



## 100TH GENERAL ASSEMBLY

### State of Illinois

### 2017 and 2018

### HB5230

by Rep. William Davis

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-3	from Ch. 24, par. 11-74.4-3
65 ILCS 5/11-74.4-3.1	
65 ILCS 5/11-74.4-4	from Ch. 24, par. 11-74.4-4
65 ILCS 5/11-74.4-4.3 new	

Amends the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code. Provides that for redevelopment project areas created on and after the effective date of the amendatory Act, "blighted areas" must have a household median income of 100% or less of the area median income, as defined by the U.S. Department of Housing and Urban Development, in addition to the other requirements for "blighted areas". Provides that on or after January 1, 2019, tax increment revenues may be utilized for jointly undertaken and performed redevelopment projects only in an amount equal to the percentage of eligible costs undertaken within the redevelopment project area that received the revenue. Provides that tax increment revenues received in one redevelopment project area may not be used for eligible costs in another redevelopment project area on or after January 1, 2019 and tax increment revenues may not be transferred to another redevelopment project area on or after January 1, 2019. Provides that if there are any contracts or agreements in force on the effective date of the amendatory Act, tax increment revenues may continue to be used or transferred to another redevelopment project area or utilized for jointly undertaken and performed redevelopment projects after January 1, 2019 only to the extent necessary to comply with the contract or agreement.

LRB100 15854 AWJ 30965 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by  
5 changing Sections 11-74.4-3, 11-74.4-3.1, and 11-74.4-4 and by  
6 adding Section 11-74.4-4.3 as follows:

7 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

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

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

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

21 (1) If improved, industrial, commercial, and  
22 residential buildings or improvements are detrimental to  
23 the public safety, health, or welfare because of a

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

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

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

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

1 protruding through paved surfaces.

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

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

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

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

1 hot water and kitchens, and structural inadequacies  
2 preventing ingress and egress to and from all rooms and  
3 units within a building.

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

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

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

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

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

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

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

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

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

1 municipality may reasonably find that the factor is clearly  
2 present within the intent of the Act and (ii) reasonably  
3 distributed throughout the vacant part of the  
4 redevelopment project area to which it pertains:

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

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

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

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

24 (E) The area has incurred Illinois Environmental  
25 Protection Agency or United States Environmental  
26 Protection Agency remediation costs for, or a study



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

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

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

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

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

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

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

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

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

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

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

10 In addition to the requirements of this definition, for  
11 redevelopment project areas created on and after the effective  
12 date of this amendatory Act of the 100th General Assembly, a  
13 blighted area must have a median household income of 100% or  
14 less of the area median income, as determined by the United  
15 States Department of Housing and Urban Development. If the area  
16 does not contain any residents, the census tracts adjoining the  
17 blighted area must have a median household income of 100% or  
18 less of the area median income.

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

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

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

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

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

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

26 (4) Presence of structures below minimum code

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

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

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

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

26 (8) Inadequate utilities. Underground and overhead

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

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

26 (10) Deleterious land use or layout. The existence of

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

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

17 (12) 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 the  
26 development or redevelopment of the redevelopment project

1 area.

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

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

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



1 as industrial no later than at the time the municipality by  
2 ordinance designates the redevelopment project area, and which  
3 area includes both vacant land suitable for use as an  
4 industrial park and a blighted area or conservation area  
5 contiguous to such vacant land.

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

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

24 (g) "Initial Sales Tax Amounts" means the amount of taxes  
25 paid under the Retailers' Occupation Tax Act, Use Tax Act,  
26 Service Use Tax Act, the Service Occupation Tax Act, the

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

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

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

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

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

17 (i) "Net State Sales Tax Increment" means the sum of the  
18 following: (a) 80% of the first \$100,000 of State Sales Tax  
19 Increment annually generated within a State Sales Tax Boundary;  
20 (b) 60% of the amount in excess of \$100,000 but not exceeding  
21 \$500,000 of State Sales Tax Increment annually generated within  
22 a State Sales Tax Boundary; and (c) 40% of all amounts in  
23 excess of \$500,000 of State Sales Tax Increment annually  
24 generated within a State Sales Tax Boundary. If, however, a  
25 municipality established a tax increment financing district in  
26 a county with a population in excess of 3,000,000 before

1 January 1, 1986, and the municipality entered into a contract  
2 or issued bonds after January 1, 1986, but before December 31,  
3 1986, to finance redevelopment project costs within a State  
4 Sales Tax Boundary, then the Net State Sales Tax Increment  
5 means, for the fiscal years beginning July 1, 1990, and July 1,  
6 1991, 100% of the State Sales Tax Increment annually generated  
7 within a State Sales Tax Boundary; and notwithstanding any  
8 other provision of this Act, for those fiscal years the  
9 Department of Revenue shall distribute to those municipalities  
10 100% of their Net State Sales Tax Increment before any  
11 distribution to any other municipality and regardless of  
12 whether or not those other municipalities will receive 100% of  
13 their Net State Sales Tax Increment. For Fiscal Year 1999, and  
14 every year thereafter until the year 2007, for any municipality  
15 that has not entered into a contract or has not issued bonds  
16 prior to June 1, 1988 to finance redevelopment project costs  
17 within a State Sales Tax Boundary, the Net State Sales Tax  
18 Increment shall be calculated as follows: By multiplying the  
19 Net State Sales Tax Increment by 90% in the State Fiscal Year  
20 1999; 80% in the State Fiscal Year 2000; 70% in the State  
21 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the  
22 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%  
23 in the State Fiscal Year 2005; 20% in the State Fiscal Year  
24 2006; and 10% in the State Fiscal Year 2007. No payment shall  
25 be made for State Fiscal Year 2008 and thereafter.

26 Municipalities that issued bonds in connection with a

1 redevelopment project in a redevelopment project area within  
2 the State Sales Tax Boundary prior to July 29, 1991, or that  
3 entered into contracts in connection with a redevelopment  
4 project in a redevelopment project area before June 1, 1988,  
5 shall continue to receive their proportional share of the  
6 Illinois Tax Increment Fund distribution until the date on  
7 which the redevelopment project is completed or terminated. If,  
8 however, a municipality that issued bonds in connection with a  
9 redevelopment project in a redevelopment project area within  
10 the State Sales Tax Boundary prior to July 29, 1991 retires the  
11 bonds prior to June 30, 2007 or a municipality that entered  
12 into contracts in connection with a redevelopment project in a  
13 redevelopment project area before June 1, 1988 completes the  
14 contracts prior to June 30, 2007, then so long as the  
15 redevelopment project is not completed or is not terminated,  
16 the Net State Sales Tax Increment shall be calculated,  
17 beginning on the date on which the bonds are retired or the  
18 contracts are completed, as follows: By multiplying the Net  
19 State Sales Tax Increment by 60% in the State Fiscal Year 2002;  
20 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year  
21 2004; 30% in the State Fiscal Year 2005; 20% in the State  
22 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No  
23 payment shall be made for State Fiscal Year 2008 and  
24 thereafter. Refunding of any bonds issued prior to July 29,  
25 1991, shall not alter the Net State Sales Tax Increment.

26 (j) "State Utility Tax Increment Amount" means an amount

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

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

1 in the State Fiscal Year 2001; 60% in the State Fiscal Year  
2 2002; 50% in the State Fiscal Year 2003; 40% in the State  
3 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the  
4 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.  
5 No payment shall be made for the State Fiscal Year 2008 and  
6 thereafter.

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

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

24 (m) "Payment in lieu of taxes" means those estimated tax  
25 revenues from real property in a redevelopment project area  
26 derived from real property that has been acquired by a



1 municipality which according to the redevelopment project or  
2 plan is to be used for a private use which taxing districts  
3 would have received had a municipality not acquired the real  
4 property and adopted tax increment allocation financing and  
5 which would result from levies made after the time of the  
6 adoption of tax increment allocation financing to the time the  
7 current equalized value of real property in the redevelopment  
8 project area exceeds the total initial equalized value of real  
9 property in said area.

10 (n) "Redevelopment plan" means the comprehensive program  
11 of the municipality for development or redevelopment intended  
12 by the payment of redevelopment project costs to reduce or  
13 eliminate those conditions the existence of which qualified the  
14 redevelopment project area as a "blighted area" or  
15 "conservation area" or combination thereof or "industrial park  
16 conservation area," and thereby to enhance the tax bases of the  
17 taxing districts which extend into the redevelopment project  
18 area, provided that, with respect to redevelopment project  
19 areas described in subsections (p-1) and (p-2), "redevelopment  
20 plan" means the comprehensive program of the affected  
21 municipality for the development of qualifying transit  
22 facilities. On and after November 1, 1999 (the effective date  
23 of Public Act 91-478), no redevelopment plan may be approved or  
24 amended that includes the development of vacant land (i) with a  
25 golf course and related clubhouse and other facilities or (ii)  
26 designated by federal, State, county, or municipal government

1 as public land for outdoor recreational activities or for  
2 nature preserves and used for that purpose within 5 years prior  
3 to the adoption of the redevelopment plan. For the purpose of  
4 this subsection, "recreational activities" is limited to mean  
5 camping and hunting. Each redevelopment plan shall set forth in  
6 writing the program to be undertaken to accomplish the  
7 objectives and shall include but not be limited to:

8 (A) an itemized list of estimated redevelopment  
9 project costs;

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

17 (C) an assessment of any financial impact of the  
18 redevelopment project area on or any increased demand for  
19 services from any taxing district affected by the plan and  
20 any program to address such financial impact or increased  
21 demand;

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

23 (E) the nature and term of the obligations to be  
24 issued;

25 (F) the most recent equalized assessed valuation of the  
26 redevelopment project area;

1 (G) an estimate as to the equalized assessed valuation  
2 after redevelopment and the general land uses to apply in  
3 the redevelopment project area;

4 (H) a commitment to fair employment practices and an  
5 affirmative action plan;

6 (I) if it concerns an industrial park conservation  
7 area, the plan shall also include a general description of  
8 any proposed developer, user and tenant of any property, a  
9 description of the type, structure and general character of  
10 the facilities to be developed, a description of the type,  
11 class and number of new employees to be employed in the  
12 operation of the facilities to be developed; and

13 (J) if property is to be annexed to the municipality,  
14 the plan shall include the terms of the annexation  
15 agreement.

16 The provisions of items (B) and (C) of this subsection (n)  
17 shall not apply to a municipality that before March 14, 1994  
18 (the effective date of Public Act 88-537) had fixed, either by  
19 its corporate authorities or by a commission designated under  
20 subsection (k) of Section 11-74.4-4, a time and place for a  
21 public hearing as required by subsection (a) of Section  
22 11-74.4-5. No redevelopment plan shall be adopted unless a  
23 municipality complies with all of the following requirements:

24 (1) The municipality finds that the redevelopment  
25 project area on the whole has not been subject to growth  
26 and development through investment by private enterprise

1 and would not reasonably be anticipated to be developed  
2 without the adoption of the redevelopment plan, provided,  
3 however, that such a finding shall not be required with  
4 respect to any redevelopment project area located within a  
5 transit facility improvement area established pursuant to  
6 Section 11-74.4-3.3.

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

18 (3) The redevelopment plan establishes the estimated  
19 dates of completion of the redevelopment project and  
20 retirement of obligations issued to finance redevelopment  
21 project costs. Those dates may not be later than the dates  
22 set forth under Section 11-74.4-3.5.

23 A municipality may by municipal ordinance amend an  
24 existing redevelopment plan to conform to this paragraph  
25 (3) as amended by Public Act 91-478, which municipal  
26 ordinance may be adopted without further hearing or notice

1 and without complying with the procedures provided in this  
2 Act pertaining to an amendment to or the initial approval  
3 of a redevelopment plan and project and designation of a  
4 redevelopment project area.

5 (3.5) The municipality finds, in the case of an  
6 industrial park conservation area, also that the  
7 municipality is a labor surplus municipality and that the  
8 implementation of the redevelopment plan will reduce  
9 unemployment, create new jobs and by the provision of new  
10 facilities enhance the tax base of the taxing districts  
11 that extend into the redevelopment project area.

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

21 (5) If: (a) the redevelopment plan will not result in  
22 displacement of residents from 10 or more inhabited  
23 residential units, and the municipality certifies in the  
24 plan that such displacement will not result from the plan;  
25 or (b) the redevelopment plan is for a redevelopment  
26 project area located within a transit facility improvement

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

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

26 Part II of the housing impact study shall identify the

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

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

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

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

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

18 (9) For redevelopment project areas designated prior  
19 to November 1, 1999, the redevelopment plan may be amended  
20 without further joint review board meeting or hearing,  
21 provided that the municipality shall give notice of any  
22 such changes by mail to each affected taxing district and  
23 registrant on the interested party registry, to authorize  
24 the municipality to expend tax increment revenues for  
25 redevelopment project costs defined by paragraphs (5) and  
26 (7.5), subparagraphs (E) and (F) of paragraph (11), and



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

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

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

25 (p-1) Notwithstanding any provision of this Act to the  
26 contrary, on and after August 25, 2009 (the effective date of

1 Public Act 96-680), a redevelopment project area may include  
2 areas within a one-half mile radius of an existing or proposed  
3 Regional Transportation Authority Suburban Transit Access  
4 Route (STAR Line) station without a finding that the area is  
5 classified as an industrial park conservation area, a blighted  
6 area, a conservation area, or a combination thereof, but only  
7 if the municipality receives unanimous consent from the joint  
8 review board created to review the proposed redevelopment  
9 project area.

10 (p-2) Notwithstanding any provision of this Act to the  
11 contrary, on and after the effective date of this amendatory  
12 Act of the 99th General Assembly, a redevelopment project area  
13 may include areas within a transit facility improvement area  
14 that has been established pursuant to Section 11-74.4-3.3  
15 without a finding that the area is classified as an industrial  
16 park conservation area, a blighted area, a conservation area,  
17 or any combination thereof.

18 (q) "Redevelopment project costs", except for  
19 redevelopment project areas created pursuant to subsection  
20 (p-1) or (p-2), means and includes the sum total of all  
21 reasonable or necessary costs incurred or estimated to be  
22 incurred, and any such costs incidental to a redevelopment plan  
23 and a redevelopment project. Such costs include, without  
24 limitation, the following:

- 25 (1) Costs of studies, surveys, development of plans,  
26 and specifications, implementation and administration of

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

1           (1.5) After July 1, 1999, annual administrative costs  
2 shall not include general overhead or administrative costs  
3 of the municipality that would still have been incurred by  
4 the municipality if the municipality had not designated a  
5 redevelopment project area or approved a redevelopment  
6 plan;

7           (1.6) The cost of marketing sites within the  
8 redevelopment project area to prospective businesses,  
9 developers, and investors;

10          (2) Property assembly costs, including but not limited  
11 to acquisition of land and other property, real or  
12 personal, or rights or interests therein, demolition of  
13 buildings, site preparation, site improvements that serve  
14 as an engineered barrier addressing ground level or below  
15 ground environmental contamination, including, but not  
16 limited to parking lots and other concrete or asphalt  
17 barriers, and the clearing and grading of land;

18          (3) Costs of rehabilitation, reconstruction or repair  
19 or remodeling of existing public or private buildings,  
20 fixtures, and leasehold improvements; and the cost of  
21 replacing an existing public building if pursuant to the  
22 implementation of a redevelopment project the existing  
23 public building is to be demolished to use the site for  
24 private investment or devoted to a different use requiring  
25 private investment; including any direct or indirect costs  
26 relating to Green Globes or LEED certified construction

1 elements or construction elements with an equivalent  
2 certification;

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

1 facility improvement area that has been established  
2 pursuant to Section 11-74.4-3.3;

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

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

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

21 (7.5) For redevelopment project areas designated (or  
22 redevelopment project areas amended to add or increase the  
23 number of tax-increment-financing assisted housing units)  
24 on or after November 1, 1999, an elementary, secondary, or  
25 unit school district's increased costs attributable to  
26 assisted housing units located within the redevelopment

1 project area for which the developer or redeveloper  
2 receives financial assistance through an agreement with  
3 the municipality or because the municipality incurs the  
4 cost of necessary infrastructure improvements within the  
5 boundaries of the assisted housing sites necessary for the  
6 completion of that housing as authorized by this Act, and  
7 which costs shall be paid by the municipality from the  
8 Special Tax Allocation Fund when the tax increment revenue  
9 is received as a result of the assisted housing units and  
10 shall be calculated annually as follows:

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

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

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

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

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

23 (B) For alternate method districts, flat grant  
24 districts, and foundation districts with a district  
25 average 1995-96 Per Capita Tuition Charge equal to or  
26 more than \$5,900, excluding any school district with a



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

19 (i) for unit school districts, no more than 40%  
20 of the total amount of property tax increment  
21 revenue produced by those housing units that have  
22 received tax increment finance assistance under  
23 this Act;

24 (ii) for elementary school districts, no more  
25 than 27% of the total amount of property tax  
26 increment revenue produced by those housing units

1           that have received tax increment finance  
2           assistance under this Act; and

3                   (iii) for secondary school districts, no more  
4           than 13% of the total amount of property tax  
5           increment revenue produced by those housing units  
6           that have received tax increment finance  
7           assistance under this Act.

8           (C) For any school district in a municipality with  
9           a population in excess of 1,000,000, the following  
10          restrictions shall apply to the reimbursement of  
11          increased costs under this paragraph (7.5):

12                   (i) no increased costs shall be reimbursed  
13          unless the school district certifies that each of  
14          the schools affected by the assisted housing  
15          project is at or over its student capacity;

16                   (ii) the amount reimbursable shall be reduced  
17          by the value of any land donated to the school  
18          district by the municipality or developer, and by  
19          the value of any physical improvements made to the  
20          schools by the municipality or developer; and

21                   (iii) the amount reimbursed may not affect  
22          amounts otherwise obligated by the terms of any  
23          bonds, notes, or other funding instruments, or the  
24          terms of any redevelopment agreement.

25          Any school district seeking payment under this  
26          paragraph (7.5) shall, after July 1 and before

1           September 30 of each year, provide the municipality  
2           with reasonable evidence to support its claim for  
3           reimbursement before the municipality shall be  
4           required to approve or make the payment to the school  
5           district. If the school district fails to provide the  
6           information during this period in any year, it shall  
7           forfeit any claim to reimbursement for that year.  
8           School districts may adopt a resolution waiving the  
9           right to all or a portion of the reimbursement  
10          otherwise required by this paragraph (7.5). By  
11          acceptance of this reimbursement the school district  
12          waives the right to directly or indirectly set aside,  
13          modify, or contest in any manner the establishment of  
14          the redevelopment project area or projects;

15          (7.7) For redevelopment project areas designated (or  
16          redevelopment project areas amended to add or increase the  
17          number of tax-increment-financing assisted housing units)  
18          on or after January 1, 2005 (the effective date of Public  
19          Act 93-961), a public library district's increased costs  
20          attributable to assisted housing units located within the  
21          redevelopment project area for which the developer or  
22          redeveloper receives financial assistance through an  
23          agreement with the municipality or because the  
24          municipality incurs the cost of necessary infrastructure  
25          improvements within the boundaries of the assisted housing  
26          sites necessary for the completion of that housing as

1 authorized by this Act shall be paid to the library  
2 district by the municipality from the Special Tax  
3 Allocation Fund when the tax increment revenue is received  
4 as a result of the assisted housing units. This paragraph  
5 (7.7) applies only if (i) the library district is located  
6 in a county that is subject to the Property Tax Extension  
7 Limitation Law or (ii) the library district is not located  
8 in a county that is subject to the Property Tax Extension  
9 Limitation Law but the district is prohibited by any other  
10 law from increasing its tax levy rate without a prior voter  
11 referendum.

12 The amount paid to a library district under this  
13 paragraph (7.7) shall be calculated by multiplying (i) the  
14 net increase in the number of persons eligible to obtain a  
15 library card in that district who reside in housing units  
16 within the redevelopment project area that have received  
17 financial assistance through an agreement with the  
18 municipality or because the municipality incurs the cost of  
19 necessary infrastructure improvements within the  
20 boundaries of the housing sites necessary for the  
21 completion of that housing as authorized by this Act since  
22 the designation of the redevelopment project area by (ii)  
23 the per-patron cost of providing library services so long  
24 as it does not exceed \$120. The per-patron cost shall be  
25 the Total Operating Expenditures Per Capita for the library  
26 in the previous fiscal year. The municipality may deduct

1 from the amount that it must pay to a library district  
2 under this paragraph any amount that it has voluntarily  
3 paid to the library district from the tax increment  
4 revenue. The amount paid to a library district under this  
5 paragraph (7.7) shall be no more than 2% of the amount  
6 produced by the assisted housing units and deposited into  
7 the Special Tax Allocation Fund.

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

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

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

3 (8) Relocation costs to the extent that a municipality  
4 determines that relocation costs shall be paid or is  
5 required to make payment of relocation costs by federal or  
6 State law or in order to satisfy subparagraph (7) of  
7 subsection (n);

8 (9) Payment in lieu of taxes;

9 (10) Costs of job training, retraining, advanced  
10 vocational education or career education, including but  
11 not limited to courses in occupational, semi-technical or  
12 technical fields leading directly to employment, incurred  
13 by one or more taxing districts, provided that such costs  
14 (i) are related to the establishment and maintenance of  
15 additional job training, advanced vocational education or  
16 career education programs for persons employed or to be  
17 employed by employers located in a redevelopment project  
18 area; and (ii) when incurred by a taxing district or taxing  
19 districts other than the municipality, are set forth in a  
20 written agreement by or among the municipality and the  
21 taxing district or taxing districts, which agreement  
22 describes the program to be undertaken, including but not  
23 limited to the number of employees to be trained, a  
24 description of the training and services to be provided,  
25 the number and type of positions available or to be  
26 available, itemized costs of the program and sources of

1 funds to pay for the same, and the term of the agreement.  
2 Such costs include, specifically, the payment by community  
3 college districts of costs pursuant to Sections 3-37, 3-38,  
4 3-40 and 3-40.1 of the Public Community College Act and by  
5 school districts of costs pursuant to Sections 10-22.20a  
6 and 10-23.3a of the School Code;

7 (11) Interest cost incurred by a redeveloper related to  
8 the construction, renovation or rehabilitation of a  
9 redevelopment project provided that:

10 (A) such costs are to be paid directly from the  
11 special tax allocation fund established pursuant to  
12 this Act;

13 (B) such payments in any one year may not exceed  
14 30% of the annual interest costs incurred by the  
15 redeveloper with regard to the redevelopment project  
16 during that year;

17 (C) if there are not sufficient funds available in  
18 the special tax allocation fund to make the payment  
19 pursuant to this paragraph (11) then the amounts so due  
20 shall accrue and be payable when sufficient funds are  
21 available in the special tax allocation fund;

22 (D) the total of such interest payments paid  
23 pursuant to this Act may not exceed 30% of the total  
24 (i) cost paid or incurred by the redeveloper for the  
25 redevelopment project plus (ii) redevelopment project  
26 costs excluding any property assembly costs and any

1 relocation costs incurred by a municipality pursuant  
2 to this Act;

3 (E) the cost limits set forth in subparagraphs (B)  
4 and (D) of paragraph (11) shall be modified for the  
5 financing of rehabilitated or new housing units for  
6 low-income households and very low-income households,  
7 as defined in Section 3 of the Illinois Affordable  
8 Housing Act. The percentage of 75% shall be substituted  
9 for 30% in subparagraphs (B) and (D) of paragraph (11);  
10 and

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



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

1 preserve the original affordability of the ownership  
2 units. For rental units, the guidelines will provide,  
3 at a minimum, for the affordability of rent to low and  
4 very low-income households. As units become available,  
5 they shall be rented to income-eligible tenants. The  
6 municipality may modify these guidelines from time to  
7 time; the guidelines, however, shall be in effect for  
8 as long as tax increment revenue is being used to pay  
9 for costs associated with the units or for the  
10 retirement of bonds issued to finance the units or for  
11 the life of the redevelopment project area, whichever  
12 is later;

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

1 to time by the United States Department of Housing and  
2 Urban Development.

3 Unless explicitly stated herein the cost of construction of  
4 new privately-owned buildings shall not be an eligible  
5 redevelopment project cost.

6 After November 1, 1999 (the effective date of Public Act  
7 91-478), none of the redevelopment project costs enumerated in  
8 this subsection shall be eligible redevelopment project costs  
9 if those costs would provide direct financial support to a  
10 retail entity initiating operations in the redevelopment  
11 project area while terminating operations at another Illinois  
12 location within 10 miles of the redevelopment project area but  
13 outside the boundaries of the redevelopment project area  
14 municipality. For purposes of this paragraph, termination  
15 means a closing of a retail operation that is directly related  
16 to the opening of the same operation or like retail entity  
17 owned or operated by more than 50% of the original ownership in  
18 a redevelopment project area, but it does not mean closing an  
19 operation for reasons beyond the control of the retail entity,  
20 as documented by the retail entity, subject to a reasonable  
21 finding by the municipality that the current location contained  
22 inadequate space, had become economically obsolete, or was no  
23 longer a viable location for the retailer or serviceman.

24 No cost shall be a redevelopment project cost in a  
25 redevelopment project area if used to demolish, remove, or  
26 substantially modify a historic resource, after August 26, 2008

1 (the effective date of Public Act 95-934), unless no prudent  
2 and feasible alternative exists. "Historic resource" for the  
3 purpose of this paragraph means (i) a place or structure that  
4 is included or eligible for inclusion on the National Register  
5 of Historic Places or (ii) a contributing structure in a  
6 district on the National Register of Historic Places. This  
7 paragraph does not apply to a place or structure for which  
8 demolition, removal, or modification is subject to review by  
9 the preservation agency of a Certified Local Government  
10 designated as such by the National Park Service of the United  
11 States Department of the Interior.

12 If a special service area has been established pursuant to  
13 the Special Service Area Tax Act or Special Service Area Tax  
14 Law, then any tax increment revenues derived from the tax  
15 imposed pursuant to the Special Service Area Tax Act or Special  
16 Service Area Tax Law may be used within the redevelopment  
17 project area for the purposes permitted by that Act or Law as  
18 well as the purposes permitted by this Act.

19 (q-1) For redevelopment project areas created pursuant to  
20 subsection (p-1), redevelopment project costs are limited to  
21 those costs in paragraph (q) that are related to the existing  
22 or proposed Regional Transportation Authority Suburban Transit  
23 Access Route (STAR Line) station.

24 (q-2) For a redevelopment project area located within a  
25 transit facility improvement area established pursuant to  
26 Section 11-74.4-3.3, redevelopment project costs means those

1 costs described in subsection (q) that are related to the  
2 construction, reconstruction, rehabilitation, remodeling, or  
3 repair of any existing or proposed transit facility.

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

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

1 during the base year which shall be the calendar year  
2 immediately prior to the year in which the municipality adopted  
3 tax increment allocation financing, less 3.0% of such amounts  
4 generated under the Retailers' Occupation Tax Act, Use Tax Act  
5 and Service Use Tax Act and the Service Occupation Tax Act,  
6 which sum shall be appropriated to the Department of Revenue to  
7 cover its costs of administering and enforcing this Section.  
8 For purposes of computing the aggregate amount of such taxes  
9 for base years occurring prior to 1985, the Department of  
10 Revenue shall compute the Initial Sales Tax Amount for such  
11 taxes and deduct therefrom an amount equal to 4% of the  
12 aggregate amount of taxes per year for each year the base year  
13 is prior to 1985, but not to exceed a total deduction of 12%.  
14 The amount so determined shall be known as the "Adjusted  
15 Initial Sales Tax Amount". For purposes of determining the  
16 State Sales Tax Increment the Department of Revenue shall for  
17 each period subtract from the tax amounts received from  
18 retailers and servicemen on transactions located in the State  
19 Sales Tax Boundary, the certified Initial Sales Tax Amounts,  
20 Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax  
21 Amounts for the Retailers' Occupation Tax Act, the Use Tax Act,  
22 the Service Use Tax Act and the Service Occupation Tax Act. For  
23 the State Fiscal Year 1989 this calculation shall be made by  
24 utilizing the calendar year 1987 to determine the tax amounts  
25 received. For the State Fiscal Year 1990, this calculation  
26 shall be made by utilizing the period from January 1, 1988,

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

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

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

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



1 subsequent phases of the proposed Redevelopment Project Area or  
2 relevant portion thereof has been properly approved and filed  
3 in accordance with the applicable ordinance of the  
4 municipality.

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

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

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

20 (Source: P.A. 99-792, eff. 8-12-16; 100-201, eff. 8-18-17;  
21 100-465, eff. 8-31-17.)

22 (65 ILCS 5/11-74.4-3.1)

23 Sec. 11-74.4-3.1. Redevelopment project area within an  
24 intermodal terminal facility area.

25 (a) Notwithstanding any other provision of law to the

1 contrary, if a municipality designates an area within the  
2 territorial limits of the municipality as an intermodal  
3 terminal facility area, then that municipality may establish a  
4 redevelopment project area within the intermodal terminal  
5 facility area for the purpose of developing new intermodal  
6 terminal facilities, rehabilitating obsolete intermodal  
7 terminal facilities, or both. If there is no existing  
8 intermodal terminal facility within the redevelopment project  
9 area, then the municipality must establish a new intermodal  
10 terminal facility within the redevelopment project area. If  
11 there is an obsolete intermodal terminal facility within the  
12 redevelopment project area, then the municipality may  
13 establish a new intermodal terminal facility, rehabilitate the  
14 existing intermodal terminal facility for use as an intermodal  
15 terminal facility or for any other commercial purpose, or both.

16 (b) For purposes of this Division, an intermodal terminal  
17 facility area is deemed to be a blighted area and no proof of  
18 blight other than the median household income requirement of  
19 Section 11-74.4-3 need be shown in establishing a redevelopment  
20 project area in accordance with this Section.

21 (c) As used in this Section:

22 "Intermodal terminal facility area" means an area that: (i)  
23 does not include any existing intermodal terminal facility or  
24 includes an obsolete intermodal terminal facility; (ii)  
25 comprises a minimum of 150 acres and not more than 2 square  
26 miles in total area, exclusive of lakes and waterways; (iii)

1 has at least one Class 1 railroad right-of-way located within  
2 it or within one quarter mile of it; and (iv) has no boundary  
3 limit further than 3 miles from the right-of-way.

4 "Intermodal terminal facility" means land, improvements to  
5 land, equipment, and appliances necessary for the receipt and  
6 transfer of goods between one mode of transportation and  
7 another, at least one of which must be transportation by rail.

8 (Source: P.A. 94-546, eff. 1-1-06.)

9 (65 ILCS 5/11-74.4-4) (from Ch. 24, par. 11-74.4-4)

10 Sec. 11-74.4-4. Municipal powers and duties; redevelopment  
11 project areas. The changes made by this amendatory Act of the  
12 91st General Assembly do not apply to a municipality that, (i)  
13 before the effective date of this amendatory Act of the 91st  
14 General Assembly, has adopted an ordinance or resolution fixing  
15 a time and place for a public hearing under Section 11-74.4-5  
16 or (ii) before July 1, 1999, has adopted an ordinance or  
17 resolution providing for a feasibility study under Section  
18 11-74.4-4.1, but has not yet adopted an ordinance approving  
19 redevelopment plans and redevelopment projects or designating  
20 redevelopment project areas under this Section, until after  
21 that municipality adopts an ordinance approving redevelopment  
22 plans and redevelopment projects or designating redevelopment  
23 project areas under this Section; thereafter the changes made  
24 by this amendatory Act of the 91st General Assembly apply to  
25 the same extent that they apply to redevelopment plans and

1 redevelopment projects that were approved and redevelopment  
2 projects that were designated before the effective date of this  
3 amendatory Act of the 91st General Assembly.

4 A municipality may:

5 (a) By ordinance introduced in the governing body of  
6 the municipality within 14 to 90 days from the completion  
7 of the hearing specified in Section 11-74.4-5 approve  
8 redevelopment plans and redevelopment projects, and  
9 designate redevelopment project areas pursuant to notice  
10 and hearing required by this Act. No redevelopment project  
11 area shall be designated unless a plan and project are  
12 approved prior to the designation of such area and such  
13 area shall include only those contiguous parcels of real  
14 property and improvements thereon substantially benefited  
15 by the proposed redevelopment project improvements. Upon  
16 adoption of the ordinances, the municipality shall  
17 forthwith transmit to the county clerk of the county or  
18 counties within which the redevelopment project area is  
19 located a certified copy of the ordinances, a legal  
20 description of the redevelopment project area, a map of the  
21 redevelopment project area, identification of the year  
22 that the county clerk shall use for determining the total  
23 initial equalized assessed value of the redevelopment  
24 project area consistent with subsection (a) of Section  
25 11-74.4-9, and a list of the parcel or tax identification  
26 number of each parcel of property included in the

1 redevelopment project area.

2 (b) Make and enter into all contracts with property  
3 owners, developers, tenants, overlapping taxing bodies,  
4 and others necessary or incidental to the implementation  
5 and furtherance of its redevelopment plan and project.  
6 Contract provisions concerning loan repayment obligations  
7 in contracts entered into on or after the effective date of  
8 this amendatory Act of the 93rd General Assembly shall  
9 terminate no later than the last to occur of the estimated  
10 dates of completion of the redevelopment project and  
11 retirement of the obligations issued to finance  
12 redevelopment project costs as required by item (3) of  
13 subsection (n) of Section 11-74.4-3. Payments received  
14 under contracts entered into by the municipality prior to  
15 the effective date of this amendatory Act of the 93rd  
16 General Assembly that are received after the redevelopment  
17 project area has been terminated by municipal ordinance  
18 shall be deposited into a special fund of the municipality  
19 to be used for other community redevelopment needs within  
20 the redevelopment project area.

21 (c) Within a redevelopment project area, acquire by  
22 purchase, donation, lease or eminent domain; own, convey,  
23 lease, mortgage or dispose of land and other property, real  
24 or personal, or rights or interests therein, and grant or  
25 acquire licenses, easements and options with respect  
26 thereto, all in the manner and at such price the

1 municipality determines is reasonably necessary to achieve  
2 the objectives of the redevelopment plan and project. No  
3 conveyance, lease, mortgage, disposition of land or other  
4 property owned by a municipality, or agreement relating to  
5 the development of such municipal property shall be made  
6 except upon the adoption of an ordinance by the corporate  
7 authorities of the municipality. Furthermore, no  
8 conveyance, lease, mortgage, or other disposition of land  
9 owned by a municipality or agreement relating to the  
10 development of such municipal property shall be made  
11 without making public disclosure of the terms of the  
12 disposition and all bids and proposals made in response to  
13 the municipality's request. The procedures for obtaining  
14 such bids and proposals shall provide reasonable  
15 opportunity for any person to submit alternative proposals  
16 or bids.

17 (d) Within a redevelopment project area, clear any area  
18 by demolition or removal of any existing buildings and  
19 structures.

20 (e) Within a redevelopment project area, renovate or  
21 rehabilitate or construct any structure or building, as  
22 permitted under this Act.

23 (f) Install, repair, construct, reconstruct or  
24 relocate streets, utilities and site improvements  
25 essential to the preparation of the redevelopment area for  
26 use in accordance with a redevelopment plan.

1           (g) Within a redevelopment project area, fix, charge  
2           and collect fees, rents and charges for the use of any  
3           building or property owned or leased by it or any part  
4           thereof, or facility therein.

5           (h) Accept grants, guarantees and donations of  
6           property, labor, or other things of value from a public or  
7           private source for use within a project redevelopment area.

8           (i) Acquire and construct public facilities within a  
9           redevelopment project area, as permitted under this Act.

10          (j) Incur project redevelopment costs and reimburse  
11          developers who incur redevelopment project costs  
12          authorized by a redevelopment agreement; provided,  
13          however, that on and after the effective date of this  
14          amendatory Act of the 91st General Assembly, no  
15          municipality shall incur redevelopment project costs  
16          (except for planning costs and any other eligible costs  
17          authorized by municipal ordinance or resolution that are  
18          subsequently included in the redevelopment plan for the  
19          area and are incurred by the municipality after the  
20          ordinance or resolution is adopted) that are not consistent  
21          with the program for accomplishing the objectives of the  
22          redevelopment plan as included in that plan and approved by  
23          the municipality until the municipality has amended the  
24          redevelopment plan as provided elsewhere in this Act.

25          (k) Create a commission of not less than 5 or more than  
26          15 persons to be appointed by the mayor or president of the

1 municipality with the consent of the majority of the  
2 governing board of the municipality. Members of a  
3 commission appointed after the effective date of this  
4 amendatory Act of 1987 shall be appointed for initial terms  
5 of 1, 2, 3, 4 and 5 years, respectively, in such numbers as  
6 to provide that the terms of not more than 1/3 of all such  
7 members shall expire in any one year. Their successors  
8 shall be appointed for a term of 5 years. The commission,  
9 subject to approval of the corporate authorities may  
10 exercise the powers enumerated in this Section. The  
11 commission shall also have the power to hold the public  
12 hearings required by this division and make  
13 recommendations to the corporate authorities concerning  
14 the adoption of redevelopment plans, redevelopment  
15 projects and designation of redevelopment project areas.

16 (l) Make payment in lieu of taxes or a portion thereof  
17 to taxing districts. If payments in lieu of taxes or a  
18 portion thereof are made to taxing districts, those  
19 payments shall be made to all districts within a project  
20 redevelopment area on a basis which is proportional to the  
21 current collections of revenue which each taxing district  
22 receives from real property in the redevelopment project  
23 area.

24 (m) Exercise any and all other powers necessary to  
25 effectuate the purposes of this Act.

26 (n) If any member of the corporate authority, a member



1 of a commission established pursuant to Section  
2 11-74.4-4(k) of this Act, or an employee or consultant of  
3 the municipality involved in the planning and preparation  
4 of a redevelopment plan, or project for a redevelopment  
5 project area or proposed redevelopment project area, as  
6 defined in Sections 11-74.4-3(i) through (k) of this Act,  
7 owns or controls an interest, direct or indirect, in any  
8 property included in any redevelopment area, or proposed  
9 redevelopment area, he or she shall disclose the same in  
10 writing to the clerk of the municipality, and shall also so  
11 disclose the dates and terms and conditions of any  
12 disposition of any such interest, which disclosures shall  
13 be acknowledged by the corporate authorities and entered  
14 upon the minute books of the corporate authorities. If an  
15 individual holds such an interest then that individual  
16 shall refrain from any further official involvement in  
17 regard to such redevelopment plan, project or area, from  
18 voting on any matter pertaining to such redevelopment plan,  
19 project or area, or communicating with other members  
20 concerning corporate authorities, commission or employees  
21 concerning any matter pertaining to said redevelopment  
22 plan, project or area. Furthermore, no such member or  
23 employee shall acquire of any interest direct, or indirect,  
24 in any property in a redevelopment area or proposed  
25 redevelopment area after either (a) such individual  
26 obtains knowledge of such plan, project or area or (b)

1 first public notice of such plan, project or area pursuant  
2 to Section 11-74.4-6 of this Division, whichever occurs  
3 first. For the purposes of this subsection, a property  
4 interest acquired in a single parcel of property by a  
5 member of the corporate authority, which property is used  
6 exclusively as the member's primary residence, shall not be  
7 deemed to constitute an interest in any property included  
8 in a redevelopment area or proposed redevelopment area that  
9 was established before December 31, 1989, but the member  
10 must disclose the acquisition to the municipal clerk under  
11 the provisions of this subsection. A single property  
12 interest acquired within one year after the effective date  
13 of this amendatory Act of the 94th General Assembly or 2  
14 years after the effective date of this amendatory Act of  
15 the 95th General Assembly by a member of the corporate  
16 authority does not constitute an interest in any property  
17 included in any redevelopment area or proposed  
18 redevelopment area, regardless of when the redevelopment  
19 area was established, if (i) the property is used  
20 exclusively as the member's primary residence, (ii) the  
21 member discloses the acquisition to the municipal clerk  
22 under the provisions of this subsection, (iii) the  
23 acquisition is for fair market value, (iv) the member  
24 acquires the property as a result of the property being  
25 publicly advertised for sale, and (v) the member refrains  
26 from voting on, and communicating with other members

1 concerning, any matter when the benefits to the  
2 redevelopment project or area would be significantly  
3 greater than the benefits to the municipality as a whole.  
4 For the purposes of this subsection, a month-to-month  
5 leasehold interest in a single parcel of property by a  
6 member of the corporate authority shall not be deemed to  
7 constitute an interest in any property included in any  
8 redevelopment area or proposed redevelopment area, but the  
9 member must disclose the interest to the municipal clerk  
10 under the provisions of this subsection.

11 (o) Create a Tax Increment Economic Development  
12 Advisory Committee to be appointed by the Mayor or  
13 President of the municipality with the consent of the  
14 majority of the governing board of the municipality, the  
15 members of which Committee shall be appointed for initial  
16 terms of 1, 2, 3, 4 and 5 years respectively, in such  
17 numbers as to provide that the terms of not more than 1/3  
18 of all such members shall expire in any one year. Their  
19 successors shall be appointed for a term of 5 years. The  
20 Committee shall have none of the powers enumerated in this  
21 Section. The Committee shall serve in an advisory capacity  
22 only. The Committee may advise the governing Board of the  
23 municipality and other municipal officials regarding  
24 development issues and opportunities within the  
25 redevelopment project area or the area within the State  
26 Sales Tax Boundary. The Committee may also promote and

1 publicize development opportunities in the redevelopment  
2 project area or the area within the State Sales Tax  
3 Boundary.

4 (p) Municipalities may jointly undertake and perform  
5 redevelopment plans and projects and utilize the  
6 provisions of the Act wherever they have contiguous  
7 redevelopment project areas or they determine to adopt tax  
8 increment financing with respect to a redevelopment  
9 project area which includes contiguous real property  
10 within the boundaries of the municipalities, and in doing  
11 so, they may, by agreement between municipalities, issue  
12 obligations, separately or jointly, and expend revenues  
13 received under the Act for eligible expenses anywhere  
14 within contiguous redevelopment project areas or as  
15 otherwise permitted in the Act. With respect to  
16 redevelopment project areas that are established within a  
17 transit facility improvement area, the provisions of this  
18 subsection apply only with respect to such redevelopment  
19 project areas that are contiguous to each other.

20 On or after January 1, 2019, revenues received under  
21 this Act may be utilized under this subsection (p) for  
22 jointly undertaken and performed redevelopment plans and  
23 projects only in an amount equal to the percentage of  
24 eligible costs undertaken within the redevelopment project  
25 area that received the revenue. However, if there are any  
26 contracts or agreements in force on the effective date of

1       this amendatory Act of the 100th General Assembly  
2       consistent with the provisions of this subsection (p),  
3       revenues received under this Act may continue to be used in  
4       accordance with the contract or agreement after January 1,  
5       2019 only to the extent necessary to comply with the  
6       contract or agreement. The contract or agreement may not be  
7       renewed or extended after the effective date of this  
8       amendatory Act of the 100th General Assembly unless the  
9       contract or agreement complies with the provisions of this  
10       subsection (p) of the time the contract is executed.

11           (q) Before January 1, 2019, utilize ~~Utilize~~ revenues,  
12       other than State sales tax increment revenues, received  
13       under this Act from one redevelopment project area for  
14       eligible costs in another redevelopment project area that  
15       is:

16           (i) contiguous to the redevelopment project area  
17       from which the revenues are received;

18           (ii) separated only by a public right of way from  
19       the redevelopment project area from which the revenues  
20       are received; or

21           (iii) separated only by forest preserve property  
22       from the redevelopment project area from which the  
23       revenues are received if the closest boundaries of the  
24       redevelopment project areas that are separated by the  
25       forest preserve property are less than one mile apart.

26       Utilize tax increment revenues for eligible costs that

1 are received from a redevelopment project area created  
2 under the Industrial Jobs Recovery Law that is either  
3 contiguous to, or is separated only by a public right of  
4 way from, the redevelopment project area created under this  
5 Act which initially receives these revenues. Utilize  
6 revenues, other than State sales tax increment revenues, by  
7 transferring or loaning such revenues to a redevelopment  
8 project area created under the Industrial Jobs Recovery Law  
9 that is either contiguous to, or separated only by a public  
10 right of way from the redevelopment project area that  
11 initially produced and received those revenues; and, if the  
12 redevelopment project area (i) was established before the  
13 effective date of this amendatory Act of the 91st General  
14 Assembly and (ii) is located within a municipality with a  
15 population of more than 100,000, utilize revenues or  
16 proceeds of obligations authorized by Section 11-74.4-7 of  
17 this Act, other than use or occupation tax revenues, to pay  
18 for any redevelopment project costs as defined by  
19 subsection (q) of Section 11-74.4-3 to the extent that the  
20 redevelopment project costs involve public property that  
21 is either contiguous to, or separated only by a public  
22 right of way from, a redevelopment project area whether or  
23 not redevelopment project costs or the source of payment  
24 for the costs are specifically set forth in the  
25 redevelopment plan for the redevelopment project area.

26 (r) If no redevelopment project has been initiated in a

1 redevelopment project area within 7 years after the area  
2 was designated by ordinance under subsection (a), the  
3 municipality shall adopt an ordinance repealing the area's  
4 designation as a redevelopment project area; provided,  
5 however, that if an area received its designation more than  
6 3 years before the effective date of this amendatory Act of  
7 1994 and no redevelopment project has been initiated within  
8 4 years after the effective date of this amendatory Act of  
9 1994, the municipality shall adopt an ordinance repealing  
10 its designation as a redevelopment project area.  
11 Initiation of a redevelopment project shall be evidenced by  
12 either a signed redevelopment agreement or expenditures on  
13 eligible redevelopment project costs associated with a  
14 redevelopment project.

15 Notwithstanding any other provision of this Section to  
16 the contrary, with respect to a redevelopment project area  
17 designated by an ordinance that was adopted on July 29,  
18 1998 by the City of Chicago, the City of Chicago shall  
19 adopt an ordinance repealing the area's designation as a  
20 redevelopment project area if no redevelopment project has  
21 been initiated in the redevelopment project area within 15  
22 years after the designation of the area. The City of  
23 Chicago may retroactively repeal any ordinance adopted by  
24 the City of Chicago, pursuant to this subsection (r), that  
25 repealed the designation of a redevelopment project area  
26 designated by an ordinance that was adopted by the City of

1 Chicago on July 29, 1998. The City of Chicago has 90 days  
2 after the effective date of this amendatory Act to repeal  
3 the ordinance. The changes to this Section made by this  
4 amendatory Act of the 96th General Assembly apply  
5 retroactively to July 27, 2005.

6 (Source: P.A. 99-792, eff. 8-12-16.)

7 (65 ILCS 5/11-74.4-4.3 new)

8 Sec. 11-74.4-4.3. Use or transfer of revenues to another  
9 redevelopment project area.

10 (a) Revenues received under this Act in one redevelopment  
11 project area may not be used for eligible costs in another  
12 redevelopment project area on or after January 1, 2019 and  
13 revenues received under this Act may not be transferred to  
14 another redevelopment project area on or after January 1, 2019.

15 (b) If there are any contracts or agreements in force on  
16 the effective date of this amendatory Act of the 100th General  
17 Assembly, including contracts or agreements for the purposes  
18 described in subsection (q) of Section 11-74.4-4 of this Act,  
19 revenues received under this Act may be continue to be used for  
20 eligible costs in another redevelopment project area or  
21 transferred to another redevelopment project area after  
22 January 1, 2019 only to the extent necessary to comply with the  
23 contract or agreement. The contract or agreement may not be  
24 renewed or extended after the effective date of this amendatory  
25 Act of the 100th General Assembly unless the contract or



1 agreement complies with the provisions of this Act at the time  
2 the contract is executed.