

1 AN ACT concerning taxation.

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

4 Section 5. The Illinois Municipal Code is amended by
5 changing Sections 11-74.4-3 and 11-74.4-7 as follows:

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

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

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

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

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

30 (A) Dilapidation. An advanced state of

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 (A) Obsolete platting of vacant land that

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 be removed.

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

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

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

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

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

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

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

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

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

1 and service.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 A municipality may by municipal ordinance amend an
31 existing redevelopment plan to conform to this paragraph
32 (3) as amended by Public Act 91-478 or as amended by this
33 amendatory Act of the 92nd General Assembly, which
34 municipal ordinance may be adopted without further

1 hearing or notice and without complying with the
2 procedures provided in this Act pertaining to an
3 amendment to or the initial approval of a redevelopment
4 plan and project and designation of a redevelopment
5 project area.

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 adopted on or after
10 December 16, 1986 and for which at least \$8 million worth
11 of municipal bonds were authorized on or after December
12 19, 1989 but before January 1, 1990; provided that the
13 municipality elects to extend the life of the
14 redevelopment project area to 35 years by the adoption of
15 an ordinance after at least 14 but not more than 30 days'
16 written notice to the taxing bodies, that would otherwise
17 constitute the joint review board for the redevelopment
18 project area, before the adoption of the ordinance.

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

33 (3.5) The municipality finds, in the case of an
34 industrial park conservation area, also that the

1 municipality is a labor surplus municipality and that the
2 implementation of the redevelopment plan will reduce
3 unemployment, create new jobs and by the provision of new
4 facilities enhance the tax base of the taxing districts
5 that extend into the redevelopment project area.

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

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

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

1 Section 11-74.4-5 is passed, and (iv) data as to the
2 racial and ethnic composition of the residents in the
3 inhabited residential units. The data requirement as to
4 the racial and ethnic composition of the residents in the
5 inhabited residential units shall be deemed to be fully
6 satisfied by data from the most recent federal census.

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

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

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

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

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

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

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

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

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

1 produced by the redevelopment project area with respect
2 to which the consultant or advisor has performed, or will
3 be performing, service for the municipality. This
4 requirement shall be satisfied by the consultant or
5 advisor before the commencement of services for the
6 municipality and thereafter whenever any other contracts
7 with those individuals or entities are executed by the
8 consultant or advisor;

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

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

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

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

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

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

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

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

33 (7) To the extent the municipality by written
34 agreement accepts and approves the same, all or a portion

1 of a taxing district's capital costs resulting from the
2 redevelopment project necessarily incurred or to be
3 incurred within a taxing district in furtherance of the
4 objectives of the redevelopment plan and project.

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

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

1 project area by the most recently available per
2 capita tuition cost as defined in Section 10-20.12a
3 of the School Code less any increase in general
4 State aid as defined in Section 18-8.05 of the
5 School Code attributable to these added new students
6 subject to the following annual limitations:

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

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

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

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

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

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

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

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

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

1 paragraph (7.5):

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

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

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

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

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

6 (9) Payment in lieu of taxes;

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

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

1 (A) such costs are to be paid directly from
2 the special tax allocation fund established pursuant
3 to this Act;

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

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

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

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

29 (F) Instead of the eligible costs provided by
30 subparagraphs (B) and (D) of paragraph (11), as
31 modified by this subparagraph, and notwithstanding
32 any other provisions of this Act to the contrary,
33 the municipality may pay from tax increment revenues
34 up to 50% of the cost of construction of new housing

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

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

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

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

33 (12) Unless explicitly stated herein the cost of
34 construction of new privately-owned buildings shall not

1 be an eligible redevelopment project cost.

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

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

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

1 11-74.4-8a the appropriate boundaries eligible for the
2 determination of State Sales Tax Increment.

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

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

33 (t) "Taxing districts" means counties, townships, cities
34 and incorporated towns and villages, school, road, park,

1 sanitary, mosquito abatement, forest preserve, public health,
2 fire protection, river conservancy, tuberculosis sanitarium
3 and any other municipal corporations or districts with the
4 power to levy taxes.

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

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

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

9 (Source: P.A. 90-379, eff. 8-14-97; 91-261, eff. 7-23-99;
10 91-477, eff. 8-11-99; 91-478, eff. 11-1-99; 91-642, eff.
11 8-20-99; 91-763, eff. 6-9-00)

12 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

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

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

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

34 Such obligations may be issued in one or more series

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

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

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

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

29 In the event the municipality authorizes issuance of
30 obligations pursuant to this Section secured by the full
31 faith and credit of the municipality, the ordinance
32 authorizing the obligations may provide for the levy and
33 collection of a direct annual tax upon all taxable property
34 within the municipality sufficient to pay the principal

1 thereof and interest thereon as it matures, which levy may be
2 in addition to and exclusive of the maximum of all other
3 taxes authorized to be levied by the municipality, which
4 levy, however, shall be abated to the extent that monies from
5 other sources are available for payment of the obligations
6 and the municipality certifies the amount of said monies
7 available to the county clerk.

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

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

1 if the ordinance was adopted before January 1, 1987 by a
2 municipality in Mason County, or (E) if the municipality is
3 subject to the Local Government Financial Planning and
4 Supervision Act or the Financially Distressed City Law, or
5 (F) if the ordinance was adopted in December 1984 by the
6 Village of Rosemont, or (G) if the ordinance was adopted on
7 December 31, 1986 by a municipality located in Clinton County
8 for which at least \$250,000 of tax increment bonds were
9 authorized on June 17, 1997, or if the ordinance was adopted
10 on December 31, 1986 by a municipality with a population in
11 1990 of less than 3,600 that is located in a county with a
12 population in 1990 of less than 34,000 and for which at least
13 \$250,000 of tax increment bonds were authorized on June 17,
14 1997, or (H) if the ordinance was adopted on October 5, 1982
15 by the City of Kankakee, or (I) if the ordinance was adopted
16 on December 29, 1986 by East St. Louis, or if the ordinance
17 was adopted on November 12, 1991 by the Village of Sauget, or
18 (J) if the ordinance was adopted on February 11, 1985 by the
19 City of Rock Island, or (K) if the ordinance was adopted
20 before December 18, 1986 by the City of Moline, or (L) if the
21 ordinance was adopted on January 23, 1991 by the City of East
22 St. Louis and, for redevelopment project areas for which
23 bonds were issued before July 29, 1991, in connection with a
24 redevelopment project in the area within the State Sales Tax
25 Boundary and which were extended by municipal ordinance under
26 subsection (n) of Section 11-74.4-3, the last maturity of
27 the refunding obligations shall not be expressed to mature
28 later than the date on which the redevelopment project area
29 is terminated or December 31, 2013, whichever date occurs
30 first.

31 In the event a municipality issues obligations under home
32 rule powers or other legislative authority the proceeds of
33 which are pledged to pay for redevelopment project costs, the
34 municipality may, if it has followed the procedures in

1 conformance with this division, retire said obligations from
2 funds in the special tax allocation fund in amounts and in
3 such manner as if such obligations had been issued pursuant
4 to the provisions of this division.

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

9 (Source: P.A. 90-379, eff. 8-14-97; 91-261, eff. 7-23-99;
10 91-477, eff. 8-11-99; 91-478, eff. 11-1-99; 91-642, eff.
11 8-20-99; 91-763, eff. 6-9-00.)