopment project costs set out in the redevelopment plan  
11 may be made without further hearing, provided that the  
12 municipality shall give notice of any such changes by mail to  
13 each affected taxing district and by publication once in a  
14 newspaper of general circulation within the affected taxing  
15 district. Such notice by mail and by publication shall each  
16 occur not later than 10 days following the adoption by  
17 ordinance of such changes.

18 (d) After the effective date of this amendatory Act of the  
19 91st General Assembly, a municipality shall submit in an  
20 electronic format the following information for each  
21 redevelopment project area (i) to the State Comptroller under  
22 Section 8-8-3.5 of the Illinois Municipal Code and (ii) to all  
23 taxing districts overlapping the redevelopment project area no  
24 later than 180 days after the close of each municipal fiscal  
25 year or as soon thereafter as the audited financial statements  
26 become available and, in any case, shall be submitted before

1 the annual meeting of the joint review board to each of the  
2 taxing districts that overlap the redevelopment project area:

3 (1) Any amendments to the redevelopment plan, or the  
4 redevelopment project area.

5 (1.5) A list of the redevelopment project areas  
6 administered by the municipality and, if applicable, the  
7 date each redevelopment project area was designated or  
8 terminated by the municipality.

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

12 (3) Certification of the Chief Executive Officer of the  
13 municipality that the municipality has complied with all of  
14 the requirements of this Act during the preceding fiscal  
15 year.

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

18 (5) An analysis of the special tax allocation fund  
19 which sets forth:

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

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

25 (C) an itemized list of all expenditures from the  
26 special tax allocation fund by category of permissible

1 redevelopment project cost, including any amounts  
2 transferred to another redevelopment project area; and

3 (D) the balance in the special tax allocation fund  
4 at the end of the fiscal year including a breakdown of  
5 that balance by source and a breakdown of that balance  
6 identifying any portion of the balance that is  
7 required, pledged, earmarked, or otherwise designated  
8 for payment of or securing of obligations and  
9 anticipated redevelopment project costs. Any portion  
10 of such ending balance that has not been identified or  
11 is not identified as being required, pledged,  
12 earmarked, or otherwise designated for payment of or  
13 securing of obligations or anticipated redevelopment  
14 project costs shall be designated as surplus as set  
15 forth in Section 11-74.6-30 hereof. Beginning on  
16 January 1, 2012, all accumulated tax incremental  
17 revenues that have not been designated for use for a  
18 specific development project or other specified  
19 anticipated use shall be designated as surplus.  
20 Beginning on January 1, 2012, all accumulated tax  
21 incremental revenues that have been designated for use  
22 for a specific development project or other specified  
23 use but that have not been used for that project or use  
24 shall be designated as surplus after 10 years.

25 (6) A description of all property purchased by the  
26 municipality within the redevelopment project area

1 including:

2 (A) Street address.

3 (B) Approximate size or description of property.

4 (C) Purchase price.

5 (D) Seller of property.

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

9 (A) Any project implemented in the preceding  
10 fiscal year.

11 (B) A description of the redevelopment activities  
12 undertaken.

13 (C) A description of any agreements entered into by  
14 the municipality with regard to the disposition or  
15 redevelopment of any property within the redevelopment  
16 project area.

17 (D) Additional information on the use of all funds  
18 received under this Division and steps taken by the  
19 municipality to achieve the objectives of the  
20 redevelopment plan.

21 (E) Information regarding contracts that the  
22 municipality's tax increment advisors or consultants  
23 have entered into with entities or persons that have  
24 received, or are receiving, payments financed by tax  
25 increment revenues produced by the same redevelopment  
26 project area.

1 (F) Any reports submitted to the municipality by  
2 the joint review board.

3 (G) A review of public and, to the extent possible,  
4 private investment actually undertaken to date after  
5 the effective date of this amendatory Act of the 91st  
6 General Assembly and estimated to be undertaken during  
7 the following year. This review shall, on a  
8 project-by-project basis, set forth the estimated  
9 amounts of public and private investment incurred  
10 after the effective date of this amendatory Act of the  
11 91st General Assembly and provide the ratio of private  
12 investment to public investment to the date of the  
13 report and as estimated to the completion of the  
14 redevelopment project.

15 (8) With regard to any obligations issued by the  
16 municipality:

17 (A) copies of any official statements; and

18 (B) an analysis prepared by financial advisor or  
19 underwriter setting forth: (i) nature and term of  
20 obligation; and (ii) projected debt service including  
21 required reserves and debt coverage.

22 (9) For special tax allocation funds that have received  
23 cumulative deposits of incremental tax revenues of  
24 \$100,000 or more, a certified audit report reviewing  
25 compliance with this Act performed by an independent public  
26 accountant certified and licensed by the authority of the

1 State of Illinois. The financial portion of the audit must  
2 be conducted in accordance with Standards for Audits of  
3 Governmental Organizations, Programs, Activities, and  
4 Functions adopted by the Comptroller General of the United  
5 States (1981), as amended, or the standards specified by  
6 Section 8-8-5 of the Illinois Municipal Auditing Law of the  
7 Illinois Municipal Code. The audit report shall contain a  
8 letter from the independent certified public accountant  
9 indicating compliance or noncompliance with the  
10 requirements of subsection (o) of Section 11-74.6-10.

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

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

23 (e) The joint review board shall meet annually 180 days  
24 after the close of the municipal fiscal year or as soon as the  
25 redevelopment project audit for that fiscal year becomes  
26 available to review the effectiveness and status of the



1 redevelopment project area up to that date.

2 (f) On and after January 1, 2012, the State Comptroller  
3 must post on the State Comptroller's official website the  
4 information submitted by a municipality pursuant to subsection  
5 (d) of this Section. The information must be posted no later  
6 than 45 days after the State Comptroller receives the  
7 information from the municipality. The State Comptroller must  
8 also post a list of the municipalities not in compliance with  
9 the reporting requirements set forth in subsection (d) of this  
10 Section.

11 (g) The State Comptroller may charge a municipality an  
12 annual fee for the Comptroller's costs related to the  
13 requirements of this Act. The aggregate total of fees charged  
14 to any municipality in any year under this subsection shall not  
15 exceed \$5,000 for a municipality with a population in excess of  
16 2,000,000 inhabitants, \$1,000 for a municipality with a  
17 population in excess of 100,000 inhabitants but not more than  
18 2,000,000 inhabitants, \$500 for a municipality with a  
19 population in excess of 50,000 inhabitants but not more than  
20 100,000 inhabitants, and \$250 for a municipality with a  
21 population of not more than 50,000 inhabitants. All fees  
22 collected under this subsection shall be deposited into the  
23 Comptroller's Administrative Fund.

24 (Source: P.A. 97-146, eff. 1-1-12.)

25 Section 20. The School Code is amended by changing Section

1 18-8.05 as follows:

2 (105 ILCS 5/18-8.05)

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

6 (A) General Provisions.

7 (1) The provisions of this Section apply to the 1998-1999  
8 and subsequent school years. The system of general State  
9 financial aid provided for in this Section is designed to  
10 assure that, through a combination of State financial aid and  
11 required local resources, the financial support provided each  
12 pupil in Average Daily Attendance equals or exceeds a  
13 prescribed per pupil Foundation Level. This formula approach  
14 imputes a level of per pupil Available Local Resources and  
15 provides for the basis to calculate a per pupil level of  
16 general State financial aid that, when added to Available Local  
17 Resources, equals or exceeds the Foundation Level. The amount  
18 of per pupil general State financial aid for school districts,  
19 in general, varies in inverse relation to Available Local  
20 Resources. Per pupil amounts are based upon each school  
21 district's Average Daily Attendance as that term is defined in  
22 this Section.

23 (2) In addition to general State financial aid, school  
24 districts with specified levels or concentrations of pupils

1 from low income households are eligible to receive supplemental  
2 general State financial aid grants as provided pursuant to  
3 subsection (H). The supplemental State aid grants provided for  
4 school districts under subsection (H) shall be appropriated for  
5 distribution to school districts as part of the same line item  
6 in which the general State financial aid of school districts is  
7 appropriated under this Section.

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

11 (a) Any school district which fails for any given  
12 school year to maintain school as required by law, or to  
13 maintain a recognized school is not eligible to file for  
14 such school year any claim upon the Common School Fund. In  
15 case of nonrecognition of one or more attendance centers in  
16 a school district otherwise operating recognized schools,  
17 the claim of the district shall be reduced in the  
18 proportion which the Average Daily Attendance in the  
19 attendance center or centers bear to the Average Daily  
20 Attendance in the school district. A "recognized school"  
21 means any public school which meets the standards as  
22 established for recognition by the State Board of  
23 Education. A school district or attendance center not  
24 having recognition status at the end of a school term is  
25 entitled to receive State aid payments due upon a legal  
26 claim which was filed while it was recognized.

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

4           (c) If a school district operates a full year school  
5           under Section 10-19.1, the general State aid to the school  
6           district shall be determined by the State Board of  
7           Education in accordance with this Section as near as may be  
8           applicable.

9           (d) (Blank).

10          (4) Except as provided in subsections (H) and (L), the  
11          board of any district receiving any of the grants provided for  
12          in this Section may apply those funds to any fund so received  
13          for which that board is authorized to make expenditures by law.

14          School districts are not required to exert a minimum  
15          Operating Tax Rate in order to qualify for assistance under  
16          this Section.

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

19               (a) "Average Daily Attendance": A count of pupil  
20               attendance in school, averaged as provided for in  
21               subsection (C) and utilized in deriving per pupil financial  
22               support levels.

23               (b) "Available Local Resources": A computation of  
24               local financial support, calculated on the basis of Average  
25               Daily Attendance and derived as provided pursuant to  
26               subsection (D).

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

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

10          (e) "Operating Tax Rate": All school district property  
11          taxes extended for all purposes, except Bond and Interest,  
12          Summer School, Rent, Capital Improvement, and Vocational  
13          Education Building purposes.

14          (B) Foundation Level.

15           (1) The Foundation Level is a figure established by the  
16           State representing the minimum level of per pupil financial  
17           support that should be available to provide for the basic  
18           education of each pupil in Average Daily Attendance. As set  
19           forth in this Section, each school district is assumed to exert  
20           a sufficient local taxing effort such that, in combination with  
21           the aggregate of general State financial aid provided the  
22           district, an aggregate of State and local resources are  
23           available to meet the basic education needs of pupils in the  
24           district.

25           (2) For the 1998-1999 school year, the Foundation Level of

1 support is \$4,225. For the 1999-2000 school year, the  
2 Foundation Level of support is \$4,325. For the 2000-2001 school  
3 year, the Foundation Level of support is \$4,425. For the  
4 2001-2002 school year and 2002-2003 school year, the Foundation  
5 Level of support is \$4,560. For the 2003-2004 school year, the  
6 Foundation Level of support is \$4,810. For the 2004-2005 school  
7 year, the Foundation Level of support is \$4,964. For the  
8 2005-2006 school year, the Foundation Level of support is  
9 \$5,164. For the 2006-2007 school year, the Foundation Level of  
10 support is \$5,334. For the 2007-2008 school year, the  
11 Foundation Level of support is \$5,734. For the 2008-2009 school  
12 year, the Foundation Level of support is \$5,959.

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

17 (C) Average Daily Attendance.

18 (1) For purposes of calculating general State aid pursuant  
19 to subsection (E), an Average Daily Attendance figure shall be  
20 utilized. The Average Daily Attendance figure for formula  
21 calculation purposes shall be the monthly average of the actual  
22 number of pupils in attendance of each school district, as  
23 further averaged for the best 3 months of pupil attendance for  
24 each school district. In compiling the figures for the number  
25 of pupils in attendance, school districts and the State Board

1 of Education shall, for purposes of general State aid funding,  
2 conform attendance figures to the requirements of subsection  
3 (F).

4 (2) The Average Daily Attendance figures utilized in  
5 subsection (E) shall be the requisite attendance data for the  
6 school year immediately preceding the school year for which  
7 general State aid is being calculated or the average of the  
8 attendance data for the 3 preceding school years, whichever is  
9 greater. The Average Daily Attendance figures utilized in  
10 subsection (H) shall be the requisite attendance data for the  
11 school year immediately preceding the school year for which  
12 general State aid is being calculated.

13 (D) Available Local Resources.

14 (1) For purposes of calculating general State aid pursuant  
15 to subsection (E), a representation of Available Local  
16 Resources per pupil, as that term is defined and determined in  
17 this subsection, shall be utilized. Available Local Resources  
18 per pupil shall include a calculated dollar amount representing  
19 local school district revenues from local property taxes and  
20 from Corporate Personal Property Replacement Taxes, expressed  
21 on the basis of pupils in Average Daily Attendance. Calculation  
22 of Available Local Resources shall exclude any tax amnesty  
23 funds received as a result of Public Act 93-26.

24 (2) In determining a school district's revenue from local  
25 property taxes, the State Board of Education shall utilize the

1 equalized assessed valuation of all taxable property of each  
2 school district as of September 30 of the previous year. The  
3 equalized assessed valuation utilized shall be obtained and  
4 determined as provided in subsection (G).

5 (3) For school districts maintaining grades kindergarten  
6 through 12, local property tax revenues per pupil shall be  
7 calculated as (i) the product of the applicable equalized  
8 assessed valuation for the district multiplied by 3.00% plus  
9 (ii) any surplus received by the school district in the  
10 previous year from a special tax allocation fund, as provided  
11 by the Tax Increment Allocation Redevelopment Act or the  
12 Industrial Jobs Recovery Law, and divided by the district's  
13 Average Daily Attendance figure. For school districts  
14 maintaining grades kindergarten through 8, local property tax  
15 revenues per pupil shall be calculated as (i) the product of  
16 the applicable equalized assessed valuation for the district  
17 multiplied by 2.30% plus (ii) any surplus received by the  
18 school district in the previous year from a special tax  
19 allocation fund, as provided by the Tax Increment Allocation  
20 Redevelopment Act or the Industrial Jobs Recovery Law, and  
21 divided by the district's Average Daily Attendance figure. For  
22 school districts maintaining grades 9 through 12, local  
23 property tax revenues per pupil shall be (i) the applicable  
24 equalized assessed valuation of the district multiplied by  
25 1.05% plus (ii) any surplus received by the school district in  
26 the previous year from a special tax allocation fund, as



1 provided by the Tax Increment Allocation Redevelopment Act or  
2 the Industrial Jobs Recovery Law, and divided by the district's  
3 Average Daily Attendance figure.

4 For partial elementary unit districts created pursuant to  
5 Article 11E of this Code, local property tax revenues per pupil  
6 shall be calculated as (i) the product of the equalized  
7 assessed valuation for property within the partial elementary  
8 unit district for elementary purposes, as defined in Article  
9 11E of this Code, multiplied by 2.06% plus (ii) any surplus  
10 received by the school district in the previous year from a  
11 special tax allocation fund, as provided by the Tax Increment  
12 Allocation Redevelopment Act or the Industrial Jobs Recovery  
13 Law, and divided by the district's Average Daily Attendance  
14 figure, plus (i) the product of the equalized assessed  
15 valuation for property within the partial elementary unit  
16 district for high school purposes, as defined in Article 11E of  
17 this Code, multiplied by 0.94% plus (ii) any surplus received  
18 by the school district in the previous year from a special tax  
19 allocation fund, as provided by the Tax Increment Allocation  
20 Redevelopment Act or the Industrial Jobs Recovery Law, and  
21 divided by the district's Average Daily Attendance figure.

22 (4) The Corporate Personal Property Replacement Taxes paid  
23 to each school district during the calendar year one year  
24 before the calendar year in which a school year begins, divided  
25 by the Average Daily Attendance figure for that district, shall  
26 be added to the local property tax revenues per pupil as

1 derived by the application of the immediately preceding  
2 paragraph (3). The sum of these per pupil figures for each  
3 school district shall constitute Available Local Resources as  
4 that term is utilized in subsection (E) in the calculation of  
5 general State aid.

6 (E) Computation of General State Aid.

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

10 (2) For any school district for which Available Local  
11 Resources per pupil is less than the product of 0.93 times the  
12 Foundation Level, general State aid for that district shall be  
13 calculated as an amount equal to the Foundation Level minus  
14 Available Local Resources, multiplied by the Average Daily  
15 Attendance of the school district.

16 (3) For any school district for which Available Local  
17 Resources per pupil is equal to or greater than the product of  
18 0.93 times the Foundation Level and less than the product of  
19 1.75 times the Foundation Level, the general State aid per  
20 pupil shall be a decimal proportion of the Foundation Level  
21 derived using a linear algorithm. Under this linear algorithm,  
22 the calculated general State aid per pupil shall decline in  
23 direct linear fashion from 0.07 times the Foundation Level for  
24 a school district with Available Local Resources equal to the  
25 product of 0.93 times the Foundation Level, to 0.05 times the

1 Foundation Level for a school district with Available Local  
2 Resources equal to the product of 1.75 times the Foundation  
3 Level. The allocation of general State aid for school districts  
4 subject to this paragraph 3 shall be the calculated general  
5 State aid per pupil figure multiplied by the Average Daily  
6 Attendance of the school district.

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

12 (5) The amount of general State aid allocated to a school  
13 district for the 1999-2000 school year meeting the requirements  
14 set forth in paragraph (4) of subsection (G) shall be increased  
15 by an amount equal to the general State aid that would have  
16 been received by the district for the 1998-1999 school year by  
17 utilizing the Extension Limitation Equalized Assessed  
18 Valuation as calculated in paragraph (4) of subsection (G) less  
19 the general State aid allotted for the 1998-1999 school year.  
20 This amount shall be deemed a one time increase, and shall not  
21 affect any future general State aid allocations.

22 (F) Compilation of Average Daily Attendance.

23 (1) Each school district shall, by July 1 of each year,  
24 submit to the State Board of Education, on forms prescribed by  
25 the State Board of Education, attendance figures for the school

1 year that began in the preceding calendar year. The attendance  
2 information so transmitted shall identify the average daily  
3 attendance figures for each month of the school year. Beginning  
4 with the general State aid claim form for the 2002-2003 school  
5 year, districts shall calculate Average Daily Attendance as  
6 provided in subdivisions (a), (b), and (c) of this paragraph  
7 (1).

8 (a) In districts that do not hold year-round classes,  
9 days of attendance in August shall be added to the month of  
10 September and any days of attendance in June shall be added  
11 to the month of May.

12 (b) In districts in which all buildings hold year-round  
13 classes, days of attendance in July and August shall be  
14 added to the month of September and any days of attendance  
15 in June shall be added to the month of May.

16 (c) In districts in which some buildings, but not all,  
17 hold year-round classes, for the non-year-round buildings,  
18 days of attendance in August shall be added to the month of  
19 September and any days of attendance in June shall be added  
20 to the month of May. The average daily attendance for the  
21 year-round buildings shall be computed as provided in  
22 subdivision (b) of this paragraph (1). To calculate the  
23 Average Daily Attendance for the district, the average  
24 daily attendance for the year-round buildings shall be  
25 multiplied by the days in session for the non-year-round  
26 buildings for each month and added to the monthly

1 attendance of the non-year-round buildings.

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

11 Days of attendance by tuition pupils shall be accredited  
12 only to the districts that pay the tuition to a recognized  
13 school.

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

17 (a) Pupils regularly enrolled in a public school for  
18 only a part of the school day may be counted on the basis  
19 of 1/6 day for every class hour of instruction of 40  
20 minutes or more attended pursuant to such enrollment,  
21 unless a pupil is enrolled in a block-schedule format of 80  
22 minutes or more of instruction, in which case the pupil may  
23 be counted on the basis of the proportion of minutes of  
24 school work completed each day to the minimum number of  
25 minutes that school work is required to be held that day.

26 (b) Days of attendance may be less than 5 clock hours

1 on the opening and closing of the school term, and upon the  
2 first day of pupil attendance, if preceded by a day or days  
3 utilized as an institute or teachers' workshop.

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

9 (d) A session of 3 or more clock hours may be counted  
10 as a day of attendance (1) when the remainder of the school  
11 day or at least 2 hours in the evening of that day is  
12 utilized for an in-service training program for teachers,  
13 up to a maximum of 5 days per school year, provided a  
14 district conducts an in-service training program for  
15 teachers in accordance with Section 10-22.39 of this Code;  
16 or, in lieu of 4 such days, 2 full days may be used, in  
17 which event each such day may be counted as a day required  
18 for a legal school calendar pursuant to Section 10-19 of  
19 this Code; (1.5) when, of the 5 days allowed under item  
20 (1), a maximum of 4 days are used for parent-teacher  
21 conferences, or, in lieu of 4 such days, 2 full days are  
22 used, in which case each such day may be counted as a  
23 calendar day required under Section 10-19 of this Code,  
24 provided that the full-day, parent-teacher conference  
25 consists of (i) a minimum of 5 clock hours of  
26 parent-teacher conferences, (ii) both a minimum of 2 clock

1 hours of parent-teacher conferences held in the evening  
2 following a full day of student attendance, as specified in  
3 subsection (F)(1)(c), and a minimum of 3 clock hours of  
4 parent-teacher conferences held on the day immediately  
5 following evening parent-teacher conferences, or (iii)  
6 multiple parent-teacher conferences held in the evenings  
7 following full days of student attendance, as specified in  
8 subsection (F)(1)(c), in which the time used for the  
9 parent-teacher conferences is equivalent to a minimum of 5  
10 clock hours; and (2) when days in addition to those  
11 provided in items (1) and (1.5) are scheduled by a school  
12 pursuant to its school improvement plan adopted under  
13 Article 34 or its revised or amended school improvement  
14 plan adopted under Article 2, provided that (i) such  
15 sessions of 3 or more clock hours are scheduled to occur at  
16 regular intervals, (ii) the remainder of the school days in  
17 which such sessions occur are utilized for in-service  
18 training programs or other staff development activities  
19 for teachers, and (iii) a sufficient number of minutes of  
20 school work under the direct supervision of teachers are  
21 added to the school days between such regularly scheduled  
22 sessions to accumulate not less than the number of minutes  
23 by which such sessions of 3 or more clock hours fall short  
24 of 5 clock hours. Any full days used for the purposes of  
25 this paragraph shall not be considered for computing  
26 average daily attendance. Days scheduled for in-service

1 training programs, staff development activities, or  
2 parent-teacher conferences may be scheduled separately for  
3 different grade levels and different attendance centers of  
4 the district.

5 (e) A session of not less than one clock hour of  
6 teaching hospitalized or homebound pupils on-site or by  
7 telephone to the classroom may be counted as 1/2 day of  
8 attendance, however these pupils must receive 4 or more  
9 clock hours of instruction to be counted for a full day of  
10 attendance.

11 (f) A session of at least 4 clock hours may be counted  
12 as a day of attendance for first grade pupils, and pupils  
13 in full day kindergartens, and a session of 2 or more hours  
14 may be counted as 1/2 day of attendance by pupils in  
15 kindergartens which provide only 1/2 day of attendance.

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

23 (h) A recognized kindergarten which provides for only  
24 1/2 day of attendance by each pupil shall not have more  
25 than 1/2 day of attendance counted in any one day. However,  
26 kindergartens may count 2 1/2 days of attendance in any 5



1 consecutive school days. When a pupil attends such a  
2 kindergarten for 2 half days on any one school day, the  
3 pupil shall have the following day as a day absent from  
4 school, unless the school district obtains permission in  
5 writing from the State Superintendent of Education.  
6 Attendance at kindergartens which provide for a full day of  
7 attendance by each pupil shall be counted the same as  
8 attendance by first grade pupils. Only the first year of  
9 attendance in one kindergarten shall be counted, except in  
10 case of children who entered the kindergarten in their  
11 fifth year whose educational development requires a second  
12 year of kindergarten as determined under the rules and  
13 regulations of the State Board of Education.

14 (i) On the days when the Prairie State Achievement  
15 Examination is administered under subsection (c) of  
16 Section 2-3.64 of this Code, the day of attendance for a  
17 pupil whose school day must be shortened to accommodate  
18 required testing procedures may be less than 5 clock hours  
19 and shall be counted towards the 176 days of actual pupil  
20 attendance required under Section 10-19 of this Code,  
21 provided that a sufficient number of minutes of school work  
22 in excess of 5 clock hours are first completed on other  
23 school days to compensate for the loss of school work on  
24 the examination days.

25 (j) Pupils enrolled in a remote educational program  
26 established under Section 10-29 of this Code may be counted

1 on the basis of one-fifth day of attendance for every clock  
2 hour of instruction attended in the remote educational  
3 program, provided that, in any month, the school district  
4 may not claim for a student enrolled in a remote  
5 educational program more days of attendance than the  
6 maximum number of days of attendance the district can claim  
7 (i) for students enrolled in a building holding year-round  
8 classes if the student is classified as participating in  
9 the remote educational program on a year-round schedule or  
10 (ii) for students enrolled in a building not holding  
11 year-round classes if the student is not classified as  
12 participating in the remote educational program on a  
13 year-round schedule.

14 (G) Equalized Assessed Valuation Data.

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

25 The Department of Revenue shall add to the equalized

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

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

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

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

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

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

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

1           subparagraph (b).

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

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

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

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

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

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

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

25           "Extension Limitation Ratio": A numerical ratio,  
26 certified by the County Clerk, in which the numerator is

1 the Base Tax Year's Tax Extension and the denominator is  
2 the Preceding Tax Year's Tax Extension.

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

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

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

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

25 (3.5) For the 2010-2011 school year and each school year  
26 thereafter, if a school district's boundaries span multiple



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

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

26 (5) For school districts having a majority of their

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

12 (H) Supplemental General State Aid.

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

24 (1.5) This paragraph (1.5) applies only to those school  
25 years preceding the 2003-2004 school year. For purposes of this

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

1 subsection 1(n) of Section 18-8 of this Code (which was  
2 repealed on July 1, 1998), and any high school district that is  
3 affected by Public Act 92-28 is entitled to a recomputation of  
4 its supplemental general State aid grant or State aid paid in  
5 any of those fiscal years. This recomputation shall not be  
6 affected by any other funding.

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

22 (2) Supplemental general State aid pursuant to this  
23 subsection (H) shall be provided as follows for the 1998-1999,  
24 1999-2000, and 2000-2001 school years only:

25 (a) For any school district with a Low Income  
26 Concentration Level of at least 20% and less than 35%, the

1 grant for any school year shall be \$800 multiplied by the  
2 low income eligible pupil count.

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

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

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

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

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

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

26 (a) For any school district with a Low Income

1 Concentration Level of less than 10%, the grant for each  
2 school year shall be \$355 multiplied by the low income  
3 eligible pupil count.

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

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

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

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

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

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

1 thereafter:

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

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

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

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

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

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

25 (4) School districts with an Average Daily Attendance of  
26 50,000 or more that qualify for supplemental general State aid



1 pursuant to this subsection shall be required to distribute  
2 from funds available pursuant to this Section, no less than  
3 \$261,000,000 in accordance with the following requirements:

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

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

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

1           (d) Any funds made available under this subsection that  
2           by reason of the provisions of this subsection are not  
3           required to be allocated and provided to attendance centers  
4           may be used and appropriated by the board of the district  
5           for any lawful school purpose.

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

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

1 State Board shall approve or reject the plan within 60 days  
2 after its submission. If the plan is rejected, the district  
3 shall give written notice of intent to modify the plan  
4 within 15 days of the notification of rejection and then  
5 submit a modified plan within 30 days after the date of the  
6 written notice of intent to modify. Districts may amend  
7 approved plans pursuant to rules promulgated by the State  
8 Board of Education.

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

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

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

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

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

22 (I) (Blank).

23 (J) (Blank).

1 (K) Grants to Laboratory and Alternative Schools.

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

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

20 As used in this Section, "alternative school" means a  
21 public school which is created and operated by a Regional  
22 Superintendent of Schools and approved by the State Board of  
23 Education. Such alternative schools may offer courses of  
24 instruction for which credit is given in regular school  
25 programs, courses to prepare students for the high school  
26 equivalency testing program or vocational and occupational

1 training. A regional superintendent of schools may contract  
2 with a school district or a public community college district  
3 to operate an alternative school. An alternative school serving  
4 more than one educational service region may be established by  
5 the regional superintendents of schools of the affected  
6 educational service regions. An alternative school serving  
7 more than one educational service region may be operated under  
8 such terms as the regional superintendents of schools of those  
9 educational service regions may agree.

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

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

19 (1) For a school district operating under the financial  
20 supervision of an Authority created under Article 34A, the  
21 general State aid otherwise payable to that district under this  
22 Section, but not the supplemental general State aid, shall be  
23 reduced by an amount equal to the budget for the operations of  
24 the Authority as certified by the Authority to the State Board  
25 of Education, and an amount equal to such reduction shall be

1 paid to the Authority created for such district for its  
2 operating expenses in the manner provided in Section 18-11. The  
3 remainder of general State school aid for any such district  
4 shall be paid in accordance with Article 34A when that Article  
5 provides for a disposition other than that provided by this  
6 Article.

7 (2) (Blank).

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

10 (M) Education Funding Advisory Board.

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

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

21 The Education Funding Advisory Board shall be deemed  
22 established, and the initial members appointed by the Governor  
23 to serve as members of the Board shall take office, on the date  
24 that the Governor makes his or her appointment of the fifth  
25 initial member of the Board, whether those initial members are  
26 then serving pursuant to appointment and confirmation or



1 pursuant to temporary appointments that are made by the  
2 Governor as in the case of vacancies.

3 The State Board of Education shall provide such staff  
4 assistance to the Education Funding Advisory Board as is  
5 reasonably required for the proper performance by the Board of  
6 its responsibilities.

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

21 (N) (Blank).

22 (O) References.

23 (1) References in other laws to the various subdivisions of  
24 Section 18-8 as that Section existed before its repeal and

1 replacement by this Section 18-8.05 shall be deemed to refer to  
2 the corresponding provisions of this Section 18-8.05, to the  
3 extent that those references remain applicable.

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

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

13 (Source: P.A. 96-45, eff. 7-15-09; 96-152, eff. 8-7-09; 96-300,  
14 eff. 8-11-09; 96-328, eff. 8-11-09; 96-640, eff. 8-24-09;  
15 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1480, eff.  
16 11-18-10; 97-339, eff. 8-12-11; 97-351, eff. 8-12-11; revised  
17 9-28-11.)

18 Section 99. Effective date. This Act takes effect January  
19 1, 2012.

1	INDEX	
2	Statutes amended in order of appearance	
3	15 ILCS 405/30 new	
4	35 ILCS 200/20-15	
5	65 ILCS 5/8-8-3	from Ch. 24, par. 8-8-3
6	65 ILCS 5/8-8-3.5	
7	65 ILCS 5/11-74.4-3	from Ch. 24, par. 11-74.4-3
8	65 ILCS 5/11-74.4-3.5	
9	65 ILCS 5/11-74.4-4	from Ch. 24, par. 11-74.4-4
10	65 ILCS 5/11-74.4-5	from Ch. 24, par. 11-74.4-5
11	65 ILCS 5/11-74.6-15	
12	65 ILCS 5/11-74.6-22	
13	105 ILCS 5/18-8.05	