

1 AN ACT in relation to local government.

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, 11-74.4-4.1, and 11-74.4-5 as
6 follows:

7 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)
8 Sec. 11-74.4-3. Definitions. The following terms,
9 wherever used or referred to in this Division 74.4 shall have
10 the following respective meanings, unless in any case a
11 different meaning clearly appears from the context.

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

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

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

31 (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 If, however, a municipality that issued bonds in connection
25 with a redevelopment project in a redevelopment project area
26 within the State Sales Tax Boundary prior to July 29, 1991
27 retires the bonds prior to June 30, 2007 or a municipality
28 that entered into contracts in connection with a
29 redevelopment project in a redevelopment project area before
30 June 1, 1988 completes the contracts prior to June 30, 2007,
31 then so long as the redevelopment project is not completed or
32 is not terminated, the Net State Sales Tax Increment shall be
33 calculated, beginning on the date on which the bonds are
34 retired or the contracts are completed, as follows: By

1 multiplying the Net State Sales Tax Increment by 60% in the
2 State Fiscal Year 2002; 50% in the State Fiscal Year 2003;
3 40% in the State Fiscal Year 2004; 30% in the State Fiscal
4 Year 2005; 20% in the State Fiscal Year 2006; and 10% in the
5 State Fiscal Year 2007. No payment shall be made for State
6 Fiscal Year 2008 and thereafter. Refunding of any bonds
7 issued prior to July 29, 1991, shall not alter the Net State
8 Sales Tax Increment.

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

21 (k) "Net State Utility Tax Increment" means the sum of
22 the following: (a) 80% of the first \$100,000 of State Utility
23 Tax Increment annually generated by a redevelopment project
24 area; (b) 60% of the amount in excess of \$100,000 but not
25 exceeding \$500,000 of the State Utility Tax Increment
26 annually generated by a redevelopment project area; and (c)
27 40% of all amounts in excess of \$500,000 of State Utility Tax
28 Increment annually generated by a redevelopment project area.
29 For the State Fiscal Year 1999, and every year thereafter
30 until the year 2007, for any municipality that has not
31 entered into a contract or has not issued bonds prior to June
32 1, 1988 to finance redevelopment project costs within a
33 redevelopment project area, the Net State Utility Tax
34 Increment shall be calculated as follows: By multiplying the

1 Net State Utility Tax Increment by 90% in the State Fiscal
2 Year 1999; 80% in the State Fiscal Year 2000; 70% in the
3 State Fiscal Year 2001; 60% in the State Fiscal Year 2002;
4 50% in the State Fiscal Year 2003; 40% in the State Fiscal
5 Year 2004; 30% in the State Fiscal Year 2005; 20% in the
6 State Fiscal Year 2006; and 10% in the State Fiscal Year
7 2007. No payment shall be made for the State Fiscal Year 2008
8 and thereafter.

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

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

26 (m) "Payment in lieu of taxes" means those estimated tax
27 revenues from real property in a redevelopment project area
28 derived from real property that has been acquired by a
29 municipality which according to the redevelopment project or
30 plan is to be used for a private use which taxing districts
31 would have received had a municipality not acquired the real
32 property and adopted tax increment allocation financing and
33 which would result from levies made after the time of the
34 adoption of tax increment allocation financing to the time

1 the current equalized value of real property in the
2 redevelopment project area exceeds the total initial
3 equalized value of real property in said area.

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

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

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

30 (C) an assessment of any financial impact of the
31 redevelopment project area on or any increased demand for
32 services from any taxing district affected by the plan
33 and any program to address such financial impact or
34 increased demand;

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

2 (E) the nature and term of the obligations to be
3 issued;

4 (F) the most recent equalized assessed valuation of
5 the redevelopment project area;

6 (G) an estimate as to the equalized assessed
7 valuation after redevelopment and the general land uses
8 to apply in the redevelopment project area;

9 (H) a commitment to fair employment practices and
10 an affirmative action plan;

11 (I) if it concerns an industrial park conservation
12 area, the plan shall also include a general description
13 of any proposed developer, user and tenant of any
14 property, a description of the type, structure and
15 general character of the facilities to be developed, a
16 description of the type, class and number of new
17 employees to be employed in the operation of the
18 facilities to be developed; and

19 (J) if property is to be annexed to the
20 municipality, the plan shall include the terms of the
21 annexation agreement.

22 The provisions of items (B) and (C) of this subsection
23 (n) shall not apply to a municipality that before March 14,
24 1994 (the effective date of Public Act 88-537) had fixed,
25 either by its corporate authorities or by a commission
26 designated under subsection (k) of Section 11-74.4-4, a time
27 and place for a public hearing as required by subsection (a)
28 of Section 11-74.4-5. No redevelopment plan shall be adopted
29 unless a municipality complies with all of the following
30 requirements:

31 (1) The municipality finds that the redevelopment
32 project area on the whole has not been subject to growth
33 and development through investment by private enterprise
34 and would not reasonably be anticipated to be developed

1 without the adoption of the redevelopment plan.

2 (2) The municipality finds that the redevelopment
3 plan and project conform to the comprehensive plan for
4 the development of the municipality as a whole, or, for
5 municipalities with a population of 100,000 or more,
6 regardless of when the redevelopment plan and project was
7 adopted, the redevelopment plan and project either: (i)
8 conforms to the strategic economic development or
9 redevelopment plan issued by the designated planning
10 authority of the municipality, or (ii) includes land uses
11 that have been approved by the planning commission of the
12 municipality.

13 (3) The redevelopment plan establishes the
14 estimated dates of completion of the redevelopment
15 project and retirement of obligations issued to finance
16 redevelopment project costs. Those dates shall not be
17 later than December 31 of the year in which the payment
18 to the municipal treasurer as provided in subsection (b)
19 of Section 11-74.4-8 of this Act is to be made with
20 respect to ad valorem taxes levied in the twenty-third
21 calendar year after the year in which the ordinance
22 approving the redevelopment project area is adopted if
23 the ordinance was adopted on or after January 15, 1981,
24 and not later than December 31 of the year in which the
25 payment to the municipal treasurer as provided in
26 subsection (b) of Section 11-74.4-8 of this Act is to be
27 made with respect to ad valorem taxes levied in the
28 thirty-fifth calendar year after the year in which the
29 ordinance approving the redevelopment project area is
30 adopted:

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

33 (B) if the ordinance was adopted in December
34 1983, April 1984, July 1985, or December 1989, or

1 (C) if the ordinance was adopted in December
2 1987 and the redevelopment project is located within
3 one mile of Midway Airport, or

4 (D) if the ordinance was adopted before
5 January 1, 1987 by a municipality in Mason County,
6 or

7 (E) if the municipality is subject to the
8 Local Government Financial Planning and Supervision
9 Act or the Financially Distressed City Law, or

10 (F) if the ordinance was adopted in December
11 1984 by the Village of Rosemont, or

12 (G) if the ordinance was adopted on December
13 31, 1986 by a municipality located in Clinton County
14 for which at least \$250,000 of tax increment bonds
15 were authorized on June 17, 1997, or if the
16 ordinance was adopted on December 31, 1986 by a
17 municipality with a population in 1990 of less than
18 3,600 that is located in a county with a population
19 in 1990 of less than 34,000 and for which at least
20 \$250,000 of tax increment bonds were authorized on
21 June 17, 1997, or

22 (H) if the ordinance was adopted on October 5,
23 1982 by the City of Kankakee, or if the ordinance
24 was adopted on December 29, 1986 by East St. Louis,
25 or

26 (I) if the ordinance was adopted on November
27 12, 1991 by the Village of Sauget, or

28 (J) if the ordinance was adopted on February
29 11, 1985 by the City of Rock Island, or

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

32 (L) if the ordinance was adopted in September
33 1988 by Sauk Village, or

34 (M) if the ordinance was adopted in October

1 1993 by Sauk Village, or
2 (N) if the ordinance was adopted on December
3 29, 1986 by the City of Galva, or
4 (O) if the ordinance was adopted in March 1991
5 by the City of Centreville, or
6 (P) ~~(B)~~ if the ordinance was adopted on
7 January 23, 1991 by the City of East St. Louis.

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

19 A municipality may by municipal ordinance amend an
20 existing redevelopment plan to conform to this paragraph
21 (3) as amended by Public Act 91-478, which municipal
22 ordinance may be adopted without further hearing or
23 notice and without complying with the procedures provided
24 in this Act pertaining to an amendment to or the initial
25 approval of a redevelopment plan and project and
26 designation of a redevelopment project area.

27 Those dates, for purposes of real property tax
28 increment allocation financing pursuant to Section
29 11-74.4-8 only, shall be not more than 35 years for
30 redevelopment project areas that were adopted on or after
31 December 16, 1986 and for which at least \$8 million worth
32 of municipal bonds were authorized on or after December
33 19, 1989 but before January 1, 1990; provided that the
34 municipality elects to extend the life of the

1 redevelopment project area to 35 years by the adoption of
2 an ordinance after at least 14 but not more than 30 days'
3 written notice to the taxing bodies, that would otherwise
4 constitute the joint review board for the redevelopment
5 project area, before the adoption of the ordinance.

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

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

27 (4) If any incremental revenues are being utilized
28 under Section 8(a)(1) or 8(a)(2) of this Act in
29 redevelopment project areas approved by ordinance after
30 January 1, 1986, the municipality finds: (a) that the
31 redevelopment project area would not reasonably be
32 developed without the use of such incremental revenues,
33 and (b) that such incremental revenues will be
34 exclusively utilized for the development of the

1 redevelopment project area.

2 (5) ~~On---and---after---November--17--1999,~~ If the
3 redevelopment plan will not result in displacement of 10
4 ~~or--more~~ residents from 10 or more inhabited residential
5 units, and the municipality certifies in the plan that
6 such displacement will not result from the plan, a
7 housing impact study need not be performed. If, however,
8 the redevelopment plan would result in the displacement
9 of residents from 10 or more inhabited residential units,
10 or if the redevelopment project area contains 75 or more
11 inhabited residential units and no certification is made,
12 then the municipality shall prepare, as part of the
13 separate feasibility report required by subsection (a) of
14 Section 11-74.4-5, a housing impact study.

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

28 Part II of the housing impact study shall identify
29 the inhabited residential units in the proposed
30 redevelopment project area that are to be or may be
31 removed. If inhabited residential units are to be
32 removed, then the housing impact study shall identify (i)
33 the number and location of those units that will or may
34 be removed, (ii) the municipality's plans for relocation

1 assistance for those residents in the proposed
2 redevelopment project area whose residences are to be
3 removed, (iii) the availability of replacement housing
4 for those residents whose residences are to be removed,
5 and shall identify the type, location, and cost of the
6 housing, and (iv) the type and extent of relocation
7 assistance to be provided.

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

12 (7) On and after November 1, 1999, no redevelopment
13 plan shall be adopted, nor an existing plan amended, nor
14 shall residential housing that is occupied by households
15 of low-income and very low-income persons in currently
16 existing redevelopment project areas be removed after
17 November 1, 1999 unless the redevelopment plan provides,
18 with respect to inhabited housing units that are to be
19 removed for households of low-income and very low-income
20 persons, affordable housing and relocation assistance not
21 less than that which would be provided under the federal
22 Uniform Relocation Assistance and Real Property
23 Acquisition Policies Act of 1970 and the regulations
24 under that Act, including the eligibility criteria.
25 Affordable housing may be either existing or newly
26 constructed housing. For purposes of this paragraph (7),
27 "low-income households", "very low-income households",
28 and "affordable housing" have the meanings set forth in
29 the Illinois Affordable Housing Act. The municipality
30 shall make a good faith effort to ensure that this
31 affordable housing is located in or near the
32 redevelopment project area within the municipality.

33 (8) On and after November 1, 1999, if, after the
34 adoption of the redevelopment plan for the redevelopment

1 project area, any municipality desires to amend its
2 redevelopment plan to remove more inhabited residential
3 units than specified in its original redevelopment plan,
4 that change shall be made in accordance with the
5 procedures in subsection (c) of Section 11-74.4-5
6 ~~increase--in--the--number--of--units--to--be--removed--shall--be~~
7 ~~deemed--to--be--a--change--in--the--nature--of--the--redevelopment~~
8 ~~plan--as--to--require--compliance--with--the--procedures--in--this~~
9 ~~Act--pertaining--to--the--initial--approval--of--a--redevelopment~~
10 ~~plan.~~

11 (9) For redevelopment project areas designated
12 prior to November 1, 1999, the redevelopment plan may be
13 amended without further joint review board meeting or
14 hearing, provided that the municipality shall give notice
15 of any such changes by mail to each affected taxing
16 district and registrant on the interested party registry,
17 to authorize the municipality to expend tax increment
18 revenues for redevelopment project costs defined by
19 paragraphs (5) and (7.5), subparagraphs (E) and (F) of
20 paragraph (11), and paragraph (11.5) of subsection (q) of
21 Section 11-74.4-3, so long as the changes do not increase
22 the total estimated redevelopment project costs set out
23 in the redevelopment plan by more than 5% after
24 adjustment for inflation from the date the plan was
25 adopted.

26 (o) "Redevelopment project" means any public and private
27 development project in furtherance of the objectives of a
28 redevelopment plan. On and after November 1, 1999 (the
29 effective date of Public Act 91-478), no redevelopment plan
30 may be approved or amended that includes the development of
31 vacant land (i) with a golf course and related clubhouse and
32 other facilities or (ii) designated by federal, State,
33 county, or municipal government as public land for outdoor
34 recreational activities or for nature preserves and used for

1 that purpose within 5 years prior to the adoption of the
2 redevelopment plan. For the purpose of this subsection,
3 "recreational activities" is limited to mean camping and
4 hunting.

5 (p) "Redevelopment project area" means an area
6 designated by the municipality, which is not less in the
7 aggregate than 1 1/2 acres and in respect to which the
8 municipality has made a finding that there exist conditions
9 which cause the area to be classified as an industrial park
10 conservation area or a blighted area or a conservation area,
11 or a combination of both blighted areas and conservation
12 areas.

13 (q) "Redevelopment project costs" mean and include the
14 sum total of all reasonable or necessary costs incurred or
15 estimated to be incurred, and any such costs incidental to a
16 redevelopment plan and a redevelopment project. Such costs
17 include, without limitation, the following:

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

1 shall inform the municipality in writing of any contracts
2 that the consultant or advisor has entered into with
3 entities or individuals that have received, or are
4 receiving, payments financed by tax increment revenues
5 produced by the redevelopment project area with respect
6 to which the consultant or advisor has performed, or will
7 be performing, service for the municipality. This
8 requirement shall be satisfied by the consultant or
9 advisor before the commencement of services for the
10 municipality and thereafter whenever any other contracts
11 with those individuals or entities are executed by the
12 consultant or advisor;

13 (1.5) After July 1, 1999, annual administrative
14 costs shall not include general overhead or
15 administrative costs of the municipality that would still
16 have been incurred by the municipality if the
17 municipality had not designated a redevelopment project
18 area or approved a redevelopment plan;

19 (1.6) The cost of marketing sites within the
20 redevelopment project area to prospective businesses,
21 developers, and investors;

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

30 (3) Costs of rehabilitation, reconstruction or
31 repair or remodeling of existing public or private
32 buildings, fixtures, and leasehold improvements; and the
33 cost of replacing an existing public building if pursuant
34 to the implementation of a redevelopment project the

1 existing public building is to be demolished to use the
2 site for private investment or devoted to a different use
3 requiring private investment;

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

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

28 (6) Financing costs, including but not limited to
29 all necessary and incidental expenses related to the
30 issuance of obligations and which may include payment of
31 interest on any obligations issued hereunder including
32 interest accruing during the estimated period of
33 construction of any redevelopment project for which such
34 obligations are issued and for not exceeding 36 months

1 thereafter and including reasonable reserves related
2 thereto;

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

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

26 (A) for foundation districts, excluding any
27 school district in a municipality with a population
28 in excess of 1,000,000, by multiplying the
29 district's increase in attendance resulting from the
30 net increase in new students enrolled in that school
31 district who reside in housing units within the
32 redevelopment project area that have received
33 financial assistance through an agreement with the
34 municipality or because the municipality incurs the

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

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

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

25 (iii) for secondary school districts with
26 a district average 1995-96 Per Capita Tuition
27 Charge of less than \$5,900, no more than 8% 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 (B) For alternate method districts, flat grant
33 districts, and foundation districts with a district
34 average 1995-96 Per Capita Tuition Charge equal to

1 or more than \$5,900, excluding any school district
2 with a population in excess of 1,000,000, by
3 multiplying the district's increase in attendance
4 resulting from the net increase in new students
5 enrolled in that school district who reside in
6 housing units within the redevelopment project area
7 that have received financial assistance through an
8 agreement with the municipality or because the
9 municipality incurs the cost of necessary
10 infrastructure improvements within the boundaries of
11 the housing sites necessary for the completion of
12 that housing as authorized by this Act since the
13 designation of the redevelopment project area by the
14 most recently available per capita tuition cost as
15 defined in Section 10-20.12a of the School Code less
16 any increase in general state aid as defined in
17 Section 18-8.05 of the School Code attributable to
18 these added new students subject to the following
19 annual limitations:

20 (i) for unit school districts, no more
21 than 40% of the total amount of property tax
22 increment revenue produced by those housing
23 units that have received tax increment finance
24 assistance under this Act;

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

30 (iii) for secondary school districts, no
31 more than 13% of the total amount of property
32 tax increment revenue produced by those housing
33 units that have received tax increment finance
34 assistance under this Act.

1 (C) For any school district in a municipality
2 with a population in excess of 1,000,000, the
3 following restrictions shall apply to the
4 reimbursement of increased costs under this
5 paragraph (7.5):

6 (i) no increased costs shall be
7 reimbursed unless the school district certifies
8 that each of the schools affected by the
9 assisted housing project is at or over its
10 student capacity;

11 (ii) the amount reimburseable shall be
12 reduced by the value of any land donated to the
13 school district by the municipality or
14 developer, and by the value of any physical
15 improvements made to the schools by the
16 municipality or developer; and

17 (iii) the amount reimbursed may not
18 affect amounts otherwise obligated by the terms
19 of any bonds, notes, or other funding
20 instruments, or the terms of any redevelopment
21 agreement.

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

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

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

10 (9) Payment in lieu of taxes;

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

1 Code;

2 (11) Interest cost incurred by a redeveloper
3 related to the construction, renovation or rehabilitation
4 of a redevelopment project provided that:

5 (A) such costs are to be paid directly from
6 the special tax allocation fund established pursuant
7 to this Act;

8 (B) such payments in any one year may not
9 exceed 30% of the annual interest costs incurred by
10 the redeveloper with regard to the redevelopment
11 project during that year;

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

18 (D) the total of such interest payments paid
19 pursuant to this Act may not exceed 30% of the total
20 (i) cost paid or incurred by the redeveloper for the
21 redevelopment project plus (ii) redevelopment
22 project costs excluding any property assembly costs
23 and any relocation costs incurred by a municipality
24 pursuant to this Act; and

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

33 (F) Instead of the eligible costs provided by
34 subparagraphs (B) and (D) of paragraph (11), as

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

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

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

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

1 determined from time to time by the United States
2 Department of Housing and Urban Development.

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

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

27 If a special service area has been established pursuant
28 to the Special Service Area Tax Act or Special Service Area
29 Tax Law, then any tax increment revenues derived from the tax
30 imposed pursuant to the Special Service Area Tax Act or
31 Special Service Area Tax Law may be used within the
32 redevelopment project area for the purposes permitted by that
33 Act or Law as well as the purposes permitted by this Act.

34 (r) "State Sales Tax Boundary" means the redevelopment

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

7 (s) "State Sales Tax Increment" means an amount equal to
8 the increase in the aggregate amount of taxes paid by
9 retailers and servicemen, other than retailers and servicemen
10 subject to the Public Utilities Act, on transactions at
11 places of business located within a State Sales Tax Boundary
12 pursuant to the Retailers' Occupation Tax Act, the Use Tax
13 Act, the Service Use Tax Act, and the Service Occupation Tax
14 Act, except such portion of such increase that is paid into
15 the State and Local Sales Tax Reform Fund, the Local
16 Government Distributive Fund, the Local Government Tax
17 Fund and the County and Mass Transit District Fund, for as
18 long as State participation exists, over and above the
19 Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts
20 or the Revised Initial Sales Tax Amounts for such taxes as
21 certified by the Department of Revenue and paid under those
22 Acts by retailers and servicemen on transactions at places of
23 business located within the State Sales Tax Boundary during
24 the base year which shall be the calendar year immediately
25 prior to the year in which the municipality adopted tax
26 increment allocation financing, less 3.0% of such amounts
27 generated under the Retailers' Occupation Tax Act, Use Tax
28 Act and Service Use Tax Act and the Service Occupation Tax
29 Act, which sum shall be appropriated to the Department of
30 Revenue to cover its costs of administering and enforcing
31 this Section. For purposes of computing the aggregate amount
32 of such taxes for base years occurring prior to 1985, the
33 Department of Revenue shall compute the Initial Sales Tax
34 Amount for such taxes and deduct therefrom an amount equal to

1 4% of the aggregate amount of taxes per year for each year
2 the base year is prior to 1985, but not to exceed a total
3 deduction of 12%. The amount so determined shall be known as
4 the "Adjusted Initial Sales Tax Amount". For purposes of
5 determining the State Sales Tax Increment the Department of
6 Revenue shall for each period subtract from the tax amounts
7 received from retailers and servicemen on transactions
8 located in the State Sales Tax Boundary, the certified
9 Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts
10 or Revised Initial Sales Tax Amounts for the Retailers'
11 Occupation Tax Act, the Use Tax Act, the Service Use Tax Act
12 and the Service Occupation Tax Act. For the State Fiscal
13 Year 1989 this calculation shall be made by utilizing the
14 calendar year 1987 to determine the tax amounts received. For
15 the State Fiscal Year 1990, this calculation shall be made by
16 utilizing the period from January 1, 1988, until September
17 30, 1988, to determine the tax amounts received from
18 retailers and servicemen, which shall have deducted therefrom
19 nine-twelfths of the certified Initial Sales Tax Amounts,
20 Adjusted Initial Sales Tax Amounts or the Revised Initial
21 Sales Tax Amounts as appropriate. For the State Fiscal Year
22 1991, this calculation shall be made by utilizing the period
23 from October 1, 1988, until June 30, 1989, to determine the
24 tax amounts received from retailers and servicemen, which
25 shall have deducted therefrom nine-twelfths of the certified
26 Initial State Sales Tax Amounts, Adjusted Initial Sales Tax
27 Amounts or the Revised Initial Sales Tax Amounts as
28 appropriate. For every State Fiscal Year thereafter, the
29 applicable period shall be the 12 months beginning July 1 and
30 ending on June 30, to determine the tax amounts received
31 which shall have deducted therefrom the certified Initial
32 Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the
33 Revised Initial Sales Tax Amounts. Municipalities intending
34 to receive a distribution of State Sales Tax Increment must

1 report a list of retailers to the Department of Revenue by
2 October 31, 1988 and by July 31, of each year thereafter.

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

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

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

1 plat, if any, for any subsequent phases of the proposed
2 Redevelopment Project Area or relevant portion thereof has
3 been properly approved and filed in accordance with the
4 applicable ordinance of the municipality.

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

13 (Source: P.A. 91-261, eff. 7-23-99; 91-477, eff. 8-11-99;
14 91-478, eff. 11-1-99; 91-642, eff. 8-20-99; 91-763, eff.
15 6-9-00; 92-263, eff. 8-7-01; 92-406, eff. 1-1-02; revised
16 9-19-01.)

17 (65 ILCS 5/11-74.4-4.1)

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

19 (a) If a municipality by its corporate authorities, or
20 as it may determine by any commission designated under
21 subsection (k) of Section 11-74.4-4, adopts an ordinance or
22 resolution providing for a feasibility study on the
23 designation of an area as a redevelopment project area, a
24 copy of the ordinance or resolution shall immediately be sent
25 to all taxing districts that would be affected by the
26 designation.

27 On and after the effective date of this amendatory Act of
28 the 91st General Assembly, the ordinance or resolution shall
29 include:

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

32 (2) The purpose or purposes of the proposed
33 redevelopment plan and project.

1 (3) A general description of tax increment
2 allocation financing under this Act.

3 (4) The name, phone number, and address of the
4 municipal officer who can be contacted for additional
5 information about the proposed redevelopment project area
6 and who should receive all comments and suggestions
7 regarding the redevelopment of the area to be studied.

8 (b) If one of the purposes of the planned redevelopment
9 project area should reasonably be expected to result in the
10 displacement of residents from 10 or more inhabited
11 residential units, the municipality shall adopt a resolution
12 or ordinance providing for the feasibility study described in
13 subsection (a). The ordinance or resolution shall also
14 require that the feasibility study include the preparation of
15 the housing impact study set forth in paragraph (5) of
16 subsection (n) of Section 11-74.4-3. If the redevelopment
17 plan will not result in displacement of ~~10 or more~~ residents
18 from 10 or more inhabited residential units, and the
19 municipality certifies in the plan that such displacement
20 will not result from the plan, then a resolution or ordinance
21 need not be adopted.

22 (Source: P.A. 91-478, eff. 11-1-99; 92-263, eff. 8-7-01.)

23 (65 ILCS 5/11-74.4-5) (from Ch. 24, par. 11-74.4-5)
24 Sec. 11-74.4-5. (a) The changes made by this amendatory
25 Act of the 91st General Assembly do not apply to a
26 municipality that, (i) before the effective date of this
27 amendatory Act of the 91st General Assembly, has adopted an
28 ordinance or resolution fixing a time and place for a public
29 hearing under this Section or (ii) before July 1, 1999, has
30 adopted an ordinance or resolution providing for a
31 feasibility study under Section 11-74.4-4.1, but has not yet
32 adopted an ordinance approving redevelopment plans and
33 redevelopment projects or designating redevelopment project

1 areas under Section 11-74.4-4, until after that municipality
2 adopts an ordinance approving redevelopment plans and
3 redevelopment projects or designating redevelopment project
4 areas under Section 11-74.4-4; thereafter the changes made by
5 this amendatory Act of the 91st General Assembly apply to the
6 same extent that they apply to redevelopment plans and
7 redevelopment projects that were approved and redevelopment
8 projects that were designated before the effective date of
9 this amendatory Act of the 91st General Assembly.

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

1 process under Section 11-74.4-4.2. The municipality shall
2 provide notice of the availability of the redevelopment plan
3 and eligibility report, including how to obtain this
4 information, by mail within a reasonable time after the
5 adoption of the ordinance or resolution, to all residential
6 addresses that, after a good faith effort, the municipality
7 determines are located outside the proposed redevelopment
8 project area and within 750 feet of the boundaries of the
9 proposed redevelopment project area. This requirement is
10 subject to the limitation that in a municipality with a
11 population of over 100,000, if the total number of
12 residential addresses outside the proposed redevelopment
13 project area and within 750 feet of the boundaries of the
14 proposed redevelopment project area exceeds 750, the
15 municipality shall be required to provide the notice to only
16 the 750 residential addresses that, after a good faith
17 effort, the municipality determines are outside the proposed
18 redevelopment project area and closest to the boundaries of
19 the proposed redevelopment project area. Notwithstanding the
20 foregoing, notice given after August 7, 2001 (the effective
21 date of Public Act 92-263) and before the effective date of
22 this amendatory Act of the 92nd General Assembly to
23 residential addresses within 750 feet of the boundaries of a
24 proposed redevelopment project area shall be deemed to have
25 been sufficiently given in compliance with this Act if given
26 only to residents outside the boundaries of the proposed
27 redevelopment project area. The notice shall also be provided
28 by the municipality, regardless of its population, to those
29 organizations and residents that have registered with the
30 municipality for that information in accordance with the
31 registration guidelines established by the municipality under
32 Section 11-74.4-4.2.

33 At the public hearing any interested person or affected
34 taxing district may file with the municipal clerk written

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

1 each affected taxing district and registrant on the
2 interested parties registry, provided for under Section
3 11-74.4-4.2, and by publication in a newspaper of general
4 circulation within the affected taxing district. Such notice
5 by mail and by publication shall each occur not later than 10
6 days following the adoption by ordinance of such changes.
7 Hearings with regard to a redevelopment project area, project
8 or plan may be held simultaneously.

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

25 For redevelopment project areas with redevelopment plans
26 or proposed redevelopment plans that would result in the
27 displacement of residents from 10 or more inhabited
28 residential units or that include 75 or more inhabited
29 residential units, the public member shall be a person who
30 resides in the redevelopment project area. If, as determined
31 by the housing impact study provided for in paragraph (5) of
32 subsection (n) of Section 11-74.4-3, or if no housing impact
33 study is required then based on other reasonable data, the
34 majority of residential units are occupied by very low, low,

1 or moderate income households, as defined in Section 3 of the
2 Illinois Affordable Housing Act, the public member shall be a
3 person who resides in very low, low, or moderate income
4 housing within the redevelopment project area.
5 Municipalities with fewer than 15,000 residents shall not be
6 required to select a person who lives in very low, low, or
7 moderate income housing within the redevelopment project
8 area, provided that the redevelopment plan or project will
9 not result in displacement of residents from 10 or more
10 inhabited units, and the municipality so certifies in the
11 plan. If no person satisfying these requirements is
12 available or if no qualified person will serve as the public
13 member, then the joint review board is relieved of this
14 paragraph's selection requirements for the public member.

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

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

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

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

20 The board shall base its recommendation to approve or
21 disapprove the redevelopment plan and the designation of the
22 redevelopment project area or the amendment of the
23 redevelopment plan or addition of parcels of property to the
24 redevelopment project area on the basis of the redevelopment
25 project area and redevelopment plan satisfying the plan
26 requirements, the eligibility criteria defined in Section
27 11-74.4-3, and the objectives of this Act.

28 The board shall issue a written report describing why the
29 redevelopment plan and project area or the amendment thereof
30 meets or fails to meet one or more of the objectives of this
31 Act and both the plan requirements and the eligibility
32 criteria defined in Section 11-74.4-3. In the event the Board
33 does not file a report it shall be presumed that these taxing
34 bodies find the redevelopment project area and redevelopment

1 plan satisfy the objectives of this Act and the plan
2 requirements and eligibility criteria.

3 If the board recommends rejection of the matters before
4 it, the municipality will have 30 days within which to
5 resubmit the plan or amendment. During this period, the
6 municipality will meet and confer with the board and attempt
7 to resolve those issues set forth in the board's written
8 report that led to the rejection of the plan or amendment.

9 Notwithstanding the resubmission set forth above, the
10 municipality may commence the scheduled public hearing and
11 either adjourn the public hearing or continue the public
12 hearing until a date certain. Prior to continuing any public
13 hearing to a date certain, the municipality shall announce
14 during the public hearing the time, date, and location for
15 the reconvening of the public hearing. Any changes to the
16 redevelopment plan necessary to satisfy the issues set forth
17 in the joint review board report shall be the subject of a
18 public hearing before the hearing is adjourned if the changes
19 would (1) substantially affect the general land uses proposed
20 in the redevelopment plan, (2) substantially change the
21 nature of or extend the life of the redevelopment project, or
22 (3) increase the number of inhabited residential units ~~low- or~~
23 ~~very---low---income--households~~ to be displaced from the
24 redevelopment project area, as provided--that measured from
25 the time of creation of the redevelopment project area, to a
26 the total of more than ~~displacement-of--the--households--will~~
27 ~~exceed~~ 10. Changes to the redevelopment plan necessary to
28 satisfy the issues set forth in the joint review board report
29 shall not require any further notice or convening of a joint
30 review board meeting, except that any changes to the
31 redevelopment plan that would add additional parcels of
32 property to the proposed redevelopment project area shall be
33 subject to the notice, public hearing, and joint review board
34 meeting requirements established for such changes by

1 subsection (a) of Section 11-74.4-5.

2 In the event that the municipality and the board are
3 unable to resolve these differences, or in the event that the
4 resubmitted plan or amendment is rejected by the board, the
5 municipality may proceed with the plan or amendment, but only
6 upon a three-fifths vote of the corporate authority
7 responsible for approval of the plan or amendment, excluding
8 positions of members that are vacant and those members that
9 are ineligible to vote because of conflicts of interest.

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

23 (d) After the effective date of this amendatory Act of
 24 the 91st General Assembly, a municipality shall submit the
 25 following information for each redevelopment project area (i)
 26 to the State Comptroller under Section 8-8-3.5 of the
 27 Illinois Municipal Code and (ii) to all taxing districts
 28 overlapping the redevelopment project area no later than 180
 29 days after the close of each municipal fiscal year or as soon
 30 thereafter as the audited financial statements become
 31 available and, in any case, shall be submitted before the
 32 annual meeting of the Joint Review Board to each of the
 33 taxing districts that overlap the redevelopment project area:

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

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

3 (1.5) A list of the redevelopment project areas
4 administered by the municipality and, if applicable, the
5 date each redevelopment project area was designated or
6 terminated by the municipality.

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

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

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

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

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

20 (B) all amounts deposited in the special tax
21 allocation fund by source;

22 (C) an itemized list of all expenditures from
23 the special tax allocation fund by category of
24 permissible redevelopment project cost; and

25 (D) the balance in the special tax allocation
26 fund at the end of the fiscal year including a
27 breakdown of that balance by source and a breakdown
28 of that balance identifying any portion of the
29 balance that is required, pledged, earmarked, or
30 otherwise designated for payment of or securing of
31 obligations and anticipated redevelopment project
32 costs. Any portion of such ending balance that has
33 not been identified or is not identified as being
34 required, pledged, earmarked, or otherwise

1 designated for payment of or securing of obligations
2 or anticipated redevelopment projects costs shall be
3 designated as surplus as set forth in Section
4 11-74.4-7 hereof.

5 (6) A description of all property purchased by the
6 municipality within the redevelopment project area
7 including:

8 (A) Street address.

9 (B) Approximate size or description of
10 property.

11 (C) Purchase price.

12 (D) Seller of property.

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

16 (A) Any project implemented in the preceding
17 fiscal year.

18 (B) A description of the redevelopment
19 activities undertaken.

20 (C) A description of any agreements entered
21 into by the municipality with regard to the
22 disposition or redevelopment of any property within
23 the redevelopment project area or the area within
24 the State Sales Tax Boundary.

25 (D) Additional information on the use of all
26 funds received under this Division and steps taken
27 by the municipality to achieve the objectives of the
28 redevelopment plan.

29 (E) Information regarding contracts that the
30 municipality's tax increment advisors or consultants
31 have entered into with entities or persons that have
32 received, or are receiving, payments financed by tax
33 increment revenues produced by the same
34 redevelopment project area.

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

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

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

17 (A) copies of any official statements; and

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

22 (9) For special tax allocation funds that have
23 experienced cumulative deposits of incremental tax
24 revenues of \$100,000 or more, a certified audit report
25 reviewing compliance with this Act performed by an
26 independent public accountant certified and licensed by
27 the authority of the State of Illinois. The financial
28 portion of the audit must be conducted in accordance with
29 Standards for Audits of Governmental Organizations,
30 Programs, Activities, and Functions adopted by the
31 Comptroller General of the United States (1981), as
32 amended, or the standards specified by Section 8-8-5 of
33 the Illinois Municipal Auditing Law of the Illinois
34 Municipal Code. The audit report shall contain a letter

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

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

21 (1) Any amendments to the redevelopment plan, the
22 redevelopment project area, or the State Sales Tax
23 Boundary; and

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

29 (e) The joint review board shall meet annually 180 days
30 after the close of the municipal fiscal year or as soon as
31 the redevelopment project audit for that fiscal year becomes
32 available to review the effectiveness and status of the
33 redevelopment project area up to that date.

34 (f) (Blank).

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

10 (Source: P.A. 91-357, eff. 7-29-99; 91-478, eff. 11-1-99;
11 91-900, eff. 7-6-00; 92-263, eff. 8-7-01.)

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.