

1 AN ACT concerning local government.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 calendar years for which information is available.

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

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

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

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

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

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

21 (g-1) "Revised Initial Sales Tax Amounts" means the amount
22 of taxes paid under the Retailers' Occupation Tax Act, Use Tax
23 Act, Service Use Tax Act, the Service Occupation Tax Act, the
24 Municipal Retailers' Occupation Tax Act, and the Municipal
25 Service Occupation Tax Act by retailers and servicemen on
26 transactions at places located within the State Sales Tax

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

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

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

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

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

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

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

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

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

1 financing.

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

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

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

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

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

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

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

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

26 (B) evidence indicating that the redevelopment project

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 that extend into the redevelopment project area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (7) To the extent a ~~the~~ municipality with a population
6 of more than 1,000,000 by written agreement accepts and
7 approves the same, all or a portion of a taxing district's
8 capital costs resulting from the redevelopment project
9 necessarily incurred or to be incurred within a taxing
10 district in furtherance of the objectives of the
11 redevelopment plan and project.

12 (7.1) For taxing districts other than a municipality
13 with a population of more than 1,000,000, all or a portion
14 of a taxing district's capital costs resulting from the
15 redevelopment project reasonably incurred or to be
16 incurred within a taxing district as a result of the
17 redevelopment plan and project;

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

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

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

26 (i) for unit school districts with a district

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

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

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

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

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

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

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

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

1 assistance under this Act.

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

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

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

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

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

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

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

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

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

1 the Special Tax Allocation Fund.

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

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

23 (8) Relocation costs to the extent that a municipality
24 determines that relocation costs shall be paid or is
25 required to make payment of relocation costs by federal or
26 State law or in order to satisfy subparagraph (7) of

1 subsection (n);

2 (9) Payment in lieu of taxes;

3 (10) Costs of job training, retraining, advanced
4 vocational education or career education, including but
5 not limited to courses in occupational, semi-technical or
6 technical fields leading directly to employment, incurred
7 by one or more taxing districts, provided that such costs
8 (i) are related to the establishment and maintenance of
9 additional job training, advanced vocational education or
10 career education programs for persons employed or to be
11 employed by employers located in a redevelopment project
12 area; and (ii) when incurred by a taxing district or taxing
13 districts other than the municipality, are set forth in a
14 written agreement by or among the municipality and the
15 taxing district or taxing districts, which agreement
16 describes the program to be undertaken, including but not
17 limited to the number of employees to be trained, a
18 description of the training and services to be provided,
19 the number and type of positions available or to be
20 available, itemized costs of the program and sources of
21 funds to pay for the same, and the term of the agreement.
22 Such costs include, specifically, the payment by community
23 college districts of costs pursuant to Sections 3-37, 3-38,
24 3-40 and 3-40.1 of the Public Community College Act and by
25 school districts of costs pursuant to Sections 10-22.20a
26 and 10-23.3a of the ~~The~~ School Code;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 ~~(14)~~ No cost shall be a redevelopment project cost in a
19 redevelopment project area if used to demolish, remove, or
20 substantially modify a historic resource, after August 26, 2008
21 (the effective date of Public Act 95-934), unless no prudent
22 and feasible alternative exists. "Historic resource" for the
23 purpose of this paragraph ~~item (14)~~ means (i) a place or
24 structure that is included or eligible for inclusion on the
25 National Register of Historic Places or (ii) a contributing
26 structure in a district on the National Register of Historic

1 Places. This paragraph item ~~(14)~~ does not apply to a place or
2 structure for which demolition, removal, or modification is
3 subject to review by the preservation agency of a Certified
4 Local Government designated as such by the National Park
5 Service of the United States Department of the Interior.

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

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

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

24 (r) "State Sales Tax Boundary" means the redevelopment
25 project area or the amended redevelopment project area
26 boundaries which are determined pursuant to subsection (9) of

1 Section 11-74.4-8a of this Act. The Department of Revenue shall
2 certify pursuant to subsection (9) of Section 11-74.4-8a the
3 appropriate boundaries eligible for the determination of State
4 Sales Tax Increment.

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

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

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

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

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

25 (v) As used in subsection (a) of Section 11-74.4-3 of this
26 Act, "vacant land" means any parcel or combination of parcels

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

25 (w) "Annual Total Increment" means the sum of each
26 municipality's annual Net Sales Tax Increment and each

1 municipality's annual Net Utility Tax Increment. The ratio of
2 the Annual Total Increment of each municipality to the Annual
3 Total Increment for all municipalities, as most recently
4 calculated by the Department, shall determine the proportional
5 shares of the Illinois Tax Increment Fund to be distributed to
6 each municipality.

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

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

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