



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2545

by Rep. Sonya M. Harper

SYNOPSIS AS INTRODUCED:

See Index

Amends the Counties Code. Provides that the county board or county board of commissioners may establish an urban agricultural area after receipt of an application by a qualified farmer or partner organization. Provides for the formation of an urban agricultural area committee that shall conduct the activities necessary to advise the county board or county board of commissioners on the designation, modification, and termination of an urban agricultural area. Provides that a county may provide for abatements of property taxes levied against real property located within an urban agricultural area that is used by a qualifying farmer for processing, growing, raising, or otherwise producing agricultural products. Provides that a county may authorize an entity providing water, electricity, or other utilities to an urban agricultural area to allow qualified farmers or partner organizations in the urban agricultural area to pay wholesale or otherwise reduced rates or pay reduced or waived connection charges. Limits restrictions, regulations, special assessments, and levies that a county may place on property in urban agricultural areas. Amends the Department of Agriculture Law of the Civil Administrative Code of Illinois. Provides that the Department shall adopt rules consistent with the purposes of the new provisions, including, at a minimum, rules defining specified terms. Provides that upon request from a county, the Department shall issue opinions regarding the consistency of applicants covered under these definitions. Amends the Property Tax Code and Illinois Municipal Code making conforming changes.

LRB101 09151 AWJ 54245 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

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

4 Section 5. The Department of Agriculture Law of the Civil
5 Administrative Code of Illinois is amended by changing Section
6 205-65 as follows:

7 (20 ILCS 205/205-65)

8 Sec. 205-65. Municipal and County Urban Agricultural
9 Areas. The Department shall adopt rules consistent with the
10 purposes of Division 15.4 of the Illinois Municipal Code and
11 Division 5-45 of the Counties Code. The Department shall adopt,
12 at a minimum, rules defining "small or medium sized farmer",
13 "beginning farmer", "limited resource farmer", and
14 "socially-disadvantaged farmer" as used in Section 11-15.4-5
15 of the Illinois Municipal Code and Section 5-45005 of the
16 Counties Code and shall consider definitions of these terms set
17 forth in the Agricultural Act of 2014 or the most recent
18 federal Agricultural Act and the use of those terms by the
19 United States Department of Agriculture. Upon request from a
20 municipality or county, the Department shall issue opinions
21 regarding the consistency of applicants covered under these
22 definitions.

23 (Source: P.A. 100-1133, eff. 1-1-19.)

1 Section 10. The Property Tax Code is amended by changing
2 Section 18-165 as follows:

3 (35 ILCS 200/18-165)

4 Sec. 18-165. Abatement of taxes.

5 (a) Any taxing district, upon a majority vote of its
6 governing authority, may, after the determination of the
7 assessed valuation of its property, order the clerk of that
8 county to abate any portion of its taxes on the following types
9 of property:

10 (1) Commercial and industrial.

11 (A) The property of any commercial or industrial
12 firm, including but not limited to the property of (i)
13 any firm that is used for collecting, separating,
14 storing, or processing recyclable materials, locating
15 within the taxing district during the immediately
16 preceding year from another state, territory, or
17 country, or having been newly created within this State
18 during the immediately preceding year, or expanding an
19 existing facility, or (ii) any firm that is used for
20 the generation and transmission of electricity
21 locating within the taxing district during the
22 immediately preceding year or expanding its presence
23 within the taxing district during the immediately
24 preceding year by construction of a new electric

1 generating facility that uses natural gas as its fuel,
2 or any firm that is used for production operations at a
3 new, expanded, or reopened coal mine within the taxing
4 district, that has been certified as a High Impact
5 Business by the Illinois Department of Commerce and
6 Economic Opportunity. The property of any firm used for
7 the generation and transmission of electricity shall
8 include all property of the firm used for transmission
9 facilities as defined in Section 5.5 of the Illinois
10 Enterprise Zone Act. The abatement shall not exceed a
11 period of 10 years and the aggregate amount of abated
12 taxes for all taxing districts combined shall not
13 exceed \$4,000,000.

14 (A-5) Any property in the taxing district of a new
15 electric generating facility, as defined in Section
16 605-332 of the Department of Commerce and Economic
17 Opportunity Law of the Civil Administrative Code of
18 Illinois. The abatement shall not exceed a period of 10
19 years. The abatement shall be subject to the following
20 limitations:

21 (i) if the equalized assessed valuation of the
22 new electric generating facility is equal to or
23 greater than \$25,000,000 but less than
24 \$50,000,000, then the abatement may not exceed (i)
25 over the entire term of the abatement, 5% of the
26 taxing district's aggregate taxes from the new

1 electric generating facility and (ii) in any one
2 year of abatement, 20% of the taxing district's
3 taxes from the new electric generating facility;

4 (ii) if the equalized assessed valuation of
5 the new electric generating facility is equal to or
6 greater than \$50,000,000 but less than
7 \$75,000,000, then the abatement may not exceed (i)
8 over the entire term of the abatement, 10% of the
9 taxing district's aggregate taxes from the new
10 electric generating facility and (ii) in any one
11 year of abatement, 35% of the taxing district's
12 taxes from the new electric generating facility;

13 (iii) if the equalized assessed valuation of
14 the new electric generating facility is equal to or
15 greater than \$75,000,000 but less than
16 \$100,000,000, then the abatement may not exceed
17 (i) over the entire term of the abatement, 20% of
18 the taxing district's aggregate taxes from the new
19 electric generating facility and (ii) in any one
20 year of abatement, 50% of the taxing district's
21 taxes from the new electric generating facility;

22 (iv) if the equalized assessed valuation of
23 the new electric generating facility is equal to or
24 greater than \$100,000,000 but less than
25 \$125,000,000, then the abatement may not exceed
26 (i) over the entire term of the abatement, 30% of

1 the taxing district's aggregate taxes from the new
2 electric generating facility and (ii) in any one
3 year of abatement, 60% of the taxing district's
4 taxes from the new electric generating facility;

5 (v) if the equalized assessed valuation of the
6 new electric generating facility is equal to or
7 greater than \$125,000,000 but less than
8 \$150,000,000, then the abatement may not exceed
9 (i) over the entire term of the abatement, 40% of
10 the taxing district's aggregate taxes from the new
11 electric generating facility and (ii) in any one
12 year of abatement, 60% of the taxing district's
13 taxes from the new electric generating facility;

14 (vi) if the equalized assessed valuation of
15 the new electric generating facility is equal to or
16 greater than \$150,000,000, then the abatement may
17 not exceed (i) over the entire term of the
18 abatement, 50% of the taxing district's aggregate
19 taxes from the new electric generating facility
20 and (ii) in any one year of abatement, 60% of the
21 taxing district's taxes from the new electric
22 generating facility.

23 The abatement is not effective unless the owner of
24 the new electric generating facility agrees to repay to
25 the taxing district all amounts previously abated,
26 together with interest computed at the rate and in the

1 manner provided for delinquent taxes, in the event that
2 the owner of the new electric generating facility
3 closes the new electric generating facility before the
4 expiration of the entire term of the abatement.

5 The authorization of taxing districts to abate
6 taxes under this subdivision (a) (1) (A-5) expires on
7 January 1, 2010.

8 (B) The property of any commercial or industrial
9 development of at least (i) 500 acres or (ii) 225 acres
10 in the case of a commercial or industrial development
11 that applies for and is granted designation as a High
12 Impact Business under paragraph (F) of item (3) of
13 subsection (a) of Section 5.5 of the Illinois
14 Enterprise Zone Act, having been created within the
15 taxing district. The abatement shall not exceed a
16 period of 20 years and the aggregate amount of abated
17 taxes for all taxing districts combined shall not
18 exceed \$12,000,000.

19 (C) The property of any commercial or industrial
20 firm currently located in the taxing district that
21 expands a facility or its number of employees. The
22 abatement shall not exceed a period of 10 years and the
23 aggregate amount of abated taxes for all taxing
24 districts combined shall not exceed \$4,000,000. The
25 abatement period may be renewed at the option of the
26 taxing districts.

1 (2) Horse racing. Any property in the taxing district
2 which is used for the racing of horses and upon which
3 capital improvements consisting of expansion, improvement
4 or replacement of existing facilities have been made since
5 July 1, 1987. The combined abatements for such property
6 from all taxing districts in any county shall not exceed
7 \$5,000,000 annually and shall not exceed a period of 10
8 years.

9 (3) Auto racing. Any property designed exclusively for
10 the racing of motor vehicles. Such abatement shall not
11 exceed a period of 10 years.

12 (4) Academic or research institute. The property of any
13 academic or research institute in the taxing district that
14 (i) is an exempt organization under paragraph (3) of
15 Section 501(c) of the Internal Revenue Code, (ii) operates
16 for the benefit of the public by actually and exclusively
17 performing scientific research and making the results of
18 the research available to the interested public on a
19 non-discriminatory basis, and (iii) employs more than 100
20 employees. An abatement granted under this paragraph shall
21 be for at least 15 years and the aggregate amount of abated
22 taxes for all taxing districts combined shall not exceed
23 \$5,000,000.

24 (5) Housing for older persons. Any property in the
25 taxing district that is devoted exclusively to affordable
26 housing for older households. For purposes of this

1 paragraph, "older households" means those households (i)
2 living in housing provided under any State or federal
3 program that the Department of Human Rights determines is
4 specifically designed and operated to assist elderly
5 persons and is solely occupied by persons 55 years of age
6 or older and (ii) whose annual income does not exceed 80%
7 of the area gross median income, adjusted for family size,
8 as such gross income and median income are determined from
9 time to time by the United States Department of Housing and
10 Urban Development. The abatement shall not exceed a period
11 of 15 years, and the aggregate amount of abated taxes for
12 all taxing districts shall not exceed \$3,000,000.

13 (6) Historical society. For assessment years 1998
14 through 2018, the property of an historical society
15 qualifying as an exempt organization under Section
16 501(c)(3) of the federal Internal Revenue Code.

17 (7) Recreational facilities. Any property in the
18 taxing district (i) that is used for a municipal airport,
19 (ii) that is subject to a leasehold assessment under
20 Section 9-195 of this Code and (iii) which is sublet from a
21 park district that is leasing the property from a
22 municipality, but only if the property is used exclusively
23 for recreational facilities or for parking lots used
24 exclusively for those facilities. The abatement shall not
25 exceed a period of 10 years.

26 (8) Relocated corporate headquarters. If approval

1 occurs within 5 years after the effective date of this
2 amendatory Act of the 92nd General Assembly, any property
3 or a portion of any property in a taxing district that is
4 used by an eligible business for a corporate headquarters
5 as defined in the Corporate Headquarters Relocation Act.
6 Instead of an abatement under this paragraph (8), a taxing
7 district may enter into an agreement with an eligible
8 business to make annual payments to that eligible business
9 in an amount not to exceed the property taxes paid directly
10 or indirectly by that eligible business to the taxing
11 district and any other taxing districts for premises
12 occupied pursuant to a written lease and may make those
13 payments without the need for an annual appropriation. No
14 school district, however, may enter into an agreement with,
15 or abate taxes for, an eligible business unless the
16 municipality in which the corporate headquarters is
17 located agrees to provide funding to the school district in
18 an amount equal to the amount abated or paid by the school
19 district as provided in this paragraph (8). Any abatement
20 ordered or agreement entered into under this paragraph (8)
21 may be effective for the entire term specified by the
22 taxing district, except the term of the abatement or annual
23 payments may not exceed 20 years.

24 (9) United States Military Public/Private Residential
25 Developments. Each building, structure, or other
26 improvement designed, financed, constructed, renovated,

1 managed, operated, or maintained after January 1, 2006
2 under a "PPV Lease", as set forth under Division 14 of
3 Article 10, and any such PPV Lease.

4 (10) Property located in a business corridor that
5 qualifies for an abatement under Section 18-184.10.

6 (11) Under Section 11-15.4-25 of the Illinois
7 Municipal Code or Section 5-45025 of the Counties Code,
8 property located within an urban agricultural area that is
9 used by a qualifying farmer for processing, growing,
10 raising, or otherwise producing agricultural products.

11 (b) Upon a majority vote of its governing authority, any
12 municipality may, after the determination of the assessed
13 valuation of its property, order the county clerk to abate any
14 portion of its taxes on any property that is located within the
15 corporate limits of the municipality in accordance with Section
16 8-3-18 of the Illinois Municipal Code.

17 (Source: P.A. 100-1133, eff. 1-1-19.)

18 Section 15. The Counties Code is amended by adding Division
19 5-45 to Article 5 as follows:

20 (55 ILCS 5/Art. 5 Div. 5-45 heading new)

21 DIVISION 5-45. URBAN AGRICULTURAL AREAS

22 (55 ILCS 5/5-45005 new)

23 Sec. 5-45005. Definitions. As used in this Division:

1 "Agricultural product" means an agricultural,
2 horticultural, viticultural, aquacultural, or vegetable
3 product, either in its natural or processed state, that has
4 been produced, processed, or otherwise had value added to it in
5 this State. "Agricultural product" includes, but is not limited
6 to, growing of grapes that will be processed into wine; bees;
7 honey; fish or other aquacultural product; planting seed;
8 livestock or livestock product; forestry product; and poultry
9 or poultry product.

10 "Aquaculture" and "aquatic products" have the meanings
11 given to those terms in Section 4 of the Aquaculture
12 Development Act.

13 "County board" means the county board or county board of
14 commissioners of a county.

15 "Department" means the Department of Agriculture.

16 "Livestock" means cattle; calves; sheep; swine; ratite
17 birds, including, but not limited to, ostrich and emu; aquatic
18 products obtained through aquaculture; llamas; alpaca;
19 buffalo; elk documented as obtained from a legal source and not
20 from the wild; goats; horses and other equines; or rabbits
21 raised in confinement for human consumption.

22 "Locally grown" means a product that was grown or raised in
23 the same county or adjoining county in which the urban
24 agricultural area is located.

25 "Partner organization" means a nonprofit organization that
26 meets standards set forth by Section 501(c)(3) of the Internal

1 Revenue Code and whose mission includes supporting small,
2 beginning, limited resource, or socially-disadvantaged farmers
3 within counties.

4 "Poultry" means any domesticated bird intended for human
5 consumption.

6 "Qualifying farmer" means an individual or entity that
7 meets at least one of the following:

8 (1) is a small or medium sized farmer;

9 (2) is a beginning farmer;

10 (3) is a limited resource farmer; or

11 (4) is a socially-disadvantaged farmer.

12 "Small or medium sized farmer", "beginning farmer",
13 "limited resource farmer", and "socially-disadvantaged farmer"
14 have the meanings given to those terms in rules adopted by the
15 Department as provided in Section 205-65 of the Department of
16 Agriculture Law.

17 "Urban agricultural area" means an area defined by a county
18 and entirely within that county's boundaries within which one
19 or more qualifying farmers are processing, growing, raising, or
20 otherwise producing locally-grown agricultural products.

21 (55 ILCS 5/5-45010 new)

22 Sec. 5-45010. Urban agricultural area committee.

23 (a) The county board that seek to establish an urban
24 agricultural area shall first establish an urban agricultural
25 area committee after it receives an application to establish an

1 urban agricultural area under Section 5-45015. There shall be 5
2 members on the committee. One member of the committee shall be
3 a member of the county board and shall be appointed by the
4 board. The remaining 4 members shall be appointed by the
5 president or chairperson of the county board. The 4 members
6 chosen by the president or chairperson shall all be residents
7 of the county in which the urban agricultural area is to be
8 located, and at least one of the 4 members shall have
9 experience in or represent an organization associated with
10 sustainable agriculture, urban farming, community gardening,
11 or any of the activities or products authorized by this
12 Division for urban agricultural areas.

13 (b) The members of the committee annually shall elect a
14 chair from among the members. The members shall serve without
15 compensation, but may be reimbursed for actual and necessary
16 expenses incurred in the performance of their official duties.

17 (c) A majority of the members shall constitute a quorum of
18 the committee for the purpose of conducting business and
19 exercising the powers of the committee and for all other
20 purposes. Action may be taken by the committee upon a vote of a
21 majority of the members present.

22 (d) The role of the committee shall be to conduct the
23 activities necessary to advise the county board on the
24 designation, modification, and termination of an urban
25 agricultural area and any other advisory duties as determined
26 by the county board. The role of the committee after the

1 designation of an urban agricultural area shall be review and
2 assessment of an urban agricultural area's activities.

3 (55 ILCS 5/5-45015 new)

4 Sec. 5-45015. Application for an urban agricultural area;
5 review; dissolution.

6 (a) A qualified farmer or partner organization may submit
7 to the county clerk an application to establish an urban
8 agricultural area. The application shall demonstrate or
9 identify:

10 (1) that the applicant is a qualified farmer;

11 (2) the number of jobs to be created, maintained, or
12 supported within the proposed urban agricultural area;

13 (3) the types of products to be produced; and

14 (4) the geographic description of the area that will be
15 included in the urban agricultural area.

16 (b) An urban agricultural area committee shall review and
17 modify the application as necessary before the county either
18 approves or denies the request to establish an urban
19 agricultural area.

20 (c) Approval of the urban agricultural area by a county
21 shall be reviewed every 5 years after the development of the
22 urban agricultural area. After 25 years, the urban agricultural
23 area shall dissolve. If the county finds during its review that
24 the urban agricultural area is not meeting the requirements set
25 out in this Division, the county may dissolve the urban

1 agricultural area by ordinance or resolution.

2 (55 ILCS 5/5-45020 new)

3 Sec. 5-45020. Notice and public hearing; urban
4 agricultural area ordinance. Prior to the adoption of an
5 ordinance designating an urban agricultural area, the urban
6 agricultural area committee shall fix a time and place for a
7 public hearing and notify each taxing unit of local government
8 located wholly or partially within the boundaries of the
9 proposed urban agricultural area. The committee shall publish
10 notice of the hearing in a newspaper of general circulation in
11 the area to be affected by the designation at least 20 days
12 prior to the hearing but not more than 30 days prior to the
13 hearing. The notice shall state the time, location, date, and
14 purpose of the hearing. At the public hearing, any interested
15 person or affected taxing unit of local government may file
16 with the committee written objections or comments and may be
17 heard orally regarding any issues embodied in the notice. The
18 committee shall hear and consider all objections, comments, and
19 other evidence presented at the hearing. The hearing may be
20 continued to another date without further notice other than a
21 motion to be entered upon the minutes fixing the time and place
22 of the subsequent hearing.

23 Following the conclusion of the public hearing required
24 under this Section, the county board may adopt an ordinance
25 establishing and designating an urban agricultural area.

1 (55 ILCS 5/5-45025 new)

2 Sec. 5-45025. Taxation of property; water rates and
3 charges.

4 (a) If authorized by the ordinance that establishes an
5 urban agricultural area under Section 5-45020, a county may
6 provide for the abatement of taxes it levies upon real property
7 located within an urban agricultural area that is used by a
8 qualifying farmer for processing, growing, raising, or
9 otherwise producing agricultural products under item (11) of
10 subsection (a) of Section 18-165 of the Property Tax Code.
11 Parcels of property assessed under Section 10-110 of the
12 Property Tax Code are not eligible for the abatements provided
13 in this subsection; except that if real property assessed under
14 Section 10-110 is reassessed and is subsequently no longer
15 assessed under Section 10-110, that property becomes eligible
16 for the abatements provided for in this Section. Real property
17 located in a redevelopment area created under the Tax Increment
18 Allocation Redevelopment Act and an urban agricultural area
19 created under this Division may be eligible for an abatement
20 under this Section, but only with respect to the initial
21 equalized assessed value of the real property.

22 (b) A county may authorize an entity providing water,
23 electricity, or other utilities to an urban agricultural area
24 to allow qualified farmers and partner organizations in the
25 urban agricultural area to: (1) pay wholesale or otherwise

1 reduced rates for service to property within the urban
2 agricultural area that is used for processing, growing,
3 raising, or otherwise producing agricultural products; or (2)
4 pay reduced or waived connection charges for service to
5 property within the urban agricultural area that is used for
6 processing, growing, raising, or otherwise producing
7 agricultural products.

8 (55 ILCS 5/5-45030 new)

9 Sec. 5-45030. Unreasonable restrictions and regulations;
10 special assessments and levies.

11 (a) A county may not exercise any of its powers to enact
12 ordinances within an urban agricultural area in a manner that
13 would unreasonably restrict or regulate farming practices in
14 contravention of the purposes of this Act unless the
15 restrictions or regulations bear a direct relationship to
16 public health or safety.

17 (b) A unit of local government providing public services,
18 such as sewer, water, lights, or non-farm drainage, may not
19 impose benefit assessments or special ad valorem levies on land
20 within an urban agricultural area on the basis of frontage,
21 acreage, or value unless the benefit assessments or special ad
22 valorem levies were imposed prior to the formation of the urban
23 agricultural area or unless the service is provided to the
24 landowner on the same basis as others having the service.

1 Section 20. The Illinois Municipal Code is amended by
2 changing Section 11-74.4-3

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

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

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

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

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

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

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

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

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

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

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

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

24 (H) Inadequate utilities. Underground and overhead
25 utilities such as storm sewers and storm drainage,
26 sanitary sewers, water lines, and gas, telephone, and

1 electrical services that are shown to be inadequate.
2 Inadequate utilities are those that are: (i) of
3 insufficient capacity to serve the uses in the
4 redevelopment project area, (ii) deteriorated,
5 antiquated, obsolete, or in disrepair, or (iii)
6 lacking within the redevelopment project area.

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

26 (J) Deleterious land use or layout. The existence

1 of incompatible land-use relationships, buildings
2 occupied by inappropriate mixed-uses, or uses
3 considered to be noxious, offensive, or unsuitable for
4 the surrounding area.

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

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

1 size to meet contemporary development standards, or
2 other evidence demonstrating an absence of effective
3 community planning.

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

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

25 (A) Obsolete platting of vacant land that results
26 in parcels of limited or narrow size or configurations

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

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

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

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

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

1 the development or redevelopment of the redevelopment
2 project area.

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

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

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

26 (B) The area consists of unused rail yards, rail

1 tracks, or railroad rights-of-way.

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

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

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

26 (F) The area qualified as a blighted improved area

1 immediately prior to becoming vacant, unless there has
2 been substantial private investment in the immediately
3 surrounding area.

4 (b) For any redevelopment project area that has been
5 designated pursuant to this Section by an ordinance adopted
6 prior to November 1, 1999 (the effective date of Public Act
7 91-478), "conservation area" shall have the meaning set forth
8 in this Section prior to that date.

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

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

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

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

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

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

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

24 (7) Lack of ventilation, light, or sanitary
25 facilities. The absence of adequate ventilation for light
26 or air circulation in spaces or rooms without windows, or

1 that require the removal of dust, odor, gas, smoke, or
2 other noxious airborne materials. Inadequate natural light
3 and ventilation means the absence or inadequacy of
4 skylights or windows for interior spaces or rooms and
5 improper window sizes and amounts by room area to window
6 area ratios. Inadequate sanitary facilities refers to the
7 absence or inadequacy of garbage storage and enclosure,
8 bathroom facilities, hot water and kitchens, and
9 structural inadequacies preventing ingress and egress to
10 and from all rooms and units within a building.

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

19 (9) Excessive land coverage and overcrowding of
20 structures and community facilities. The over-intensive
21 use of property and the crowding of buildings and accessory
22 facilities onto a site. Examples of problem conditions
23 warranting the designation of an area as one exhibiting
24 excessive land coverage are: the presence of buildings
25 either improperly situated on parcels or located on parcels
26 of inadequate size and shape in relation to present-day

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

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

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

1 demonstrating an absence of effective community planning.

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

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

23 (c) "Industrial park" means an area in a blighted or
24 conservation area suitable for use by any manufacturing,
25 industrial, research or transportation enterprise, of
26 facilities to include but not be limited to factories, mills,

1 processing plants, assembly plants, packing plants,
2 fabricating plants, industrial distribution centers,
3 warehouses, repair overhaul or service facilities, freight
4 terminals, research facilities, test facilities or railroad
5 facilities.

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

17 (e) "Labor surplus municipality" means a municipality in
18 which, at any time during the 6 months before the municipality
19 by ordinance designates an industrial park conservation area,
20 the unemployment rate was over 6% and was also 100% or more of
21 the national average unemployment rate for that same time as
22 published in the United States Department of Labor Bureau of
23 Labor Statistics publication entitled "The Employment
24 Situation" or its successor publication. For the purpose of
25 this subsection, if unemployment rate statistics for the
26 municipality are not available, the unemployment rate in the

1 municipality shall be deemed to be the same as the unemployment
2 rate in the principal county in which the municipality is
3 located.

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

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

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

23 (h) "Municipal Sales Tax Increment" means an amount equal
24 to the increase in the aggregate amount of taxes paid to a
25 municipality from the Local Government Tax Fund arising from
26 sales by retailers and servicemen within the redevelopment

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

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

1 case may be.

2 (i) "Net State Sales Tax Increment" means the sum of the
3 following: (a) 80% of the first \$100,000 of State Sales Tax
4 Increment annually generated within a State Sales Tax Boundary;
5 (b) 60% of the amount in excess of \$100,000 but not exceeding
6 \$500,000 of State Sales Tax Increment annually generated within
7 a State Sales Tax Boundary; and (c) 40% of all amounts in
8 excess of \$500,000 of State Sales Tax Increment annually
9 generated within a State Sales Tax Boundary. If, however, a
10 municipality established a tax increment financing district in
11 a county with a population in excess of 3,000,000 before
12 January 1, 1986, and the municipality entered into a contract
13 or issued bonds after January 1, 1986, but before December 31,
14 1986, to finance redevelopment project costs within a State
15 Sales Tax Boundary, then the Net State Sales Tax Increment
16 means, for the fiscal years beginning July 1, 1990, and July 1,
17 1991, 100% of the State Sales Tax Increment annually generated
18 within a State Sales Tax Boundary; and notwithstanding any
19 other provision of this Act, for those fiscal years the
20 Department of Revenue shall distribute to those municipalities
21 100% of their Net State Sales Tax Increment before any
22 distribution to any other municipality and regardless of
23 whether or not those other municipalities will receive 100% of
24 their Net State Sales Tax Increment. For Fiscal Year 1999, and
25 every year thereafter until the year 2007, for any municipality
26 that has not entered into a contract or has not issued bonds

1 prior to June 1, 1988 to finance redevelopment project costs
2 within a State Sales Tax Boundary, the Net State Sales Tax
3 Increment shall be calculated as follows: By multiplying the
4 Net State Sales Tax Increment by 90% in the State Fiscal Year
5 1999; 80% in the State Fiscal Year 2000; 70% in the State
6 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the
7 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%
8 in the State Fiscal Year 2005; 20% in the State Fiscal Year
9 2006; and 10% in the State Fiscal Year 2007. No payment shall
10 be made for State Fiscal Year 2008 and thereafter.

11 Municipalities that issued bonds in connection with a
12 redevelopment project in a redevelopment project area within
13 the State Sales Tax Boundary prior to July 29, 1991, or that
14 entered into contracts in connection with a redevelopment
15 project in a redevelopment project area before June 1, 1988,
16 shall continue to receive their proportional share of the
17 Illinois Tax Increment Fund distribution until the date on
18 which the redevelopment project is completed or terminated. If,
19 however, a municipality that issued bonds in connection with a
20 redevelopment project in a redevelopment project area within
21 the State Sales Tax Boundary prior to July 29, 1991 retires the
22 bonds prior to June 30, 2007 or a municipality that entered
23 into contracts in connection with a redevelopment project in a
24 redevelopment project area before June 1, 1988 completes the
25 contracts prior to June 30, 2007, then so long as the
26 redevelopment project is not completed or is not terminated,

1 the Net State Sales Tax Increment shall be calculated,
2 beginning on the date on which the bonds are retired or the
3 contracts are completed, as follows: By multiplying the Net
4 State Sales Tax Increment by 60% in the State Fiscal Year 2002;
5 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year
6 2004; 30% in the State Fiscal Year 2005; 20% in the State
7 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No
8 payment shall be made for State Fiscal Year 2008 and
9 thereafter. Refunding of any bonds issued prior to July 29,
10 1991, shall not alter the Net State Sales Tax Increment.

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

23 (k) "Net State Utility Tax Increment" means the sum of the
24 following: (a) 80% of the first \$100,000 of State Utility Tax
25 Increment annually generated by a redevelopment project area;
26 (b) 60% of the amount in excess of \$100,000 but not exceeding

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

18 Municipalities that issue bonds in connection with the
19 redevelopment project during the period from June 1, 1988 until
20 3 years after the effective date of this Amendatory Act of 1988
21 shall receive the Net State Utility Tax Increment, subject to
22 appropriation, for 15 State Fiscal Years after the issuance of
23 such bonds. For the 16th through the 20th State Fiscal Years
24 after issuance of the bonds, the Net State Utility Tax
25 Increment shall be calculated as follows: By multiplying the
26 Net State Utility Tax Increment by 90% in year 16; 80% in year

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

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

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

21 (n) "Redevelopment plan" means the comprehensive program
22 of the municipality for development or redevelopment intended
23 by the payment of redevelopment project costs to reduce or
24 eliminate those conditions the existence of which qualified the
25 redevelopment project area as a "blighted area" or
26 "conservation area" or combination thereof or "industrial park

1 conservation area," and thereby to enhance the tax bases of the
2 taxing districts which extend into the redevelopment project
3 area, provided that, with respect to redevelopment project
4 areas described in subsections (p-1) and (p-2), "redevelopment
5 plan" means the comprehensive program of the affected
6 municipality for the development of qualifying transit
7 facilities. On and after November 1, 1999 (the effective date
8 of Public Act 91-478), no redevelopment plan may be approved or
9 amended that includes the development of vacant land (i) with a
10 golf course and related clubhouse and other facilities or (ii)
11 designated by federal, State, county, or municipal government
12 as public land for outdoor recreational activities or for
13 nature preserves and used for that purpose within 5 years prior
14 to the adoption of the redevelopment plan. For the purpose of
15 this subsection, "recreational activities" is limited to mean
16 camping and hunting. Each redevelopment plan shall set forth in
17 writing the program to be undertaken to accomplish the
18 objectives and shall include but not be limited to:

19 (A) an itemized list of estimated redevelopment
20 project costs;

21 (B) evidence indicating that the redevelopment project
22 area on the whole has not been subject to growth and
23 development through investment by private enterprise,
24 provided that such evidence shall not be required for any
25 redevelopment project area located within a transit
26 facility improvement area established pursuant to Section

1 11-74.4-3.3;

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

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

8 (E) the nature and term of the obligations to be
9 issued;

10 (F) the most recent equalized assessed valuation of the
11 redevelopment project area;

12 (G) an estimate as to the equalized assessed valuation
13 after redevelopment and the general land uses to apply in
14 the redevelopment project area;

15 (H) a commitment to fair employment practices and an
16 affirmative action plan;

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

24 (J) if property is to be annexed to the municipality,
25 the plan shall include the terms of the annexation
26 agreement.

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

9 (1) The municipality finds that the redevelopment
10 project area on the whole has not been subject to growth
11 and development through investment by private enterprise
12 and would not reasonably be anticipated to be developed
13 without the adoption of the redevelopment plan, provided,
14 however, that such a finding shall not be required with
15 respect to any redevelopment project area located within a
16 transit facility improvement area established pursuant to
17 Section 11-74.4-3.3.

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

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

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

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

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

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

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

6 (5) If: (a) the redevelopment plan will not result in
7 displacement of residents from 10 or more inhabited
8 residential units, and the municipality certifies in the
9 plan that such displacement will not result from the plan;
10 or (b) the redevelopment plan is for a redevelopment
11 project area located within a transit facility improvement
12 area established pursuant to Section 11-74.4-3.3, and the
13 applicable project is subject to the process for evaluation
14 of environmental effects under the National Environmental
15 Policy Act of 1969, 42 U.S.C. 4321 et seq., then a housing
16 impact study need not be performed. If, however, the
17 redevelopment plan would result in the displacement of
18 residents from 10 or more inhabited residential units, or
19 if the redevelopment project area contains 75 or more
20 inhabited residential units and no certification is made,
21 then the municipality shall prepare, as part of the
22 separate feasibility report required by subsection (a) of
23 Section 11-74.4-5, a housing impact study.

24 Part I of the housing impact study shall include (i)
25 data as to whether the residential units are single family
26 or multi-family units, (ii) the number and type of rooms

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

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

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

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

22 (8) On and after November 1, 1999, if, after the
23 adoption of the redevelopment plan for the redevelopment
24 project area, any municipality desires to amend its
25 redevelopment plan to remove more inhabited residential
26 units than specified in its original redevelopment plan,

1 that change shall be made in accordance with the procedures
2 in subsection (c) of Section 11-74.4-5.

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

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

1 For the purpose of this subsection, "recreational activities"
2 is limited to mean camping and hunting.

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

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

21 (p-2) Notwithstanding any provision of this Act to the
22 contrary, on and after the effective date of this amendatory
23 Act of the 99th General Assembly, a redevelopment project area
24 may include areas within a transit facility improvement area
25 that has been established pursuant to Section 11-74.4-3.3
26 without a finding that the area is classified as an industrial

1 park conservation area, a blighted area, a conservation area,
2 or any combination thereof.

3 (q) "Redevelopment project costs", except for
4 redevelopment project areas created pursuant to subsection
5 (p-1) or (p-2), means and includes the sum total of all
6 reasonable or necessary costs incurred or estimated to be
7 incurred, and any such costs incidental to a redevelopment plan
8 and a redevelopment project. Such costs include, without
9 limitation, the following:

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

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

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

18 (1.6) The cost of marketing sites within the
19 redevelopment project area to prospective businesses,
20 developers, and investors;

21 (2) Property assembly costs, including but not limited
22 to acquisition of land and other property, real or
23 personal, or rights or interests therein, demolition of
24 buildings, site preparation, site improvements that serve
25 as an engineered barrier addressing ground level or below
26 ground environmental contamination, including, but not

1 limited to parking lots and other concrete or asphalt
2 barriers, and the clearing and grading of land;

3 (3) Costs of rehabilitation, reconstruction or repair
4 or remodeling of existing public or private buildings,
5 fixtures, and leasehold improvements; and the cost of
6 replacing an existing public building if pursuant to the
7 implementation of a redevelopment project the existing
8 public building is to be demolished to use the site for
9 private investment or devoted to a different use requiring
10 private investment; including any direct or indirect costs
11 relating to Green Globes or LEED certified construction
12 elements or construction elements with an equivalent
13 certification;

14 (4) Costs of the construction of public works or
15 improvements, including any direct or indirect costs
16 relating to Green Globes or LEED certified construction
17 elements or construction elements with an equivalent
18 certification, except that on and after November 1, 1999,
19 redevelopment project costs shall not include the cost of
20 constructing a new municipal public building principally
21 used to provide offices, storage space, or conference
22 facilities or vehicle storage, maintenance, or repair for
23 administrative, public safety, or public works personnel
24 and that is not intended to replace an existing public
25 building as provided under paragraph (3) of subsection (q)
26 of Section 11-74.4-3 unless either (i) the construction of

1 the new municipal building implements a redevelopment
2 project that was included in a redevelopment plan that was
3 adopted by the municipality prior to November 1, 1999, (ii)
4 the municipality makes a reasonable determination in the
5 redevelopment plan, supported by information that provides
6 the basis for that determination, that the new municipal
7 building is required to meet an increase in the need for
8 public safety purposes anticipated to result from the
9 implementation of the redevelopment plan, or (iii) the new
10 municipal public building is for the storage, maintenance,
11 or repair of transit vehicles and is located in a transit
12 facility improvement area that has been established
13 pursuant to Section 11-74.4-3.3;

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

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

26 (7) To the extent the municipality by written agreement

1 accepts and approves the same, all or a portion of a taxing
2 district's capital costs resulting from the redevelopment
3 project necessarily incurred or to be incurred within a
4 taxing district in furtherance of the objectives of the
5 redevelopment plan and project;

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

22 (A) for foundation districts, excluding any school
23 district in a municipality with a population in excess
24 of 1,000,000, by multiplying the district's increase
25 in attendance resulting from the net increase in new
26 students enrolled in that school district who reside in

1 housing units within the redevelopment project area
2 that have received financial assistance through an
3 agreement with the municipality or because the
4 municipality incurs the cost of necessary
5 infrastructure improvements within the boundaries of
6 the housing sites necessary for the completion of that
7 housing as authorized by this Act since the designation
8 of the redevelopment project area by the most recently
9 available per capita tuition cost as defined in Section
10 10-20.12a of the School Code less any increase in
11 general State aid as defined in Section 18-8.05 of the
12 School Code or evidence-based funding as defined in
13 Section 18-8.15 of the School Code attributable to
14 these added new students subject to the following
15 annual limitations:

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

22 (ii) for elementary school districts with a
23 district average 1995-96 Per Capita Tuition Charge
24 of less than \$5,900, no more than 17% of the total
25 amount of property tax increment revenue produced
26 by those housing units that have received tax

1 increment finance assistance under this Act; and

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

8 (B) For alternate method districts, flat grant
9 districts, and foundation districts with a district
10 average 1995-96 Per Capita Tuition Charge equal to or
11 more than \$5,900, excluding any school district with a
12 population in excess of 1,000,000, by multiplying the
13 district's increase in attendance resulting from the
14 net increase in new students enrolled in that school
15 district who reside in housing units within the
16 redevelopment project area that have received
17 financial assistance through an agreement with the
18 municipality or because the municipality incurs the
19 cost of necessary infrastructure improvements within
20 the boundaries of the housing sites necessary for the
21 completion of that housing as authorized by this Act
22 since the designation of the redevelopment project
23 area by the most recently available per capita tuition
24 cost as defined in Section 10-20.12a of the School Code
25 less any increase in general state aid as defined in
26 Section 18-8.05 of the School Code or evidence-based

1 funding as defined in Section 18-8.15 of the School
2 Code attributable to these added new students subject
3 to the following annual limitations:

4 (i) for unit school districts, no more than 40%
5 of the total amount of property tax increment
6 revenue produced by those housing units that have
7 received tax increment finance assistance under
8 this Act;

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

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

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

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

1 (ii) the amount reimbursable shall be reduced
2 by the value of any land donated to the school
3 district by the municipality or developer, and by
4 the value of any physical improvements made to the
5 schools by the municipality or developer; and

6 (iii) the amount reimbursed may not affect
7 amounts otherwise obligated by the terms of any
8 bonds, notes, or other funding instruments, or the
9 terms of any redevelopment agreement.

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

26 (7.7) For redevelopment project areas designated (or

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

23 The amount paid to a library district under this
24 paragraph (7.7) shall be calculated by multiplying (i) the
25 net increase in the number of persons eligible to obtain a
26 library card in that district who reside in housing units

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

19 A library district is not eligible for any payment
20 under this paragraph (7.7) unless the library district has
21 experienced an increase in the number of patrons from the
22 municipality that created the tax-increment-financing
23 district since the designation of the redevelopment
24 project area.

25 Any library district seeking payment under this
26 paragraph (7.7) shall, after July 1 and before September 30

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

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

19 (9) Payment in lieu of taxes;

20 (10) Costs of job training, retraining, advanced
21 vocational education or career education, including but
22 not limited to courses in occupational, semi-technical or
23 technical fields leading directly to employment, incurred
24 by one or more taxing districts, provided that such costs
25 (i) are related to the establishment and maintenance of
26 additional job training, advanced vocational education or

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

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

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

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

1 during that year;

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

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

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

22 (F) instead of the eligible costs provided by
23 subparagraphs (B) and (D) of paragraph (11), as
24 modified by this subparagraph, and notwithstanding any
25 other provisions of this Act to the contrary, the
26 municipality may pay from tax increment revenues up to

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

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

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

24 (11.5) If the redevelopment project area is located
25 within a municipality with a population of more than
26 100,000, the cost of day care services for children of

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

14 (12) Costs relating to the development of urban
15 agricultural areas under Division 15.2 of the Illinois
16 Municipal Code or Division 5-45 of the Counties Code.

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

20 After November 1, 1999 (the effective date of Public Act
21 91-478), none of the redevelopment project costs enumerated in
22 this subsection shall be eligible redevelopment project costs
23 if those costs would provide direct financial support to a
24 retail entity initiating operations in the redevelopment
25 project area while terminating operations at another Illinois
26 location within 10 miles of the redevelopment project area but

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

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

26 If a special service area has been established pursuant to

1 the Special Service Area Tax Act or Special Service Area Tax
2 Law, then any tax increment revenues derived from the tax
3 imposed pursuant to the Special Service Area Tax Act or Special
4 Service Area Tax Law may be used within the redevelopment
5 project area for the purposes permitted by that Act or Law as
6 well as the purposes permitted by this Act.

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

12 (q-2) For a redevelopment project area located within a
13 transit facility improvement area established pursuant to
14 Section 11-74.4-3.3, redevelopment project costs means those
15 costs described in subsection (q) that are related to the
16 construction, reconstruction, rehabilitation, remodeling, or
17 repair of any existing or proposed transit facility.

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

25 (s) "State Sales Tax Increment" means an amount equal to
26 the increase in the aggregate amount of taxes paid by retailers

1 and servicemen, other than retailers and servicemen subject to
2 the Public Utilities Act, on transactions at places of business
3 located within a State Sales Tax Boundary pursuant to the
4 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use
5 Tax Act, and the Service Occupation Tax Act, except such
6 portion of such increase that is paid into the State and Local
7 Sales Tax Reform Fund, the Local Government Distributive Fund,
8 the Local Government Tax Fund and the County and Mass Transit
9 District Fund, for as long as State participation exists, over
10 and above the Initial Sales Tax Amounts, Adjusted Initial Sales
11 Tax Amounts or the Revised Initial Sales Tax Amounts for such
12 taxes as certified by the Department of Revenue and paid under
13 those Acts by retailers and servicemen on transactions at
14 places of business located within the State Sales Tax Boundary
15 during the base year which shall be the calendar year
16 immediately prior to the year in which the municipality adopted
17 tax increment allocation financing, less 3.0% of such amounts
18 generated under the Retailers' Occupation Tax Act, Use Tax Act
19 and Service Use Tax Act and the Service Occupation Tax Act,
20 which sum shall be appropriated to the Department of Revenue to
21 cover its costs of administering and enforcing this Section.
22 For purposes of computing the aggregate amount of such taxes
23 for base years occurring prior to 1985, the Department of
24 Revenue shall compute the Initial Sales Tax Amount for such
25 taxes and deduct therefrom an amount equal to 4% of the
26 aggregate amount of taxes per year for each year the base year

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

1 applicable period shall be the 12 months beginning July 1 and
2 ending on June 30, to determine the tax amounts received which
3 shall have deducted therefrom the certified Initial Sales Tax
4 Amounts, Adjusted Initial Sales Tax Amounts or the Revised
5 Initial Sales Tax Amounts. Municipalities intending to receive
6 a distribution of State Sales Tax Increment must report a list
7 of retailers to the Department of Revenue by October 31, 1988
8 and by July 31, of each year thereafter.

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

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

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

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

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

1 (x) "LEED certified" means any certification level of
2 construction elements by a qualified Leadership in Energy and
3 Environmental Design Accredited Professional as determined by
4 the U.S. Green Building Council.

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

8 (Source: P.A. 99-792, eff. 8-12-16; 100-201, eff. 8-18-17;
9 100-465, eff. 8-31-17; 100-1133, eff. 1-1-19.)

1 INDEX

2 Statutes amended in order of appearance

3 20 ILCS 205/205-65

4 35 ILCS 200/18-165

5 55 ILCS 5/Art. 5 Div. 5-45

6 heading new

7 55 ILCS 5/5-45005 new

8 55 ILCS 5/5-45010 new

9 55 ILCS 5/5-45015 new

10 55 ILCS 5/5-45020 new

11 55 ILCS 5/5-45025 new

12 55 ILCS 5/5-45030 new

13 65 ILCS 5/11-74.4-3 from Ch. 24, par. 11-74.4-3