

1 AN ACT concerning local government.

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

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

7 (20 ILCS 205/205-65 new)

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

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

1 (35 ILCS 200/18-165)

2 Sec. 18-165. Abatement of taxes.

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

8 (1) Commercial and industrial.

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

1 district, that has been certified as a High Impact  
2 Business by the Illinois Department of Commerce and  
3 Economic Opportunity. The property of any firm used for  
4 the generation and transmission of electricity shall  
5 include all property of the firm used for transmission  
6 facilities as defined in Section 5.5 of the Illinois  
7 Enterprise Zone Act. The abatement shall not exceed a  
8 period of 10 years and the aggregate amount of abated  
9 taxes for all taxing districts combined shall not  
10 exceed \$4,000,000.

11 (A-5) Any property in the taxing district of a new  
12 electric generating facility, as defined in Section  
13 605-332 of the Department of Commerce and Economic  
14 Opportunity Law of the Civil Administrative Code of  
15 Illinois. The abatement shall not exceed a period of 10  
16 years. The abatement shall be subject to the following  
17 limitations:

18 (i) if the equalized assessed valuation of the  
19 new electric generating facility is equal to or  
20 greater than \$25,000,000 but less than  
21 \$50,000,000, then the abatement may not exceed (i)  
22 over the entire term of the abatement, 5% of the  
23 taxing district's aggregate taxes from the new  
24 electric generating facility and (ii) in any one  
25 year of abatement, 20% of the taxing district's  
26 taxes from the new electric generating facility;

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

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

19           (iv) if the equalized assessed valuation of  
20           the new electric generating facility is equal to or  
21           greater than \$100,000,000 but less than  
22           \$125,000,000, then the abatement may not exceed  
23           (i) over the entire term of the abatement, 30% of  
24           the taxing district's aggregate taxes from the new  
25           electric generating facility and (ii) in any one  
26           year of abatement, 60% of the taxing district's

1 taxes from the new electric generating facility;

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

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

20 The abatement is not effective unless the owner of  
21 the new electric generating facility agrees to repay to  
22 the taxing district all amounts previously abated,  
23 together with interest computed at the rate and in the  
24 manner provided for delinquent taxes, in the event that  
25 the owner of the new electric generating facility  
26 closes the new electric generating facility before the

1 expiration of the entire term of the abatement.

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

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

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

24 (2) Horse racing. Any property in the taxing district  
25 which is used for the racing of horses and upon which  
26 capital improvements consisting of expansion, improvement

1 or replacement of existing facilities have been made since  
2 July 1, 1987. The combined abatements for such property  
3 from all taxing districts in any county shall not exceed  
4 \$5,000,000 annually and shall not exceed a period of 10  
5 years.

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

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

21 (5) Housing for older persons. Any property in the  
22 taxing district that is devoted exclusively to affordable  
23 housing for older households. For purposes of this  
24 paragraph, "older households" means those households (i)  
25 living in housing provided under any State or federal  
26 program that the Department of Human Rights determines is

1 specifically designed and operated to assist elderly  
2 persons and is solely occupied by persons 55 years of age  
3 or older and (ii) whose annual income does not exceed 80%  
4 of the area gross median income, adjusted for family size,  
5 as such gross income and median income are determined from  
6 time to time by the United States Department of Housing and  
7 Urban Development. The abatement shall not exceed a period  
8 of 15 years, and the aggregate amount of abated taxes for  
9 all taxing districts shall not exceed \$3,000,000.

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

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

23 (8) Relocated corporate headquarters. If approval  
24 occurs within 5 years after the effective date of this  
25 amendatory Act of the 92nd General Assembly, any property  
26 or a portion of any property in a taxing district that is



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

21               (9) United States Military Public/Private Residential  
22          Developments. Each building, structure, or other  
23          improvement designed, financed, constructed, renovated,  
24          managed, operated, or maintained after January 1, 2006  
25          under a "PPV Lease", as set forth under Division 14 of  
26          Article 10, and any such PPV Lease.

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

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

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

14 (Source: P.A. 97-577, eff. 1-1-12; 97-636, eff. 6-1-12; 98-109,  
15 eff. 7-25-13.)

16 Section 15. The Illinois Municipal Code is amended by  
17 changing Section 11-74.4-3 and by adding Division 15.4 to  
18 Article 11 as follows:

19 (65 ILCS 5/Art. 11 Div. 15.4 heading new)

20 DIVISION 15.4. MUNICIPAL URBAN AGRICULTURAL AREAS

21 (65 ILCS 5/11-15.4-5 new)

22 Sec. 11-15.4-5. Definitions. As used in this Division:

23 "Agricultural product" means an agricultural,

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

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

12 "Department" means the Department of Agriculture.

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

19 "Locally grown" means a product that was grown or raised in  
20 the same county or adjoining county in which the urban  
21 agricultural area is located.

22 "Partner organization" means a nonprofit organization that  
23 meets standards set forth by Section 501(c)(3) of the Internal  
24 Revenue Code and whose mission includes supporting small,  
25 beginning, limited resource, or socially-disadvantaged farmers  
26 within municipalities.

1       "Poultry" means any domesticated bird intended for human  
2 consumption.

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

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

6           (2) is a beginning farmer;

7           (3) is a limited resource farmer; or

8           (4) is a socially-disadvantaged farmer.

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

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

19       (65 ILCS 5/11-15.4-10 new)

20       Sec. 11-15.4-10. Urban agricultural area committee.

21       (a) The corporate authorities of a municipality that seek  
22 to establish an urban agricultural area shall first establish  
23 an urban agricultural area committee after it receives an  
24 application to establish an urban agricultural area under  
25 Section 11-15.4-15. There shall be 5 members on the committee.

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

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

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

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

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

3 (65 ILCS 5/11-15.4-15 new)

4 Sec. 11-15.4-15. Application for an urban agricultural  
5 area; review; dissolution.

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

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

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

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

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

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

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

1 municipality may dissolve the urban agricultural area by  
2 ordinance or resolution.

3 (65 ILCS 5/11-15.4-20 new)

4 Sec. 11-15.4-20. Notice and public hearing; urban  
5 agricultural area ordinance. Prior to the adoption of an  
6 ordinance designating an urban agricultural area, the urban  
7 agricultural area committee shall fix a time and place for a  
8 public hearing and notify each taxing unit of local government  
9 located wholly or partially within the boundaries of the  
10 proposed urban agricultural area. The committee shall publish  
11 notice of the hearing in a newspaper of general circulation in  
12 the area to be affected by the designation at least 20 days  
13 prior to the hearing but not more than 30 days prior to the  
14 hearing. The notice shall state the time, location, date, and  
15 purpose of the hearing. At the public hearing, any interested  
16 person or affected taxing unit of local government may file  
17 with the committee written objections or comments and may be  
18 heard orally in respect to, any issues embodied in the notice.  
19 The committee shall hear and consider all objections, comments,  
20 and other evidence presented at the hearing. The hearing may be  
21 continued to another date without further notice other than a  
22 motion to be entered upon the minutes fixing the time and place  
23 of the subsequent hearing.

24 Following the conclusion of the public hearing required  
25 under this Section, the corporate authorities of the

1 municipality may adopt an ordinance establishing and  
2 designating an urban agricultural area.

3 (65 ILCS 5/11-15.4-25 new)

4 Sec. 11-15.4-25. Taxation of property; water rates and  
5 charges.

6 (a) If authorized by the ordinance that establishes an  
7 urban agricultural area under Section 11-15.4-20, a  
8 municipality may provide for the abatement of taxes it levies  
9 upon real property located within an urban agricultural area  
10 that is used by a qualifying farmer for processing, growing,  
11 raising, or otherwise producing agricultural products under  
12 item (11) of subsection (a) of Section 18-165 of the Property  
13 Tax Code. Parcels of property assessed under Section 10-110 of  
14 the Property Tax Code are not eligible for the abatements  
15 provided in this subsection; except that if real property  
16 assessed under Section 10-110 is reassessed and is subsequently  
17 no longer assessed under Section 10-110, that property becomes  
18 eligible for the abatements provided for in this Section. Real  
19 property located in a redevelopment area created under the Tax  
20 Increment Allocation Redevelopment Act and an urban  
21 agricultural area created under this Division may be eligible  
22 for an abatement under this Section, but only with respect to  
23 the initial equalized assessed value of the real property.

24 (b) A municipality may authorize an entity providing water,  
25 electricity, or other utilities to an urban agricultural area



1 to allow qualified farmers and partner organizations in the  
2 urban agricultural area to: (1) pay wholesale or otherwise  
3 reduced rates for service to property within the urban  
4 agricultural area that is used for processing, growing,  
5 raising, or otherwise producing agricultural products; or (2)  
6 pay reduced or waived connection charges for service to  
7 property within the urban agricultural area that is used for  
8 processing, growing, raising, or otherwise producing  
9 agricultural products.

10 (65 ILCS 5/11-15.4-30 new)

11 Sec. 11-15.4-30. Unreasonable restrictions and  
12 regulations; special assessments and levies.

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

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

1 landowner on the same basis as others having the service.

2 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

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

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

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

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

25 (A) Dilapidation. An advanced state of disrepair

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

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

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

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

26 (E) Illegal use of individual structures. The use

1 of structures in violation of applicable federal,  
2 State, or local laws, exclusive of those applicable to  
3 the presence of structures below minimum code  
4 standards.

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

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

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

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

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

25 (J) Deleterious land use or layout. The existence  
26 of incompatible land-use relationships, buildings

1           occupied by inappropriate mixed-uses, or uses  
2           considered to be noxious, offensive, or unsuitable for  
3           the surrounding area.

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

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

1 other evidence demonstrating an absence of effective  
2 community planning.

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

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

24 (A) Obsolete platting of vacant land that results  
25 in parcels of limited or narrow size or configurations  
26 of parcels of irregular size or shape that would be

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

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

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

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

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



1 project area.

2 (F) The total equalized assessed value of the  
3 proposed redevelopment project area has declined for 3  
4 of the last 5 calendar years prior to the year in which  
5 the redevelopment project area is designated or is  
6 increasing at an annual rate that is less than the  
7 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  
11 by the United States Department of Labor or successor  
12 agency for 3 of the last 5 calendar years prior to the  
13 year in which the redevelopment project area is  
14 designated.

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

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

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

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

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

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

25           (F) The area qualified as a blighted improved area  
26           immediately prior to becoming vacant, unless there has

1           been substantial private investment in the immediately  
2           surrounding area.

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

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

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

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

26           (3) Deterioration. With respect to buildings, defects

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 rate in the principal county in which the municipality is  
2 located.

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

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

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

22 (h) "Municipal Sales Tax Increment" means an amount equal  
23 to the increase in the aggregate amount of taxes paid to a  
24 municipality from the Local Government Tax Fund arising from  
25 sales by retailers and servicemen within the redevelopment  
26 project area or State Sales Tax Boundary, as the case may be,

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

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

1           (i) "Net State Sales Tax Increment" means the sum of the  
2 following: (a) 80% of the first \$100,000 of State Sales Tax  
3 Increment annually generated within a State Sales Tax Boundary;  
4 (b) 60% of the amount in excess of \$100,000 but not exceeding  
5 \$500,000 of State Sales Tax Increment annually generated within  
6 a State Sales Tax Boundary; and (c) 40% of all amounts in  
7 excess of \$500,000 of State Sales Tax Increment annually  
8 generated within a State Sales Tax Boundary. If, however, a  
9 municipality established a tax increment financing district in  
10 a county with a population in excess of 3,000,000 before  
11 January 1, 1986, and the municipality entered into a contract  
12 or issued bonds after January 1, 1986, but before December 31,  
13 1986, to finance redevelopment project costs within a State  
14 Sales Tax Boundary, then the Net State Sales Tax Increment  
15 means, for the fiscal years beginning July 1, 1990, and July 1,  
16 1991, 100% of the State Sales Tax Increment annually generated  
17 within a State Sales Tax Boundary; and notwithstanding any  
18 other provision of this Act, for those fiscal years the  
19 Department of Revenue shall distribute to those municipalities  
20 100% of their Net State Sales Tax Increment before any  
21 distribution to any other municipality and regardless of  
22 whether or not those other municipalities will receive 100% of  
23 their Net State Sales Tax Increment. For Fiscal Year 1999, and  
24 every year thereafter until the year 2007, for any municipality  
25 that has not entered into a contract or has not issued bonds  
26 prior to June 1, 1988 to finance redevelopment project costs

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

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

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

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

22 (k) "Net State Utility Tax Increment" means the sum of the  
23 following: (a) 80% of the first \$100,000 of State Utility Tax  
24 Increment annually generated by a redevelopment project area;  
25 (b) 60% of the amount in excess of \$100,000 but not exceeding  
26 \$500,000 of the State Utility Tax Increment annually generated

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

17 Municipalities that issue bonds in connection with the  
18 redevelopment project during the period from June 1, 1988 until  
19 3 years after the effective date of this Amendatory Act of 1988  
20 shall receive the Net State Utility Tax Increment, subject to  
21 appropriation, for 15 State Fiscal Years after the issuance of  
22 such bonds. For the 16th through the 20th State Fiscal Years  
23 after issuance of the bonds, the Net State Utility Tax  
24 Increment shall be calculated as follows: By multiplying the  
25 Net State Utility Tax Increment by 90% in year 16; 80% in year  
26 17; 70% in year 18; 60% in year 19; and 50% in year 20.

1 Refunding of any bonds issued prior to June 1, 1988, shall not  
2 alter the revised Net State Utility Tax Increment payments set  
3 forth above.

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

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

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



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

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

20 (B) evidence indicating that the redevelopment project  
21 area on the whole has not been subject to growth and  
22 development through investment by private enterprise,  
23 provided that such evidence shall not be required for any  
24 redevelopment project area located within a transit  
25 facility improvement area established pursuant to Section  
26 11-74.4-3.3;

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

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

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

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

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

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

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

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

26           The provisions of items (B) and (C) of this subsection (n)

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

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

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

1 municipality.

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

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

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

22 (4) If any incremental revenues are being utilized  
23 under Section 8(a)(1) or 8(a)(2) of this Act in  
24 redevelopment project areas approved by ordinance after  
25 January 1, 1986, the municipality finds: (a) that the  
26 redevelopment project area would not reasonably be

1 developed without the use of such incremental revenues, and  
2 (b) that such incremental revenues will be exclusively  
3 utilized for the development of the redevelopment project  
4 area.

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

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

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

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

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

26           (7) On and after November 1, 1999, no redevelopment

1 plan shall be adopted, nor an existing plan amended, nor  
2 shall residential housing that is occupied by households of  
3 low-income and very low-income persons in currently  
4 existing redevelopment project areas be removed after  
5 November 1, 1999 unless the redevelopment plan provides,  
6 with respect to inhabited housing units that are to be  
7 removed for households of low-income and very low-income  
8 persons, affordable housing and relocation assistance not  
9 less than that which would be provided under the federal  
10 Uniform Relocation Assistance and Real Property  
11 Acquisition Policies Act of 1970 and the regulations under  
12 that Act, including the eligibility criteria. Affordable  
13 housing may be either existing or newly constructed  
14 housing. For purposes of this paragraph (7), "low-income  
15 households", "very low-income households", and "affordable  
16 housing" have the meanings set forth in the Illinois  
17 Affordable Housing Act. The municipality shall make a good  
18 faith effort to ensure that this affordable housing is  
19 located in or near the redevelopment project area within  
20 the municipality.

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

1 in subsection (c) of Section 11-74.4-5.

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

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



1 is limited to mean camping and hunting.

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

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

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

1 or any combination thereof.

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

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

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

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

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

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

1 barriers, and the clearing and grading of land;

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

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

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

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

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

25 (7) To the extent the municipality by written agreement  
26 accepts and approves the same, all or a portion of a taxing

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

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

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

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

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

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

1           (iii) for secondary school districts with a  
2           district average 1995-96 Per Capita Tuition Charge  
3           of less than \$5,900, no more than 8% 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.

7           (B) For alternate method districts, flat grant  
8           districts, and foundation districts with a district  
9           average 1995-96 Per Capita Tuition Charge equal to or  
10          more than \$5,900, excluding any school district with a  
11          population in excess of 1,000,000, by multiplying the  
12          district's increase in attendance resulting from the  
13          net increase in new students enrolled in that school  
14          district who reside in housing units within the  
15          redevelopment project area that have received  
16          financial assistance through an agreement with the  
17          municipality or because the municipality incurs the  
18          cost of necessary infrastructure improvements within  
19          the boundaries of the housing sites necessary for the  
20          completion of that housing as authorized by this Act  
21          since the designation of the redevelopment project  
22          area by the most recently available per capita tuition  
23          cost as defined in Section 10-20.12a of the School Code  
24          less any increase in general state aid as defined in  
25          Section 18-8.05 of the School Code or evidence-based  
26          funding as defined in Section 18-8.15 of the School



1 Code attributable to these added new students subject  
2 to the following annual limitations:

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

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

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

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

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

26 (ii) the amount reimbursable shall be reduced

1           by the value of any land donated to the school  
2           district by the municipality or developer, and by  
3           the value of any physical improvements made to the  
4           schools by the municipality or developer; and

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

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

25          (7.7) For redevelopment project areas designated (or  
26          redevelopment project areas amended to add or increase the

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

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

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

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

24 Any library district seeking payment under this  
25 paragraph (7.7) shall, after July 1 and before September 30  
26 of each year, provide the municipality with convincing

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

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

18 (9) Payment in lieu of taxes;

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

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

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

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

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

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

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

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

21          (F) instead of the eligible costs provided by  
22          subparagraphs (B) and (D) of paragraph (11), as  
23          modified by this subparagraph, and notwithstanding any  
24          other provisions of this Act to the contrary, the  
25          municipality may pay from tax increment revenues up to  
26          50% of the cost of construction of new housing units to

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

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



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

23           (11.5) If the redevelopment project area is located  
24          within a municipality with a population of more than  
25          100,000, the cost of day care services for children of  
26          employees from low-income families working for businesses

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

13 (12) Costs relating to the development of urban  
14 agricultural areas under Division 15.2 of the Illinois  
15 Municipal Code.

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

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

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

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

25 If a special service area has been established pursuant to  
26 the Special Service Area Tax Act or Special Service Area Tax

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

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

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

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

24 (s) "State Sales Tax Increment" means an amount equal to  
25 the increase in the aggregate amount of taxes paid by retailers  
26 and servicemen, other than retailers and servicemen subject to

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

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

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

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

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

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

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

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

26 (x) "LEED certified" means any certification level of



1 construction elements by a qualified Leadership in Energy and  
2 Environmental Design Accredited Professional as determined by  
3 the U.S. Green Building Council.

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

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