



Rep. John E. Bradley

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09500HB2332ham001

LRB095 01503 HLH 48905 a

1 AMENDMENT TO HOUSE BILL 2332

2 AMENDMENT NO. _____. Amend House Bill 2332 by replacing
3 everything after the enacting clause with the following:

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

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

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

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

16 On and after November 1, 1999, "blighted area" means any

1 improved or vacant area within the boundaries of a
2 redevelopment project area located within the territorial
3 limits of the municipality where:

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

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

20 (B) Obsolescence. The condition or process of
21 falling into disuse. Structures have become ill-suited
22 for the original use.

23 (C) Deterioration. With respect to buildings,
24 defects including, but not limited to, major defects in
25 the secondary building components such as doors,
26 windows, porches, gutters and downspouts, and fascia.

1 With respect to surface improvements, that the
2 condition of roadways, alleys, curbs, gutters,
3 sidewalks, off-street parking, and surface storage
4 areas evidence deterioration, including, but not
5 limited to, surface cracking, crumbling, potholes,
6 depressions, loose paving material, and weeds
7 protruding through paved surfaces.

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

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

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

22 (G) Lack of ventilation, light, or sanitary
23 facilities. The absence of adequate ventilation for
24 light or air circulation in spaces or rooms without
25 windows, or that require the removal of dust, odor,
26 gas, smoke, or other noxious airborne materials.

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

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

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

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

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

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

1 material impediment to the development or
2 redevelopment of the redevelopment project area.

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

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

1 year in which the redevelopment project area is
2 designated.

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

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

21 (B) Diversity of ownership of parcels of vacant
22 land sufficient in number to retard or impede the
23 ability to assemble the land for development.

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

1 (D) Deterioration of structures or site
2 improvements in neighboring areas adjacent to the
3 vacant land.

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

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

1 designated.

2 (3) If vacant, the sound growth of the redevelopment
3 project area is impaired by one of the following factors
4 that (i) is present, with that presence documented, to a
5 meaningful extent so that a municipality may reasonably
6 find that the factor is clearly present within the intent
7 of the Act and (ii) is reasonably distributed throughout
8 the vacant part of the redevelopment project area to which
9 it pertains:

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

12 (B) The area consists of unused rail yards, rail
13 tracks, or railroad rights-of-way.

14 (C) The area, prior to its designation, is subject
15 to (i) chronic flooding that adversely impacts on real
16 property in the area as certified by a registered
17 professional engineer or appropriate regulatory agency
18 or (ii) surface water that discharges from all or a
19 part of the area and contributes to flooding within the
20 same watershed, but only if the redevelopment project
21 provides for facilities or improvements to contribute
22 to the alleviation of all or part of the flooding.

23 (D) The area consists of an unused or illegal
24 disposal site containing earth, stone, building
25 debris, or similar materials that were removed from
26 construction, demolition, excavation, or dredge sites.

1 (E) Prior to November 1, 1999, the area is not less
2 than 50 nor more than 100 acres and 75% of which is
3 vacant (notwithstanding that the area has been used for
4 commercial agricultural purposes within 5 years prior
5 to the designation of the redevelopment project area),
6 and the area meets at least one of the factors itemized
7 in paragraph (1) of this subsection, the area has been
8 designated as a town or village center by ordinance or
9 comprehensive plan adopted prior to January 1, 1982,
10 and the area has not been developed for that designated
11 purpose.

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

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

21 On and after November 1, 1999, "conservation area" means
22 any improved area within the boundaries of a redevelopment
23 project area located within the territorial limits of the
24 municipality in which 50% or more of the structures in the area
25 have an age of 35 years or more. Such an area is not yet a
26 blighted area but because of a combination of 3 or more of the

1 following factors is detrimental to the public safety, health,
2 morals or welfare and such an area may become a blighted area:

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

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

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

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

1 including housing and property maintenance codes.

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

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

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

23 (8) Inadequate utilities. Underground and overhead
24 utilities such as storm sewers and storm drainage, sanitary
25 sewers, water lines, and gas, telephone, and electrical
26 services that are shown to be inadequate. Inadequate

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

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

23 (10) Deleterious land use or layout. The existence of
24 incompatible land-use relationships, buildings occupied by
25 inappropriate mixed-uses, or uses considered to be
26 noxious, offensive, or unsuitable for the surrounding

1 area.

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

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

25 (13) The total equalized assessed value of the proposed
26 redevelopment project area has declined for 3 of the last 5

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

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

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

1 industrial park and a blighted area or conservation area
2 contiguous to such vacant land.

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

16 (f) "Municipality" shall mean a city, village,
17 incorporated town, or a township that is located in the
18 unincorporated portion of a county with 3 million or more
19 inhabitants, if the county adopted an ordinance that approved
20 the township's redevelopment plan.

21 (g) "Initial Sales Tax Amounts" means the amount of taxes
22 paid under the Retailers' Occupation Tax Act, Use Tax Act,
23 Service Use Tax Act, the Service Occupation Tax Act, the
24 Municipal Retailers' Occupation Tax Act, and the Municipal
25 Service Occupation Tax Act by retailers and servicemen on
26 transactions at places located in a State Sales Tax Boundary

1 during the calendar year 1985.

2 (g-1) "Revised Initial Sales Tax Amounts" means the amount
3 of taxes paid under the Retailers' Occupation Tax Act, Use Tax
4 Act, Service Use Tax Act, the Service Occupation Tax Act, the
5 Municipal Retailers' Occupation Tax Act, and the Municipal
6 Service Occupation Tax Act by retailers and servicemen on
7 transactions at places located within the State Sales Tax
8 Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

9 (h) "Municipal Sales Tax Increment" means an amount equal
10 to the increase in the aggregate amount of taxes paid to a
11 municipality from the Local Government Tax Fund arising from
12 sales by retailers and servicemen within the redevelopment
13 project area or State Sales Tax Boundary, as the case may be,
14 for as long as the redevelopment project area or State Sales
15 Tax Boundary, as the case may be, exist over and above the
16 aggregate amount of taxes as certified by the Illinois
17 Department of Revenue and paid under the Municipal Retailers'
18 Occupation Tax Act and the Municipal Service Occupation Tax Act
19 by retailers and servicemen, on transactions at places of
20 business located in the redevelopment project area or State
21 Sales Tax Boundary, as the case may be, during the base year
22 which shall be the calendar year immediately prior to the year
23 in which the municipality adopted tax increment allocation
24 financing. For purposes of computing the aggregate amount of
25 such taxes for base years occurring prior to 1985, the
26 Department of Revenue shall determine the Initial Sales Tax

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

1 October 1, 1988, to June 30, 1989, to determine the tax amounts
2 received from retailers and servicemen pursuant to the
3 Municipal Retailers' Occupation Tax and the Municipal Service
4 Occupation Tax Act which shall have deducted therefrom
5 nine-twelfths of the certified Initial Sales Tax Amounts,
6 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales
7 Tax Amounts as appropriate. For every State Fiscal Year
8 thereafter, the applicable period shall be the 12 months
9 beginning July 1 and ending June 30 to determine the tax
10 amounts received which shall have deducted therefrom the
11 certified Initial Sales Tax Amounts, the Adjusted Initial Sales
12 Tax Amounts or the Revised Initial Sales Tax Amounts, as the
13 case may be.

14 (i) "Net State Sales Tax Increment" means the sum of the
15 following: (a) 80% of the first \$100,000 of State Sales Tax
16 Increment annually generated within a State Sales Tax Boundary;
17 (b) 60% of the amount in excess of \$100,000 but not exceeding
18 \$500,000 of State Sales Tax Increment annually generated within
19 a State Sales Tax Boundary; and (c) 40% of all amounts in
20 excess of \$500,000 of State Sales Tax Increment annually
21 generated within a State Sales Tax Boundary. If, however, a
22 municipality established a tax increment financing district in
23 a county with a population in excess of 3,000,000 before
24 January 1, 1986, and the municipality entered into a contract
25 or issued bonds after January 1, 1986, but before December 31,
26 1986, to finance redevelopment project costs within a State

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

23 Municipalities that issued bonds in connection with a
24 redevelopment project in a redevelopment project area within
25 the State Sales Tax Boundary prior to July 29, 1991, or that
26 entered into contracts in connection with a redevelopment

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

23 (j) "State Utility Tax Increment Amount" means an amount
24 equal to the aggregate increase in State electric and gas tax
25 charges imposed on owners and tenants, other than residential
26 customers, of properties located within the redevelopment

1 project area under Section 9-222 of the Public Utilities Act,
2 over and above the aggregate of such charges as certified by
3 the Department of Revenue and paid by owners and tenants, other
4 than residential customers, of properties within the
5 redevelopment project area during the base year, which shall be
6 the calendar year immediately prior to the year of the adoption
7 of the ordinance authorizing tax increment allocation
8 financing.

9 (k) "Net State Utility Tax Increment" means the sum of the
10 following: (a) 80% of the first \$100,000 of State Utility Tax
11 Increment annually generated by a redevelopment project area;
12 (b) 60% of the amount in excess of \$100,000 but not exceeding
13 \$500,000 of the State Utility Tax Increment annually generated
14 by a redevelopment project area; and (c) 40% of all amounts in
15 excess of \$500,000 of State Utility Tax Increment annually
16 generated by a redevelopment project area. For the State Fiscal
17 Year 1999, and every year thereafter until the year 2007, for
18 any municipality that has not entered into a contract or has
19 not issued bonds prior to June 1, 1988 to finance redevelopment
20 project costs within a redevelopment project area, the Net
21 State Utility Tax Increment shall be calculated as follows: By
22 multiplying the Net State Utility Tax Increment by 90% in the
23 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%
24 in the State Fiscal Year 2001; 60% in the State Fiscal Year
25 2002; 50% in the State Fiscal Year 2003; 40% in the State
26 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the

1 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.
2 No payment shall be made for the State Fiscal Year 2008 and
3 thereafter.

4 Municipalities that issue bonds in connection with the
5 redevelopment project during the period from June 1, 1988 until
6 3 years after the effective date of this Amendatory Act of 1988
7 shall receive the Net State Utility Tax Increment, subject to
8 appropriation, for 15 State Fiscal Years after the issuance of
9 such bonds. For the 16th through the 20th State Fiscal Years
10 after issuance of the bonds, the Net State Utility Tax
11 Increment shall be calculated as follows: By multiplying the
12 Net State Utility Tax Increment by 90% in year 16; 80% in year
13 17; 70% in year 18; 60% in year 19; and 50% in year 20.
14 Refunding of any bonds issued prior to June 1, 1988, shall not
15 alter the revised Net State Utility Tax Increment payments set
16 forth above.

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

21 (m) "Payment in lieu of taxes" means those estimated tax
22 revenues from real property in a redevelopment project area
23 derived from real property that has been acquired by a
24 municipality which according to the redevelopment project or
25 plan is to be used for a private use which taxing districts
26 would have received had a municipality not acquired the real

1 property and adopted tax increment allocation financing and
2 which would result from levies made after the time of the
3 adoption of tax increment allocation financing to the time the
4 current equalized value of real property in the redevelopment
5 project area exceeds the total initial equalized value of real
6 property in said area.

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

1 (A) an itemized list of estimated redevelopment
2 project costs;

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

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

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

12 (E) the nature and term of the obligations to be
13 issued;

14 (F) the most recent equalized assessed valuation of the
15 redevelopment project area;

16 (G) an estimate as to the equalized assessed valuation
17 after redevelopment and the general land uses to apply in
18 the redevelopment project area;

19 (H) a commitment to fair employment practices and an
20 affirmative action plan;

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

1 operation of the facilities to be developed; and

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

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

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

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: shall not be later than
7 December 31 of the year in which the payment to the
8 municipal treasurer as provided in subsection (b) of
9 Section 11-74.4-8 of this Act is to be made with respect to
10 ad valorem taxes levied in the twenty-third calendar year
11 after the year in which the ordinance approving the
12 redevelopment project area is adopted if the ordinance was
13 adopted on or after January 15, 1981; shall not be later
14 than December 31 of the year in which the payment to the
15 municipal treasurer as provided in subsection (b) of
16 Section 11-74.4-8 of this Act is to be made with respect to
17 ad valorem taxes levied in the thirty-third calendar year
18 after the year in which the ordinance approving the
19 redevelopment project area if the ordinance was adopted on
20 May 20, 1985 by the Village of Wheeling; and shall not be
21 later than December 31 of the year in which the payment to
22 the municipal treasurer as provided in subsection (b) of
23 Section 11-74.4-8 of this Act is to be made with respect to
24 ad valorem taxes levied in the thirty-fifth calendar year
25 after the year in which the ordinance approving the
26 redevelopment project area is adopted:

1 (A) if the ordinance was adopted before January 15,
2 1981, or

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

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

8 (D) if the ordinance was adopted before January 1,
9 1987 by a municipality in Mason County, or

10 (E) if the municipality is subject to the Local
11 Government Financial Planning and Supervision Act or
12 the Financially Distressed City Law, or

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

15 (G) if the ordinance was adopted on December 31,
16 1986 by a municipality located in Clinton County for
17 which at least \$250,000 of tax increment bonds were
18 authorized on June 17, 1997, or if the ordinance was
19 adopted on December 31, 1986 by a municipality with a
20 population in 1990 of less than 3,600 that is located
21 in a county with a population in 1990 of less than
22 34,000 and for which at least \$250,000 of tax increment
23 bonds were authorized on June 17, 1997, or

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

1 (I) if the ordinance was adopted on November 12,
2 1991 by the Village of Sauget, or

3 (J) if the ordinance was adopted on February 11,
4 1985 by the City of Rock Island, or

5 (K) if the ordinance was adopted before December
6 18, 1986 by the City of Moline, or

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

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

11 (N) if the ordinance was adopted on December 29,
12 1986 by the City of Galva, or

13 (O) if the ordinance was adopted in March 1991 by
14 the City of Centreville, or

15 (P) if the ordinance was adopted on January 23,
16 1991 by the City of East St. Louis, or

17 (Q) if the ordinance was adopted on December 22,
18 1986 by the City of Aledo, or

19 (R) if the ordinance was adopted on February 5,
20 1990 by the City of Clinton, or

21 (S) if the ordinance was adopted on September 6,
22 1994 by the City of Freeport, or

23 (T) if the ordinance was adopted on December 22,
24 1986 by the City of Tuscola, or

25 (U) if the ordinance was adopted on December 23,
26 1986 by the City of Sparta, or

1 (V) if the ordinance was adopted on December 23,
2 1986 by the City of Beardstown, or

3 (W) if the ordinance was adopted on April 27, 1981,
4 October 21, 1985, or December 30, 1986 by the City of
5 Belleville, or

6 (X) if the ordinance was adopted on December 29,
7 1986 by the City of Collinsville, or

8 (Y) if the ordinance was adopted on September 14,
9 1994 by the City of Alton, or

10 (Z) if the ordinance was adopted on November 11,
11 1996 by the City of Lexington, or

12 (AA) if the ordinance was adopted on November 5,
13 1984 by the City of LeRoy, or

14 (BB) if the ordinance was adopted on April 3, 1991
15 or June 3, 1992 by the City of Markham, or

16 (CC) if the ordinance was adopted on November 11,
17 1986 by the City of Pekin, or

18 (DD) if the ordinance was adopted on December 15,
19 1981 by the City of Champaign, or

20 (EE) if the ordinance was adopted on December 15,
21 1986 by the City of Urbana, or

22 (FF) if the ordinance was adopted on December 15,
23 1986 by the Village of Heyworth, or

24 (GG) if the ordinance was adopted on February 24,
25 1992 by the Village of Heyworth, or

26 (HH) if the ordinance was adopted on March 16, 1995

1 by the Village of Heyworth, or

2 (II) if the ordinance was adopted on December 23,
3 1986 by the Town of Cicero, or

4 (JJ) if the ordinance was adopted on December 30,
5 1986 by the City of Effingham, or

6 (KK) if the ordinance was adopted on May 9, 1991 by
7 the Village of Tilton, or

8 (LL) if the ordinance was adopted on October 20,
9 1986 by the City of Elmhurst, or

10 (MM) if the ordinance was adopted on January 19,
11 1988 by the City of Waukegan, or

12 (NN) if the ordinance was adopted on September 21,
13 1998 by the City of Waukegan, or

14 (OO) if the ordinance was adopted on December 31,
15 1986 by the City of Sullivan, or

16 (PP) if the ordinance was adopted on December 23,
17 1991 by the City of Sullivan, or

18 (QQ) if the ordinance was adopted on December 31,
19 1986 by the City of Oglesby, or

20 (RR) if the ordinance was adopted on July 28, 1987
21 by the City of Marion, or

22 (SS) if the ordinance was adopted on April 23, 1990
23 by the City of Marion, or

24 (TT) if the ordinance was adopted on August 20,
25 1985 by the Village of Mount Prospect, or

26 (UU) if the ordinance was adopted on February 2,

1 1998 by the Village of Woodhull, or

2 (VV) if the ordinance was adopted on April 20, 1993
3 by the Village of Princeville, or

4 (WW) if the ordinance was adopted on July 1, 1986
5 by the City of Granite City, or

6 (XX) if the ordinance was adopted on February 2,
7 1989 by the Village of Lombard, or

8 (YY) if the ordinance was adopted on December 29,
9 1986 by the Village of Gardner, or

10 (ZZ) if the ordinance was adopted on July 14, 1999
11 by the Village of Paw Paw, or

12 (AAA) if the ordinance was adopted on November 17,
13 1986 by the Village of Franklin Park, or

14 (BBB) if the ordinance was adopted on November 20,
15 1989 by the Village of South Holland, or

16 (CCC) if the ordinance was adopted on July 14, 1992
17 by the Village of Riverdale, or

18 (DDD) ~~(CCC)~~ if the ordinance was adopted on
19 December 29, 1986 by the City of Galesburg, or

20 (EEE) ~~(DDD)~~ if the ordinance was adopted on April
21 1, 1985 by the City of Galesburg, or

22 (FFF) ~~(CCC)~~ if the ordinance was adopted on May 21,
23 1990 by the City of West Chicago, or

24 (GGG) ~~(CCC)~~ if the ordinance was adopted on
25 December 16, 1986 by the City of Oak Forest, or

26 (HHH) ~~(AAA)~~ if the ordinance was adopted in 1999 by

1 the City of Villa Grove, or

2 (III) ~~(CCC)~~ if the ordinance was adopted on January
3 13, 1987 by the Village of Mt. Zion, or

4 (JJJ) ~~(CCC)~~ if the ordinance was adopted on
5 December 30, 1986 by the Village of Manteno, or

6 (KKK) ~~(DDD)~~ if the ordinance was adopted on April
7 3, 1989 by the City of Chicago Heights, or

8 (LLL) ~~(EEE)~~ if the ordinance was adopted on January
9 6, 1999 by the Village of Rosemont, or

10 (MMM) ~~(FFF)~~ if the ordinance was adopted on
11 December 19, 2000 by the Village of Stone Park, or

12 (NNN) ~~(CCC)~~ if the ordinance was adopted on
13 December 22, 1986 by the City of DeKalb; or

14 (OOO) if the ordinance was adopted on September 8,
15 1994 by the City of West Frankfort.

16 However, for redevelopment project areas for which
17 bonds were issued before July 29, 1991, or for which
18 contracts were entered into before June 1, 1988, in
19 connection with a redevelopment project in the area within
20 the State Sales Tax Boundary, the estimated dates of
21 completion of the redevelopment project and retirement of
22 obligations to finance redevelopment project costs may be
23 extended by municipal ordinance to December 31, 2013. The
24 termination procedures of subsection (b) of Section
25 11-74.4-8 are not required for these redevelopment project
26 areas in 2009 but are required in 2013. The extension

1 allowed by this amendatory Act of 1993 shall not apply to
2 real property tax increment allocation financing under
3 Section 11-74.4-8.

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

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

25 Those dates, for purposes of real property tax
26 increment allocation financing pursuant to Section

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

13 (3.5) The municipality finds, in the case of an
14 industrial park conservation area, also that the
15 municipality is a labor surplus municipality and that the
16 implementation of the redevelopment plan will reduce
17 unemployment, create new jobs and by the provision of new
18 facilities enhance the tax base of the taxing districts
19 that extend into the redevelopment project area.

20 (4) If any incremental revenues are being utilized
21 under Section 8(a)(1) or 8(a)(2) of this Act in
22 redevelopment project areas approved by ordinance after
23 January 1, 1986, the municipality finds: (a) that the
24 redevelopment project area would not reasonably be
25 developed without the use of such incremental revenues, and
26 (b) that such incremental revenues will be exclusively

1 utilized for the development of the redevelopment project
2 area.

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

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

1 data from the most recent federal census.

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

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

18 (7) On and after November 1, 1999, no redevelopment
19 plan shall be adopted, nor an existing plan amended, nor
20 shall residential housing that is occupied by households of
21 low-income and very low-income persons in currently
22 existing redevelopment project areas be removed after
23 November 1, 1999 unless the redevelopment plan provides,
24 with respect to inhabited housing units that are to be
25 removed for households of low-income and very low-income
26 persons, affordable housing and relocation assistance not

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

13 (8) On and after November 1, 1999, if, after the
14 adoption of the redevelopment plan for the redevelopment
15 project area, any municipality desires to amend its
16 redevelopment plan to remove more inhabited residential
17 units than specified in its original redevelopment plan,
18 that change shall be made in accordance with the procedures
19 in subsection (c) of Section 11-74.4-5.

20 (9) For redevelopment project areas designated prior
21 to November 1, 1999, the redevelopment plan may be amended
22 without further joint review board meeting or hearing,
23 provided that the municipality shall give notice of any
24 such changes by mail to each affected taxing district and
25 registrant on the interested party registry, to authorize
26 the municipality to expend tax increment revenues for

1 redevelopment project costs defined by paragraphs (5) and
2 (7.5), subparagraphs (E) and (F) of paragraph (11), and
3 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so
4 long as the changes do not increase the total estimated
5 redevelopment project costs set out in the redevelopment
6 plan by more than 5% after adjustment for inflation from
7 the date the plan was adopted.

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

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

1 (q) "Redevelopment project costs" mean and include the sum
2 total of all reasonable or necessary costs incurred or
3 estimated to be incurred, and any such costs incidental to a
4 redevelopment plan and a redevelopment project. Such costs
5 include, without limitation, the following:

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

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

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

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

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

25 (3) Costs of rehabilitation, reconstruction or repair
26 or remodeling of existing public or private buildings,

1 fixtures, and leasehold improvements; and the cost of
2 replacing an existing public building if pursuant to the
3 implementation of a redevelopment project the existing
4 public building is to be demolished to use the site for
5 private investment or devoted to a different use requiring
6 private investment;

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

26 (5) Costs of job training and retraining projects,

1 including the cost of "welfare to work" programs
2 implemented by businesses located within the redevelopment
3 project area;

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

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

18 (7.5) For redevelopment project areas designated (or
19 redevelopment project areas amended to add or increase the
20 number of tax-increment-financing assisted housing units)
21 on or after November 1, 1999, an elementary, secondary, or
22 unit school district's increased costs attributable to
23 assisted housing units located within the redevelopment
24 project area for which the developer or redeveloper
25 receives financial assistance through an agreement with
26 the municipality or because the municipality incurs the

1 cost of necessary infrastructure improvements within the
2 boundaries of the assisted housing sites necessary for the
3 completion of that housing as authorized by this Act, and
4 which costs shall be paid by the municipality from the
5 Special Tax Allocation Fund when the tax increment revenue
6 is received as a result of the assisted housing units and
7 shall be calculated annually as follows:

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

26 (i) for unit school districts with a district

1 average 1995-96 Per Capita Tuition Charge of less
2 than \$5,900, no more than 25% of the total amount
3 of property tax increment revenue produced by
4 those housing units that have received tax
5 increment finance assistance under this Act;

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

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

18 (B) For alternate method districts, flat grant
19 districts, and foundation districts with a district
20 average 1995-96 Per Capita Tuition Charge equal to or
21 more than \$5,900, excluding any school district with a
22 population in excess of 1,000,000, by multiplying the
23 district's increase in attendance resulting from the
24 net increase in new students enrolled in that school
25 district who reside in housing units within the
26 redevelopment project area that have received

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

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

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

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

1 assistance under this Act.

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

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

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

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

19 Any school district seeking payment under this
20 paragraph (7.5) shall, after July 1 and before
21 September 30 of each year, provide the municipality
22 with reasonable evidence to support its claim for
23 reimbursement before the municipality shall be
24 required to approve or make the payment to the school
25 district. If the school district fails to provide the
26 information during this period in any year, it shall

1 forfeit any claim to reimbursement for that year.
2 School districts may adopt a resolution waiving the
3 right to all or a portion of the reimbursement
4 otherwise required by this paragraph (7.5). By
5 acceptance of this reimbursement the school district
6 waives the right to directly or indirectly set aside,
7 modify, or contest in any manner the establishment of
8 the redevelopment project area or projects;

9 (7.7) For redevelopment project areas designated (or
10 redevelopment project areas amended to add or increase the
11 number of tax-increment-financing assisted housing units)
12 on or after January 1, 2005 (the effective date of Public
13 Act 93-961), a public library district's increased costs
14 attributable to assisted housing units located within the
15 redevelopment project area for which the developer or
16 redeveloper receives financial assistance through an
17 agreement with the municipality or because the
18 municipality incurs the cost of necessary infrastructure
19 improvements within the boundaries of the assisted housing
20 sites necessary for the completion of that housing as
21 authorized by this Act shall be paid to the library
22 district by the municipality from the Special Tax
23 Allocation Fund when the tax increment revenue is received
24 as a result of the assisted housing units. This paragraph
25 (7.7) applies only if (i) the library district is located
26 in a county that is subject to the Property Tax Extension

1 Limitation Law or (ii) the library district is not located
2 in a county that is subject to the Property Tax Extension
3 Limitation Law but the district is prohibited by any other
4 law from increasing its tax levy rate without a prior voter
5 referendum.

6 The amount paid to a library district under this
7 paragraph (7.7) shall be calculated by multiplying (i) the
8 net increase in the number of persons eligible to obtain a
9 library card in that district who reside in housing units
10 within the redevelopment project area that have received
11 financial assistance through an agreement with the
12 municipality or because the municipality incurs the cost of
13 necessary infrastructure improvements within the
14 boundaries of the housing sites necessary for the
15 completion of that housing as authorized by this Act since
16 the designation of the redevelopment project area by (ii)
17 the per-patron cost of providing library services so long
18 as it does not exceed \$120. The per-patron cost shall be
19 the Total Operating Expenditures Per Capita as stated in
20 the most recent Illinois Public Library Statistics
21 produced by the Library Research Center at the University
22 of Illinois. The municipality may deduct from the amount
23 that it must pay to a library district under this paragraph
24 any amount that it has voluntarily paid to the library
25 district from the tax increment revenue. The amount paid to
26 a library district under this paragraph (7.7) shall be no

1 more than 2% of the amount produced by the assisted housing
2 units and deposited into the Special Tax Allocation Fund.

3 A library district is not eligible for any payment
4 under this paragraph (7.7) unless the library district has
5 experienced an increase in the number of patrons from the
6 municipality that created the tax-increment-financing
7 district since the designation of the redevelopment
8 project area.

9 Any library district seeking payment under this
10 paragraph (7.7) shall, after July 1 and before September 30
11 of each year, provide the municipality with convincing
12 evidence to support its claim for reimbursement before the
13 municipality shall be required to approve or make the
14 payment to the library district. If the library district
15 fails to provide the information during this period in any
16 year, it shall forfeit any claim to reimbursement for that
17 year. Library districts may adopt a resolution waiving the
18 right to all or a portion of the reimbursement otherwise
19 required by this paragraph (7.7). By acceptance of such
20 reimbursement, the library district shall forfeit any
21 right to directly or indirectly set aside, modify, or
22 contest in any manner whatsoever the establishment of the
23 redevelopment project area or projects;

24 (8) Relocation costs to the extent that a municipality
25 determines that relocation costs shall be paid or is
26 required to make payment of relocation costs by federal or

1 State law or in order to satisfy subparagraph (7) of
2 subsection (n);

3 (9) Payment in lieu of taxes;

4 (10) Costs of job training, retraining, advanced
5 vocational education or career education, including but
6 not limited to courses in occupational, semi-technical or
7 technical fields leading directly to employment, incurred
8 by one or more taxing districts, provided that such costs

9 (i) are related to the establishment and maintenance of
10 additional job training, advanced vocational education or
11 career education programs for persons employed or to be
12 employed by employers located in a redevelopment project
13 area; and (ii) when incurred by a taxing district or taxing
14 districts other than the municipality, are set forth in a
15 written agreement by or among the municipality and the
16 taxing district or taxing districts, which agreement
17 describes the program to be undertaken, including but not
18 limited to the number of employees to be trained, a
19 description of the training and services to be provided,
20 the number and type of positions available or to be
21 available, itemized costs of the program and sources of
22 funds to pay for the same, and the term of the agreement.

23 Such costs include, specifically, the payment by community
24 college districts of costs pursuant to Sections 3-37, 3-38,
25 3-40 and 3-40.1 of the Public Community College Act and by
26 school districts of costs pursuant to Sections 10-22.20a

1 and 10-23.3a of The School Code;

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

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

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

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

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

24 (E) the cost limits set forth in subparagraphs (B)
25 and (D) of paragraph (11) shall be modified for the
26 financing of rehabilitated or new housing units for

1 low-income households and very low-income households,
2 as defined in Section 3 of the Illinois Affordable
3 Housing Act. The percentage of 75% shall be substituted
4 for 30% in subparagraphs (B) and (D) of paragraph (11).

5 (F) Instead of the eligible costs provided by
6 subparagraphs (B) and (D) of paragraph (11), as
7 modified by this subparagraph, and notwithstanding any
8 other provisions of this Act to the contrary, the
9 municipality may pay from tax increment revenues up to
10 50% of the cost of construction of new housing units to
11 be occupied by low-income households and very
12 low-income households as defined in Section 3 of the
13 Illinois Affordable Housing Act. The cost of
14 construction of those units may be derived from the
15 proceeds of bonds issued by the municipality under this
16 Act or other constitutional or statutory authority or
17 from other sources of municipal revenue that may be
18 reimbursed from tax increment revenues or the proceeds
19 of bonds issued to finance the construction of that
20 housing.

21 The eligible costs provided under this
22 subparagraph (F) of paragraph (11) shall be an eligible
23 cost for the construction, renovation, and
24 rehabilitation of all low and very low-income housing
25 units, as defined in Section 3 of the Illinois
26 Affordable Housing Act, within the redevelopment

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

1 time; the guidelines, however, shall be in effect for
2 as long as tax increment revenue is being used to pay
3 for costs associated with the units or for the
4 retirement of bonds issued to finance the units or for
5 the life of the redevelopment project area, whichever
6 is later.

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

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

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

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

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

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

8 (s) "State Sales Tax Increment" means an amount equal to
9 the increase in the aggregate amount of taxes paid by retailers
10 and servicemen, other than retailers and servicemen subject to
11 the Public Utilities Act, on transactions at places of business
12 located within a State Sales Tax Boundary pursuant to the
13 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use
14 Tax Act, and the Service Occupation Tax Act, except such
15 portion of such increase that is paid into the State and Local
16 Sales Tax Reform Fund, the Local Government Distributive Fund,
17 the Local Government Tax Fund and the County and Mass Transit
18 District Fund, for as long as State participation exists, over
19 and above the Initial Sales Tax Amounts, Adjusted Initial Sales
20 Tax Amounts or the Revised Initial Sales Tax Amounts for such
21 taxes as certified by the Department of Revenue and paid under
22 those Acts by retailers and servicemen on transactions at
23 places of business located within the State Sales Tax Boundary
24 during the base year which shall be the calendar year
25 immediately prior to the year in which the municipality adopted
26 tax increment allocation financing, less 3.0% of such amounts

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

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

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

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

1 result from the redevelopment project.

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

1 municipality.

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

10 (Source: P.A. 94-260, eff. 7-19-05; 94-268, eff. 7-19-05;
11 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff.
12 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.
13 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,
14 eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07;
15 94-1092, eff. 1-26-07; 95-15, eff. 7-16-07; 95-164, eff.
16 1-1-08; 95-331, eff. 8-21-07; 95-346, eff. 8-21-07; 95-459,
17 eff. 8-27-07; 95-653, eff. 1-1-08; 95-662, eff. 10-11-07;
18 95-683, eff. 10-19-07; 95-709, eff. 1-29-08; revised 1-31-08.)

19 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

20 Sec. 11-74.4-7. Obligations secured by the special tax
21 allocation fund set forth in Section 11-74.4-8 for the
22 redevelopment project area may be issued to provide for
23 redevelopment project costs. Such obligations, when so issued,
24 shall be retired in the manner provided in the ordinance
25 authorizing the issuance of such obligations by the receipts of

1 taxes levied as specified in Section 11-74.4-9 against the
2 taxable property included in the area, by revenues as specified
3 by Section 11-74.4-8a and other revenue designated by the
4 municipality. A municipality may in the ordinance pledge all or
5 any part of the funds in and to be deposited in the special tax
6 allocation fund created pursuant to Section 11-74.4-8 to the
7 payment of the redevelopment project costs and obligations. Any
8 pledge of funds in the special tax allocation fund shall
9 provide for distribution to the taxing districts and to the
10 Illinois Department of Revenue of moneys not required, pledged,
11 earmarked, or otherwise designated for payment and securing of
12 the obligations and anticipated redevelopment project costs
13 and such excess funds shall be calculated annually and deemed
14 to be "surplus" funds. In the event a municipality only applies
15 or pledges a portion of the funds in the special tax allocation
16 fund for the payment or securing of anticipated redevelopment
17 project costs or of obligations, any such funds remaining in
18 the special tax allocation fund after complying with the
19 requirements of the application or pledge, shall also be
20 calculated annually and deemed "surplus" funds. All surplus
21 funds in the special tax allocation fund shall be distributed
22 annually within 180 days after the close of the municipality's
23 fiscal year by being paid by the municipal treasurer to the
24 County Collector, to the Department of Revenue and to the
25 municipality in direct proportion to the tax incremental
26 revenue received as a result of an increase in the equalized

1 assessed value of property in the redevelopment project area,
2 tax incremental revenue received from the State and tax
3 incremental revenue received from the municipality, but not to
4 exceed as to each such source the total incremental revenue
5 received from that source. The County Collector shall
6 thereafter make distribution to the respective taxing
7 districts in the same manner and proportion as the most recent
8 distribution by the county collector to the affected districts
9 of real property taxes from real property in the redevelopment
10 project area.

11 Without limiting the foregoing in this Section, the
12 municipality may in addition to obligations secured by the
13 special tax allocation fund pledge for a period not greater
14 than the term of the obligations towards payment of such
15 obligations any part or any combination of the following: (a)
16 net revenues of all or part of any redevelopment project; (b)
17 taxes levied and collected on any or all property in the
18 municipality; (c) the full faith and credit of the
19 municipality; (d) a mortgage on part or all of the
20 redevelopment project; or (e) any other taxes or anticipated
21 receipts that the municipality may lawfully pledge.

22 Such obligations may be issued in one or more series
23 bearing interest at such rate or rates as the corporate
24 authorities of the municipality shall determine by ordinance.
25 Such obligations shall bear such date or dates, mature at such
26 time or times not exceeding 20 years from their respective

1 dates, be in such denomination, carry such registration
2 privileges, be executed in such manner, be payable in such
3 medium of payment at such place or places, contain such
4 covenants, terms and conditions, and be subject to redemption
5 as such ordinance shall provide. Obligations issued pursuant to
6 this Act may be sold at public or private sale at such price as
7 shall be determined by the corporate authorities of the
8 municipalities. No referendum approval of the electors shall be
9 required as a condition to the issuance of obligations pursuant
10 to this Division except as provided in this Section.

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

1 referendum. The municipal clerk shall provide a petition form
2 to any individual requesting one.

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

25 The ordinance authorizing the obligations may provide that
26 the obligations shall contain a recital that they are issued

1 pursuant to this Division, which recital shall be conclusive
2 evidence of their validity and of the regularity of their
3 issuance.

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

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

21 A municipality may also issue its obligations to refund in
22 whole or in part, obligations theretofore issued by such
23 municipality under the authority of this Act, whether at or
24 prior to maturity, provided however, that the last maturity of
25 the refunding obligations shall not be expressed to mature
26 later than December 31 of the year in which the payment to the

1 municipal treasurer as provided in subsection (b) of Section
2 11-74.4-8 of this Act is to be made with respect to ad valorem
3 taxes levied in the twenty-third calendar year after the year
4 in which the ordinance approving the redevelopment project area
5 is adopted if the ordinance was adopted on or after January 15,
6 1981, not later than December 31 of the year in which the
7 payment to the municipal treasurer as provided in subsection
8 (b) of Section 11-74.4-8 of this Act is to be made with respect
9 to ad valorem taxes levied in the thirty-third calendar year
10 after the year in which the ordinance approving the
11 redevelopment project area if the ordinance was adopted on May
12 20, 1985 by the Village of Wheeling, and not later than
13 December 31 of the year in which the payment to the municipal
14 treasurer as provided in subsection (b) of Section 11-74.4-8 of
15 this Act is to be made with respect to ad valorem taxes levied
16 in the thirty-fifth calendar year after the year in which the
17 ordinance approving the redevelopment project area is adopted
18 (A) if the ordinance was adopted before January 15, 1981, or
19 (B) if the ordinance was adopted in December 1983, April 1984,
20 July 1985, or December 1989, or (C) if the ordinance was
21 adopted in December, 1987 and the redevelopment project is
22 located within one mile of Midway Airport, or (D) if the
23 ordinance was adopted before January 1, 1987 by a municipality
24 in Mason County, or (E) if the municipality is subject to the
25 Local Government Financial Planning and Supervision Act or the
26 Financially Distressed City Law, or (F) if the ordinance was

1 adopted in December 1984 by the Village of Rosemont, or (G) if
2 the ordinance was adopted on December 31, 1986 by a
3 municipality located in Clinton County for which at least
4 \$250,000 of tax increment bonds were authorized on June 17,
5 1997, or if the ordinance was adopted on December 31, 1986 by a
6 municipality with a population in 1990 of less than 3,600 that
7 is located in a county with a population in 1990 of less than
8 34,000 and for which at least \$250,000 of tax increment bonds
9 were authorized on June 17, 1997, or (H) if the ordinance was
10 adopted on October 5, 1982 by the City of Kankakee, or (I) if
11 the ordinance was adopted on December 29, 1986 by East St.
12 Louis, or if the ordinance was adopted on November 12, 1991 by
13 the Village of Sauget, or (J) if the ordinance was adopted on
14 February 11, 1985 by the City of Rock Island, or (K) if the
15 ordinance was adopted before December 18, 1986 by the City of
16 Moline, or (L) if the ordinance was adopted in September 1988
17 by Sauk Village, or (M) if the ordinance was adopted in October
18 1993 by Sauk Village, or (N) if the ordinance was adopted on
19 December 29, 1986 by the City of Galva, or (O) if the ordinance
20 was adopted in March 1991 by the City of Centreville, or (P) if
21 the ordinance was adopted on January 23, 1991 by the City of
22 East St. Louis, or (Q) if the ordinance was adopted on December
23 22, 1986 by the City of Aledo, or (R) if the ordinance was
24 adopted on February 5, 1990 by the City of Clinton, or (S) if
25 the ordinance was adopted on September 6, 1994 by the City of
26 Freeport, or (T) if the ordinance was adopted on December 22,

1 1986 by the City of Tuscola, or (U) if the ordinance was
2 adopted on December 23, 1986 by the City of Sparta, or (V) if
3 the ordinance was adopted on December 23, 1986 by the City of
4 Beardstown, or (W) if the ordinance was adopted on April 27,
5 1981, October 21, 1985, or December 30, 1986 by the City of
6 Belleville, or (X) if the ordinance was adopted on December 29,
7 1986 by the City of Collinsville, or (Y) if the ordinance was
8 adopted on September 14, 1994 by the City of Alton, or (Z) if
9 the ordinance was adopted on November 11, 1996 by the City of
10 Lexington, or (AA) if the ordinance was adopted on November 5,
11 1984 by the City of LeRoy, or (BB) if the ordinance was adopted
12 on April 3, 1991 or June 3, 1992 by the City of Markham, or (CC)
13 if the ordinance was adopted on November 11, 1986 by the City
14 of Pekin, or (DD) if the ordinance was adopted on December 15,
15 1981 by the City of Champaign, or (EE) if the ordinance was
16 adopted on December 15, 1986 by the City of Urbana, or (FF) if
17 the ordinance was adopted on December 15, 1986 by the Village
18 of Heyworth, or (GG) if the ordinance was adopted on February
19 24, 1992 by the Village of Heyworth, or (HH) if the ordinance
20 was adopted on March 16, 1995 by the Village of Heyworth, or
21 (II) if the ordinance was adopted on December 23, 1986 by the
22 Town of Cicero, or (JJ) if the ordinance was adopted on
23 December 30, 1986 by the City of Effingham, or (KK) if the
24 ordinance was adopted on May 9, 1991 by the Village of Tilton,
25 or (LL) if the ordinance was adopted on October 20, 1986 by the
26 City of Elmhurst, or (MM) if the ordinance was adopted on

1 January 19, 1988 by the City of Waukegan, or (NN) if the
2 ordinance was adopted on September 21, 1998 by the City of
3 Waukegan, or (OO) if the ordinance was adopted on December 31,
4 1986 by the City of Sullivan, or (PP) if the ordinance was
5 adopted on December 23, 1991 by the City of Sullivan, or (QQ)
6 if the ordinance was adopted on December 31, 1986 by the City
7 of Oglesby, or (RR) if the ordinance was adopted on July 28,
8 1987 by the City of Marion, or (SS) if the ordinance was
9 adopted on April 23, 1990 by the City of Marion, or (TT) if the
10 ordinance was adopted on August 20, 1985 by the Village of
11 Mount Prospect, or (UU) if the ordinance was adopted on
12 February 2, 1998 by the Village of Woodhull, or (VV) if the
13 ordinance was adopted on April 20, 1993 by the Village of
14 Princeville, or (WW) if the ordinance was adopted on July 1,
15 1986 by the City of Granite City, or (XX) if the ordinance was
16 adopted on February 2, 1989 by the Village of Lombard, or (YY)
17 if the ordinance was adopted on December 29, 1986 by the
18 Village of Gardner, or (ZZ) if the ordinance was adopted on
19 July 14, 1999 by the Village of Paw Paw, or (AAA) if the
20 ordinance was adopted on November 17, 1986 by the Village of
21 Franklin Park, or (BBB) if the ordinance was adopted on
22 November 20, 1989 by the Village of South Holland, or (CCC) if
23 the ordinance was adopted on July 14, 1992 by the Village of
24 Riverdale, or DDD ~~(CCC)~~ if the ordinance was adopted on
25 December 29, 1986 by the City of Galesburg, or (EEE) ~~(DDD)~~ if
26 the ordinance was adopted on April 1, 1985 by the City of

1 Galesburg, or (FFF) ~~(CCC)~~ if the ordinance was adopted on May
2 21, 1990 by the City of West Chicago, or (GGG) ~~(CCC)~~ if the
3 ordinance was adopted on December 16, 1986 by the City of Oak
4 Forest, ~~or,~~ (HHH) ~~(AAA)~~ if the ordinance was adopted in 1999 by
5 the City of Villa Grove, or (III) ~~(CCC)~~ if the ordinance was
6 adopted on January 13, 1987 by the Village of Mt. Zion, or
7 (JJJ) ~~(CCC)~~ if the ordinance was adopted on December 30, 1986
8 by the Village of Manteno, or (KKK) ~~(DDD)~~ if the ordinance was
9 adopted on April 3, 1989 by the City of Chicago Heights, or
10 (LLL) ~~(EEE)~~ if the ordinance was adopted on January 6, 1999 by
11 the Village of Rosemont, or (MMM) ~~(FFF)~~ if the ordinance was
12 adopted on December 19, 2000 by the Village of Stone Park, or
13 (NNN) ~~(CCC)~~ if the ordinance was adopted on December 22, 1986
14 by the City of DeKalb; or (OOO) if the ordinance was adopted on
15 September 8, 1994 by the City of West Frankfort and, for
16 redevelopment project areas for which bonds were issued before
17 July 29, 1991, in connection with a redevelopment project in
18 the area within the State Sales Tax Boundary and which were
19 extended by municipal ordinance under subsection (n) of Section
20 11-74.4-3, the last maturity of the refunding obligations shall
21 not be expressed to mature later than the date on which the
22 redevelopment project area is terminated or December 31, 2013,
23 whichever date occurs first.

24 In the event a municipality issues obligations under home
25 rule powers or other legislative authority the proceeds of
26 which are pledged to pay for redevelopment project costs, the

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

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

10 (Source: P.A. 94-260, eff. 7-19-05; 94-297, eff. 7-21-05;
11 94-302, eff. 7-21-05; 94-702, eff. 6-1-06; 94-704, eff.
12 12-5-05; 94-711, eff. 6-1-06; 94-778, eff. 5-19-06; 94-782,
13 eff. 5-19-06; 94-783, eff. 5-19-06; 94-810, eff. 5-26-06;
14 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07; 94-1092, eff.
15 1-26-07; 95-15, eff. 7-16-07; 95-164, eff. 1-1-08; 95-331, eff.
16 8-21-07; 95-346, eff. 8-21-07; 95-459, eff. 8-27-07; 95-653,
17 eff. 1-1-08; 95-662, eff. 10-11-07; 95-683, eff. 10-19-07;
18 95-709, eff. 1-29-08; revised 1-31-08.)".