



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1832

Introduced 2/5/2025, by Sen. Chapin Rose

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-182 new
65 ILCS 5/11-74.4-3

from Ch. 24, par. 11-74.4-3

Amends the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code. Provides that "redevelopment project costs" include the costs of demolishing buildings, site preparation, or site improvements of a dilapidated or vacant parcel zoned for residential use or costs of reconstruction, repair, remodeling, or new construction of a single-family residence on a dilapidated or vacant parcel zoned for residential use. Amends the Property Tax Code. Provides that a municipality, upon adoption of an ordinance or resolution by majority vote of its corporate authorities, may order the county clerk to abate, for 20 years, the portion of the taxes levied upon an improved parcel of real property that is attributable to the increase in the current equalized assessed valuation of the parcel over and above the equalized assessed valuation of the parcel immediately before the demolition of the dilapidated structure on the parcel. Provides that "improved parcel of real property" means a parcel where redevelopment project costs have been used by the municipality for the construction of a new single-family residence on a parcel zoned for residential use after demolition or removal of a dilapidated structure from that parcel. Provides that an abatement approved under the provisions shall be extended to all subsequent owners of the improved parcel of real property during the abatement period.

LRB104 03760 RTM 13784 b

1 AN ACT concerning local government.

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

4 Section 5. The Property Tax Code is amended by adding
5 Section 18-182 as follows:

6 (35 ILCS 200/18-182 new)

7 Sec. 18-182. Abatement; new residential construction
8 within redevelopment project areas.

9 (a) As used in this Section.

10 "Improved parcel of real property" means a parcel where
11 redevelopment project costs in a redevelopment project area
12 have been used by the municipality for the construction of a
13 new single-family residence on a parcel zoned for residential
14 use after demolition or removal of a dilapidated structure
15 from that parcel.

16 "Redevelopment project area" and "redevelopment project
17 costs" have the meanings given to those terms under Section
18 11-74.4-3 of the Illinois Municipal Code.

19 (b) A municipality, upon adoption of an ordinance or
20 resolution by majority vote of its corporate authorities, may
21 order the county clerk to abate, for 20 years, the portion of
22 the taxes levied upon an improved parcel of real property that
23 is attributable to the increase in the current equalized

1 assessed valuation of the parcel over and above the equalized
2 assessed valuation of the parcel immediately before the
3 demolition of the dilapidated structure on the parcel. An
4 abatement approved under this Section shall be extended to all
5 subsequent owners of the improved parcel of real property
6 during the abatement period.

7 (c) Before final adoption of an abatement ordinance or
8 resolution under this Section, the corporate authorities of a
9 municipality must notify each affected taxing district of the
10 proposed ordinance or resolution. The notice shall be sent by
11 mail at least 30 days before the public hearing in which the
12 ordinance or resolution may be adopted.

13 Section 10. The Illinois Municipal Code is amended by
14 changing Section 11-74.4-3 as follows:

15 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

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

20 (a) For any redevelopment project area that has been
21 designated pursuant to this Section by an ordinance adopted
22 prior to November 1, 1999 (the effective date of Public Act
23 91-478), "blighted area" shall have the meaning set forth in
24 this Section prior to that date.

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

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

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

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

24 (C) Deterioration. With respect to buildings,
25 defects including, but not limited to, major defects
26 in the secondary building components such as doors,

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

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

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

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

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

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

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

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

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

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

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

1 storage tanks required by State or federal law,
2 provided that the remediation costs constitute a
3 material impediment to the development or
4 redevelopment of the redevelopment project area.

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

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

1 by the United States Department of Labor or successor
2 agency for 3 of the last 5 calendar years prior to the
3 year in which the redevelopment project area is
4 designated.

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

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

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

26 (C) Tax and special assessment delinquencies exist

1 or the property has been the subject of tax sales under
2 the Property Tax Code within the last 5 years.

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

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

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

1 agency for 3 of the last 5 calendar years prior to the
2 year in which the redevelopment project area is
3 designated.

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

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

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

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

26 (D) The area consists of an unused or illegal

1 disposal site containing earth, stone, building
2 debris, or similar materials that were removed from
3 construction, demolition, excavation, or dredge sites.

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

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

19 (b) For any redevelopment project area that has been
20 designated pursuant to this Section by an ordinance adopted
21 prior to November 1, 1999 (the effective date of Public Act
22 91-478), "conservation area" shall have the meaning set forth
23 in this Section prior to that date.

24 On and after November 1, 1999, "conservation area" means
25 any improved area within the boundaries of a redevelopment
26 project area located within the territorial limits of the

1 municipality in which 50% or more of the structures in the area
2 have an age of 35 years or more. Such an area is not yet a
3 blighted area but because of a combination of 3 or more of the
4 following factors is detrimental to the public safety, health,
5 morals or welfare and such an area may become a blighted area:

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

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

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

26 (4) Presence of structures below minimum code

1 standards. All structures that do not meet the standards
2 of zoning, subdivision, building, fire, and other
3 governmental codes applicable to property, but not
4 including housing and property maintenance codes.

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

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

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

26 (8) Inadequate utilities. Underground and overhead

1 utilities such as storm sewers and storm drainage,
2 sanitary sewers, water lines, and gas, telephone, and
3 electrical services that are shown to be inadequate.
4 Inadequate utilities are those that are: (i) of
5 insufficient capacity to serve the uses in the
6 redevelopment project area, (ii) deteriorated, antiquated,
7 obsolete, or in disrepair, or (iii) lacking within the
8 redevelopment project area.

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

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

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

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

1 development or redevelopment of the redevelopment project
2 area.

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

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

23 (d) "Industrial park conservation area" means an area
24 within the boundaries of a redevelopment project area located
25 within the territorial limits of a municipality that is a
26 labor surplus municipality or within 1 1/2 miles of the

1 territorial limits of a municipality that is a labor surplus
2 municipality if the area is annexed to the municipality; which
3 area is zoned as industrial no later than at the time the
4 municipality by ordinance designates the redevelopment project
5 area, and which area includes both vacant land suitable for
6 use as an industrial park and a blighted area or conservation
7 area contiguous to such vacant land.

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

21 (f) "Municipality" shall mean a city, village,
22 incorporated town, or a township that is located in the
23 unincorporated portion of a county with 3 million or more
24 inhabitants, if the county adopted an ordinance that approved
25 the township's redevelopment plan.

26 (g) "Initial Sales Tax Amounts" means the amount of taxes

1 paid under the Retailers' Occupation Tax Act, Use Tax Act,
2 Service Use Tax Act, the Service Occupation Tax Act, the
3 Municipal Retailers' Occupation Tax Act, and the Municipal
4 Service Occupation Tax Act by retailers and servicemen on
5 transactions at places located in a State Sales Tax Boundary
6 during the calendar year 1985.

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

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

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

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

20 (i) "Net State Sales Tax Increment" means the sum of the
21 following: (a) 80% of the first \$100,000 of State Sales Tax
22 Increment annually generated within a State Sales Tax
23 Boundary; (b) 60% of the amount in excess of \$100,000 but not
24 exceeding \$500,000 of State Sales Tax Increment annually
25 generated within a State Sales Tax Boundary; and (c) 40% of all
26 amounts in excess of \$500,000 of State Sales Tax Increment

1 annually generated within a State Sales Tax Boundary. If,
2 however, a municipality established a tax increment financing
3 district in a county with a population in excess of 3,000,000
4 before January 1, 1986, and the municipality entered into a
5 contract or issued bonds after January 1, 1986, but before
6 December 31, 1986, to finance redevelopment project costs
7 within a State Sales Tax Boundary, then the Net State Sales Tax
8 Increment means, for the fiscal years beginning July 1, 1990,
9 and July 1, 1991, 100% of the State Sales Tax Increment
10 annually generated within a State Sales Tax Boundary; and
11 notwithstanding any other provision of this Act, for those
12 fiscal years the Department of Revenue shall distribute to
13 those municipalities 100% of their Net State Sales Tax
14 Increment before any distribution to any other municipality
15 and regardless of whether or not those other municipalities
16 will receive 100% of their Net State Sales Tax Increment. For
17 Fiscal Year 1999, and every year thereafter until the year
18 2007, for any municipality that has not entered into a
19 contract or has not issued bonds prior to June 1, 1988 to
20 finance redevelopment project costs within a State Sales Tax
21 Boundary, the Net State Sales Tax Increment shall be
22 calculated as follows: By multiplying the Net State Sales Tax
23 Increment by 90% in the State Fiscal Year 1999; 80% in the
24 State Fiscal Year 2000; 70% in the State Fiscal Year 2001; 60%
25 in the State Fiscal Year 2002; 50% in the State Fiscal Year
26 2003; 40% in the State Fiscal Year 2004; 30% in the State

1 Fiscal Year 2005; 20% in the State Fiscal Year 2006; and 10% in
2 the State Fiscal Year 2007. No payment shall be made for State
3 Fiscal Year 2008 and thereafter.

4 Municipalities that issued bonds in connection with a
5 redevelopment project in a redevelopment project area within
6 the State Sales Tax Boundary prior to July 29, 1991, or that
7 entered into contracts in connection with a redevelopment
8 project in a redevelopment project area before June 1, 1988,
9 shall continue to receive their proportional share of the
10 Illinois Tax Increment Fund distribution until the date on
11 which the redevelopment project is completed or terminated.
12 If, however, a municipality that issued bonds in connection
13 with a redevelopment project in a redevelopment project area
14 within the State Sales Tax Boundary prior to July 29, 1991
15 retires the bonds prior to June 30, 2007 or a municipality that
16 entered into contracts in connection with a redevelopment
17 project in a redevelopment project area before June 1, 1988
18 completes the contracts prior to June 30, 2007, then so long as
19 the redevelopment project is not completed or is not
20 terminated, the Net State Sales Tax Increment shall be
21 calculated, beginning on the date on which the bonds are
22 retired or the contracts are completed, as follows: By
23 multiplying the Net State Sales Tax Increment by 60% in the
24 State Fiscal Year 2002; 50% in the State Fiscal Year 2003; 40%
25 in the State Fiscal Year 2004; 30% in the State Fiscal Year
26 2005; 20% in the State Fiscal Year 2006; and 10% in the State

1 Fiscal Year 2007. No payment shall be made for State Fiscal
2 Year 2008 and thereafter. Refunding of any bonds issued prior
3 to July 29, 1991, shall not alter the Net State Sales Tax
4 Increment.

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

17 (k) "Net State Utility Tax Increment" means the sum of the
18 following: (a) 80% of the first \$100,000 of State Utility Tax
19 Increment annually generated by a redevelopment project area;
20 (b) 60% of the amount in excess of \$100,000 but not exceeding
21 \$500,000 of the State Utility Tax Increment annually generated
22 by a redevelopment project area; and (c) 40% of all amounts in
23 excess of \$500,000 of State Utility Tax Increment annually
24 generated by a redevelopment project area. For the State
25 Fiscal Year 1999, and every year thereafter until the year
26 2007, for any municipality that has not entered into a

1 contract or has not issued bonds prior to June 1, 1988 to
2 finance redevelopment project costs within a redevelopment
3 project area, the Net State Utility Tax Increment shall be
4 calculated as follows: By multiplying the Net State Utility
5 Tax Increment by 90% in the State Fiscal Year 1999; 80% in the
6 State Fiscal Year 2000; 70% in the State Fiscal Year 2001; 60%
7 in the State Fiscal Year 2002; 50% in the State Fiscal Year
8 2003; 40% in the State Fiscal Year 2004; 30% in the State
9 Fiscal Year 2005; 20% in the State Fiscal Year 2006; and 10% in
10 the State Fiscal Year 2007. No payment shall be made for the
11 State Fiscal Year 2008 and thereafter.

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

25 (1) "Obligations" mean bonds, loans, debentures, notes,
26 special certificates or other evidence of indebtedness issued

1 by the municipality to carry out a redevelopment project or to
2 refund outstanding obligations.

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

15 (n) "Redevelopment plan" means the comprehensive program
16 of the municipality for development or redevelopment intended
17 by the payment of redevelopment project costs to reduce or
18 eliminate those conditions the existence of which qualified
19 the redevelopment project area as a "blighted area" or
20 "conservation area" or combination thereof or "industrial park
21 conservation area," and thereby to enhance the tax bases of
22 the taxing districts which extend into the redevelopment
23 project area, provided that, with respect to redevelopment
24 project areas described in subsections (p-1) and (p-2),
25 "redevelopment plan" means the comprehensive program of the
26 affected municipality for the development of qualifying

1 transit facilities. On and after November 1, 1999 (the
2 effective date of Public Act 91-478), no redevelopment plan
3 may be approved or amended that includes the development of
4 vacant land (i) with a golf course and related clubhouse and
5 other facilities or (ii) designated by federal, State, county,
6 or municipal government as public land for outdoor
7 recreational activities or for nature preserves and used for
8 that purpose within 5 years prior to the adoption of the
9 redevelopment plan. For the purpose of this subsection,
10 "recreational activities" is limited to mean camping and
11 hunting. Each redevelopment plan shall set forth in writing
12 the program to be undertaken to accomplish the objectives and
13 shall include but not be limited to:

14 (A) an itemized list of estimated redevelopment
15 project costs;

16 (B) evidence indicating that the redevelopment project
17 area on the whole has not been subject to growth and
18 development through investment by private enterprise,
19 provided that such evidence shall not be required for any
20 redevelopment project area located within a transit
21 facility improvement area established pursuant to Section
22 11-74.4-3.3;

23 (C) an assessment of any financial impact of the
24 redevelopment project area on or any increased demand for
25 services from any taxing district affected by the plan and
26 any program to address such financial impact or increased

1 demand;

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

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

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

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

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

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

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

22 The provisions of items (B) and (C) of this subsection (n)
23 shall not apply to a municipality that before March 14, 1994
24 (the effective date of Public Act 88-537) had fixed, either by
25 its corporate authorities or by a commission designated under
26 subsection (k) of Section 11-74.4-4, a time and place for a

1 public hearing as required by subsection (a) of Section
2 11-74.4-5. No redevelopment plan shall be adopted unless a
3 municipality complies with all of the following requirements:

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

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

24 (3) The redevelopment plan establishes the estimated
25 dates of completion of the redevelopment project and
26 retirement of obligations issued to finance redevelopment

1 project costs. Those dates may not be later than the dates
2 set forth under Section 11-74.4-3.5.

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

11 (3.5) The municipality finds, in the case of an
12 industrial park conservation area, also that the
13 municipality is a labor surplus municipality and that the
14 implementation of the redevelopment plan will reduce
15 unemployment, create new jobs and by the provision of new
16 facilities enhance the tax base of the taxing districts
17 that extend into the redevelopment project area.

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

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

20 Part I of the housing impact study shall include (i)
21 data as to whether the residential units are single family
22 or multi-family units, (ii) the number and type of rooms
23 within the units, if that information is available, (iii)
24 whether the units are inhabited or uninhabited, as
25 determined not less than 45 days before the date that the
26 ordinance or resolution required by subsection (a) of

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

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

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

23 (7) On and after November 1, 1999, no redevelopment
24 plan shall be adopted, nor an existing plan amended, nor
25 shall residential housing that is occupied by households
26 of low-income and very low-income persons in currently

1 existing redevelopment project areas be removed after
2 November 1, 1999 unless the redevelopment plan provides,
3 with respect to inhabited housing units that are to be
4 removed for households of low-income and very low-income
5 persons, affordable housing and relocation assistance not
6 less than that which would be provided under the federal
7 Uniform Relocation Assistance and Real Property
8 Acquisition Policies Act of 1970 and the regulations under
9 that Act, including the eligibility criteria. Affordable
10 housing may be either existing or newly constructed
11 housing. For purposes of this paragraph (7), "low-income
12 households", "very low-income households", and "affordable
13 housing" have the meanings set forth in the Illinois
14 Affordable Housing Act. The municipality shall make a good
15 faith effort to ensure that this affordable housing is
16 located in or near the redevelopment project area within
17 the municipality.

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

25 (9) For redevelopment project areas designated prior
26 to November 1, 1999, the redevelopment plan may be amended

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

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

26 (p) "Redevelopment project area" means an area designated

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

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

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

26 (q) "Redevelopment project costs", except for

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

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

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

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

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

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

26 (3) Costs of rehabilitation, reconstruction or repair

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

11 (3.5) Costs of demolishing buildings, site
12 preparation, or site improvements of a dilapidated or
13 vacant parcel zoned for residential use or costs of
14 reconstruction, repair, remodeling, or new construction of
15 a single-family residence on a dilapidated or vacant
16 parcel zoned for residential use;

17 (4) Costs of the construction of public works or
18 improvements, including any direct or indirect costs
19 relating to Green Globes or LEED certified construction
20 elements or construction elements with an equivalent
21 certification, except that on and after November 1, 1999,
22 redevelopment project costs shall not include the cost of
23 constructing a new municipal public building principally
24 used to provide offices, storage space, or conference
25 facilities or vehicle storage, maintenance, or repair for
26 administrative, public safety, or public works personnel

1 and that is not intended to replace an existing public
2 building as provided under paragraph (3) of subsection (q)
3 of Section 11-74.4-3 unless either (i) the construction of
4 the new municipal building implements a redevelopment
5 project that was included in a redevelopment plan that was
6 adopted by the municipality prior to November 1, 1999,
7 (ii) the municipality makes a reasonable determination in
8 the redevelopment plan, supported by information that
9 provides the basis for that determination, that the new
10 municipal building is required to meet an increase in the
11 need for public safety purposes anticipated to result from
12 the implementation of the redevelopment plan, or (iii) the
13 new municipal public building is for the storage,
14 maintenance, or repair of transit vehicles and is located
15 in a transit facility improvement area that has been
16 established pursuant to Section 11-74.4-3.3;

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

21 (6) Financing costs, including but not limited to all
22 necessary and incidental expenses related to the issuance
23 of obligations and which may include payment of interest
24 on any obligations issued hereunder including interest
25 accruing during the estimated period of construction of
26 any redevelopment project for which such obligations are

1 issued and for not exceeding 36 months thereafter and
2 including reasonable reserves related thereto;

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

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

25 (A) for foundation districts, excluding any school
26 district in a municipality with a population in excess

1 of 1,000,000, by multiplying the district's increase
2 in attendance resulting from the net increase in new
3 students enrolled in that school district who reside
4 in housing units within the redevelopment project area
5 that have received financial assistance through an
6 agreement with the municipality or because the
7 municipality incurs the cost of necessary
8 infrastructure improvements within the boundaries of
9 the housing sites necessary for the completion of that
10 housing as authorized by this Act since the
11 designation of the redevelopment project area by the
12 most recently available per capita tuition cost as
13 defined in Section 10-20.12a of the School Code less
14 any increase in general State aid as defined in
15 Section 18-8.05 of the School Code or evidence-based
16 funding as defined in Section 18-8.15 of the School
17 Code attributable to these added new students subject
18 to the following annual limitations:

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

25 (ii) for elementary school districts with a
26 district average 1995-96 Per Capita Tuition Charge

1 of less than \$5,900, no more than 17% of the total
2 amount of property tax increment revenue produced
3 by those housing units that have received tax
4 increment finance assistance under this Act; and

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

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

1 cost as defined in Section 10-20.12a of the School
2 Code less any increase in general state aid as defined
3 in Section 18-8.05 of the School Code or
4 evidence-based funding as defined in Section 18-8.15
5 of the School Code attributable to these added new
6 students subject to the following annual limitations:

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

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

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

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

26 (i) no increased costs shall be reimbursed

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

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

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

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

1 modify, or contest in any manner the establishment of
2 the redevelopment project area or projects;

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

26 The amount paid to a library district under this

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

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

1 project area.

2 Any library district seeking payment under this
3 paragraph (7.7) shall, after July 1 and before September
4 30 of each year, provide the municipality with convincing
5 evidence to support its claim for reimbursement before the
6 municipality shall be required to approve or make the
7 payment to the library district. If the library district
8 fails to provide the information during this period in any
9 year, it shall forfeit any claim to reimbursement for that
10 year. Library districts may adopt a resolution waiving the
11 right to all or a portion of the reimbursement otherwise
12 required by this paragraph (7.7). By acceptance of such
13 reimbursement, the library district shall forfeit any
14 right to directly or indirectly set aside, modify, or
15 contest in any manner whatsoever the establishment of the
16 redevelopment project area or projects;

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

22 (9) Payment in lieu of taxes;

23 (10) Costs of job training, retraining, advanced
24 vocational education or career education, including but
25 not limited to courses in occupational, semi-technical or
26 technical fields leading directly to employment, incurred

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

21 (11) Interest cost incurred by a redeveloper related
22 to the construction, renovation or rehabilitation of a
23 redevelopment project provided that:

24 (A) such costs are to be paid directly from the
25 special tax allocation fund established pursuant to
26 this Act;

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

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

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

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

25 (F) instead of the eligible costs provided by
26 subparagraphs (B) and (D) of paragraph (11), as

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

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

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

1 (11.5) If the redevelopment project area is located
2 within a municipality with a population of more than
3 100,000, the cost of day care services for children of
4 employees from low-income families working for businesses
5 located within the redevelopment project area and all or a
6 portion of the cost of operation of day care centers
7 established by redevelopment project area businesses to
8 serve employees from low-income families working in
9 businesses located in the redevelopment project area. For
10 the purposes of this paragraph, "low-income families"
11 means families whose annual income does not exceed 80% of
12 the municipal, county, or regional median income, adjusted
13 for family size, as the annual income and municipal,
14 county, or regional median income are determined from time
15 to time by the United States Department of Housing and
16 Urban Development.

17 (12) Costs relating to the development of urban
18 agricultural areas under Division 15.2 of the Illinois
19 Municipal Code.

20 Unless explicitly stated herein the cost of construction
21 of new privately-owned buildings shall not be an eligible
22 redevelopment project cost.

23 After November 1, 1999 (the effective date of Public Act
24 91-478), none of the redevelopment project costs enumerated in
25 this subsection shall be eligible redevelopment project costs
26 if those costs would provide direct financial support to a

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

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

1 review by the preservation agency of a Certified Local
2 Government designated as such by the National Park Service of
3 the United States Department of the Interior.

4 If a special service area has been established pursuant to
5 the Special Service Area Tax Act or Special Service Area Tax
6 Law, then any tax increment revenues derived from the tax
7 imposed pursuant to the Special Service Area Tax Act or
8 Special Service Area Tax Law may be used within the
9 redevelopment project area for the purposes permitted by that
10 Act or Law as well as the purposes permitted by this Act.

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

16 (q-2) For a transit facility improvement area established
17 prior to, on, or after the effective date of this amendatory
18 Act of the 102nd General Assembly: (i) "redevelopment project
19 costs" means those costs described in subsection (q) that are
20 related to the construction, reconstruction, rehabilitation,
21 remodeling, or repair of any existing or proposed transit
22 facility, whether that facility is located within or outside
23 the boundaries of a redevelopment project area established
24 within that transit facility improvement area (and, to the
25 extent a redevelopment project cost is described in subsection
26 (q) as incurred or estimated to be incurred with respect to a

1 redevelopment project area, then it shall apply with respect
2 to such transit facility improvement area); and (ii) the
3 provisions of Section 11-74.4-8 regarding tax increment
4 allocation financing for a redevelopment project area located
5 in a transit facility improvement area shall apply only to the
6 lots, blocks, tracts and parcels of real property that are
7 located within the boundaries of that redevelopment project
8 area and not to the lots, blocks, tracts, and parcels of real
9 property that are located outside the boundaries of that
10 redevelopment project area.

11 (r) "State Sales Tax Boundary" means the redevelopment
12 project area or the amended redevelopment project area
13 boundaries which are determined pursuant to subsection (9) of
14 Section 11-74.4-8a of this Act. The Department of Revenue
15 shall certify pursuant to subsection (9) of Section 11-74.4-8a
16 the appropriate boundaries eligible for the determination of
17 State Sales Tax Increment.

18 (s) "State Sales Tax Increment" means an amount equal to
19 the increase in the aggregate amount of taxes paid by
20 retailers and servicemen, other than retailers and servicemen
21 subject to the Public Utilities Act, on transactions at places
22 of business located within a State Sales Tax Boundary pursuant
23 to the Retailers' Occupation Tax Act, the Use Tax Act, the
24 Service Use Tax Act, and the Service Occupation Tax Act,
25 except such portion of such increase that is paid into the
26 State and Local Sales Tax Reform Fund, the Local Government

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

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

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

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

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

14 (v) As used in subsection (a) of Section 11-74.4-3 of this
15 Act, "vacant land" means any parcel or combination of parcels
16 of real property without industrial, commercial, and
17 residential buildings which has not been used for commercial
18 agricultural purposes within 5 years prior to the designation
19 of the redevelopment project area, unless the parcel is
20 included in an industrial park conservation area or the parcel
21 has been subdivided; provided that if the parcel was part of a
22 larger tract that has been divided into 3 or more smaller
23 tracts that were accepted for recording during the period from
24 1950 to 1990, then the parcel shall be deemed to have been
25 subdivided, and all proceedings and actions of the
26 municipality taken in that connection with respect to any

1 previously approved or designated redevelopment project area
2 or amended redevelopment project area are hereby validated and
3 hereby declared to be legally sufficient for all purposes of
4 this Act. For purposes of this Section and only for land
5 subject to the subdivision requirements of the Plat Act, land
6 is subdivided when the original plat of the proposed
7 Redevelopment Project Area or relevant portion thereof has
8 been properly certified, acknowledged, approved, and recorded
9 or filed in accordance with the Plat Act and a preliminary
10 plat, if any, for any subsequent phases of the proposed
11 Redevelopment Project Area or relevant portion thereof has
12 been properly approved and filed in accordance with the
13 applicable ordinance of the municipality.

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

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

26 (y) "Green Globes certified" means any certification level

1 of construction elements by a qualified Green Globes
2 Professional as determined by the Green Building Initiative.
3 (Source: P.A. 102-627, eff. 8-27-21.)