

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 11-74.4-3 and 11-74.4-7 as follows:

6 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

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

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

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

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

30 (A) Dilapidation. An advanced state of

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

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

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

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

27 (E) Illegal use of individual structures. The
28 use of structures in violation of applicable
29 federal, State, or local laws, exclusive of those
30 applicable to the presence of structures below
31 minimum code standards.

32 (F) Excessive vacancies. The presence of
33 buildings that are unoccupied or under-utilized and
34 that represent an adverse influence on the area

1 because of the frequency, extent, or duration of the
2 vacancies.

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

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

28 (I) Excessive land coverage and overcrowding
29 of structures and community facilities. The
30 over-intensive use of property and the crowding of
31 buildings and accessory facilities onto a site.
32 Examples of problem conditions warranting the
33 designation of an area as one exhibiting excessive
34 land coverage are: (i) the presence of buildings

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

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

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

32 (L) Lack of community planning. The proposed
33 redevelopment project area was developed prior to or
34 without the benefit or guidance of a community plan.

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

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

25 (2) If vacant, the sound growth of the
26 redevelopment project area is impaired by a combination
27 of 2 or more of the following factors, each of which is
28 (i) present, with that presence documented, to a
29 meaningful extent so that a municipality may reasonably
30 find that the factor is clearly present within the intent
31 of the Act and (ii) reasonably distributed throughout the
32 vacant part of the redevelopment project area to which it
33 pertains:

34 (A) Obsolete platting of vacant land that

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

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

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

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

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

32 (F) The total equalized assessed value of the
33 proposed redevelopment project area has declined for
34 3 of the last 5 calendar years prior to the year in

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

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

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

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

23 (C) The area, prior to its designation, is
24 subject to chronic flooding that adversely impacts
25 on real property in the area as certified by a
26 registered professional engineer or appropriate
27 regulatory agency.

28 (D) The area consists of an unused or illegal
29 disposal site containing earth, stone, building
30 debris, or similar materials that were removed from
31 construction, demolition, excavation, or dredge
32 sites.

33 (E) Prior to November 1, 1999, the area is not
34 less than 50 nor more than 100 acres and 75% of

1 which is vacant (notwithstanding that the area has
2 been used for commercial agricultural purposes
3 within 5 years prior to the designation of the
4 redevelopment project area), and the area meets at
5 least one of the factors itemized in paragraph (1)
6 of this subsection, the area has been designated as
7 a town or village center by ordinance or
8 comprehensive plan adopted prior to January 1, 1982,
9 and the area has not been developed for that
10 designated purpose.

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

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

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

29 (1) Dilapidation. An advanced state of disrepair
30 or neglect of necessary repairs to the primary structural
31 components of buildings or improvements in such a
32 combination that a documented building condition analysis
33 determines that major repair is required or the defects
34 are so serious and so extensive that the buildings must

1 be removed.

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

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

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

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

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

28 (7) Lack of ventilation, light, or sanitary
29 facilities. The absence of adequate ventilation for
30 light or air circulation in spaces or rooms without
31 windows, or that require the removal of dust, odor, gas,
32 smoke, or other noxious airborne materials. Inadequate
33 natural light and ventilation means the absence or
34 inadequacy of skylights or windows for interior spaces or

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

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

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

1 and service.

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

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

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

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

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

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

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

27 (e) "Labor surplus municipality" means a municipality in
28 which, at any time during the 6 months before the
29 municipality by ordinance designates an industrial park
30 conservation area, the unemployment rate was over 6% and was
31 also 100% or more of the national average unemployment rate
32 for that same time as published in the United States
33 Department of Labor Bureau of Labor Statistics publication
34 entitled "The Employment Situation" or its successor

1 publication. For the purpose of this subsection, if
2 unemployment rate statistics for the municipality are not
3 available, the unemployment rate in the municipality shall be
4 deemed to be the same as the unemployment rate in the
5 principal county in which the municipality is located.

6 (f) "Municipality" shall mean a city, village or
7 incorporated town.

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

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

23 (h) "Municipal Sales Tax Increment" means an amount
24 equal to the increase in the aggregate amount of taxes paid
25 to a municipality from the Local Government Tax Fund arising
26 from sales by retailers and servicemen within the
27 redevelopment project area or State Sales Tax Boundary, as
28 the case may be, for as long as the redevelopment project
29 area or State Sales Tax Boundary, as the case may be, exist
30 over and above the aggregate amount of taxes as certified by
31 the Illinois Department of Revenue and paid under the
32 Municipal Retailers' Occupation Tax Act and the Municipal
33 Service Occupation Tax Act by retailers and servicemen, on
34 transactions at places of business located in the

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

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

13 (i) "Net State Sales Tax Increment" means the sum of the
14 following: (a) 80% of the first \$100,000 of State Sales Tax
15 Increment annually generated within a State Sales Tax
16 Boundary; (b) 60% of the amount in excess of \$100,000 but not
17 exceeding \$500,000 of State Sales Tax Increment annually
18 generated within a State Sales Tax Boundary; and (c) 40% of
19 all amounts in excess of \$500,000 of State Sales Tax
20 Increment annually generated within a State Sales Tax
21 Boundary. If, however, a municipality established a tax
22 increment financing district in a county with a population in
23 excess of 3,000,000 before January 1, 1986, and the
24 municipality entered into a contract or issued bonds after
25 January 1, 1986, but before December 31, 1986, to finance
26 redevelopment project costs within a State Sales Tax
27 Boundary, then the Net State Sales Tax Increment means, for
28 the fiscal years beginning July 1, 1990, and July 1, 1991,
29 100% of the State Sales Tax Increment annually generated
30 within a State Sales Tax Boundary; and notwithstanding any
31 other provision of this Act, for those fiscal years the
32 Department of Revenue shall distribute to those
33 municipalities 100% of their Net State Sales Tax Increment
34 before any distribution to any other municipality and

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

16 Municipalities that issued bonds in connection with a
17 redevelopment project in a redevelopment project area within
18 the State Sales Tax Boundary prior to July 29, 1991, or that
19 entered into contracts in connection with a redevelopment
20 project in a redevelopment project area before June 1, 1988,
21 shall continue to receive their proportional share of the
22 Illinois Tax Increment Fund distribution until the date on
23 which the redevelopment project is completed or terminated,
24 or the date on which the bonds are retired or the contracts
25 are completed, whichever date occurs first. Refunding of any
26 bonds issued prior to July 29, 1991, shall not alter the Net
27 State Sales Tax Increment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 description of the type, class and number of new
2 employees to be employed in the operation of the
3 facilities to be developed; and

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

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

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

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

32 (3) The redevelopment plan establishes the
33 estimated dates of completion of the redevelopment
34 project and retirement of obligations issued to finance

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

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

18 (B) if the ordinance was adopted in December
19 1983, April 1984, July 1985, or December 1989, or

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

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

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

29 (F) if the ordinance was adopted in December
30 1984 by the Village of Rosemont, or

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

1 ordinance was adopted on December 31, 1986 by a
2 municipality with a population in 1990 of less than
3 3,600 that is located in a county with a population
4 in 1990 of less than 34,000 and for which at least
5 \$250,000 of tax increment bonds were authorized on
6 June 17, 1997, or

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

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

13 (J) if the ordinance was adopted on February
14 11, 1985 by the City of Rock Island, or

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

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

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

30 A municipality may by municipal ordinance amend an
31 existing redevelopment plan to conform to this paragraph
32 (3) as amended by Public Act 91-478, which municipal
33 ordinance may be adopted without further hearing or
34 notice and without complying with the procedures provided

1 in this Act pertaining to an amendment to or the initial
2 approval of a redevelopment plan and project and
3 designation of a redevelopment project area.

4 Those dates, for purposes of real property tax
5 increment allocation financing pursuant to Section
6 11-74.4-8 only, shall be not more than 35 years for
7 redevelopment project areas that were adopted on or after
8 December 16, 1986 and for which at least \$8 million worth
9 of municipal bonds were authorized on or after December
10 19, 1989 but before January 1, 1990; provided that the
11 municipality elects to extend the life of the
12 redevelopment project area to 35 years by the adoption of
13 an ordinance after at least 14 but not more than 30 days'
14 written notice to the taxing bodies, that would otherwise
15 constitute the joint review board for the redevelopment
16 project area, before the adoption of the ordinance.

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

31 (3.5) The municipality finds, in the case of an
32 industrial park conservation area, also that the
33 municipality is a labor surplus municipality and that the
34 implementation of the redevelopment plan will reduce

1 unemployment, create new jobs and by the provision of new
2 facilities enhance the tax base of the taxing districts
3 that extend into the redevelopment project area.

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

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

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

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

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

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

23 (7) On and after November 1, 1999, no redevelopment
24 plan shall be adopted, nor an existing plan amended, nor
25 shall residential housing that is occupied by households
26 of low-income and very low-income persons in currently
27 existing redevelopment project areas be removed after
28 November 1, 1999 unless the redevelopment plan provides,
29 with respect to inhabited housing units that are to be
30 removed for households of low-income and very low-income
31 persons, affordable housing and relocation assistance not
32 less than that which would be provided under the federal
33 Uniform Relocation Assistance and Real Property
34 Acquisition Policies Act of 1970 and the regulations

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

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

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

33 (p) "Redevelopment project area" means an area
34 designated by the municipality, which is not less in the

1 aggregate than 1 1/2 acres and in respect to which the
2 municipality has made a finding that there exist conditions
3 which cause the area to be classified as an industrial park
4 conservation area or a blighted area or a conservation area,
5 or a combination of both blighted areas and conservation
6 areas.

7 (q) "Redevelopment project costs" mean and include the
8 sum total of all reasonable or necessary costs incurred or
9 estimated to be incurred, and any such costs incidental to a
10 redevelopment plan and a redevelopment project. Such costs
11 include, without limitation, the following:

12 (1) Costs of studies, surveys, development of
13 plans, and specifications, implementation and
14 administration of the redevelopment plan including but
15 not limited to staff and professional service costs for
16 architectural, engineering, legal, financial, planning or
17 other services, provided however that no charges for
18 professional services may be based on a percentage of the
19 tax increment collected; except that on and after
20 November 1, 1999 (the effective date of Public Act
21 91-478), no contracts for professional services,
22 excluding architectural and engineering services, may be
23 entered into if the terms of the contract extend beyond a
24 period of 3 years. In addition, "redevelopment project
25 costs" shall not include lobbying expenses. After
26 consultation with the municipality, each tax increment
27 consultant or advisor to a municipality that plans to
28 designate or has designated a redevelopment project area
29 shall inform the municipality in writing of any contracts
30 that the consultant or advisor has entered into with
31 entities or individuals that have received, or are
32 receiving, payments financed by tax increment revenues
33 produced by the redevelopment project area with respect
34 to which the consultant or advisor has performed, or will

1 be performing, service for the municipality. This
2 requirement shall be satisfied by the consultant or
3 advisor before the commencement of services for the
4 municipality and thereafter whenever any other contracts
5 with those individuals or entities are executed by the
6 consultant or advisor;

7 (1.5) After July 1, 1999, annual administrative
8 costs shall not include general overhead or
9 administrative costs of the municipality that would still
10 have been incurred by the municipality if the
11 municipality had not designated a redevelopment project
12 area or approved a redevelopment plan;

13 (1.6) The cost of marketing sites within the
14 redevelopment project area to prospective businesses,
15 developers, and investors;

16 (2) Property assembly costs, including but not
17 limited to acquisition of land and other property, real
18 or personal, or rights or interests therein, demolition
19 of buildings, site preparation, site improvements that
20 serve as an engineered barrier addressing ground level or
21 below ground environmental contamination, including, but
22 not limited to parking lots and other concrete or asphalt
23 barriers, and the clearing and grading of land;

24 (3) Costs of rehabilitation, reconstruction or
25 repair or remodeling of existing public or private
26 buildings, fixtures, and leasehold improvements; and the
27 cost of replacing an existing public building if pursuant
28 to the implementation of a redevelopment project the
29 existing public building is to be demolished to use the
30 site for private investment or devoted to a different use
31 requiring private investment;

32 (4) Costs of the construction of public works or
33 improvements, except that on and after November 1, 1999,
34 redevelopment project costs shall not include the cost of

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

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

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

31 (7) To the extent the municipality by written
32 agreement accepts and approves the same, all or a portion
33 of a taxing district's capital costs resulting from the
34 redevelopment project necessarily incurred or to be

1 incurred within a taxing district in furtherance of the
2 objectives of the redevelopment plan and project.

3 (7.5) For redevelopment project areas designated
4 (or redevelopment project areas amended to add or
5 increase the number of tax-increment-financing assisted
6 housing units) on or after November 1, 1999, an
7 elementary, secondary, or unit school district's
8 increased costs attributable to assisted housing units
9 located within the redevelopment project area for which
10 the developer or redeveloper receives financial
11 assistance through an agreement with the municipality or
12 because the municipality incurs the cost of necessary
13 infrastructure improvements within the boundaries of the
14 assisted housing sites necessary for the completion of
15 that housing as authorized by this Act, and which costs
16 shall be paid by the municipality from the Special Tax
17 Allocation Fund when the tax increment revenue is
18 received as a result of the assisted housing units and
19 shall be calculated annually as follows:

20 (A) for foundation districts, excluding any
21 school district in a municipality with a population
22 in excess of 1,000,000, by multiplying the
23 district's increase in attendance resulting from the
24 net increase in new students enrolled in that school
25 district who reside in housing units within the
26 redevelopment project area that have received
27 financial assistance through an agreement with the
28 municipality or because the municipality incurs the
29 cost of necessary infrastructure improvements within
30 the boundaries of the housing sites necessary for
31 the completion of that housing as authorized by this
32 Act since the designation of the redevelopment
33 project area by the most recently available per
34 capita tuition cost as defined in Section 10-20.12a

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

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

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

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

26 (B) For alternate method districts, flat grant
27 districts, and foundation districts with a district
28 average 1995-96 Per Capita Tuition Charge equal to
29 or more than \$5,900, excluding any school district
30 with a population in excess of 1,000,000, by
31 multiplying the district's increase in attendance
32 resulting from the net increase in new students
33 enrolled in that school district who reside in
34 housing units within the redevelopment project area

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

14 (i) for unit school districts, no more
 15 than 40% of the total amount of property tax
 16 increment revenue produced by those housing
 17 units that have received tax increment finance
 18 assistance under this Act;

19 (ii) for elementary school districts, no
 20 more than 27% of the total amount of property
 21 tax increment revenue produced by those housing
 22 units that have received tax increment finance
 23 assistance under this Act; and

24 (iii) for secondary school districts, no
 25 more than 13% of the total amount of property
 26 tax increment revenue produced by those housing
 27 units that have received tax increment finance
 28 assistance under this Act.

29 (C) For any school district in a municipality
 30 with a population in excess of 1,000,000, the
 31 following restrictions shall apply to the
 32 reimbursement of increased costs under this
 33 paragraph (7.5):

34 (i) no increased costs shall be

1 reimbursed unless the school district certifies
 2 that each of the schools affected by the
 3 assisted housing project is at or over its
 4 student capacity;

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

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

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

33 (8) Relocation costs to the extent that a
 34 municipality determines that relocation costs shall be

1 paid or is required to make payment of relocation costs
2 by federal or State law or in order to satisfy
3 subparagraph (7) of subsection (n);

4 (9) Payment in lieu of taxes;

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

30 (11) Interest cost incurred by a redeveloper
31 related to the construction, renovation or rehabilitation
32 of a redevelopment project provided that:

33 (A) such costs are to be paid directly from
34 the special tax allocation fund established pursuant

1 to this Act;

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

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

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

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

27 (F) Instead of the eligible costs provided by
28 subparagraphs (B) and (D) of paragraph (11), as
29 modified by this subparagraph, and notwithstanding
30 any other provisions of this Act to the contrary,
31 the municipality may pay from tax increment revenues
32 up to 50% of the cost of construction of new housing
33 units to be occupied by low-income households and
34 very low-income households as defined in Section 3

1 of the Illinois Affordable Housing Act. The cost of
2 construction of those units may be derived from the
3 proceeds of bonds issued by the municipality under
4 this Act or other constitutional or statutory
5 authority or from other sources of municipal revenue
6 that may be reimbursed from tax increment revenues
7 or the proceeds of bonds issued to finance the
8 construction of that housing.

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

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

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

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

34 (13) After November 1, 1999 (the effective date of

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

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

28 (r) "State Sales Tax Boundary" means the redevelopment
29 project area or the amended redevelopment project area
30 boundaries which are determined pursuant to subsection (9) of
31 Section 11-74.4-8a of this Act. The Department of Revenue
32 shall certify pursuant to subsection (9) of Section
33 11-74.4-8a the appropriate boundaries eligible for the
34 determination of State Sales Tax Increment.

1 (s) "State Sales Tax Increment" means an amount equal to
2 the increase in the aggregate amount of taxes paid by
3 retailers and servicemen, other than retailers and servicemen
4 subject to the Public Utilities Act, on transactions at
5 places of business located within a State Sales Tax Boundary
6 pursuant to the Retailers' Occupation Tax Act, the Use Tax
7 Act, the Service Use Tax Act, and the Service Occupation Tax
8 Act, except such portion of such increase that is paid into
9 the State and Local Sales Tax Reform Fund, the Local
10 Government Distributive Fund, the Local Government Tax
11 Fund and the County and Mass Transit District Fund, for as
12 long as State participation exists, over and above the
13 Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts
14 or the Revised Initial Sales Tax Amounts for such taxes as
15 certified by the Department of Revenue and paid under those
16 Acts by retailers and servicemen on transactions at places of
17 business located within the State Sales Tax Boundary during
18 the base year which shall be the calendar year immediately
19 prior to the year in which the municipality adopted tax
20 increment allocation financing, less 3.0% of such amounts
21 generated under the Retailers' Occupation Tax Act, Use Tax
22 Act and Service Use Tax Act and the Service Occupation Tax
23 Act, which sum shall be appropriated to the Department of
24 Revenue to cover its costs of administering and enforcing
25 this Section. For purposes of computing the aggregate amount
26 of such taxes for base years occurring prior to 1985, the
27 Department of Revenue shall compute the Initial Sales Tax
28 Amount for such taxes and deduct therefrom an amount equal to
29 4% of the aggregate amount of taxes per year for each year
30 the base year is prior to 1985, but not to exceed a total
31 deduction of 12%. The amount so determined shall be known as
32 the "Adjusted Initial Sales Tax Amount". For purposes of
33 determining the State Sales Tax Increment the Department of
34 Revenue shall for each period subtract from the tax amounts

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

31 (t) "Taxing districts" means counties, townships, cities
32 and incorporated towns and villages, school, road, park,
33 sanitary, mosquito abatement, forest preserve, public health,
34 fire protection, river conservancy, tuberculosis sanitarium

1 and any other municipal corporations or districts with the
2 power to levy taxes.

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

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

33 (w) "Annual Total Increment" means the sum of each
34 municipality's annual Net Sales Tax Increment and each

1 municipality's annual Net Utility Tax Increment. The ratio
2 of the Annual Total Increment of each municipality to the
3 Annual Total Increment for all municipalities, as most
4 recently calculated by the Department, shall determine the
5 proportional shares of the Illinois Tax Increment Fund to be
6 distributed to each municipality.

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

10 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

11 Sec. 11-74.4-7. Obligations secured by the special tax
12 allocation fund set forth in Section 11-74.4-8 for the
13 redevelopment project area may be issued to provide for
14 redevelopment project costs. Such obligations, when so
15 issued, shall be retired in the manner provided in the
16 ordinance authorizing the issuance of such obligations by the
17 receipts of taxes levied as specified in Section 11-74.4-9
18 against the taxable property included in the area, by
19 revenues as specified by Section 11-74.4-8a and other revenue
20 designated by the municipality. A municipality may in the
21 ordinance pledge all or any part of the funds in and to be
22 deposited in the special tax allocation fund created pursuant
23 to Section 11-74.4-8 to the payment of the redevelopment
24 project costs and obligations. Any pledge of funds in the
25 special tax allocation fund shall provide for distribution to
26 the taxing districts and to the Illinois Department of
27 Revenue of moneys not required, pledged, earmarked, or
28 otherwise designated for payment and securing of the
29 obligations and anticipated redevelopment project costs and
30 such excess funds shall be calculated annually and deemed to
31 be "surplus" funds. In the event a municipality only applies
32 or pledges a portion of the funds in the special tax
33 allocation fund for the payment or securing of anticipated

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

21 Without limiting the foregoing in this Section, the
22 municipality may in addition to obligations secured by the
23 special tax allocation fund pledge for a period not greater
24 than the term of the obligations towards payment of such
25 obligations any part or any combination of the following: (a)
26 net revenues of all or part of any redevelopment project; (b)
27 taxes levied and collected on any or all property in the
28 municipality; (c) the full faith and credit of the
29 municipality; (d) a mortgage on part or all of the
30 redevelopment project; or (e) any other taxes or anticipated
31 receipts that the municipality may lawfully pledge.

32 Such obligations may be issued in one or more series
33 bearing interest at such rate or rates as the corporate
34 authorities of the municipality shall determine by ordinance.

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

14 In the event the municipality authorizes issuance of
15 obligations pursuant to the authority of this Division
16 secured by the full faith and credit of the municipality,
17 which obligations are other than obligations which may be
18 issued under home rule powers provided by Article VII,
19 Section 6 of the Illinois Constitution, or pledges taxes
20 pursuant to (b) or (c) of the second paragraph of this
21 section, the ordinance authorizing the issuance of such
22 obligations or pledging such taxes shall be published within
23 10 days after such ordinance has been passed in one or more
24 newspapers, with general circulation within such
25 municipality. The publication of the ordinance shall be
26 accompanied by a notice of (1) the specific number of voters
27 required to sign a petition requesting the question of the
28 issuance of such obligations or pledging taxes to be
29 submitted to the electors; (2) the time in which such
30 petition must be filed; and (3) the date of the prospective
31 referendum. The municipal clerk shall provide a petition
32 form to any individual requesting one.

33 If no petition is filed with the municipal clerk, as
34 hereinafter provided in this Section, within 30 days after

1 the publication of the ordinance, the ordinance shall be in
2 effect. But, if within that 30 day period a petition is
3 filed with the municipal clerk, signed by electors in the
4 municipality numbering 10% or more of the number of
5 registered voters in the municipality, asking that the
6 question of issuing obligations using full faith and credit
7 of the municipality as security for the cost of paying for
8 redevelopment project costs, or of pledging taxes for the
9 payment of such obligations, or both, be submitted to the
10 electors of the municipality, the corporate authorities of
11 the municipality shall call a special election in the manner
12 provided by law to vote upon that question, or, if a general,
13 State or municipal election is to be held within a period of
14 not less than 30 or more than 90 days from the date such
15 petition is filed, shall submit the question at the next
16 general, State or municipal election. If it appears upon the
17 canvass of the election by the corporate authorities that a
18 majority of electors voting upon the question voted in favor
19 thereof, the ordinance shall be in effect, but if a majority
20 of the electors voting upon the question are not in favor
21 thereof, the ordinance shall not take effect.

22 The ordinance authorizing the obligations may provide
23 that the obligations shall contain a recital that they are
24 issued pursuant to this Division, which recital shall be
25 conclusive evidence of their validity and of the regularity
26 of their issuance.

27 In the event the municipality authorizes issuance of
28 obligations pursuant to this Section secured by the full
29 faith and credit of the municipality, the ordinance
30 authorizing the obligations may provide for the levy and
31 collection of a direct annual tax upon all taxable property
32 within the municipality sufficient to pay the principal
33 thereof and interest thereon as it matures, which levy may be
34 in addition to and exclusive of the maximum of all other

1 taxes authorized to be levied by the municipality, which
2 levy, however, shall be abated to the extent that monies from
3 other sources are available for payment of the obligations
4 and the municipality certifies the amount of said monies
5 available to the county clerk.

6 A certified copy of such ordinance shall be filed with
7 the county clerk of each county in which any portion of the
8 municipality is situated, and shall constitute the authority
9 for the extension and collection of the taxes to be deposited
10 in the special tax allocation fund.

11 A municipality may also issue its obligations to refund
12 in whole or in part, obligations theretofore issued by such
13 municipality under the authority of this Act, whether at or
14 prior to maturity, provided however, that the last maturity
15 of the refunding obligations shall not be expressed to mature
16 later than December 31 of the year in which the payment to
17 the municipal treasurer as provided in subsection (b) of
18 Section 11-74.4-8 of this Act is to be made with respect to
19 ad valorem taxes levied in the twenty-third calendar year
20 after the year in which the ordinance approving the
21 redevelopment project area is adopted if the ordinance was
22 adopted on or after January 15, 1981, and not later than
23 December 31 of the year in which the payment to the municipal
24 treasurer as provided in subsection (b) of Section 11-74.4-8
25 of this Act is to be made with respect to ad valorem taxes
26 levied in the thirty-fifth calendar year after the year in
27 which the ordinance approving the redevelopment project area
28 is adopted (A) if the ordinance was adopted before January
29 15, 1981, or (B) if the ordinance was adopted in December
30 1983, April 1984, July 1985, or December 1989, or (C) if the
31 ordinance was adopted in December, 1987 and the redevelopment
32 project is located within one mile of Midway Airport, or (D)
33 if the ordinance was adopted before January 1, 1987 by a
34 municipality in Mason County, or (E) if the municipality is

1 subject to the Local Government Financial Planning and
2 Supervision Act or the Financially Distressed City Law, or
3 (F) if the ordinance was adopted in December 1984 by the
4 Village of Rosemont, or (G) if the ordinance was adopted on
5 December 31, 1986 by a municipality located in Clinton County
6 for which at least \$250,000 of tax increment bonds were
7 authorized on June 17, 1997, or if the ordinance was adopted
8 on December 31, 1986 by a municipality with a population in
9 1990 of less than 3,600 that is located in a county with a
10 population in 1990 of less than 34,000 and for which at least
11 \$250,000 of tax increment bonds were authorized on June 17,
12 1997, or (H) if the ordinance was adopted on October 5, 1982
13 by the City of Kankakee, or (I) if the ordinance was adopted
14 on December 29, 1986 by East St. Louis, or if the ordinance
15 was adopted on November 12, 1991 by the Village of Sauget, or
16 (J) if the ordinance was adopted on February 11, 1985 by the
17 City of Rock Island, or (K) if the ordinance was adopted
18 before December 18, 1986 by the City of Moline, or (L) if the
19 ordinance was adopted on January 23, 1991 by the City of East
20 St. Louis and, for redevelopment project areas for which
21 bonds were issued before July 29, 1991, in connection with a
22 redevelopment project in the area within the State Sales Tax
23 Boundary and which were extended by municipal ordinance under
24 subsection (n) of Section 11-74.4-3, the last maturity of
25 the refunding obligations shall not be expressed to mature
26 later than the date on which the redevelopment project area
27 is terminated or December 31, 2013, whichever date occurs
28 first.

29 In the event a municipality issues obligations under home
30 rule powers or other legislative authority the proceeds of
31 which are pledged to pay for redevelopment project costs, the
32 municipality may, if it has followed the procedures in
33 conformance with this division, retire said obligations from
34 funds in the special tax allocation fund in amounts and in

1 such manner as if such obligations had been issued pursuant
2 to the provisions of this division.

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

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