



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB0713

Introduced 1/25/2017, by Rep. Linda Chapa LaVia

#### SYNOPSIS AS INTRODUCED:

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. Revises the definition of "redevelopment project costs" by providing that redevelopment project costs for a redevelopment project area includes all or a portion of a taxing district's capital or operating costs (currently, only capital costs) resulting from the redevelopment project reasonably incurred (currently, necessarily incurred) or to be incurred within a taxing district as a result of the redevelopment plan and project (currently, incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project). Removes a requirement that the municipality, by written agreement, accept and approve these costs.

LRB100 05995 AWJ 16024 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 Illinois Municipal Code is amended by  
5 changing Section 11-74.4-3 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  
17 improved or vacant area within the boundaries of a  
18 redevelopment project area located within the territorial  
19 limits of the municipality where:

20 (1) If improved, industrial, commercial, and  
21 residential buildings or improvements are detrimental to  
22 the public safety, health, or welfare because of a  
23 combination of 5 or more of the following factors, each of

1           which is (i) present, with that presence documented, to a  
2           meaningful extent so that a municipality may reasonably  
3           find that the factor is clearly present within the intent  
4           of the Act and (ii) reasonably distributed throughout the  
5           improved part of the redevelopment project area:

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

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

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

1 (D) Presence of structures below minimum code  
2 standards. All structures that do not meet the  
3 standards of zoning, subdivision, building, fire, and  
4 other governmental codes applicable to property, but  
5 not including housing and property maintenance codes.

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

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

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

1 preventing ingress and egress to and from all rooms and  
2 units within a building.

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

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

1 of fire due to the close proximity of buildings, lack  
2 of adequate or proper access to a public right-of-way,  
3 lack of reasonably required off-street parking, or  
4 inadequate provision for loading and service.

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

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

22 (L) Lack of community planning. The proposed  
23 redevelopment project area was developed prior to or  
24 without the benefit or guidance of a community plan.  
25 This means that the development occurred prior to the  
26 adoption by the municipality of a comprehensive or

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

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

22 (2) If vacant, the sound growth of the redevelopment  
23 project area is impaired by a combination of 2 or more of  
24 the following factors, each of which is (i) present, with  
25 that presence documented, to a meaningful extent so that a  
26 municipality may reasonably find that the factor is clearly

1 present within the intent of the Act and (ii) reasonably  
2 distributed throughout the vacant part of the  
3 redevelopment project area to which it pertains:

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

14 (B) Diversity of ownership of parcels of vacant  
15 land sufficient in number to retard or impede the  
16 ability to assemble the land for development.

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

20 (D) Deterioration of structures or site  
21 improvements in neighboring areas adjacent to the  
22 vacant land.

23 (E) The area has incurred Illinois Environmental  
24 Protection Agency or United States Environmental  
25 Protection Agency remediation costs for, or a study  
26 conducted by an independent consultant recognized as



1           having expertise in environmental remediation has  
2           determined a need for, the clean-up of hazardous waste,  
3           hazardous substances, or underground storage tanks  
4           required by State or federal law, provided that the  
5           remediation costs constitute a material impediment to  
6           the development or redevelopment of the redevelopment  
7           project area.

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

21          (3) If vacant, the sound growth of the redevelopment  
22          project area is impaired by one of the following factors  
23          that (i) is present, with that presence documented, to a  
24          meaningful extent so that a municipality may reasonably  
25          find that the factor is clearly present within the intent  
26          of the Act and (ii) is reasonably distributed throughout

1 the vacant part of the redevelopment project area to which  
2 it pertains:

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

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

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

16 (D) The area consists of an unused or illegal  
17 disposal site containing earth, stone, building  
18 debris, or similar materials that were removed from  
19 construction, demolition, excavation, or dredge sites.

20 (E) Prior to November 1, 1999, the area is not less  
21 than 50 nor more than 100 acres and 75% of which is  
22 vacant (notwithstanding that the area has been used for  
23 commercial agricultural purposes within 5 years prior  
24 to the designation of the redevelopment project area),  
25 and the area meets at least one of the factors itemized  
26 in paragraph (1) of this subsection, the area has been

1 designated as a town or village center by ordinance or  
2 comprehensive plan adopted prior to January 1, 1982,  
3 and the area has not been developed for that designated  
4 purpose.

5 (F) The area qualified as a blighted improved area  
6 immediately prior to becoming vacant, unless there has  
7 been substantial private investment in the immediately  
8 surrounding area.

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

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

22 (1) Dilapidation. An advanced state of disrepair or  
23 neglect of necessary repairs to the primary structural  
24 components of buildings or improvements in such a  
25 combination that a documented building condition analysis  
26 determines that major repair is required or the defects are

1 so serious and so extensive that the buildings must be  
2 removed.

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

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

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

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

25 (6) Excessive vacancies. The presence of buildings  
26 that are unoccupied or under-utilized and that represent an

1 adverse influence on the area because of the frequency,  
2 extent, or duration of the vacancies.

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

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

24 (9) Excessive land coverage and overcrowding of  
25 structures and community facilities. The over-intensive  
26 use of property and the crowding of buildings and accessory

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

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

21 (11) Lack of community planning. The proposed  
22 redevelopment project area was developed prior to or  
23 without the benefit or guidance of a community plan. This  
24 means that the development occurred prior to the adoption  
25 by the municipality of a comprehensive or other community  
26 plan or that the plan was not followed at the time of the

1 area's development. This factor must be documented by  
2 evidence of adverse or incompatible land-use  
3 relationships, inadequate street layout, improper  
4 subdivision, parcels of inadequate shape and size to meet  
5 contemporary development standards, or other evidence  
6 demonstrating an absence of effective community planning.

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

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

1 calendar years for which information is available.

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

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

22 (e) "Labor surplus municipality" means a municipality in  
23 which, at any time during the 6 months before the municipality  
24 by ordinance designates an industrial park conservation area,  
25 the unemployment rate was over 6% and was also 100% or more of  
26 the national average unemployment rate for that same time as



1 published in the United States Department of Labor Bureau of  
2 Labor Statistics publication entitled "The Employment  
3 Situation" or its successor publication. For the purpose of  
4 this subsection, if unemployment rate statistics for the  
5 municipality are not available, the unemployment rate in the  
6 municipality shall be deemed to be the same as the unemployment  
7 rate in the principal county in which the municipality is  
8 located.

9 (f) "Municipality" shall mean a city, village,  
10 incorporated town, or a township that is located in the  
11 unincorporated portion of a county with 3 million or more  
12 inhabitants, if the county adopted an ordinance that approved  
13 the township's redevelopment plan.

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

21 (g-1) "Revised Initial Sales Tax Amounts" means the amount  
22 of taxes paid under the Retailers' Occupation Tax Act, Use Tax  
23 Act, 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 within the State Sales Tax

1 Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

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

1 to the municipality from the Local Government Tax Fund arising  
2 from sales by retailers and servicemen on transactions located  
3 in the redevelopment project area or the State Sales Tax  
4 Boundary, as the case may be, the certified Initial Sales Tax  
5 Amounts, the Adjusted Initial Sales Tax Amounts or the Revised  
6 Initial Sales Tax Amounts for the Municipal Retailers'  
7 Occupation Tax Act and the Municipal Service Occupation Tax  
8 Act. For the State Fiscal Year 1989, this calculation shall be  
9 made by utilizing the calendar year 1987 to determine the tax  
10 amounts received. For the State Fiscal Year 1990, this  
11 calculation shall be made by utilizing the period from January  
12 1, 1988, until September 30, 1988, to determine the tax amounts  
13 received from retailers and servicemen pursuant to the  
14 Municipal Retailers' Occupation Tax and the Municipal Service  
15 Occupation Tax Act, which shall have deducted therefrom  
16 nine-twelfths of the certified Initial Sales Tax Amounts, the  
17 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
18 Tax Amounts as appropriate. For the State Fiscal Year 1991,  
19 this calculation shall be made by utilizing the period from  
20 October 1, 1988, to June 30, 1989, to determine the tax amounts  
21 received from retailers and servicemen pursuant to the  
22 Municipal Retailers' Occupation Tax and the Municipal Service  
23 Occupation Tax Act which shall have deducted therefrom  
24 nine-twelfths of the certified Initial Sales Tax Amounts,  
25 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
26 Tax Amounts as appropriate. For every State Fiscal Year

1 thereafter, the applicable period shall be the 12 months  
2 beginning July 1 and ending June 30 to determine the tax  
3 amounts received which shall have deducted therefrom the  
4 certified Initial Sales Tax Amounts, the Adjusted Initial Sales  
5 Tax Amounts or the Revised Initial Sales Tax Amounts, as the  
6 case may be.

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

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

16 Municipalities that issued bonds in connection with a  
17 redevelopment project in a redevelopment project area within  
18 the State Sales Tax Boundary prior to July 29, 1991, or that  
19 entered into contracts in connection with a redevelopment  
20 project in a redevelopment project area before June 1, 1988,  
21 shall continue to receive their proportional share of the  
22 Illinois Tax Increment Fund distribution until the date on  
23 which the redevelopment project is completed or terminated. If,  
24 however, a municipality that issued bonds in connection with a  
25 redevelopment project in a redevelopment project area within  
26 the State Sales Tax Boundary prior to July 29, 1991 retires the

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

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

1 financing.

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

23 Municipalities that issue bonds in connection with the  
24 redevelopment project during the period from June 1, 1988 until  
25 3 years after the effective date of this Amendatory Act of 1988  
26 shall receive the Net State Utility Tax Increment, subject to

1 appropriation, for 15 State Fiscal Years after the issuance of  
2 such bonds. For the 16th through the 20th State Fiscal Years  
3 after issuance of the bonds, the Net State Utility Tax  
4 Increment shall be calculated as follows: By multiplying the  
5 Net State Utility Tax Increment by 90% in year 16; 80% in year  
6 17; 70% in year 18; 60% in year 19; and 50% in year 20.  
7 Refunding of any bonds issued prior to June 1, 1988, shall not  
8 alter the revised Net State Utility Tax Increment payments set  
9 forth above.

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

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

26 (n) "Redevelopment plan" means the comprehensive program



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

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

26 (B) evidence indicating that the redevelopment project

1 area on the whole has not been subject to growth and  
2 development through investment by private enterprise,  
3 provided that such evidence shall not be required for any  
4 redevelopment project area located within a transit  
5 facility improvement area established pursuant to Section  
6 11-74.4-3.3;

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

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

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

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

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

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

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

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

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

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

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

23 (2) The municipality finds that the redevelopment plan  
24 and project conform to the comprehensive plan for the  
25 development of the municipality as a whole, or, for  
26 municipalities with a population of 100,000 or more,

1           regardless of when the redevelopment plan and project was  
2           adopted, the redevelopment plan and project either: (i)  
3           conforms to the strategic economic development or  
4           redevelopment plan issued by the designated planning  
5           authority of the municipality, or (ii) includes land uses  
6           that have been approved by the planning commission of the  
7           municipality.

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

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

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

1 that extend into the redevelopment project area.

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

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

1 separate feasibility report required by subsection (a) of  
2 Section 11-74.4-5, a housing impact study.

3 Part I of the housing impact study shall include (i)  
4 data as to whether the residential units are single family  
5 or multi-family units, (ii) the number and type of rooms  
6 within the units, if that information is available, (iii)  
7 whether the units are inhabited or uninhabited, as  
8 determined not less than 45 days before the date that the  
9 ordinance or resolution required by subsection (a) of  
10 Section 11-74.4-5 is passed, and (iv) data as to the racial  
11 and ethnic composition of the residents in the inhabited  
12 residential units. The data requirement as to the racial  
13 and ethnic composition of the residents in the inhabited  
14 residential units shall be deemed to be fully satisfied by  
15 data from the most recent federal census.

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

1 and cost of the housing, and (iv) the type and extent of  
2 relocation assistance to be provided.

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

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

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

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

22          (o) "Redevelopment project" means any public and private  
23          development project in furtherance of the objectives of a  
24          redevelopment plan. On and after November 1, 1999 (the  
25          effective date of Public Act 91-478), no redevelopment plan may  
26          be approved or amended that includes the development of vacant



1 land (i) with a golf course and related clubhouse and other  
2 facilities or (ii) designated by federal, State, county, or  
3 municipal government as public land for outdoor recreational  
4 activities or for nature preserves and used for that purpose  
5 within 5 years prior to the adoption of the redevelopment plan.  
6 For the purpose of this subsection, "recreational activities"  
7 is limited to mean camping and hunting.

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

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

26 (p-2) Notwithstanding any provision of this Act to the

1 contrary, on and after the effective date of this amendatory  
2 Act of the 99th General Assembly, a redevelopment project area  
3 may include areas within a transit facility improvement area  
4 that has been established pursuant to Section 11-74.4-3.3  
5 without a finding that the area is classified as an industrial  
6 park conservation area, a blighted area, a conservation area,  
7 or any combination thereof.

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

15 (1) Costs of studies, surveys, development of plans,  
16 and specifications, implementation and administration of  
17 the redevelopment plan including but not limited to staff  
18 and professional service costs for architectural,  
19 engineering, legal, financial, planning or other services,  
20 provided however that no charges for professional services  
21 may be based on a percentage of the tax increment  
22 collected; except that on and after November 1, 1999 (the  
23 effective date of Public Act 91-478), no contracts for  
24 professional services, excluding architectural and  
25 engineering services, may be entered into if the terms of  
26 the contract extend beyond a period of 3 years. In

1 addition, "redevelopment project costs" shall not include  
2 lobbying expenses. After consultation with the  
3 municipality, each tax increment consultant or advisor to a  
4 municipality that plans to designate or has designated a  
5 redevelopment project area shall inform the municipality  
6 in writing of any contracts that the consultant or advisor  
7 has entered into with entities or individuals that have  
8 received, or are receiving, payments financed by tax  
9 increment revenues produced by the redevelopment project  
10 area with respect to which the consultant or advisor has  
11 performed, or will be performing, service for the  
12 municipality. This requirement shall be satisfied by the  
13 consultant or advisor before the commencement of services  
14 for the municipality and thereafter whenever any other  
15 contracts with those individuals or entities are executed  
16 by the consultant or advisor;

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

23 (1.6) The cost of marketing sites within the  
24 redevelopment project area to prospective businesses,  
25 developers, and investors;

26 (2) Property assembly costs, including but not limited

1 to acquisition of land and other property, real or  
2 personal, or rights or interests therein, demolition of  
3 buildings, site preparation, site improvements that serve  
4 as an engineered barrier addressing ground level or below  
5 ground environmental contamination, including, but not  
6 limited to parking lots and other concrete or asphalt  
7 barriers, and the clearing and grading of land;

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

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

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

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

23 (6) Financing costs, including but not limited to all  
24 necessary and incidental expenses related to the issuance  
25 of obligations and which may include payment of interest on  
26 any obligations issued hereunder including interest

1 accruing during the estimated period of construction of any  
2 redevelopment project for which such obligations are  
3 issued and for not exceeding 36 months thereafter and  
4 including reasonable reserves related thereto;

5 (7) All ~~To the extent the municipality by written~~  
6 ~~agreement accepts and approves the same, all~~ or a portion  
7 of a taxing district's capital or operating costs resulting  
8 from the redevelopment project reasonably necessarily  
9 incurred or to be incurred within a taxing district as a  
10 result of the redevelopment plan and project; in  
11 ~~furtherance of the objectives of the redevelopment plan and~~  
12 ~~project.~~

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

1 is received as a result of the assisted housing units and  
2 shall be calculated annually as follows:

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

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

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

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

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



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

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

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

18 (iii) for secondary school districts, no more  
19 than 13% 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.

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

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

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

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

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

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

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

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

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

1 district since the designation of the redevelopment  
2 project area.

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

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

23 (9) Payment in lieu of taxes;

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

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

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

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

1 this Act;

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

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

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

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

26 (F) instead ~~instead~~ of the eligible costs provided

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

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



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

1 is later;~~:-~~

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

18 ~~(12)~~ Unless explicitly stated herein the cost of  
19 construction of new privately-owned buildings shall not be an  
20 eligible redevelopment project cost.

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

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

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

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

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

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

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

26           (s) "State Sales Tax Increment" means an amount equal to

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

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

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

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

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

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

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

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



1 each municipality.

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

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

9 (Source: P.A. 99-792, eff. 8-12-16; revised 10-31-16.)