

1 AN ACT concerning taxation.

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

4 Section 5. The Illinois Municipal Code is amended by  
5 changing Sections 8-11-20, 11-74.4-3, 11-74.4-4.1, 11-74.4-5,  
6 11-74.4-7, and 11-74.4-8a as follows:

7 (65 ILCS 5/8-11-20)

8 Sec. 8-11-20. Economic incentive agreements. The  
9 corporate authorities of a municipality may enter into an  
10 economic incentive agreement relating to the development or  
11 redevelopment of land within the corporate limits of the  
12 municipality. Under this agreement, the municipality may  
13 agree to share or rebate a portion of any retailers'  
14 occupation taxes received by the municipality that were  
15 generated by the development or redevelopment over a finite  
16 period of time. Before entering into the agreement  
17 authorized by this Section, the corporate authorities shall  
18 make the following findings:

19 (1) If the property subject to the agreement is vacant:

20 (A) that the property has remained vacant for at  
21 least one year, or

22 (B) that any building located on the property was  
23 demolished within the last year and that the building  
24 would have qualified under finding (2) of this Section;

25 (2) If the property subject to the agreement is  
26 currently developed:

27 (A) that the buildings on the property no longer  
28 comply with current building codes, or

29 (B) that the buildings on the property have  
30 remained less than significantly unoccupied or  
31 underutilized for a period of at least one year;

1 (3) That the project is expected to create or retain job  
2 opportunities within the municipality;

3 (4) That the project will serve to further the  
4 development of adjacent areas;

5 (5) That without the agreement, the project would not be  
6 possible;

7 (6) That the developer meets high standards of  
8 creditworthiness and financial strength as demonstrated by  
9 one or more of the following:

10 (A) corporate debenture ratings of BBB or higher by  
11 Standard & Poor's Corporation or Baa or higher by Moody's  
12 Investors Service, Inc.;

13 (B) a letter from a financial institution with  
14 assets of \$10,000,000 or more attesting to the financial  
15 strength of the developer; or

16 (C) specific evidence of equity financing for not  
17 less than 10% of the total project costs;

18 (7) That the project will strengthen the commercial  
19 sector of the municipality;

20 (8) That the project will enhance the tax base of the  
21 municipality; and

22 (9) That the agreement is made in the best interest of  
23 the municipality.

24 (Source: P.A. 89-63, eff. 6-30-95.)

25 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)  
26 Sec. 11-74.4-3. Definitions. The following terms,  
27 wherever used or referred to in this Division 74.4 shall have  
28 the following respective meanings, unless in any case a  
29 different meaning clearly appears from the context.

30 (a) For any redevelopment project area that has been  
31 designated pursuant to this Section by an ordinance adopted  
32 prior to November 1, 1999 (the effective date of Public Act  
33 91-478), "blighted area" shall have the meaning set forth in

1 this Section prior to that date.

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

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

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

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

26 (C) Deterioration. With respect to buildings,  
27 defects including, but not limited to, major defects  
28 in the secondary building components such as doors,  
29 windows, porches, gutters and downspouts, and  
30 fascia. With respect to surface improvements, that  
31 the condition of roadways, alleys, curbs, gutters,  
32 sidewalks, off-street parking, and surface storage  
33 areas evidence deterioration, including, but not  
34 limited to, surface cracking, crumbling, potholes,

1           depressions, loose paving material, and weeds  
2           protruding through paved surfaces.

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

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

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

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

34          (H) Inadequate utilities. Underground and

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

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

30 (J) Deleterious land use or layout. The  
31 existence of incompatible land-use relationships,  
32 buildings occupied by inappropriate mixed-uses, or  
33 uses considered to be noxious, offensive, or  
34 unsuitable for the surrounding area.

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

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

28           (M) The total equalized assessed value of the  
29 proposed redevelopment project area has declined for  
30 3 of the last 5 calendar years prior to the year in  
31 which the redevelopment project area is designated  
32 or is increasing at an annual rate that is less than  
33 the balance of the municipality for 3 of the last 5  
34 calendar years for which information is available or

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

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

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

26 (B) Diversity of ownership of parcels of  
27 vacant land sufficient in number to retard or impede  
28 the ability to assemble the land for development.

29 (C) Tax and special assessment delinquencies  
30 exist or the property has been the subject of tax  
31 sales under the Property Tax Code within the last 5  
32 years.

33 (D) Deterioration of structures or site  
34 improvements in neighboring areas adjacent to the

1 vacant land.

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

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

27 (3) If vacant, the sound growth of the  
28 redevelopment project area is impaired by one of the  
29 following factors that (i) is present, with that presence  
30 documented, to a meaningful extent so that a municipality  
31 may reasonably find that the factor is clearly present  
32 within the intent of the Act and (ii) is reasonably  
33 distributed throughout the vacant part of the  
34 redevelopment project area to which it pertains:



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

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

5 (C) The area, prior to its designation, is  
6 subject to chronic flooding that adversely impacts  
7 on real property in the area as certified by a  
8 registered professional engineer or appropriate  
9 regulatory agency.

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

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

27 (F) The area qualified as a blighted improved  
28 area immediately prior to becoming vacant, unless  
29 there has been substantial private investment in the  
30 immediately surrounding area.

31 (b) For any redevelopment project area that has been  
32 designated pursuant to this Section by an ordinance adopted  
33 prior to November 1, 1999 (the effective date of Public Act  
34 91-478), "conservation area" shall have the meaning set forth

1 in this Section prior to that date.

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

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

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

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

31 (4) Presence of structures below minimum code  
32 standards. All structures that do not meet the standards  
33 of zoning, subdivision, building, fire, and other  
34 governmental codes applicable to property, but not

1 including housing and property maintenance codes.

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

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

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

24 (8) Inadequate utilities. Underground and overhead  
25 utilities such as storm sewers and storm drainage,  
26 sanitary sewers, water lines, and gas, telephone, and  
27 electrical services that are shown to be inadequate.  
28 Inadequate utilities are those that are: (i) of  
29 insufficient capacity to serve the uses in the  
30 redevelopment project area, (ii) deteriorated,  
31 antiquated, obsolete, or in disrepair, or (iii) lacking  
32 within the redevelopment project area.

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

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

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

23 (11) Lack of community planning. The proposed  
24 redevelopment project area was developed prior to or  
25 without the benefit or guidance of a community plan. This  
26 means that the development occurred prior to the adoption  
27 by the municipality of a comprehensive or other community  
28 plan or that the plan was not followed at the time of the  
29 area's development. This factor must be documented by  
30 evidence of adverse or incompatible land-use  
31 relationships, inadequate street layout, improper  
32 subdivision, parcels of inadequate shape and size to meet  
33 contemporary development standards, or other evidence  
34 demonstrating an absence of effective community planning.

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

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

23          (c) "Industrial park" means an area in a blighted or  
24          conservation area suitable for use by any manufacturing,  
25          industrial, research or transportation enterprise, of  
26          facilities to include but not be limited to factories, mills,  
27          processing plants, assembly plants, packing plants,  
28          fabricating plants, industrial distribution centers,  
29          warehouses, repair overhaul or service facilities, freight  
30          terminals, research facilities, test facilities or railroad  
31          facilities.

32          (d) "Industrial park conservation area" means an area  
33          within the boundaries of a redevelopment project area located  
34          within the territorial limits of a municipality that is a

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

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

22 (f) "Municipality" shall mean a city, village or  
23 incorporated town.

24 (g) "Initial Sales Tax Amounts" means the amount of  
25 taxes paid under the Retailers' Occupation Tax Act, Use Tax  
26 Act, Service Use Tax Act, the Service Occupation Tax Act, the  
27 Municipal Retailers' Occupation Tax Act, and the Municipal  
28 Service Occupation Tax Act by retailers and servicemen on  
29 transactions at places located in a State Sales Tax Boundary  
30 during the calendar year 1985.

31 (g-1) "Revised Initial Sales Tax Amounts" means the  
32 amount of taxes paid under the Retailers' Occupation Tax Act,  
33 Use Tax Act, Service Use Tax Act, the Service Occupation Tax  
34 Act, the Municipal Retailers' Occupation Tax Act, and the

1 Municipal Service Occupation Tax Act by retailers and  
2 servicemen on transactions at places located within the State  
3 Sales Tax Boundary revised pursuant to Section 11-74.4-8a(9)  
4 of this Act.

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

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

29 (i) "Net State Sales Tax Increment" means the sum of the  
30 following: (a) 80% of the first \$100,000 of State Sales Tax  
31 Increment annually generated within a State Sales Tax  
32 Boundary; (b) 60% of the amount in excess of \$100,000 but not  
33 exceeding \$500,000 of State Sales Tax Increment annually  
34 generated within a State Sales Tax Boundary; and (c) 40% of



1 all amounts in excess of \$500,000 of State Sales Tax  
2 Increment annually generated within a State Sales Tax  
3 Boundary. If, however, a municipality established a tax  
4 increment financing district in a county with a population in  
5 excess of 3,000,000 before January 1, 1986, and the  
6 municipality entered into a contract or issued bonds after  
7 January 1, 1986, but before December 31, 1986, to finance  
8 redevelopment project costs within a State Sales Tax  
9 Boundary, then the Net State Sales Tax Increment means, for  
10 the fiscal years beginning July 1, 1990, and July 1, 1991,  
11 100% of the State Sales Tax Increment annually generated  
12 within a State Sales Tax Boundary; and notwithstanding any  
13 other provision of this Act, for those fiscal years the  
14 Department of Revenue shall distribute to those  
15 municipalities 100% of their Net State Sales Tax Increment  
16 before any distribution to any other municipality and  
17 regardless of whether or not those other municipalities will  
18 receive 100% of their Net State Sales Tax Increment. For  
19 Fiscal Year 1999, and every year thereafter until the year  
20 2007, for any municipality that has not entered into a  
21 contract or has not issued bonds prior to June 1, 1988 to  
22 finance redevelopment project costs within a State Sales Tax  
23 Boundary, the Net State Sales Tax Increment shall be  
24 calculated as follows: By multiplying the Net State Sales Tax  
25 Increment by 90% in the State Fiscal Year 1999; 80% in the  
26 State Fiscal Year 2000; 70% in the State Fiscal Year 2001;  
27 60% in the State Fiscal Year 2002; 50% in the State Fiscal  
28 Year 2003; 40% in the State Fiscal Year 2004; 30% in the  
29 State Fiscal Year 2005; 20% in the State Fiscal Year 2006;  
30 and 10% in the State Fiscal Year 2007. No payment shall be  
31 made for State Fiscal Year 2008 and thereafter.

32 Municipalities that issued bonds in connection with a  
33 redevelopment project in a redevelopment project area within  
34 the State Sales Tax Boundary prior to July 29, 1991, or that

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

27 (j) "State Utility Tax Increment Amount" means an amount  
28 equal to the aggregate increase in State electric and gas tax  
29 charges imposed on owners and tenants, other than residential  
30 customers, of properties located within the redevelopment  
31 project area under Section 9-222 of the Public Utilities Act,  
32 over and above the aggregate of such charges as certified by  
33 the Department of Revenue and paid by owners and tenants,  
34 other than residential customers, of properties within the

1 redevelopment project area during the base year, which shall  
2 be the calendar year immediately prior to the year of the  
3 adoption of the ordinance authorizing tax increment  
4 allocation financing.

5 (k) "Net State Utility Tax Increment" means the sum of  
6 the following: (a) 80% of the first \$100,000 of State Utility  
7 Tax Increment annually generated by a redevelopment project  
8 area; (b) 60% of the amount in excess of \$100,000 but not  
9 exceeding \$500,000 of the State Utility Tax Increment  
10 annually generated by a redevelopment project area; and (c)  
11 40% of all amounts in excess of \$500,000 of State Utility Tax  
12 Increment annually generated by a redevelopment project area.  
13 For the State Fiscal Year 1999, and every year thereafter  
14 until the year 2007, for any municipality that has not  
15 entered into a contract or has not issued bonds prior to June  
16 1, 1988 to finance redevelopment project costs within a  
17 redevelopment project area, the Net State Utility Tax  
18 Increment shall be calculated as follows: By multiplying the  
19 Net State Utility Tax Increment by 90% in the State Fiscal  
20 Year 1999; 80% in the State Fiscal Year 2000; 70% in the  
21 State Fiscal Year 2001; 60% in the State Fiscal Year 2002;  
22 50% in the State Fiscal Year 2003; 40% in the State Fiscal  
23 Year 2004; 30% in the State Fiscal Year 2005; 20% in the  
24 State Fiscal Year 2006; and 10% in the State Fiscal Year  
25 2007. No payment shall be made for the State Fiscal Year 2008  
26 and thereafter.

27 Municipalities that issue bonds in connection with the  
28 redevelopment project during the period from June 1, 1988  
29 until 3 years after the effective date of this Amendatory Act  
30 of 1988 shall receive the Net State Utility Tax Increment,  
31 subject to appropriation, for 15 State Fiscal Years after the  
32 issuance of such bonds. For the 16th through the 20th State  
33 Fiscal Years after issuance of the bonds, the Net State  
34 Utility Tax Increment shall be calculated as follows: By

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

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

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

22 (n) "Redevelopment plan" means the comprehensive program  
23 of the municipality for development or redevelopment intended  
24 by the payment of redevelopment project costs to reduce or  
25 eliminate those conditions the existence of which qualified  
26 the redevelopment project area as a "blighted area" or  
27 "conservation area" or combination thereof or "industrial  
28 park conservation area," and thereby to enhance the tax bases  
29 of the taxing districts which extend into the redevelopment  
30 project area. On and after November 1, 1999 (the effective  
31 date of Public Act 91-478), no redevelopment plan may be  
32 approved or amended that includes the development of vacant  
33 land (i) with a golf course and related clubhouse and other  
34 facilities or (ii) designated by federal, State, county, or

1 municipal government as public land for outdoor recreational  
2 activities or for nature preserves and used for that purpose  
3 within 5 years prior to the adoption of the redevelopment  
4 plan. For the purpose of this subsection, "recreational  
5 activities" is limited to mean camping and hunting. Each  
6 redevelopment plan shall set forth in writing the program to  
7 be undertaken to accomplish the objectives and shall include  
8 but not be limited to:

9 (A) an itemized list of estimated redevelopment  
10 project costs;

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

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

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

20 (E) the nature and term of the obligations to be  
21 issued;

22 (F) the most recent equalized assessed valuation of  
23 the redevelopment project area;

24 (G) an estimate as to the equalized assessed  
25 valuation after redevelopment and the general land uses  
26 to apply in the redevelopment project area;

27 (H) a commitment to fair employment practices and  
28 an affirmative action plan;

29 (I) if it concerns an industrial park conservation  
30 area, the plan shall also include a general description  
31 of any proposed developer, user and tenant of any  
32 property, a description of the type, structure and  
33 general character of the facilities to be developed, a  
34 description of the type, class and number of new

1 employees to be employed in the operation of the  
2 facilities to be developed; and

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

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

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

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

31 (3) The redevelopment plan establishes the  
32 estimated dates of completion of the redevelopment  
33 project and retirement of obligations issued to finance  
34 redevelopment project costs. Those dates shall not be

1 later than December 31 of the year in which the payment  
2 to the municipal treasurer as provided in subsection (b)  
3 of Section 11-74.4-8 of this Act is to be made with  
4 respect to ad valorem taxes levied in the twenty-third  
5 calendar year after the year in which the ordinance  
6 approving the redevelopment project area is adopted if  
7 the ordinance was adopted on or after January 15, 1981,  
8 and not later than December 31 of the year in which the  
9 payment to the municipal treasurer as provided in  
10 subsection (b) of Section 11-74.4-8 of this Act is to be  
11 made with respect to ad valorem taxes levied in the  
12 thirty-fifth calendar year after the year in which the  
13 ordinance approving the redevelopment project area is  
14 adopted:

15 (A) if the ordinance was adopted before  
16 January 15, 1981, or

17 (B) if the ordinance was adopted in December  
18 1983, April 1984, July 1985, or December 1989, or

19 (C) if the ordinance was adopted in December  
20 1987 and the redevelopment project is located within  
21 one mile of Midway Airport, or

22 (D) if the ordinance was adopted before  
23 January 1, 1987 by a municipality in Mason County,  
24 or

25 (E) if the municipality is subject to the  
26 Local Government Financial Planning and Supervision  
27 Act or the Financially Distressed City Law, or

28 (F) if the ordinance was adopted in December  
29 1984 by the Village of Rosemont, or

30 (G) if the ordinance was adopted on December  
31 31, 1986 by a municipality located in Clinton County  
32 for which at least \$250,000 of tax increment bonds  
33 were authorized on June 17, 1997, or if the  
34 ordinance was adopted on December 31, 1986 by a

1 municipality with a population in 1990 of less than  
2 3,600 that is located in a county with a population  
3 in 1990 of less than 34,000 and for which at least  
4 \$250,000 of tax increment bonds were authorized on  
5 June 17, 1997, or

6 (H) if the ordinance was adopted on October 5,  
7 1982 by the City of Kankakee, or if the ordinance  
8 was adopted on December 29, 1986 by East St. Louis,  
9 or

10 (I) if the ordinance was adopted on November  
11 12, 1991 by the Village of Sauget, or

12 (J) if the ordinance was adopted on February  
13 11, 1985 by the City of Rock Island, or

14 (K) if the ordinance was adopted before  
15 December 18, 1986 by the City of Moline, or

16 (L) if the ordinance was adopted in September  
17 1988 by Sauk Village, or

18 (M) if the ordinance was adopted in October  
19 1993 by Sauk Village, or

20 (N) if the ordinance was adopted on December  
21 29, 1986 by the City of Galva, or

22 (O) if the ordinance was adopted in March 1991  
23 by the City of Centreville.

24 However, for redevelopment project areas for which  
25 bonds were issued before July 29, 1991, or for which  
26 contracts were entered into before June 1, 1988, in  
27 connection with a redevelopment project in the area  
28 within the State Sales Tax Boundary, the estimated dates  
29 of completion of the redevelopment project and retirement  
30 of obligations to finance redevelopment project costs may  
31 be extended by municipal ordinance to December 31, 2013.  
32 The extension allowed by this amendatory Act of 1993  
33 shall not apply to real property tax increment allocation  
34 financing under Section 11-74.4-8.



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

9           Those dates, for purposes of real property tax  
10 increment allocation financing pursuant to Section  
11 11-74.4-8 only, shall be not more than 35 years for  
12 redevelopment project areas that were adopted on or after  
13 December 16, 1986 and for which at least \$8 million worth  
14 of municipal bonds were authorized on or after December  
15 19, 1989 but before January 1, 1990; provided that the  
16 municipality elects to extend the life of the  
17 redevelopment project area to 35 years by the adoption of  
18 an ordinance after at least 14 but not more than 30 days'  
19 written notice to the taxing bodies, that would otherwise  
20 constitute the joint review board for the redevelopment  
21 project area, before the adoption of the ordinance.

22           Those dates, for purposes of real property tax  
23 increment allocation financing pursuant to Section  
24 11-74.4-8 only, shall be not more than 35 years for  
25 redevelopment project areas that were established on or  
26 after December 1, 1981 but before January 1, 1982 and for  
27 which at least \$1,500,000 worth of tax increment revenue  
28 bonds were authorized on or after September 30, 1990 but  
29 before July 1, 1991; provided that the municipality  
30 elects to extend the life of the redevelopment project  
31 area to 35 years by the adoption of an ordinance after at  
32 least 14 but not more than 30 days' written notice to the  
33 taxing bodies, that would otherwise constitute the joint  
34 review board for the redevelopment project area, before

1 the adoption of the ordinance.

2 (3.5) The municipality finds, in the case of an  
3 industrial park conservation area, also that the  
4 municipality is a labor surplus municipality and that the  
5 implementation of the redevelopment plan will reduce  
6 unemployment, create new jobs and by the provision of new  
7 facilities enhance the tax base of the taxing districts  
8 that extend into the redevelopment project area.

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

18 (5) On and after November 1, 1999, if the  
19 redevelopment plan will not result in displacement of 10  
20 or more residents from inhabited units, and the  
21 municipality certifies in the plan that such displacement  
22 will not result from the plan, a housing impact study  
23 need not be performed. If, however, the redevelopment  
24 plan would result in the displacement of residents from  
25 10 or more inhabited residential units, or if the  
26 redevelopment project area contains 75 or more inhabited  
27 residential units and no certification is made, then the  
28 municipality shall prepare, as part of the separate  
29 feasibility report required by subsection (a) of Section  
30 11-74.4-5, a housing impact study.

31 Part I of the housing impact study shall include (i)  
32 data as to whether the residential units are single  
33 family or multi-family units, (ii) the number and type of  
34 rooms within the units, if that information is available,

1 (iii) whether the units are inhabited or uninhabited, as  
2 determined not less than 45 days before the date that the  
3 ordinance or resolution required by subsection (a) of  
4 Section 11-74.4-5 is passed, and (iv) data as to the  
5 racial and ethnic composition of the residents in the  
6 inhabited residential units. The data requirement as to  
7 the racial and ethnic composition of the residents in the  
8 inhabited residential units shall be deemed to be fully  
9 satisfied by data from the most recent federal census.

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

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

28 (7) On and after November 1, 1999, no redevelopment  
29 plan shall be adopted, nor an existing plan amended, nor  
30 shall residential housing that is occupied by households  
31 of low-income and very low-income persons in currently  
32 existing redevelopment project areas be removed after  
33 November 1, 1999 unless the redevelopment plan provides,  
34 with respect to inhabited housing units that are to be

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

15 (8) On and after November 1, 1999, if, after the  
16 adoption of the redevelopment plan for the redevelopment  
17 project area, any municipality desires to amend its  
18 redevelopment plan to remove more inhabited residential  
19 units than specified in its original redevelopment plan,  
20 that increase in the number of units to be removed shall  
21 be deemed to be a change in the nature of the  
22 redevelopment plan as to require compliance with the  
23 procedures in this Act pertaining to the initial approval  
24 of a redevelopment plan.

25 (9) For redevelopment project areas designated  
26 prior to November 1, 1999, the redevelopment plan may be  
27 amended without further joint review board meeting or  
28 hearing, provided that the municipality shall give notice  
29 of any such changes by mail to each affected taxing  
30 district and registrant on the interested party registry,  
31 to authorize the municipality to expend tax increment  
32 revenues for redevelopment project costs defined by  
33 paragraphs (5) and (7.5), subparagraphs (E) and (F) of  
34 paragraph (11), and paragraph (11.5) of subsection (q) of

1       Section 11-74.4-3, so long as the changes do not increase  
2       the total estimated redevelopment project costs set out  
3       in the redevelopment plan by more than 5% after  
4       adjustment for inflation from the date the plan was  
5       adopted.

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

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

27      (q) "Redevelopment project costs" mean and include the  
28      sum total of all reasonable or necessary costs incurred or  
29      estimated to be incurred, and any such costs incidental to a  
30      redevelopment plan and a redevelopment project. Such costs  
31      include, without limitation, the following:

32              (1) Costs of studies, surveys, development of  
33              plans, and specifications, implementation and  
34              administration of the redevelopment plan including but

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

27 (1.5) After July 1, 1999, annual administrative  
28 costs shall not include general overhead or  
29 administrative costs of the municipality that would still  
30 have been incurred by the municipality if the  
31 municipality had not designated a redevelopment project  
32 area or approved a redevelopment plan;

33 (1.6) The cost of marketing sites within the  
34 redevelopment project area to prospective businesses,

1 developers, and investors;

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

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

18 (4) Costs of the construction of public works or  
19 improvements, except that on and after November 1, 1999,  
20 redevelopment project costs shall not include the cost of  
21 constructing a new municipal public building principally  
22 used to provide offices, storage space, or conference  
23 facilities or vehicle storage, maintenance, or repair for  
24 administrative, public safety, or public works personnel  
25 and that is not intended to replace an existing public  
26 building as provided under paragraph (3) of subsection  
27 (q) of Section 11-74.4-3 unless either (i) the  
28 construction of the new municipal building implements a  
29 redevelopment project that was included in a  
30 redevelopment plan that was adopted by the municipality  
31 prior to November 1, 1999 or (ii) the municipality makes  
32 a reasonable determination in the redevelopment plan,  
33 supported by information that provides the basis for that  
34 determination, that the new municipal building is

1 required to meet an increase in the need for public  
2 safety purposes anticipated to result from the  
3 implementation of the redevelopment plan;

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

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

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

23 (7.5) For redevelopment project areas designated  
24 (or redevelopment project areas amended to add or  
25 increase the number of tax-increment-financing assisted  
26 housing units) on or after November 1, 1999, an  
27 elementary, secondary, or unit school district's  
28 increased costs attributable to assisted housing units  
29 located within the redevelopment project area for which  
30 the developer or redeveloper receives financial  
31 assistance through an agreement with the municipality or  
32 because the municipality incurs the cost of necessary  
33 infrastructure improvements within the boundaries of the  
34 assisted housing sites necessary for the completion of



1 that housing as authorized by this Act, and which costs  
2 shall be paid by the municipality from the Special Tax  
3 Allocation Fund when the tax increment revenue is  
4 received as a result of the assisted housing units and  
5 shall be calculated annually as follows:

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

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

32 (ii) for elementary school districts with  
33 a district average 1995-96 Per Capita Tuition  
34 Charge of less than \$5,900, no more than 17% of



1 than 40% of the total amount of property tax  
 2 increment revenue produced by those housing  
 3 units that have received tax increment finance  
 4 assistance under this Act;

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

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

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

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

25 (ii) the amount reimburseable shall be  
 26 reduced by the value of any land donated to the  
 27 school district by the municipality or  
 28 developer, and by the value of any physical  
 29 improvements made to the schools by the  
 30 municipality or developer; and

31 (iii) the amount reimbursed may not  
 32 affect amounts otherwise obligated by the terms  
 33 of any bonds, notes, or other funding  
 34 instruments, or the terms of any redevelopment

1 agreement.

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

19 (8) Relocation costs to the extent that a  
20 municipality determines that relocation costs shall be  
21 paid or is required to make payment of relocation costs  
22 by federal or State law or in order to satisfy  
23 subparagraph (7) of 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  
27 not limited to courses in occupational, semi-technical or  
28 technical fields leading directly to employment, incurred  
29 by one or more taxing districts, provided that such costs  
30 (i) are related to the establishment and maintenance of  
31 additional job training, advanced vocational education or  
32 career education programs for persons employed or to be  
33 employed by employers located in a redevelopment project  
34 area; and (ii) when incurred by a taxing district or

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

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

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

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

26 (C) if there are not sufficient funds  
27 available in the special tax allocation fund to make  
28 the payment pursuant to this paragraph (11) then the  
29 amounts so due shall accrue and be payable when  
30 sufficient funds are available in the special tax  
31 allocation fund;

32 (D) the total of such interest payments paid  
33 pursuant to this Act may not exceed 30% of the total  
34 (i) cost paid or incurred by the redeveloper for the

1           redevelopment project plus (ii) redevelopment  
2           project costs excluding any property assembly costs  
3           and any relocation costs incurred by a municipality  
4           pursuant to this Act; and

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

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

29          The eligible costs provided under this  
30          subparagraph (F) of paragraph (11) shall be an  
31          eligible cost for the construction, renovation, and  
32          rehabilitation of all low and very low-income  
33          housing units, as defined in Section 3 of the  
34          Illinois Affordable Housing Act, within the

1           redevelopment project area. If the low and very  
2           low-income units are part of a residential  
3           redevelopment project that includes units not  
4           affordable to low and very low-income households,  
5           only the low and very low-income units shall be  
6           eligible for benefits under subparagraph (F) of  
7           paragraph (11). The standards for maintaining the  
8           occupancy by low-income households and very  
9           low-income households, as defined in Section 3 of  
10          the Illinois Affordable Housing Act, of those units  
11          constructed with eligible costs made available under  
12          the provisions of this subparagraph (F) of paragraph  
13          (11) shall be established by guidelines adopted by  
14          the municipality. The responsibility for annually  
15          documenting the initial occupancy of the units by  
16          low-income households and very low-income  
17          households, as defined in Section 3 of the Illinois  
18          Affordable Housing Act, shall be that of the then  
19          current owner of the property. For ownership units,  
20          the guidelines will provide, at a minimum, for a  
21          reasonable recapture of funds, or other appropriate  
22          methods designed to preserve the original  
23          affordability of the ownership units. For rental  
24          units, the guidelines will provide, at a minimum,  
25          for the affordability of rent to low and very  
26          low-income households. As units become available,  
27          they shall be rented to income-eligible tenants.  
28          The municipality may modify these guidelines from  
29          time to time; the guidelines, however, shall be in  
30          effect for as long as tax increment revenue is being  
31          used to pay for costs associated with the units or  
32          for the retirement of bonds issued to finance the  
33          units or for the life of the redevelopment project  
34          area, whichever is later.

1           (11.5) If the redevelopment project area is located  
2           within a municipality with a population of more than  
3           100,000, the cost of day care services for children of  
4           employees from low-income families working for businesses  
5           located within the redevelopment project area and all or  
6           a portion of the cost of operation of day care centers  
7           established by redevelopment project area businesses to  
8           serve employees from low-income families working in  
9           businesses located in the redevelopment project area.  
10          For the purposes of this paragraph, "low-income families"  
11          means families whose annual income does not exceed 80% of  
12          the municipal, county, or regional median income,  
13          adjusted for family size, as the annual income and  
14          municipal, county, or regional median income are  
15          determined from time to time by the United States  
16          Department of Housing and Urban Development.

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

20          (13) After November 1, 1999 (the effective date of  
21          Public Act 91-478), none of the redevelopment project  
22          costs enumerated in this subsection shall be eligible  
23          redevelopment project costs if those costs would provide  
24          direct financial support to a retail entity initiating  
25          operations in the redevelopment project area while  
26          terminating operations at another Illinois location  
27          within 10 miles of the redevelopment project area but  
28          outside the boundaries of the redevelopment project area  
29          municipality. For purposes of this paragraph,  
30          termination means a closing of a retail operation that is  
31          directly related to the opening of the same operation or  
32          like retail entity owned or operated by more than 50% of  
33          the original ownership in a redevelopment project area,  
34          but it does not mean closing an operation for reasons



1 beyond the control of the retail entity, as documented by  
2 the retail entity, subject to a reasonable finding by the  
3 municipality that the current location contained  
4 inadequate space, had become economically obsolete, or  
5 was no longer a viable location for the retailer or  
6 serviceman.

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

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

21 (s) "State Sales Tax Increment" means an amount equal to  
22 the increase in the aggregate amount of taxes paid by  
23 retailers and servicemen, other than retailers and servicemen  
24 subject to the Public Utilities Act, on transactions at  
25 places of business located within a State Sales Tax Boundary  
26 pursuant to the Retailers' Occupation Tax Act, the Use Tax  
27 Act, the Service Use Tax Act, and the Service Occupation Tax  
28 Act, except such portion of such increase that is paid into  
29 the State and Local Sales Tax Reform Fund, the Local  
30 Government Distributive Fund, the Local Government Tax  
31 Fund and the County and Mass Transit District Fund, for as  
32 long as State participation exists, over and above the  
33 Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts  
34 or the Revised Initial Sales Tax Amounts for such taxes as

1 certified by the Department of Revenue and paid under those  
2 Acts by retailers and servicemen on transactions at places of  
3 business located within the State Sales Tax Boundary during  
4 the base year which shall be the calendar year immediately  
5 prior to the year in which the municipality adopted tax  
6 increment allocation financing, less 3.0% of such amounts  
7 generated under the Retailers' Occupation Tax Act, Use Tax  
8 Act and Service Use Tax Act and the Service Occupation Tax  
9 Act, which sum shall be appropriated to the Department of  
10 Revenue to cover its costs of administering and enforcing  
11 this Section. For purposes of computing the aggregate amount  
12 of such taxes for base years occurring prior to 1985, the  
13 Department of Revenue shall compute the Initial Sales Tax  
14 Amount for such taxes and deduct therefrom an amount equal to  
15 4% of the aggregate amount of taxes per year for each year  
16 the base year is prior to 1985, but not to exceed a total  
17 deduction of 12%. The amount so determined shall be known as  
18 the "Adjusted Initial Sales Tax Amount". For purposes of  
19 determining the State Sales Tax Increment the Department of  
20 Revenue shall for each period subtract from the tax amounts  
21 received from retailers and servicemen on transactions  
22 located in the State Sales Tax Boundary, the certified  
23 Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts  
24 or Revised Initial Sales Tax Amounts for the Retailers'  
25 Occupation Tax Act, the Use Tax Act, the Service Use Tax Act  
26 and the Service Occupation Tax Act. For the State Fiscal  
27 Year 1989 this calculation shall be made by utilizing the  
28 calendar year 1987 to determine the tax amounts received. For  
29 the State Fiscal Year 1990, this calculation shall be made by  
30 utilizing the period from January 1, 1988, until September  
31 30, 1988, to determine the tax amounts received from  
32 retailers and servicemen, which shall have deducted therefrom  
33 nine-twelfths of the certified Initial Sales Tax Amounts,  
34 Adjusted Initial Sales Tax Amounts or the Revised Initial

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

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

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

27 (v) As used in subsection (a) of Section 11-74.4-3 of  
28 this Act, "vacant land" means any parcel or combination of  
29 parcels of real property without industrial, commercial, and  
30 residential buildings which has not been used for commercial  
31 agricultural purposes within 5 years prior to the designation  
32 of the redevelopment project area, unless the parcel is  
33 included in an industrial park conservation area or the  
34 parcel has been subdivided; provided that if the parcel was

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

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

27 (Source: P.A. 90-379, eff. 8-14-97; 91-261, eff. 7-23-99;  
 28 91-477, eff. 8-11-99; 91-478, eff. 11-1-99; 91-642, eff.  
 29 8-20-99; 91-763, eff. 6-9-00)

30 (65 ILCS 5/11-74.4-4.1)

31 Sec. 11-74.4-4.1. Feasibility study.

32 (a) If a municipality by its corporate authorities, or  
 33 as it may determine by any commission designated under

1 subsection (k) of Section 11-74.4-4, adopts an ordinance or  
2 resolution providing for a feasibility study on the  
3 designation of an area as a redevelopment project area, a  
4 copy of the ordinance or resolution shall immediately be sent  
5 to all taxing districts that would be affected by the  
6 designation.

7 On and after the effective date of this amendatory Act of  
8 the 91st General Assembly, the ordinance or resolution shall  
9 include:

10 (1) The boundaries of the area to be studied for  
11 possible designation as a redevelopment project area.

12 (2) The purpose or purposes of the proposed  
13 redevelopment plan and project.

14 (3) A general description of tax increment  
15 allocation financing under this Act.

16 (4) The name, phone number, and address of the  
17 municipal officer who can be contacted for additional  
18 information about the proposed redevelopment project area  
19 and who should receive all comments and suggestions  
20 regarding the redevelopment of the area to be studied.

21 (b) If one of the purposes of the planned redevelopment  
22 project area should reasonably be expected to result in the  
23 displacement of residents from 10 or more inhabited  
24 residential units, the municipality shall adopt a resolution  
25 or ordinance providing for the feasibility study described in  
26 subsection (a). The ordinance or resolution shall also  
27 require that the feasibility study include the preparation of  
28 the housing impact study set forth in paragraph (5) of  
29 subsection (n) of Section 11-74.4-3. If the redevelopment  
30 plan will not result in displacement of 10 or more residents  
31 from inhabited units, and the municipality certifies in the  
32 plan that such displacement will not result from the plan,  
33 then a resolution or ordinance need not be adopted.

34 (Source: P.A. 91-478, eff. 11-1-99.)

1 (65 ILCS 5/11-74.4-5) (from Ch. 24, par. 11-74.4-5)  
2 Sec. 11-74.4-5. (a) The changes made by this amendatory  
3 Act of the 91st General Assembly do not apply to a  
4 municipality that, (i) before the effective date of this  
5 amendatory Act of the 91st General Assembly, has adopted an  
6 ordinance or resolution fixing a time and place for a public  
7 hearing under this Section or (ii) before July 1, 1999, has  
8 adopted an ordinance or resolution providing for a  
9 feasibility study under Section 11-74.4-4.1, but has not yet  
10 adopted an ordinance approving redevelopment plans and  
11 redevelopment projects or designating redevelopment project  
12 areas under Section 11-74.4-4, until after that municipality  
13 adopts an ordinance approving redevelopment plans and  
14 redevelopment projects or designating redevelopment project  
15 areas under Section 11-74.4-4; thereafter the changes made by  
16 this amendatory Act of the 91st General Assembly apply to the  
17 same extent that they apply to redevelopment plans and  
18 redevelopment projects that were approved and redevelopment  
19 projects that were designated before the effective date of  
20 this amendatory Act of the 91st General Assembly.

21 Prior to the adoption of an ordinance proposing the  
22 designation of a redevelopment project area, or approving a  
23 redevelopment plan or redevelopment project, the municipality  
24 by its corporate authorities, or as it may determine by any  
25 commission designated under subsection (k) of Section  
26 11-74.4-4 shall adopt an ordinance or resolution fixing a  
27 time and place for public hearing. At least 10 days prior to  
28 the adoption of the ordinance or resolution establishing the  
29 time and place for the public hearing, the municipality shall  
30 make available for public inspection a redevelopment plan or  
31 a separate report that provides in reasonable detail the  
32 basis for the eligibility of the redevelopment project area.  
33 The report along with the name of a person to contact for  
34 further information shall be sent within a reasonable time

1 after the adoption of such ordinance or resolution to the  
2 affected taxing districts by certified mail. On and after the  
3 effective date of this amendatory Act of the 91st General  
4 Assembly, the municipality shall print in a newspaper of  
5 general circulation within the municipality a notice that  
6 interested persons may register with the municipality in  
7 order to receive information on the proposed designation of a  
8 redevelopment project area or the approval of a redevelopment  
9 plan. The notice shall state the place of registration and  
10 the operating hours of that place. The municipality shall  
11 have adopted reasonable rules to implement this registration  
12 process under Section 11-74.4-4.2. The municipality shall  
13 provide notice of the availability of the redevelopment plan  
14 and eligibility report, including how to obtain this  
15 information, by mail within a reasonable time after the  
16 adoption of the ordinance or resolution, to all residential  
17 addresses that, after a good faith effort, the municipality  
18 determines are located within 750 feet of the boundaries of  
19 the proposed redevelopment project area. This requirement is  
20 subject to the limitation that in a municipality with a  
21 population of over 100,000, if the total number of  
22 residential addresses within 750 feet of the boundaries of  
23 the proposed redevelopment project area exceeds 750, the  
24 municipality shall be required to provide the notice to only  
25 the 750 residential addresses that, after a good faith  
26 effort, the municipality determines are closest to the  
27 boundaries of the proposed redevelopment project area. The  
28 notice shall also be provided by the municipality, regardless  
29 of its population, to those organizations and residents that  
30 have registered with the municipality for that information in  
31 accordance with the registration guidelines established by  
32 the municipality under Section 11-74.4-4.2. Notice--of--the  
33 availability---of--the--redevelopment--plan--and--eligibility  
34 report,-including-how-to-obtain-this-information,-shall--also

1 be--sent--by-mail-within-a-reasonable-time-after-the-adoption  
 2 of-the-ordinance-or-resolution-to-all--residents--within--the  
 3 postal--zip--code-area-or-areas-contained-in-whole-or-in-part  
 4 within---the---proposed---redevelopment---project---area---or  
 5 organizations-that-operate--in--the--municipality--that--have  
 6 registered--with--the--municipality--for--that-information-in  
 7 accordance-with-the-registration--guidelines--established--by  
 8 the-municipality-under-Section-11-74.4-4.2.

9 At the public hearing any interested person or affected  
 10 taxing district may file with the municipal clerk written  
 11 objections to and may be heard orally in respect to any  
 12 issues embodied in the notice. The municipality shall hear  
 13 and--determine all protests and objections at the hearing and  
 14 the hearing may be adjourned to another date without further  
 15 notice other than a motion to be entered upon the minutes  
 16 fixing the time and place of the subsequent hearing. At the  
 17 public hearing or at any time prior to the adoption by the  
 18 municipality of an ordinance approving a redevelopment plan,  
 19 the municipality may make changes in the redevelopment plan.  
 20 Changes which (1) add additional parcels of property to the  
 21 proposed redevelopment project area, (2) substantially affect  
 22 the general land uses proposed in the redevelopment plan, (3)  
 23 substantially change the nature of or extend the life of the  
 24 redevelopment project, or (4) increase the number of low or  
 25 very low income households to be displaced from the  
 26 redevelopment project area, provided that measured from the  
 27 time of creation of the redevelopment project area the total  
 28 displacement of the households will exceed 10, shall be made  
 29 only after the municipality gives notice, convenes a joint  
 30 review board, and conducts a public hearing pursuant to the  
 31 procedures set forth in this Section and in Section 11-74.4-6  
 32 of this Act. Changes which do not (1) add additional parcels  
 33 of property to the proposed redevelopment project area, (2)  
 34 substantially affect the general land uses proposed in the



1 redevelopment plan, (3) substantially change the nature of or  
2 extend the life of the redevelopment project, or (4) increase  
3 the number of low or very low income households to be  
4 displaced from the redevelopment project area, provided that  
5 measured from the time of creation of the redevelopment  
6 project area the total displacement of the households will  
7 exceed 10, may be made without further hearing, provided that  
8 the municipality shall give notice of any such changes by  
9 mail to each affected taxing district and registrant on the  
10 interested parties registry, provided for under Section  
11 11-74.4-4.2, and by publication in a newspaper of general  
12 circulation within the affected taxing district. Such notice  
13 by mail and by publication shall each occur not later than 10  
14 days following the adoption by ordinance of such changes.  
15 Hearings with regard to a redevelopment project area, project  
16 or plan may be held simultaneously.

17 (b) Prior to holding a public hearing to approve or  
18 amend a redevelopment plan or to designate or add additional  
19 parcels of property to a redevelopment project area, the  
20 municipality shall convene a joint review board. The board  
21 shall consist of a representative selected by each community  
22 college district, local elementary school district and high  
23 school district or each local community unit school district,  
24 park district, library district, township, fire protection  
25 district, and county that will have the authority to directly  
26 levy taxes on the property within the proposed redevelopment  
27 project area at the time that the proposed redevelopment  
28 project area is approved, a representative selected by the  
29 municipality and a public member. The public member shall  
30 first be selected and then the board's chairperson shall be  
31 selected by a majority of the board members present and  
32 voting.

33 For redevelopment project areas with redevelopment plans  
34 or proposed redevelopment plans that would result in the

1 displacement of residents from 10 or more inhabited  
2 residential units or that include 75 or more inhabited  
3 residential units, the public member shall be a person who  
4 resides in the redevelopment project area. If, as determined  
5 by the housing impact study provided for in paragraph (5) of  
6 subsection (n) of Section 11-74.4-3, or if no housing impact  
7 study is required then based on other reasonable data, the  
8 majority of residential units are occupied by very low, low,  
9 or moderate income households, as defined in Section 3 of the  
10 Illinois Affordable Housing Act, the public member shall be a  
11 person who resides in very low, low, or moderate income  
12 housing within the redevelopment project area.  
13 Municipalities with fewer than 15,000 residents shall not be  
14 required to select a person who lives in very low, low, or  
15 moderate income housing within the redevelopment project  
16 area, provided that the redevelopment plan or project will  
17 not result in displacement of residents from 10 or more  
18 inhabited units, and the municipality so certifies in the  
19 plan. If no person satisfying these requirements is  
20 available or if no qualified person will serve as the public  
21 member, then the joint review board is relieved of this  
22 paragraph's selection requirements for the public member.

23 Within 90 days of the effective date of this amendatory  
24 Act of the 91st General Assembly, each municipality that  
25 designated a redevelopment project area for which it was not  
26 required to convene a joint review board under this Section  
27 shall convene a joint review board to perform the duties  
28 specified under paragraph (e) of this Section.

29 All board members shall be appointed and the first board  
30 meeting shall be held following at least 14 days but not more  
31 than 28 days after the mailing of notice by the municipality  
32 to all the taxing districts as required by Section  
33 11-74.4-6(c). Notwithstanding the preceding sentence, a  
34 municipality that adopted either a public hearing resolution

1 or a feasibility resolution between July 1, 1999 and July 1,  
2 2000 that called for the meeting of the joint review board  
3 within 14 days of notice of public hearing to affected taxing  
4 districts is deemed to be in compliance with the notice,  
5 meeting, and public hearing provisions of the Act. Such  
6 notice shall also advise the taxing bodies represented on the  
7 joint review board of the time and place of the first meeting  
8 of the board. Additional meetings of the board shall be held  
9 upon the call of any member. The municipality seeking  
10 designation of the redevelopment project area shall provide  
11 administrative support to the board.

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

28 The board shall base its recommendation to approve or  
29 disapprove the redevelopment plan and the designation of the  
30 redevelopment project area or the amendment of the  
31 redevelopment plan or addition of parcels of property to the  
32 redevelopment project area on the basis of the redevelopment  
33 project area and redevelopment plan satisfying the plan  
34 requirements, the eligibility criteria defined in Section

1 11-74.4-3, and the objectives of this Act.

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

11 If the board recommends rejection of the matters before  
12 it, the municipality will have 30 days within which to  
13 resubmit the plan or amendment. During this period, the  
14 municipality will meet and confer with the board and attempt  
15 to resolve those issues set forth in the board's written  
16 report that led lead to the rejection of the plan or  
17 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  
24 the reconvening of the public hearing. Any changes to the  
25 redevelopment plan necessary to satisfy the issues set forth  
26 in the joint review board report shall be the subject of a  
27 public hearing before the hearing is adjourned if the changes  
28 would (1) substantially affect the general land uses proposed  
29 in the redevelopment plan, (2) substantially change the  
30 nature of or extend the life of the redevelopment project, or  
31 (3) increase the number of low or very low income households  
32 to be displaced from the redevelopment project area, provided  
33 that measured from the time of creation of the redevelopment  
34 project area the total displacement of the households will

1 exceed 10. Changes to the redevelopment plan necessary to  
 2 satisfy the issues set forth in the joint review board report  
 3 shall not require any further notice or convening of a joint  
 4 review board meeting, except that any changes to the  
 5 redevelopment plan that would add additional parcels of  
 6 property to the proposed redevelopment project area shall be  
 7 subject to the notice, public hearing, and joint review board  
 8 meeting requirements established for such changes by  
 9 subsection (a) of Section 11-74.4-5.

10 In the event that the municipality and the board are  
 11 unable to resolve these differences, or in the event that the  
 12 resubmitted plan or amendment is rejected by the board, the  
 13 municipality may proceed with the plan or amendment, but only  
 14 upon a three-fifths vote of the corporate authority  
 15 responsible for approval of the plan or amendment, excluding  
 16 positions of members that are vacant and those members that  
 17 are ineligible to vote because of conflicts of interest.

18 (c) After a municipality has by ordinance approved a  
 19 redevelopment plan and designated a redevelopment project  
 20 area, the plan may be amended and additional properties may  
 21 be added to the redevelopment project area only as herein  
 22 provided. Amendments which (1) add additional parcels of  
 23 property to the proposed redevelopment project area, (2)  
 24 substantially affect the general land uses proposed in the  
 25 redevelopment plan, (3) substantially change the nature of  
 26 the redevelopment project, (4) increase the total estimated  
 27 redevelopment project costs set out in the redevelopment plan  
 28 by more than 5% after adjustment for inflation from the date  
 29 the plan was adopted, (5) add additional redevelopment  
 30 project costs to the itemized list of redevelopment project  
 31 costs set out in the redevelopment plan, or (6) increase the  
 32 number of low or very low income households to be displaced  
 33 from the redevelopment project area, provided that measured  
 34 from the time of creation of the redevelopment project area

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

28 (d) After the effective date of this amendatory Act of  
29 the 91st General Assembly, a municipality shall submit the  
30 following information for each redevelopment project area (i)  
31 to the State Comptroller under Section 8-8-3.5 of the  
32 Illinois Municipal Code and (ii) to all taxing districts  
33 overlapping the redevelopment project area no later than 180  
34 days after the close of each municipal fiscal year or as soon

1 thereafter as the audited financial statements become  
2 available and, in any case, shall be submitted before the  
3 annual meeting of the Joint Review Board to each of the  
4 taxing districts that overlap the redevelopment project area:

5 (1) Any amendments to the redevelopment plan, the  
6 redevelopment project area, or the State Sales Tax  
7 Boundary.

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

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

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

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

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

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

25 (B) all amounts deposited in the special tax  
26 allocation fund by source;

27 (C) an itemized list of all expenditures from  
28 the special tax allocation fund by category of  
29 permissible redevelopment project cost; and

30 (D) the balance in the special tax allocation  
31 fund at the end of the fiscal year including a  
32 breakdown of that balance by source and a breakdown  
33 of that balance identifying any portion of the  
34 balance that is required, pledged, earmarked, or

1 otherwise designated for payment of or securing of  
2 obligations and anticipated redevelopment project  
3 costs. Any portion of such ending balance that has  
4 not been identified or is not identified as being  
5 required, pledged, earmarked, or otherwise  
6 designated for payment of or securing of obligations  
7 or anticipated redevelopment projects costs shall be  
8 designated as surplus as set forth in Section  
9 11-74.4-7 hereof.

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

- 13 (A) Street address.
- 14 (B) Approximate size or description of  
15 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  
24 activities undertaken.
- 25 (C) A description of any agreements entered  
26 into by the municipality with regard to the  
27 disposition or redevelopment of any property within  
28 the redevelopment project area or the area within  
29 the State Sales Tax Boundary.
- 30 (D) Additional information on the use of all  
31 funds received under this Division and steps taken  
32 by the municipality to achieve the objectives of the  
33 redevelopment plan.

34 (E) Information regarding contracts that the



1           municipality's tax increment advisors or consultants  
2           have entered into with entities or persons that have  
3           received, or are receiving, payments financed by tax  
4           increment revenues produced by the same  
5           redevelopment project area.

6           (F) Any reports submitted to the municipality  
7           by the joint review board.

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

20          (8) With regard to any obligations issued by the  
21          municipality:

22                  (A) copies of any official statements; and

23                  (B) an analysis prepared by financial advisor  
24          or underwriter setting forth: (i) nature and term of  
25          obligation; and (ii) projected debt service  
26          including required reserves and debt coverage.

27          (9) For special tax allocation funds that have  
28          experienced cumulative deposits of incremental tax  
29          revenues of \$100,000 or more, a certified audit report  
30          reviewing compliance with this Act performed by an  
31          independent public accountant certified and licensed by  
32          the authority of the State of Illinois. The financial  
33          portion of the audit must be conducted in accordance with  
34          Standards for Audits of Governmental Organizations,

1 Programs, Activities, and Functions adopted by the  
2 Comptroller General of the United States (1981), as  
3 amended, or the standards specified by Section 8-8-5 of  
4 the Illinois Municipal Auditing Law of the Illinois  
5 Municipal Code. The audit report shall contain a letter  
6 from the independent certified public accountant  
7 indicating compliance or noncompliance with the  
8 requirements of subsection (q) of Section 11-74.4-3. For  
9 redevelopment plans or projects that would result in the  
10 displacement of residents from 10 or more inhabited  
11 residential units or that contain 75 or more inhabited  
12 residential units, notice of the availability of the  
13 information, including how to obtain the report, required  
14 in this subsection shall also be sent by mail to all  
15 residents or organizations that operate in the  
16 municipality that register with the municipality for that  
17 information according to registration procedures adopted  
18 under Section 11-74.4-4.2. All municipalities are  
19 subject to this provision.

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

26 (1) Any amendments to the redevelopment plan, the  
27 redevelopment project area, or the State Sales Tax  
28 Boundary; and

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

34 (e) The joint review board shall meet annually 180 days

1 after the close of the municipal fiscal year or as soon as  
2 the redevelopment project audit for that fiscal year becomes  
3 available to review the effectiveness and status of the  
4 redevelopment project area up to that date.

5 (f) (Blank).

6 (g) In the event that a municipality has held a public  
7 hearing under this Section prior to March 14, 1994 (the  
8 effective date of Public Act 88-537), the requirements  
9 imposed by Public Act 88-537 relating to the method of fixing  
10 the time and place for public hearing, the materials and  
11 information required to be made available for public  
12 inspection, and the information required to be sent after  
13 adoption of an ordinance or resolution fixing a time and  
14 place for public hearing shall not be applicable.

15 (Source: P.A. 91-357, eff. 7-29-99; 91-478, eff. 11-1-99;  
16 91-900, eff. 7-6-00.)

17 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

18 Sec. 11-74.4-7. Obligations secured by the special tax  
19 allocation fund set forth in Section 11-74.4-8 for the  
20 redevelopment project area may be issued to provide for  
21 redevelopment project costs. Such obligations, when so  
22 issued, shall be retired in the manner provided in the  
23 ordinance authorizing the issuance of such obligations by the  
24 receipts of taxes levied as specified in Section 11-74.4-9  
25 against the taxable property included in the area, by  
26 revenues as specified by Section 11-74.4-8a and other revenue  
27 designated by the municipality. A municipality may in the  
28 ordinance pledge all or any part of the funds in and to be  
29 deposited in the special tax allocation fund created pursuant  
30 to Section 11-74.4-8 to the payment of the redevelopment  
31 project costs and obligations. Any pledge of funds in the  
32 special tax allocation fund shall provide for distribution to  
33 the taxing districts and to the Illinois Department of

1 Revenue of moneys not required, pledged, earmarked, or  
2 otherwise designated for payment and securing of the  
3 obligations and anticipated redevelopment project costs and  
4 such excess funds shall be calculated annually and deemed to  
5 be "surplus" funds. In the event a municipality only applies  
6 or pledges a portion of the funds in the special tax  
7 allocation fund for the payment or securing of anticipated  
8 redevelopment project costs or of obligations, any such funds  
9 remaining in the special tax allocation fund after complying  
10 with the requirements of the application or pledge, shall  
11 also be calculated annually and deemed "surplus" funds. All  
12 surplus funds in the special tax allocation fund shall be  
13 distributed annually within 180 days after the close of the  
14 municipality's fiscal year by being paid by the municipal  
15 treasurer to the County Collector, to the Department of  
16 Revenue and to the municipality in direct proportion to the  
17 tax incremental revenue received as a result of an increase  
18 in the equalized assessed value of property in the  
19 redevelopment project area, tax incremental revenue received  
20 from the State and tax incremental revenue received from the  
21 municipality, but not to exceed as to each such source the  
22 total incremental revenue received from that source. The  
23 County Collector shall thereafter make distribution to the  
24 respective taxing districts in the same manner and proportion  
25 as the most recent distribution by the county collector to  
26 the affected districts of real property taxes from real  
27 property in the redevelopment project area.

28 Without limiting the foregoing in this Section, the  
29 municipality may in addition to obligations secured by the  
30 special tax allocation fund pledge for a period not greater  
31 than the term of the obligations towards payment of such  
32 obligations any part or any combination of the following: (a)  
33 net revenues of all or part of any redevelopment project; (b)  
34 taxes levied and collected on any or all property in the

1 municipality; (c) the full faith and credit of the  
2 municipality; (d) a mortgage on part or all of the  
3 redevelopment project; or (e) any other taxes or anticipated  
4 receipts that the municipality may lawfully pledge.

5 Such obligations may be issued in one or more series  
6 bearing interest at such rate or rates as the corporate  
7 authorities of the municipality shall determine by ordinance.  
8 Such obligations shall bear such date or dates, mature at  
9 such time or times not exceeding 20 years from their  
10 respective dates, be in such denomination, carry such  
11 registration privileges, be executed in such manner, be  
12 payable in such medium of payment at such place or places,  
13 contain such covenants, terms and conditions, and be subject  
14 to redemption as such ordinance shall provide. Obligations  
15 issued pursuant to this Act may be sold at public or private  
16 sale at such price as shall be determined by the corporate  
17 authorities of the municipalities. No referendum approval of  
18 the electors shall be required as a condition to the issuance  
19 of obligations pursuant to this Division except as provided  
20 in this Section.

21 In the event the municipality authorizes issuance of  
22 obligations pursuant to the authority of this Division  
23 secured by the full faith and credit of the municipality,  
24 which obligations are other than obligations which may be  
25 issued under home rule powers provided by Article VII,  
26 Section 6 of the Illinois Constitution, or pledges taxes  
27 pursuant to (b) or (c) of the second paragraph of this  
28 section, the ordinance authorizing the issuance of such  
29 obligations or pledging such taxes shall be published within  
30 10 days after such ordinance has been passed in one or more  
31 newspapers, with general circulation within such  
32 municipality. The publication of the ordinance shall be  
33 accompanied by a notice of (1) the specific number of voters  
34 required to sign a petition requesting the question of the

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

6 If no petition is filed with the municipal clerk, as  
7 hereinafter provided in this Section, within 30 days after  
8 the publication of the ordinance, the ordinance shall be in  
9 effect. But, if within that 30 day period a petition is  
10 filed with the municipal clerk, signed by electors in the  
11 municipality numbering 10% or more of the number of  
12 registered voters in the municipality, asking that the  
13 question of issuing obligations using full faith and credit  
14 of the municipality as security for the cost of paying for  
15 redevelopment project costs, or of pledging taxes for the  
16 payment of such obligations, or both, be submitted to the  
17 electors of the municipality, the corporate authorities of  
18 the municipality shall call a special election in the manner  
19 provided by law to vote upon that question, or, if a general,  
20 State or municipal election is to be held within a period of  
21 not less than 30 or more than 90 days from the date such  
22 petition is filed, shall submit the question at the next  
23 general, State or municipal election. If it appears upon the  
24 canvass of the election by the corporate authorities that a  
25 majority of electors voting upon the question voted in favor  
26 thereof, the ordinance shall be in effect, but if a majority  
27 of the electors voting upon the question are not in favor  
28 thereof, the ordinance shall not take effect.

29 The ordinance authorizing the obligations may provide  
30 that the obligations shall contain a recital that they are  
31 issued pursuant to this Division, which recital shall be  
32 conclusive evidence of their validity and of the regularity  
33 of their issuance.

34 In the event the municipality authorizes issuance of

1 obligations pursuant to this Section secured by the full  
2 faith and credit of the municipality, the ordinance  
3 authorizing the obligations may provide for the levy and  
4 collection of a direct annual tax upon all taxable property  
5 within the municipality sufficient to pay the principal  
6 thereof and interest thereon as it matures, which levy may be  
7 in addition to and exclusive of the maximum of all other  
8 taxes authorized to be levied by the municipality, which  
9 levy, however, shall be abated to the extent that monies from  
10 other sources are available for payment of the obligations  
11 and the municipality certifies the amount of said monies  
12 available to the county clerk.

13 A certified copy of such ordinance shall be filed with  
14 the county clerk of each county in which any portion of the  
15 municipality is situated, and shall constitute the authority  
16 for the extension and collection of the taxes to be deposited  
17 in the special tax allocation fund.

18 A municipality may also issue its obligations to refund  
19 in whole or in part, obligations theretofore issued by such  
20 municipality under the authority of this Act, whether at or  
21 prior to maturity, provided however, that the last maturity  
22 of the refunding obligations shall not be expressed to mature  
23 later than December 31 of the year in which the payment to  
24 the municipal treasurer as provided in subsection (b) of  
25 Section 11-74.4-8 of this Act is to be made with respect to  
26 ad valorem taxes levied in the twenty-third calendar year  
27 after the year in which the ordinance approving the  
28 redevelopment project area is adopted if the ordinance was  
29 adopted on or after January 15, 1981, and not later than  
30 December 31 of the year in which the payment to the municipal  
31 treasurer as provided in subsection (b) of Section 11-74.4-8  
32 of this Act is to be made with respect to ad valorem taxes  
33 levied in the thirty-fifth calendar year after the year in  
34 which the ordinance approving the redevelopment project area

1 is adopted (A) if the ordinance was adopted before January  
2 15, 1981, or (B) if the ordinance was adopted in December  
3 1983, April 1984, July 1985, or December 1989, or (C) if the  
4 ordinance was adopted in December, 1987 and the redevelopment  
5 project is located within one mile of Midway Airport, or (D)  
6 if the ordinance was adopted before January 1, 1987 by a  
7 municipality in Mason County, or (E) if the municipality is  
8 subject to the Local Government Financial Planning and  
9 Supervision Act or the Financially Distressed City Law, or  
10 (F) if the ordinance was adopted in December 1984 by the  
11 Village of Rosemont, or (G) if the ordinance was adopted on  
12 December 31, 1986 by a municipality located in Clinton County  
13 for which at least \$250,000 of tax increment bonds were  
14 authorized on June 17, 1997, or if the ordinance was adopted  
15 on December 31, 1986 by a municipality with a population in  
16 1990 of less than 3,600 that is located in a county with a  
17 population in 1990 of less than 34,000 and for which at least  
18 \$250,000 of tax increment bonds were authorized on June 17,  
19 1997, or (H) if the ordinance was adopted on October 5, 1982  
20 by the City of Kankakee, or (I) if the ordinance was adopted  
21 on December 29, 1986 by East St. Louis, or if the ordinance  
22 was adopted on November 12, 1991 by the Village of Sauget, or  
23 (J) if the ordinance was adopted on February 11, 1985 by the  
24 City of Rock Island, or (K) if the ordinance was adopted  
25 before December 18, 1986 by the City of Moline, or (L) if  
26 the ordinance was adopted in September 1988 by Sauk Village,  
27 or (M) if the ordinance was adopted in October 1993 by Sauk  
28 Village, or (N) if the ordinance was adopted on December 29,  
29 1986 by the City of Galva, or (O) if the ordinance was  
30 adopted in March 1991 by the City of Centreville and, for  
31 redevelopment project areas for which bonds were issued  
32 before July 29, 1991, in connection with a redevelopment  
33 project in the area within the State Sales Tax Boundary and  
34 which were extended by municipal ordinance under subsection



1 (n) of Section 11-74.4-3, the last maturity of the refunding  
2 obligations shall not be expressed to mature later than the  
3 date on which the redevelopment project area is terminated or  
4 December 31, 2013, whichever date occurs first.

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

13 All obligations heretofore or hereafter issued pursuant  
14 to this Act shall not be regarded as indebtedness of the  
15 municipality issuing such obligations or any other taxing  
16 district for the purpose of any limitation imposed by law.

17 (Source: P.A. 90-379, eff. 8-14-97; 91-261, eff. 7-23-99;  
18 91-477, eff. 8-11-99; 91-478, eff. 11-1-99; 91-642, eff.  
19 8-20-99; 91-763, eff. 6-9-00.)

20 (65 ILCS 5/11-74.4-8a) (from Ch. 24, par. 11-74.4-8a)  
21 Sec. 11-74.4-8a. (1) Until June 1, 1988, a municipality  
22 which has adopted tax increment allocation financing prior to  
23 January 1, 1987, may by ordinance (1) authorize the  
24 Department of Revenue, subject to appropriation, to annually  
25 certify and cause to be paid from the Illinois Tax Increment  
26 Fund to such municipality for deposit in the municipality's  
27 special tax allocation fund an amount equal to the Net State  
28 Sales Tax Increment and (2) authorize the Department of  
29 Revenue to annually notify the municipality of the amount of  
30 the Municipal Sales Tax Increment which shall be deposited by  
31 the municipality in the municipality's special tax allocation  
32 fund. Provided that for purposes of this Section no  
33 amendments adding additional area to the redevelopment

1 project area which has been certified as the State Sales Tax  
2 Boundary shall be taken into account if such amendments are  
3 adopted by the municipality after January 1, 1987. If an  
4 amendment is adopted which decreases the area of a State  
5 Sales Tax Boundary, the municipality shall update the list  
6 required by subsection (3)(a) of this Section. The Retailers'  
7 Occupation Tax liability, Use Tax liability, Service  
8 Occupation Tax liability and Service Use Tax liability for  
9 retailers and servicemen located within the disconnected area  
10 shall be excluded from the base from which tax increments are  
11 calculated and the revenue from any such retailer or  
12 serviceman shall not be included in calculating incremental  
13 revenue payable to the municipality. A municipality adopting  
14 an ordinance under this subsection (1) of this Section for a  
15 redevelopment project area which is certified as a State  
16 Sales Tax Boundary shall not be entitled to payments of State  
17 taxes authorized under subsection (2) of this Section for the  
18 same redevelopment project area. Nothing herein shall be  
19 construed to prevent a municipality from receiving payment of  
20 State taxes authorized under subsection (2) of this Section  
21 for a separate redevelopment project area that does not  
22 overlap in any way with the State Sales Tax Boundary  
23 receiving payments of State taxes pursuant to subsection (1)  
24 of this Section.

25 A certified copy of such ordinance shall be submitted by  
26 the municipality to the Department of Commerce and Community  
27 Affairs and the Department of Revenue not later than 30 days  
28 after the effective date of the ordinance. Upon submission  
29 of the ordinances, and the information required pursuant to  
30 subsection 3 of this Section, the Department of Revenue shall  
31 promptly determine the amount of such taxes paid under the  
32 Retailers' Occupation Tax Act, Use Tax Act, Service Use Tax  
33 Act, the Service Occupation Tax Act, the Municipal Retailers'  
34 Occupation Tax Act and the Municipal Service Occupation Tax

1 Act by retailers and servicemen on transactions at places  
2 located in the redevelopment project area during the base  
3 year, and shall certify all the foregoing "initial sales tax  
4 amounts" to the municipality within 60 days of submission of  
5 the list required of subsection (3)(a) of this Section.

6 If a retailer or serviceman with a place of business  
7 located within a redevelopment project area also has one or  
8 more other places of business within the municipality but  
9 outside the redevelopment project area, the retailer or  
10 serviceman shall, upon request of the Department of Revenue,  
11 certify to the Department of Revenue the amount of taxes paid  
12 pursuant to the Retailers' Occupation Tax Act, the Municipal  
13 Retailers' Occupation Tax Act, the Service Occupation Tax Act  
14 and the Municipal Service Occupation Tax Act at each place of  
15 business which is located within the redevelopment project  
16 area in the manner and for the periods of time requested by  
17 the Department of Revenue.

18 When the municipality determines that a portion of an  
19 increase in the aggregate amount of taxes paid by retailers  
20 and servicemen under the Retailers' Occupation Tax Act, Use  
21 Tax Act, Service Use Tax Act, or the Service Occupation Tax  
22 Act is the result of a retailer or serviceman initiating  
23 retail or service operations in the redevelopment project  
24 area by such retailer or serviceman with a resulting  
25 termination of retail or service operations by such retailer  
26 or serviceman at another location in Illinois in the standard  
27 metropolitan statistical area of such municipality, the  
28 Department of Revenue shall be notified that the retailers  
29 occupation tax liability, use tax liability, service  
30 occupation tax liability, or service use tax liability from  
31 such retailer's or serviceman's terminated operation shall be  
32 included in the base Initial Sales Tax Amounts from which the  
33 State Sales Tax Increment is calculated for purposes of State  
34 payments to the affected municipality; provided, however, for

1 purposes of this paragraph "termination" shall mean a closing  
2 of a retail or service operation which is directly related to  
3 the opening of the same retail or service operation in a  
4 redevelopment project area which is included within a State  
5 Sales Tax Boundary, but it shall not include retail or  
6 service operations closed for reasons beyond the control of  
7 the retailer or serviceman, as determined by the Department.

8 If the municipality makes the determination referred to  
9 in the prior paragraph and notifies the Department and if the  
10 relocation is from a location within the municipality, the  
11 Department, at the request of the municipality, shall adjust  
12 the certified aggregate amount of taxes that constitute the  
13 Municipal Sales Tax Increment paid by retailers and  
14 servicemen on transactions at places of business located  
15 within the State Sales Tax Boundary during the base year  
16 using the same procedures as are employed to make the  
17 adjustment referred to in the prior paragraph. The adjusted  
18 Municipal Sales Tax Increment calculated by the Department  
19 shall be sufficient to satisfy the requirements of subsection  
20 (1) of this Section.

21 When a municipality which has adopted tax increment  
22 allocation financing in 1986 determines that a portion of the  
23 aggregate amount of taxes paid by retailers and servicemen  
24 under the Retailers Occupation Tax Act, Use Tax Act, Service  
25 Use Tax Act, or Service Occupation Tax Act, the Municipal  
26 Retailers' Occupation Tax Act and the Municipal Service  
27 Occupation Tax Act, includes revenue of a retailer or  
28 serviceman which terminated retailer or service operations in  
29 1986, prior to the adoption of tax increment allocation  
30 financing, the Department of Revenue shall be notified by  
31 such municipality that the retailers' occupation tax  
32 liability, use tax liability, service occupation tax  
33 liability or service use tax liability, from such retailer's  
34 or serviceman's terminated operations shall be excluded from

1 the Initial Sales Tax Amounts for such taxes. The revenue  
2 from any such retailer or serviceman which is excluded from  
3 the base year under this paragraph, shall not be included in  
4 calculating incremental revenues if such retailer or  
5 serviceman reestablishes such business in the redevelopment  
6 project area.

7 For State fiscal year 1992, the Department of Revenue  
8 shall budget, and the Illinois General Assembly shall  
9 appropriate from the Illinois Tax Increment Fund in the State  
10 treasury, an amount not to exceed \$18,000,000 to pay to each  
11 eligible municipality the Net State Sales Tax Increment to  
12 which such municipality is entitled.

13 Beginning on January 1, 1993, each municipality's  
14 proportional share of the Illinois Tax Increment Fund shall  
15 be determined by adding the annual Net State Sales Tax  
16 Increment and the annual Net Utility Tax Increment to  
17 determine the Annual Total Increment. The ratio of the Annual  
18 Total Increment of each municipality to the Annual Total  
19 Increment for all municipalities, as most recently calculated  
20 by the Department, shall determine the proportional shares of  
21 the Illinois Tax Increment Fund to be distributed to each  
22 municipality.

23 Beginning in October, 1993, and each January, April, July  
24 and October thereafter, the Department of Revenue shall  
25 certify to the Treasurer and the Comptroller the amounts  
26 payable quarter annually during the fiscal year to each  
27 municipality under this Section. The Comptroller shall  
28 promptly then draw warrants, ordering the State Treasurer to  
29 pay such amounts from the Illinois Tax Increment Fund in the  
30 State treasury.

31 The Department of Revenue shall utilize the same periods  
32 established for determining State Sales Tax Increment to  
33 determine the Municipal Sales Tax Increment for the area  
34 within a State Sales Tax Boundary and certify such amounts to

1 such municipal treasurer who shall transfer such amounts to  
2 the special tax allocation fund.

3 The provisions of this subsection (1) do not apply to  
4 additional municipal retailers' occupation or service  
5 occupation taxes imposed by municipalities using their home  
6 rule powers or imposed pursuant to Sections 8-11-1.3,  
7 8-11-1.4 and 8-11-1.5 of this Act. A municipality shall not  
8 receive from the State any share of the Illinois Tax  
9 Increment Fund unless such municipality deposits all its  
10 Municipal Sales Tax Increment and the local incremental real  
11 property tax revenues, as provided herein, into the  
12 appropriate special tax allocation fund. If, however, a  
13 municipality has extended the estimated dates of completion  
14 of the redevelopment project and retirement of obligations to  
15 finance redevelopment project costs by municipal ordinance to  
16 December 31, 2013 under subsection (n) of Section 11-74.4-3,  
17 then that municipality shall continue to receive from the  
18 State a share of the Illinois Tax Increment Fund so long as  
19 the municipality deposits, from any funds available,  
20 excluding funds in the special tax allocation fund, an amount  
21 equal to the municipal share of the real property tax  
22 increment revenues into the special tax allocation fund  
23 during the extension period. The amount to be deposited by  
24 the municipality in each of the tax years affected by the  
25 extension to December 31, 2013 shall be equal to the  
26 municipal share of the property tax increment deposited into  
27 the special tax allocation fund by the municipality for the  
28 most recent year that the property tax increment was  
29 distributed. A municipality located within an economic  
30 development project area created under the County Economic  
31 Development Project Area Property Tax Allocation Act which  
32 has abated any portion of its property taxes which otherwise  
33 would have been deposited in its special tax allocation fund  
34 shall not receive from the State the Net Sales Tax Increment.

1           (2) A municipality which has adopted tax increment  
2 allocation financing with regard to an industrial park or  
3 industrial park conservation area, prior to January 1, 1988,  
4 may by ordinance authorize the Department of Revenue to  
5 annually certify and pay from the Illinois Tax Increment Fund  
6 to such municipality for deposit in the municipality's  
7 special tax allocation fund an amount equal to the Net State  
8 Utility Tax Increment. Provided that for purposes of this  
9 Section no amendments adding additional area to the  
10 redevelopment project area shall be taken into account if  
11 such amendments are adopted by the municipality after January  
12 1, 1988. Municipalities adopting an ordinance under this  
13 subsection (2) of this Section for a redevelopment project  
14 area shall not be entitled to payment of State taxes  
15 authorized under subsection (1) of this Section for the same  
16 redevelopment project area which is within a State Sales Tax  
17 Boundary. Nothing herein shall be construed to prevent a  
18 municipality from receiving payment of State taxes authorized  
19 under subsection (1) of this Section for a separate  
20 redevelopment project area within a State Sales Tax Boundary  
21 that does not overlap in any way with the redevelopment  
22 project area receiving payments of State taxes pursuant to  
23 subsection (2) of this Section.

24           A certified copy of such ordinance shall be submitted to  
25 the Department of Commerce and Community Affairs and the  
26 Department of Revenue not later than 30 days after the  
27 effective date of the ordinance.

28           When a municipality determines that a portion of an  
29 increase in the aggregate amount of taxes paid by industrial  
30 or commercial facilities under the Public Utilities Act, is  
31 the result of an industrial or commercial facility initiating  
32 operations in the redevelopment project area with a resulting  
33 termination of such operations by such industrial or  
34 commercial facility at another location in Illinois, the

1 Department of Revenue shall be notified by such municipality  
2 that such industrial or commercial facility's liability under  
3 the Public Utility Tax Act shall be included in the base from  
4 which tax increments are calculated for purposes of State  
5 payments to the affected municipality.

6 After receipt of the calculations by the public utility  
7 as required by subsection (4) of this Section, the Department  
8 of Revenue shall annually budget and the Illinois General  
9 Assembly shall annually appropriate from the General Revenue  
10 Fund through State Fiscal Year 1989, and thereafter from the  
11 Illinois Tax Increment Fund, an amount sufficient to pay to  
12 each eligible municipality the amount of incremental revenue  
13 attributable to State electric and gas taxes as reflected by  
14 the charges imposed on persons in the project area to which  
15 such municipality is entitled by comparing the preceding  
16 calendar year with the base year as determined by this  
17 Section. Beginning on January 1, 1993, each municipality's  
18 proportional share of the Illinois Tax Increment Fund shall  
19 be determined by adding the annual Net State Utility Tax  
20 Increment and the annual Net Utility Tax Increment to  
21 determine the Annual Total Increment. The ratio of the Annual  
22 Total Increment of each municipality to the Annual Total  
23 Increment for all municipalities, as most recently calculated  
24 by the Department, shall determine the proportional shares of  
25 the Illinois Tax Increment Fund to be distributed to each  
26 municipality.

27 A municipality shall not receive any share of the  
28 Illinois Tax Increment Fund from the State unless such  
29 municipality imposes the maximum municipal charges authorized  
30 pursuant to Section 9-221 of the Public Utilities Act and  
31 deposits all municipal utility tax incremental revenues as  
32 certified by the public utilities, and all local real estate  
33 tax increments into such municipality's special tax  
34 allocation fund.



1           (3) Within 30 days after the adoption of the ordinance  
2 required by either subsection (1) or subsection (2) of this  
3 Section, the municipality shall transmit to the Department of  
4 Commerce and Community Affairs and the Department of Revenue  
5 the following:

6           (a) if applicable, a certified copy of the  
7 ordinance required by subsection (1) accompanied by a  
8 complete list of street names and the range of street  
9 numbers of each street located within the redevelopment  
10 project area for which payments are to be made under this  
11 Section in both the base year and in the year preceding  
12 the payment year; and the addresses of persons registered  
13 with the Department of Revenue; and, the name under which  
14 each such retailer or serviceman conducts business at  
15 that address, if different from the corporate name; and  
16 the Illinois Business Tax Number of each such person (The  
17 municipality shall update this list in the event of a  
18 revision of the redevelopment project area, or the  
19 opening or closing or name change of any street or part  
20 thereof in the redevelopment project area, or if the  
21 Department of Revenue informs the municipality of an  
22 addition or deletion pursuant to the monthly updates  
23 given by the Department.);

24           (b) if applicable, a certified copy of the  
25 ordinance required by subsection (2) accompanied by a  
26 complete list of street names and range of street numbers  
27 of each street located within the redevelopment project  
28 area, the utility customers in the project area, and the  
29 utilities serving the redevelopment project areas;

30           (c) certified copies of the ordinances approving  
31 the redevelopment plan and designating the redevelopment  
32 project area;

33           (d) a copy of the redevelopment plan as approved by  
34 the municipality;

1           (e) an opinion of legal counsel that the  
2           municipality had complied with the requirements of this  
3           Act; and

4           (f) a certification by the chief executive officer  
5           of the municipality that with regard to a redevelopment  
6           project area: (1) the municipality has committed all of  
7           the municipal tax increment created pursuant to this Act  
8           for deposit in the special tax allocation fund, (2) the  
9           redevelopment projects described in the redevelopment  
10          plan would not be completed without the use of State  
11          incremental revenues pursuant to this Act, (3) the  
12          municipality will pursue the implementation of the  
13          redevelopment plan in an expeditious manner, (4) the  
14          incremental revenues created pursuant to this Section  
15          will be exclusively utilized for the development of the  
16          redevelopment project area, and (5) the increased revenue  
17          created pursuant to this Section shall be used  
18          exclusively to pay redevelopment project costs as defined  
19          in this Act.

20          (4) The Department of Revenue upon receipt of the  
21          information set forth in paragraph (b) of subsection (3)  
22          shall immediately forward such information to each public  
23          utility furnishing natural gas or electricity to buildings  
24          within the redevelopment project area. Upon receipt of such  
25          information, each public utility shall promptly:

26                 (a) provide to the Department of Revenue and the  
27                 municipality separate lists of the names and addresses of  
28                 persons within the redevelopment project area receiving  
29                 natural gas or electricity from such public utility.  
30                 Such list shall be updated as necessary by the public  
31                 utility. Each month thereafter the public utility shall  
32                 furnish the Department of Revenue and the municipality  
33                 with an itemized listing of charges imposed pursuant to  
34                 Sections 9-221 and 9-222 of the Public Utilities Act on

1 persons within the redevelopment project area.

2 (b) determine the amount of charges imposed  
3 pursuant to Sections 9-221 and 9-222 of the Public  
4 Utilities Act on persons in the redevelopment project  
5 area during the base year, both as a result of municipal  
6 taxes on electricity and gas and as a result of State  
7 taxes on electricity and gas and certify such amounts  
8 both to the municipality and the Department of Revenue;  
9 and

10 (c) determine the amount of charges imposed  
11 pursuant to Sections 9-221 and 9-222 of the Public  
12 Utilities Act on persons in the redevelopment project  
13 area on a monthly basis during the base year, both as a  
14 result of State and municipal taxes on electricity and  
15 gas and certify such separate amounts both to the  
16 municipality and the Department of Revenue.

17 After the determinations are made in paragraphs (b) and  
18 (c), the public utility shall monthly during the existence of  
19 the redevelopment project area notify the Department of  
20 Revenue and the municipality of any increase in charges over  
21 the base year determinations made pursuant to paragraphs (b)  
22 and (c).

23 (5) The payments authorized under this Section shall be  
24 deposited by the municipal treasurer in the special tax  
25 allocation fund of the municipality, which for accounting  
26 purposes shall identify the sources of each payment as:  
27 municipal receipts from the State retailers occupation,  
28 service occupation, use and service use taxes; and municipal  
29 public utility taxes charged to customers under the Public  
30 Utilities Act and State public utility taxes charged to  
31 customers under the Public Utilities Act.

32 (6) Before the effective date of this amendatory Act of  
33 the 91st General Assembly, any municipality receiving  
34 payments authorized under this Section for any redevelopment

1 project area or area within a State Sales Tax Boundary within  
2 the municipality shall submit to the Department of Revenue  
3 and to the taxing districts which are sent the notice  
4 required by Section 6 of this Act annually within 180 days  
5 after the close of each municipal fiscal year the following  
6 information for the immediately preceding fiscal year:

7 (a) Any amendments to the redevelopment plan, the  
8 redevelopment project area, or the State Sales Tax  
9 Boundary.

10 (b) Audited financial statements of the special tax  
11 allocation fund.

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

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

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

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

22 (2) all amounts deposited in the special tax  
23 allocation fund by source;

24 (3) all expenditures from the special tax  
25 allocation fund by category of permissible  
26 redevelopment project cost; and

27 (4) the balance in the special tax allocation  
28 fund at the end of the fiscal year including a  
29 breakdown of that balance by source. Such ending  
30 balance shall be designated as surplus if it is not  
31 required for anticipated redevelopment project costs  
32 or to pay debt service on bonds issued to finance  
33 redevelopment project costs, as set forth in Section  
34 11-74.4-7 hereof.

1 (f) A description of all property purchased by the  
2 municipality within the redevelopment project area  
3 including:

- 4 1. Street address
- 5 2. Approximate size or description of property
- 6 3. Purchase price
- 7 4. Seller of property.

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

- 11 1. Any project implemented in the preceding  
12 fiscal year
- 13 2. A description of the redevelopment  
14 activities undertaken
- 15 3. A description of any agreements entered  
16 into by the municipality with regard to the  
17 disposition or redevelopment of any property within  
18 the redevelopment project area or the area within  
19 the State Sales Tax Boundary.

20 (h) With regard to any obligations issued by the  
21 municipality:

- 22 1. copies of bond ordinances or resolutions
- 23 2. copies of any official statements
- 24 3. an analysis prepared by financial advisor  
25 or underwriter setting forth: (a) nature and term of  
26 obligation; and (b) projected debt service including  
27 required reserves and debt coverage.

28 (i) A certified audit report reviewing compliance  
29 with this statute performed by an independent public  
30 accountant certified and licensed by the authority of the  
31 State of Illinois. The financial portion of the audit  
32 must be conducted in accordance with Standards for Audits  
33 of Governmental Organizations, Programs, Activities, and  
34 Functions adopted by the Comptroller General of the

1 United States (1981), as amended. The audit report shall  
2 contain a letter from the independent certified public  
3 accountant indicating compliance or noncompliance with  
4 the requirements of subsection (q) of Section 11-74.4-3.  
5 If the audit indicates that expenditures are not in  
6 compliance with the law, the Department of Revenue shall  
7 withhold State sales and utility tax increment payments  
8 to the municipality until compliance has been reached,  
9 and an amount equal to the ineligible expenditures has  
10 been returned to the Special Tax Allocation Fund.

11 (6.1) After July 29, 1988 and before the effective date  
12 of this amendatory Act of the 91st General Assembly, any  
13 funds which have not been designated for use in a specific  
14 development project in the annual report shall be designated  
15 as surplus. No funds may be held in the Special Tax  
16 Allocation Fund for more than 36 months from the date of  
17 receipt unless the money is required for payment of  
18 contractual obligations for specific development project  
19 costs. If held for more than 36 months in violation of the  
20 preceding sentence, such funds shall be designated as  
21 surplus. Any funds designated as surplus must first be used  
22 for early redemption of any bond obligations. Any funds  
23 designated as surplus which are not disposed of as otherwise  
24 provided in this paragraph, shall be distributed as surplus  
25 as provided in Section 11-74.4-7.

26 (7) Any appropriation made pursuant to this Section for  
27 the 1987 State fiscal year shall not exceed the amount of \$7  
28 million and for the 1988 State fiscal year the amount of \$10  
29 million. The amount which shall be distributed to each  
30 municipality shall be the incremental revenue to which each  
31 municipality is entitled as calculated by the Department of  
32 Revenue, unless the requests of the municipality exceed the  
33 appropriation, then the amount to which each municipality  
34 shall be entitled shall be prorated among the municipalities

1 in the same proportion as the increment to which the  
2 municipality would be entitled bears to the total increment  
3 which all municipalities would receive in the absence of this  
4 limitation, provided that no municipality may receive an  
5 amount in excess of 15% of the appropriation. For the 1987  
6 Net State Sales Tax Increment payable in Fiscal Year 1989, no  
7 municipality shall receive more than 7.5% of the total  
8 appropriation; provided, however, that any of the  
9 appropriation remaining after such distribution shall be  
10 prorated among municipalities on the basis of their pro rata  
11 share of the total increment. Beginning on January 1, 1993,  
12 each municipality's proportional share of the Illinois Tax  
13 Increment Fund shall be determined by adding the annual Net  
14 State Sales Tax Increment and the annual Net Utility Tax  
15 Increment to determine the Annual Total Increment. The ratio  
16 of the Annual Total Increment of each municipality to the  
17 Annual Total Increment for all municipalities, as most  
18 recently calculated by the Department, shall determine the  
19 proportional shares of the Illinois Tax Increment Fund to be  
20 distributed to each municipality.

21 (7.1) No distribution of Net State Sales Tax Increment  
22 to a municipality for an area within a State Sales Tax  
23 Boundary shall exceed in any State Fiscal Year an amount  
24 equal to 3 times the sum of the Municipal Sales Tax  
25 Increment, the real property tax increment and deposits of  
26 funds from other sources, excluding state and federal funds,  
27 as certified by the city treasurer to the Department of  
28 Revenue for an area within a State Sales Tax Boundary. After  
29 July 29, 1988, for those municipalities which issue bonds  
30 between June 1, 1988 and 3 years from July 29, 1988 to  
31 finance redevelopment projects within the area in a State  
32 Sales Tax Boundary, the distribution of Net State Sales Tax  
33 Increment during the 16th through 20th years from the date of  
34 issuance of the bonds shall not exceed in any State Fiscal

1 Year an amount equal to 2 times the sum of the Municipal  
2 Sales Tax Increment, the real property tax increment and  
3 deposits of funds from other sources, excluding State and  
4 federal funds.

5 (8) Any person who knowingly files or causes to be filed  
6 false information for the purpose of increasing the amount of  
7 any State tax incremental revenue commits a Class A  
8 misdemeanor.

9 (9) The following procedures shall be followed to  
10 determine whether municipalities have complied with the Act  
11 for the purpose of receiving distributions after July 1, 1989  
12 pursuant to subsection (1) of this Section 11-74.4-8a.

13 (a) The Department of Revenue shall conduct a  
14 preliminary review of the redevelopment project areas and  
15 redevelopment plans pertaining to those municipalities  
16 receiving payments from the State pursuant to subsection  
17 (1) of Section 8a of this Act for the purpose of  
18 determining compliance with the following standards:

19 (1) For any municipality with a population of  
20 more than 12,000 as determined by the 1980 U.S.  
21 Census: (a) the redevelopment project area, or in  
22 the case of a municipality which has more than one  
23 redevelopment project area, each such area, must be  
24 contiguous and the total of all such areas shall not  
25 comprise more than 25% of the area within the  
26 municipal boundaries nor more than 20% of the  
27 equalized assessed value of the municipality; (b)  
28 the aggregate amount of 1985 taxes in the  
29 redevelopment project area, or in the case of a  
30 municipality which has more than one redevelopment  
31 project area, the total of all such areas, shall be  
32 not more than 25% of the total base year taxes paid  
33 by retailers and servicemen on transactions at  
34 places of business located within the municipality



1 under the Retailers' Occupation Tax Act, the Use Tax  
2 Act, the Service Use Tax Act, and the Service  
3 Occupation Tax Act. Redevelopment project areas  
4 created prior to 1986 are not subject to the above  
5 standards if their boundaries were not amended in  
6 1986.

7 (2) For any municipality with a population of  
8 12,000 or less as determined by the 1980 U.S.  
9 Census: (a) the redevelopment project area, or in  
10 the case of a municipality which has more than one  
11 redevelopment project area, each such area, must be  
12 contiguous and the total of all such areas shall not  
13 comprise more than 35% of the area within the  
14 municipal boundaries nor more than 30% of the  
15 equalized assessed value of the municipality; (b)  
16 the aggregate amount of 1985 taxes in the  
17 redevelopment project area, or in the case of a  
18 municipality which has more than one redevelopment  
19 project area, the total of all such areas, shall not  
20 be more than 35% of the total base year taxes paid  
21 by retailers and servicemen on transactions at  
22 places of business located within the municipality  
23 under the Retailers' Occupation Tax Act, the Use Tax  
24 Act, the Service Use Tax Act, and the Service  
25 Occupation Tax Act. Redevelopment project areas  
26 created prior to 1986 are not subject to the above  
27 standards if their boundaries were not amended in  
28 1986.

29 (3) Such preliminary review of the  
30 redevelopment project areas applying the above  
31 standards shall be completed by November 1, 1988,  
32 and on or before November 1, 1988, the Department  
33 shall notify each municipality by certified mail,  
34 return receipt requested that either (1) the

1 Department requires additional time in which to  
2 complete its preliminary review; or (2) the  
3 Department is issuing either (a) a Certificate of  
4 Eligibility or (b) a Notice of Review. If the  
5 Department notifies a municipality that it requires  
6 additional time to complete its preliminary  
7 investigation, it shall complete its preliminary  
8 investigation no later than February 1, 1989, and by  
9 February 1, 1989 shall issue to each municipality  
10 either (a) a Certificate of Eligibility or (b) a  
11 Notice of Review. A redevelopment project area for  
12 which a Certificate of Eligibility has been issued  
13 shall be deemed a "State Sales Tax Boundary."

14 (4) The Department of Revenue shall also issue  
15 a Notice of Review if the Department has received a  
16 request by November 1, 1988 to conduct such a review  
17 from taxpayers in the municipality, local taxing  
18 districts located in the municipality or the State  
19 of Illinois, or if the redevelopment project area  
20 has more than 5 retailers and has had growth in  
21 State sales tax revenue of more than 15% from  
22 calendar year 1985 to 1986.

23 (b) For those municipalities receiving a Notice of  
24 Review, the Department will conduct a secondary review  
25 consisting of: (i) application of the above standards  
26 contained in subsection (9)(a)(1)(a) and (b) or  
27 (9)(a)(2)(a) and (b), and (ii) the definitions of  
28 blighted and conservation area provided for in Section  
29 11-74.4-3. Such secondary review shall be completed by  
30 July 1, 1989.

31 Upon completion of the secondary review, the  
32 Department will issue (a) a Certificate of Eligibility or  
33 (b) a Preliminary Notice of Deficiency. Any municipality  
34 receiving a Preliminary Notice of Deficiency may amend

1 its redevelopment project area to meet the standards and  
2 definitions set forth in this paragraph (b). This amended  
3 redevelopment project area shall become the "State Sales  
4 Tax Boundary" for purposes of determining the State Sales  
5 Tax Increment.

6 (c) If the municipality advises the Department of  
7 its intent to comply with the requirements of paragraph  
8 (b) of this subsection outlined in the Preliminary Notice  
9 of Deficiency, within 120 days of receiving such notice  
10 from the Department, the municipality shall submit  
11 documentation to the Department of the actions it has  
12 taken to cure any deficiencies. Thereafter, within 30  
13 days of the receipt of the documentation, the Department  
14 shall either issue a Certificate of Eligibility or a  
15 Final Notice of Deficiency. If the municipality fails to  
16 advise the Department of its intent to comply or fails to  
17 submit adequate documentation of such cure of  
18 deficiencies the Department shall issue a Final Notice of  
19 Deficiency that provides that the municipality is  
20 ineligible for payment of the Net State Sales Tax  
21 Increment.

22 (d) If the Department issues a final determination  
23 of ineligibility, the municipality shall have 30 days  
24 from the receipt of determination to protest and request  
25 a hearing. Such hearing shall be conducted in accordance  
26 with Sections 10-25, 10-35, 10-40, and 10-50 of the  
27 Illinois Administrative Procedure Act. The decision  
28 following the hearing shall be subject to review under  
29 the Administrative Review Law.

30 (e) Any Certificate of Eligibility issued pursuant  
31 to this subsection 9 shall be binding only on the State  
32 for the purposes of establishing municipal eligibility to  
33 receive revenue pursuant to subsection (1) of this  
34 Section 11-74.4-8a.

1           (f) It is the intent of this subsection that the  
2 periods of time to cure deficiencies shall be in addition  
3 to all other periods of time permitted by this Section,  
4 regardless of the date by which plans were originally  
5 required to be adopted. To cure said deficiencies,  
6 however, the municipality shall be required to follow the  
7 procedures and requirements pertaining to amendments, as  
8 provided in Sections 11-74.4-5 and 11-74.4-6 of this Act.

9           (10) If a municipality adopts a State Sales Tax Boundary  
10 in accordance with the provisions of subsection (9) of this  
11 Section, such boundaries shall subsequently be utilized to  
12 determine Revised Initial Sales Tax Amounts and the Net State  
13 Sales Tax Increment; provided, however, that such revised  
14 State Sales Tax Boundary shall not have any effect upon the  
15 boundary of the redevelopment project area established for  
16 the purposes of determining the ad valorem taxes on real  
17 property pursuant to Sections 11-74.4-7 and 11-74.4-8 of this  
18 Act nor upon the municipality's authority to implement the  
19 redevelopment plan for that redevelopment project area. For  
20 any redevelopment project area with a smaller State Sales Tax  
21 Boundary within its area, the municipality may annually elect  
22 to deposit the Municipal Sales Tax Increment for the  
23 redevelopment project area in the special tax allocation fund  
24 and shall certify the amount to the Department prior to  
25 receipt of the Net State Sales Tax Increment. Any  
26 municipality required by subsection (9) to establish a State  
27 Sales Tax Boundary for one or more of its redevelopment  
28 project areas shall submit all necessary information required  
29 by the Department concerning such boundary and the retailers  
30 therein, by October 1, 1989, after complying with the  
31 procedures for amendment set forth in Sections 11-74.4-5 and  
32 11-74.4-6 of this Act. Net State Sales Tax Increment  
33 produced within the State Sales Tax Boundary shall be spent  
34 only within that area. However expenditures of all municipal

1 property tax increment and municipal sales tax increment in a  
2 redevelopment project area are not required to be spent  
3 within the smaller State Sales Tax Boundary within such  
4 redevelopment project area.

5 (11) The Department of Revenue shall have the authority  
6 to issue rules and regulations for purposes of this Section.  
7 and regulations for purposes of this Section.

8 (12) If, under Section 5.4.1 of the Illinois Enterprise  
9 Zone Act, a municipality determines that property that lies  
10 within a State Sales Tax Boundary has an improvement,  
11 rehabilitation, or renovation that is entitled to a property  
12 tax abatement, then that property along with any  
13 improvements, rehabilitation, or renovations shall be  
14 immediately removed from any State Sales Tax Boundary. The  
15 municipality that made the determination shall notify the  
16 Department of Revenue within 30 days after the determination.  
17 Once a property is removed from the State Sales Tax Boundary  
18 because of the existence of a property tax abatement  
19 resulting from an enterprise zone, then that property shall  
20 not be permitted to be amended into a State Sales Tax  
21 Boundary.

22 (Source: P.A. 90-258, eff. 7-30-97; 91-51, eff. 6-30-99;  
23 91-478, eff. 11-1-99.)

24 Section 99. Effective date. This Act takes effect upon  
25 becoming law.