

1 AN ACT concerning taxes.

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, 11-74.4-4, 11-74.4-4.1,  
6 11-74.4-7, 11-74.4-8, and 11-74.4-10 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,  
9 wherever used or referred to in this Division 74.4 shall have  
10 the following respective meanings, unless in any case a  
11 different 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  
24 combination of 5 or more of the following factors, each  
25 of which is (i) present, with that presence documented,  
26 to a meaningful extent so that a municipality may  
27 reasonably find that the factor is clearly present within  
28 the intent of the Act and (ii) reasonably distributed  
29 throughout the improved part of the redevelopment project  
30 area:

31 (A) Dilapidation. An advanced state of

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

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

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

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

27          (E) Illegal use of individual structures. The  
28          use of structures in violation of applicable  
29          federal, State, or local laws, exclusive of those  
30          applicable to the presence of structures below  
31          minimum code standards.

32          (F) Excessive vacancies. The presence of  
33          buildings that are unoccupied or under-utilized and  
34          that represent an adverse influence on the area

1 because of the frequency, extent, or duration of the  
2 vacancies.

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

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

28 (I) Excessive land coverage and overcrowding  
29 of structures and community facilities. The  
30 over-intensive use of property and the crowding of  
31 buildings and accessory facilities onto a site.  
32 Examples of problem conditions warranting the  
33 designation of an area as one exhibiting excessive  
34 land coverage are: (i) the presence of buildings

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

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

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

32                 (L) Lack of community planning. The proposed  
33          redevelopment project area was developed prior to or  
34          without the benefit or guidance of a community plan.

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

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

25 (2) If vacant, the sound growth of the  
 26 redevelopment project area is impaired by a combination  
 27 of 2 or more of the following factors, each of which is  
 28 (i) present, with that presence documented, to a  
 29 meaningful extent so that a municipality may reasonably  
 30 find that the factor is clearly present within the intent  
 31 of the Act and (ii) reasonably distributed throughout the  
 32 vacant part of the redevelopment project area to which it  
 33 pertains:

34 (A) Obsolete platting of vacant land that

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

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

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

17 (D) Deterioration of structures or site  
18 improvements in neighboring areas adjacent to the  
19 vacant land.

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

32 (F) The total equalized assessed value of the  
33 proposed redevelopment project area has declined for  
34 3 of the last 5 calendar years prior to the year in

1           which the redevelopment project area is designated  
 2           or is increasing at an annual rate that is less than  
 3           the balance of the municipality for 3 of the last 5  
 4           calendar years for which information is available or  
 5           is increasing at an annual rate that is less than  
 6           the Consumer Price Index for All Urban Consumers  
 7           published by the United States Department of Labor  
 8           or successor agency for 3 of the last 5 calendar  
 9           years prior to the year in which the redevelopment  
 10          project area is designated.

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

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

21                 (B) The area consists of unused railyards,  
 22                 rail tracks, or railroad rights-of-way.

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

33                 (D) The area consists of an unused or illegal  
 34                 disposal site containing earth, stone, building

1 debris, or similar materials that were removed from  
2 construction, demolition, excavation, or dredge  
3 sites.

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

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

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

25 On and after November 1, 1999, "conservation area" means  
26 any improved area within the boundaries of a redevelopment  
27 project area located within the territorial limits of the  
28 municipality in which 50% or more of the structures in the  
29 area have an age of 35 years or more. Such an area is not  
30 yet a blighted area but because of a combination of 3 or more  
31 of the following factors is detrimental to the public safety,  
32 health, morals or welfare and such an area may become a  
33 blighted area:

34 (1) Dilapidation. An advanced state of disrepair



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

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

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

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

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

29 (6) Excessive vacancies. The presence of buildings  
30 that are unoccupied or under-utilized and that represent  
31 an adverse influence on the area because of the  
32 frequency, extent, or duration of the vacancies.

33 (7) Lack of ventilation, light, or sanitary  
34 facilities. The absence of adequate ventilation for

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

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

22 (9) Excessive land coverage and overcrowding of  
23 structures and community facilities. The over-intensive  
24 use of property and the crowding of buildings and  
25 accessory facilities onto a site. Examples of problem  
26 conditions warranting the designation of an area as one  
27 exhibiting excessive land coverage are: the presence of  
28 buildings either improperly situated on parcels or  
29 located on parcels of inadequate size and shape in  
30 relation to present-day standards of development for  
31 health and safety and the presence of multiple buildings  
32 on a single parcel. For there to be a finding of  
33 excessive land coverage, these parcels must exhibit one  
34 or more of the following conditions: insufficient

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

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

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

24 (12) The area has incurred Illinois Environmental  
25 Protection Agency or United States Environmental  
26 Protection Agency remediation costs for, or a study  
27 conducted by an independent consultant recognized as  
28 having expertise in environmental remediation has  
29 determined a need for, the clean-up of hazardous waste,  
30 hazardous substances, or underground storage tanks  
31 required by State or federal law, provided that the  
32 remediation costs constitute a material impediment to the  
33 development or redevelopment of the redevelopment project  
34 area.

1           (13) The total equalized assessed value of the  
2           proposed redevelopment project area has declined for 3 of  
3           the last 5 calendar years for which information is  
4           available or is increasing at an annual rate that is less  
5           than the balance of the municipality for 3 of the last 5  
6           calendar years for which information is available or is  
7           increasing at an annual rate that is less than the  
8           Consumer Price Index for All Urban Consumers published by  
9           the United States Department of Labor or successor agency  
10          for 3 of the last 5 calendar years for which information  
11          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  
24          labor surplus municipality or within 1 1/2 miles of the  
25          territorial limits of a municipality that is a labor surplus  
26          municipality if the area is annexed to the municipality;  
27          which area is zoned as industrial no later than at the time  
28          the municipality by ordinance designates the redevelopment  
29          project area, and which area includes both vacant land  
30          suitable for use as an industrial park and a blighted area or  
31          conservation area contiguous to such vacant land.

32          (e) "Labor surplus municipality" means a municipality in  
33          which, at any time during the 6 months before the  
34          municipality by ordinance designates an industrial park

1 conservation area, the unemployment rate was over 6% and was  
2 also 100% or more of the national average unemployment rate  
3 for that same time as published in the United States  
4 Department of Labor Bureau of Labor Statistics publication  
5 entitled "The Employment Situation" or its successor  
6 publication. For the purpose of this subsection, if  
7 unemployment rate statistics for the municipality are not  
8 available, the unemployment rate in the municipality shall be  
9 deemed to be the same as the unemployment rate in the  
10 principal county in which the municipality is located.

11 (f) "Municipality" shall mean a city, village or  
12 incorporated town.

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

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

28 (h) "Municipal Sales Tax Increment" means an amount  
29 equal to the increase in the aggregate amount of taxes paid  
30 to a municipality from the Local Government Tax Fund arising  
31 from sales by retailers and servicemen within the  
32 redevelopment project area or State Sales Tax Boundary, as  
33 the case may be, for as long as the redevelopment project  
34 area or State Sales Tax Boundary, as the case may be, exist

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

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

18 (i) "Net State Sales Tax Increment" means the sum of the  
19 following: (a) 80% of the first \$100,000 of State Sales Tax  
20 Increment annually generated within a State Sales Tax  
21 Boundary; (b) 60% of the amount in excess of \$100,000 but not  
22 exceeding \$500,000 of State Sales Tax Increment annually  
23 generated within a State Sales Tax Boundary; and (c) 40% of  
24 all amounts in excess of \$500,000 of State Sales Tax  
25 Increment annually generated within a State Sales Tax  
26 Boundary. If, however, a municipality established a tax  
27 increment financing district in a county with a population in  
28 excess of 3,000,000 before January 1, 1986, and the  
29 municipality entered into a contract or issued bonds after  
30 January 1, 1986, but before December 31, 1986, to finance  
31 redevelopment project costs within a State Sales Tax  
32 Boundary, then the Net State Sales Tax Increment means, for  
33 the fiscal years beginning July 1, 1990, and July 1, 1991,  
34 100% of the State Sales Tax Increment annually generated

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

21 Municipalities that issued bonds in connection with a  
22 redevelopment project in a redevelopment project area within  
23 the State Sales Tax Boundary prior to July 29, 1991, or that  
24 entered into contracts in connection with a redevelopment  
25 project in a redevelopment project area before June 1, 1988,  
26 shall continue to receive their proportional share of the  
27 Illinois Tax Increment Fund distribution until the date on  
28 which the redevelopment project is completed or terminated.  
29 If, however, a municipality that issued bonds in connection  
30 with a redevelopment project in a redevelopment project area  
31 within the State Sales Tax Boundary prior to July 29, 1991  
32 retires the bonds prior to June 30, 2007 or a municipality  
33 that entered into contracts in connection with a  
34 redevelopment project in a redevelopment project area before



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

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

26 (k) "Net State Utility Tax Increment" means the sum of  
27 the following: (a) 80% of the first \$100,000 of State Utility  
28 Tax Increment annually generated by a redevelopment project  
29 area; (b) 60% of the amount in excess of \$100,000 but not  
30 exceeding \$500,000 of the State Utility Tax Increment  
31 annually generated by a redevelopment project area; and (c)  
32 40% of all amounts in excess of \$500,000 of State Utility Tax  
33 Increment annually generated by a redevelopment project area.  
34 For the State Fiscal Year 1999, and every year thereafter

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

14 Municipalities that issue bonds in connection with the  
15 redevelopment project during the period from June 1, 1988  
16 until 3 years after the effective date of this Amendatory Act  
17 of 1988 shall receive the Net State Utility Tax Increment,  
18 subject to appropriation, for 15 State Fiscal Years after the  
19 issuance of such bonds. For the 16th through the 20th State  
20 Fiscal Years after issuance of the bonds, the Net State  
21 Utility Tax Increment shall be calculated as follows: By  
22 multiplying the Net State Utility Tax Increment by 90% in  
23 year 16; 80% in year 17; 70% in year 18; 60% in year 19; and  
24 50% in year 20. Refunding of any bonds issued prior to June  
25 1, 1988, shall not alter the revised Net State Utility Tax  
26 Increment payments set forth above.

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

31 (m) "Payment in lieu of taxes" means those estimated tax  
32 revenues from real property in a redevelopment project area  
33 derived from real property that has been acquired by a  
34 municipality which according to the redevelopment project or

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

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

30 (A) an itemized list of estimated redevelopment  
31 project costs;

32 (B) evidence indicating that the redevelopment  
33 project area on the whole has not been subject to growth  
34 and development through investment by private enterprise;

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

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

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

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

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

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

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

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

27           The provisions of items (B) and (C) of this subsection  
28 (n) shall not apply to a municipality that before March 14,  
29 1994 (the effective date of Public Act 88-537) had fixed,  
30 either by its corporate authorities or by a commission  
31 designated under subsection (k) of Section 11-74.4-4, a time  
32 and place for a public hearing as required by subsection (a)  
33 of Section 11-74.4-5. No redevelopment plan shall be adopted  
34 unless a municipality complies with all of the following

1 requirements:

2 (1) The municipality finds that the redevelopment  
3 project area on the whole has not been subject to growth  
4 and development through investment by private enterprise  
5 and would not reasonably be anticipated to be developed  
6 without the adoption of the redevelopment plan.

7 (2) The municipality finds that the redevelopment  
8 plan and project conform to the comprehensive plan for  
9 the 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  
19 estimated dates of completion of the redevelopment  
20 project and retirement of obligations issued to finance  
21 redevelopment project costs. Those dates shall not be  
22 later than December 31 of the year in which the payment  
23 to the municipal treasurer as provided in subsection (b)  
24 of Section 11-74.4-8 of this Act is to be made with  
25 respect to ad valorem taxes levied in the twenty-third  
26 calendar year after the year in which the ordinance  
27 approving the redevelopment project area is adopted if  
28 the ordinance was adopted on or after January 15, 1981,  
29 and not later than December 31 of the year in which the  
30 payment to the municipal treasurer as provided in  
31 subsection (b) of Section 11-74.4-8 of this Act is to be  
32 made with respect to ad valorem taxes levied in the  
33 thirty-fifth calendar year after the year in which the  
34 ordinance approving the redevelopment project area is

1           adopted:

2                   (A) if the ordinance was adopted before  
3           January 15, 1981, or

4                   (B) if the ordinance was adopted in December  
5           1983, April 1984, July 1985, or December 1989, or

6                   (C) if the ordinance was adopted in December  
7           1987 and the redevelopment project is located within  
8           one mile of Midway Airport, or

9                   (D) if the ordinance was adopted before  
10          January 1, 1987 by a municipality in Mason County,  
11          or

12                   (E) if the municipality is subject to the  
13          Local Government Financial Planning and Supervision  
14          Act or the Financially Distressed City Law, or

15                   (F) if the ordinance was adopted in December  
16          1984 by the Village of Rosemont, or

17                   (G) if the ordinance was adopted on December  
18          31, 1986 by a municipality located in Clinton County  
19          for which at least \$250,000 of tax increment bonds  
20          were authorized on June 17, 1997, or if the  
21          ordinance was adopted on December 31, 1986 by a  
22          municipality with a population in 1990 of less than  
23          3,600 that is located in a county with a population  
24          in 1990 of less than 34,000 and for which at least  
25          \$250,000 of tax increment bonds were authorized on  
26          June 17, 1997, or

27                   (H) if the ordinance was adopted on October 5,  
28          1982 by the City of Kankakee, or if the ordinance  
29          was adopted on December 29, 1986 by East St. Louis,  
30          or

31                   (I) if the ordinance was adopted on November  
32          12, 1991 by the Village of Sauget, or

33                   (J) if the ordinance was adopted on February  
34          11, 1985 by the City of Rock Island, or

1 (K) if the ordinance was adopted before  
2 December 18, 1986 by the City of Moline, or

3 (L) if the ordinance was adopted in September  
4 1988 by Sauk Village, or

5 (M) if the ordinance was adopted in October  
6 1993 by Sauk Village, or

7 (N) if the ordinance was adopted on December  
8 29, 1986 by the City of Galva, or

9 (O) if the ordinance was adopted in March 1991  
10 by the City of Centreville, or

11 (P) if the ordinance was adopted on January  
12 23, 1991 by the City of East St. Louis, or

13 (Q) if the ordinance was adopted on December  
14 22, 1986 by the City of Aledo, or

15 (R) if the ordinance was adopted on February  
16 5, 1990 by the City of Clinton, or

17 (S) if the ordinance was adopted on September  
18 6, 1994 by the City of Freeport, or

19 (T) if the ordinance was adopted on December  
20 22, 1986 by the City of Tuscola, or

21 (U) if the ordinance was adopted on December  
22 23, 1986 by the City of Sparta, or

23 (V) if the ordinance was adopted on December  
24 23, 1986 by the City of Beardstown, or

25 (W) if the ordinance was adopted on April 27,  
26 1981, October 21, 1985, or December 30, 1986 by the  
27 City of Belleville, or

28 (X) if the ordinance was adopted on December  
29 29, 1986 by the City of Collinsville, or

30 (Y) if the ordinance was adopted on September  
31 14, 1994 by the City of Alton, or

32 (Z) if the ordinance was adopted on November  
33 11, 1996 by the City of Lexington, or

34 (AA) if the ordinance was adopted on November

1           5, 1984 by the City of LeRoy, or  
 2                   (BB) if the ordinance was adopted on April 3,  
 3           1991 or June 3, 1992 by the City of Markham.

4           However, for redevelopment project areas for which  
 5 bonds were issued before July 29, 1991, or for which  
 6 contracts were entered into before June 1, 1988, in  
 7 connection with a redevelopment project in the area  
 8 within the State Sales Tax Boundary, the estimated dates  
 9 of completion of the redevelopment project and retirement  
 10 of obligations to finance redevelopment project costs may  
 11 be extended by municipal ordinance to December 31, 2013.  
 12 The termination procedures of subsection (b) of Section  
 13 11-74.4-8 are not required for these redevelopment  
 14 project areas in 2009 but are required in 2013. The  
 15 extension allowed by this amendatory Act of 1993 shall  
 16 not apply to real property tax increment allocation  
 17 financing under Section 11-74.4-8.

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

26           Those dates, for purposes of real property tax  
 27 increment allocation financing pursuant to Section  
 28 11-74.4-8 only, shall be not more than 35 years for  
 29 redevelopment project areas that were adopted on or after  
 30 December 16, 1986 and for which at least \$8 million worth  
 31 of municipal bonds were authorized on or after December  
 32 19, 1989 but before January 1, 1990; provided that the  
 33 municipality elects to extend the life of the  
 34 redevelopment project area to 35 years by the adoption of



1 an ordinance after at least 14 but not more than 30 days'  
2 written notice to the taxing bodies, that would otherwise  
3 constitute the joint review board for the redevelopment  
4 project area, before the adoption of the ordinance.

5 Those dates, for purposes of real property tax  
6 increment allocation financing pursuant to Section  
7 11-74.4-8 only, shall be not more than 35 years for  
8 redevelopment project areas that were established on or  
9 after December 1, 1981 but before January 1, 1982 and for  
10 which at least \$1,500,000 worth of tax increment revenue  
11 bonds were authorized on or after September 30, 1990 but  
12 before July 1, 1991; provided that the municipality  
13 elects to extend the life of the redevelopment project  
14 area to 35 years by the adoption of an ordinance after at  
15 least 14 but not more than 30 days' written notice to the  
16 taxing bodies, that would otherwise constitute the joint  
17 review board for the redevelopment project area, before  
18 the adoption of the ordinance.

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

26 (4) If any incremental revenues are being utilized  
27 under Section 8(a)(1) or 8(a)(2) of this Act in  
28 redevelopment project areas approved by ordinance after  
29 January 1, 1986, the municipality finds: (a) that the  
30 redevelopment project area would not reasonably be  
31 developed without the use of such incremental revenues,  
32 and (b) that such incremental revenues will be  
33 exclusively utilized for the development of the  
34 redevelopment project area.

1           (5) If the redevelopment plan will not result in  
2 displacement of residents from 10 or more inhabited  
3 residential units, and the municipality certifies in the  
4 plan that such displacement will not result from the  
5 plan, a housing impact study need not be performed. If,  
6 however, the redevelopment plan would result in the  
7 displacement of residents from 10 or more inhabited  
8 residential units, or if the redevelopment project area  
9 contains 75 or more inhabited residential units and no  
10 certification is made, then the municipality shall  
11 prepare, as part of the separate feasibility report  
12 required by subsection (a) of Section 11-74.4-5, a  
13 housing impact study.

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

27           Part II of the housing impact study shall identify  
28 the inhabited residential units in the proposed  
29 redevelopment project area that are to be or may be  
30 removed. If inhabited residential units are to be  
31 removed, then the housing impact study shall identify (i)  
32 the number and location of those units that will or may  
33 be removed, (ii) the municipality's plans for relocation  
34 assistance for those residents in the proposed

1 redevelopment project area whose residences are to be  
2 removed, (iii) the availability of replacement housing  
3 for those residents whose residences are to be removed,  
4 and shall identify the type, location, and cost of the  
5 housing, and (iv) the type and extent of relocation  
6 assistance to be provided.

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

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

32 (8) On and after November 1, 1999, if, after the  
33 adoption of the redevelopment plan for the redevelopment  
34 project area, any municipality desires to amend its

1 redevelopment plan to remove more inhabited residential  
2 units than specified in its original redevelopment plan,  
3 that change shall be made in accordance with the  
4 procedures in subsection (c) of Section 11-74.4-5.

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

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

33 (p) "Redevelopment project area" means an area  
34 designated by the municipality, which is not less in the

1 aggregate than 1 1/2 acres and in respect to which the  
2 municipality has made a finding that there exist conditions  
3 which cause the area to be classified as an industrial park  
4 conservation area or a blighted area or a conservation area,  
5 or a combination of both blighted areas and conservation  
6 areas.

7 (q) "Redevelopment project costs" mean and include the  
8 sum total of all reasonable or necessary costs incurred or  
9 estimated to be incurred, and any such costs incidental to a  
10 redevelopment plan and a redevelopment project. Such costs  
11 include, without limitation, the following:

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

1 be performing, service for the municipality. This  
2 requirement shall be satisfied by the consultant or  
3 advisor before the commencement of services for the  
4 municipality and thereafter whenever any other contracts  
5 with those individuals or entities are executed by the  
6 consultant or advisor;

7 (1.5) After July 1, 1999, annual administrative  
8 costs shall not include general overhead or  
9 administrative costs of the municipality that would still  
10 have been incurred by the municipality if the  
11 municipality had not designated a redevelopment project  
12 area or approved a redevelopment plan;

13 (1.6) The cost of marketing sites within the  
14 redevelopment project area to prospective businesses,  
15 developers, and investors;

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

24 (3) Costs of rehabilitation, reconstruction or  
25 repair or remodeling of existing public or private  
26 buildings, fixtures, and leasehold improvements; and the  
27 cost of replacing an existing public building if pursuant  
28 to the implementation of a redevelopment project the  
29 existing public building is to be demolished to use the  
30 site for private investment or devoted to a different use  
31 requiring private investment;

32 (4) Costs of the construction of public works or  
33 improvements, except that on and after November 1, 1999,  
34 redevelopment project costs shall not include the cost of

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

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

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

31 (7) To the extent the municipality by written  
32 agreement accepts and approves the same, all or a portion  
33 of a taxing district's capital costs resulting from the  
34 redevelopment project necessarily incurred or to be

1 incurred within a taxing district in furtherance of the  
2 objectives of the redevelopment plan and project.

3 (7.5) For redevelopment project areas designated  
4 (or redevelopment project areas amended to add or  
5 increase the number of tax-increment-financing assisted  
6 housing units) on or after November 1, 1999, an  
7 elementary, secondary, or unit school district's  
8 increased costs attributable to assisted housing units  
9 located within the redevelopment project area for which  
10 the developer or redeveloper receives financial  
11 assistance through an agreement with the municipality or  
12 because the municipality incurs the cost of necessary  
13 infrastructure improvements within the boundaries of the  
14 assisted housing sites necessary for the completion of  
15 that housing as authorized by this Act, and which costs  
16 shall be paid by the municipality from the Special Tax  
17 Allocation Fund when the tax increment revenue is  
18 received as a result of the assisted housing units and  
19 shall be calculated annually as follows:

20 (A) for foundation districts, excluding any  
21 school district in a municipality with a population  
22 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  
27 financial assistance through an agreement with the  
28 municipality or because the municipality incurs the  
29 cost of necessary infrastructure improvements within  
30 the boundaries of the housing sites necessary for  
31 the completion of that housing as authorized by this  
32 Act since the designation of the redevelopment  
33 project area by the most recently available per  
34 capita tuition cost as defined in Section 10-20.12a



1 of the School Code less any increase in general  
2 State aid as defined in Section 18-8.05 of the  
3 School Code attributable to these added new students  
4 subject to the following annual limitations:

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

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

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

26 (B) For alternate method districts, flat grant  
27 districts, and foundation districts with a district  
28 average 1995-96 Per Capita Tuition Charge equal to  
29 or more than \$5,900, excluding any school district  
30 with a population in excess of 1,000,000, by  
31 multiplying the district's increase in attendance  
32 resulting from the net increase in new students  
33 enrolled in that school district who reside in  
34 housing units within the redevelopment project area

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

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

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

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

29           (C) For any school district in a municipality  
 30           with a population in excess of 1,000,000, the  
 31           following restrictions shall apply to the  
 32           reimbursement of increased costs under this  
 33           paragraph (7.5):

34                   (i) no increased costs shall be

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

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

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

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

33                   (8) Relocation costs to the extent that a  
34          municipality determines that relocation costs shall be

1           paid or is required to make payment of relocation costs  
2           by federal or State law or in order to satisfy  
3           subparagraph (7) of subsection (n);

4                   (9) Payment in lieu of taxes;

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

30                   (11) Interest cost incurred by a redeveloper  
31          related to the construction, renovation or rehabilitation  
32          of a redevelopment project provided that:

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

1 to this Act;

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

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

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

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

27 (F) Instead of the eligible costs provided by  
28 subparagraphs (B) and (D) of paragraph (11), as  
29 modified by this subparagraph, and notwithstanding  
30 any other provisions of this Act to the contrary,  
31 the municipality may pay from tax increment revenues  
32 up to 50% of the cost of construction of new housing  
33 units to be occupied by low-income households and  
34 very low-income households as defined in Section 3

1 of the Illinois Affordable Housing Act. The cost of  
2 construction of those units may be derived from the  
3 proceeds of bonds issued by the municipality under  
4 this Act or other constitutional or statutory  
5 authority or from other sources of municipal revenue  
6 that may be reimbursed from tax increment revenues  
7 or the proceeds of bonds issued to finance the  
8 construction of that housing.

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

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

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

31 (12) Unless explicitly stated herein the cost of  
32 construction of new privately-owned buildings shall not  
33 be an eligible redevelopment project cost.

34 (13) After November 1, 1999 (the effective date of

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

21 If a special service area has been established pursuant  
22 to the Special Service Area Tax Act or Special Service Area  
23 Tax Law, then any tax increment revenues derived from the tax  
24 imposed pursuant to the Special Service Area Tax Act or  
25 Special Service Area Tax Law may be used within the  
26 redevelopment project area for the purposes permitted by that  
27 Act or Law as well as the purposes permitted by this Act.

28 (r) "State Sales Tax Boundary" means the redevelopment  
29 project area or the amended redevelopment project area  
30 boundaries which are determined pursuant to subsection (9) of  
31 Section 11-74.4-8a of this Act. The Department of Revenue  
32 shall certify pursuant to subsection (9) of Section  
33 11-74.4-8a the appropriate boundaries eligible for the  
34 determination of State Sales Tax Increment.



1 (s) "State Sales Tax Increment" means an amount equal to  
2 the increase in the aggregate amount of taxes paid by  
3 retailers and servicemen, other than retailers and servicemen  
4 subject to the Public Utilities Act, on transactions at  
5 places of business located within a State Sales Tax Boundary  
6 pursuant to the Retailers' Occupation Tax Act, the Use Tax  
7 Act, the Service Use Tax Act, and the Service Occupation Tax  
8 Act, except such portion of such increase that is paid into  
9 the State and Local Sales Tax Reform Fund, the Local  
10 Government Distributive Fund, the Local Government Tax  
11 Fund and the County and Mass Transit District Fund, for as  
12 long as State participation exists, over and above the  
13 Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts  
14 or the Revised Initial Sales Tax Amounts for such taxes as  
15 certified by the Department of Revenue and paid under those  
16 Acts by retailers and servicemen on transactions at places of  
17 business located within the State Sales Tax Boundary during  
18 the base year which shall be the calendar year immediately  
19 prior to the year in which the municipality adopted tax  
20 increment allocation financing, less 3.0% of such amounts  
21 generated under the Retailers' Occupation Tax Act, Use Tax  
22 Act and Service Use Tax Act and the Service Occupation Tax  
23 Act, which sum shall be appropriated to the Department of  
24 Revenue to cover its costs of administering and enforcing  
25 this Section. For purposes of computing the aggregate amount  
26 of such taxes for base years occurring prior to 1985, the  
27 Department of Revenue shall compute the Initial Sales Tax  
28 Amount for such taxes and deduct therefrom an amount equal to  
29 4% of the aggregate amount of taxes per year for each year  
30 the base year is prior to 1985, but not to exceed a total  
31 deduction of 12%. The amount so determined shall be known as  
32 the "Adjusted Initial Sales Tax Amount". For purposes of  
33 determining the State Sales Tax Increment the Department of  
34 Revenue shall for each period subtract from the tax amounts

1 received from retailers and servicemen on transactions  
2 located in the State Sales Tax Boundary, the certified  
3 Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts  
4 or Revised Initial Sales Tax Amounts for the Retailers'  
5 Occupation Tax Act, the Use Tax Act, the Service Use Tax Act  
6 and the Service Occupation Tax Act. For the State Fiscal  
7 Year 1989 this calculation shall be made by utilizing the  
8 calendar year 1987 to determine the tax amounts received. For  
9 the State Fiscal Year 1990, this calculation shall be made by  
10 utilizing the period from January 1, 1988, until September  
11 30, 1988, to determine the tax amounts received from  
12 retailers and servicemen, which shall have deducted therefrom  
13 nine-twelfths of the certified Initial Sales Tax Amounts,  
14 Adjusted Initial Sales Tax Amounts or the Revised Initial  
15 Sales Tax Amounts as appropriate. For the State Fiscal Year  
16 1991, this calculation shall be made by utilizing the period  
17 from October 1, 1988, until June 30, 1989, to determine the  
18 tax amounts received from retailers and servicemen, which  
19 shall have deducted therefrom nine-twelfths of the certified  
20 Initial State Sales Tax Amounts, Adjusted Initial Sales Tax  
21 Amounts or the Revised Initial Sales Tax Amounts as  
22 appropriate. For every State Fiscal Year thereafter, the  
23 applicable period shall be the 12 months beginning July 1 and  
24 ending on June 30, to determine the tax amounts received  
25 which shall have deducted therefrom the certified Initial  
26 Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the  
27 Revised Initial Sales Tax Amounts. Municipalities intending  
28 to receive a distribution of State Sales Tax Increment must  
29 report a list of retailers to the Department of Revenue by  
30 October 31, 1988 and by July 31, of each year thereafter.

31 (t) "Taxing districts" means counties, townships, cities  
32 and incorporated towns and villages, school, road, park,  
33 sanitary, mosquito abatement, forest preserve, public health,  
34 fire protection, river conservancy, tuberculosis sanitarium

1 and any other municipal corporations or districts with the  
2 power to levy taxes.

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

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

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

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

7 (Source: P.A. 91-261, eff. 7-23-99; 91-477, eff. 8-11-99;  
8 91-478, eff. 11-1-99; 91-642, eff. 8-20-99; 91-763, eff.  
9 6-9-00; 92-263, eff. 8-7-01; 92-406, eff. 1-1-02; 92-624,  
10 eff. 7-11-02; 92-651, eff. 7-11-02.)

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

12 Sec. 11-74.4-4. Municipal powers and duties;  
13 redevelopment project areas. A municipality may:

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

33 By ordinance introduced in the governing body of the

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

22 (b) Make and enter into all contracts with property  
23 owners, developers, tenants, overlapping taxing bodies, and  
24 others necessary or incidental to the implementation and  
25 furtherance of its redevelopment plan and project. Contracts  
26 entered into on or after the effective date of this  
27 amendatory Act of the 93rd General Assembly shall terminate  
28 no later than the last to occur of the estimated dates of  
29 completion of the redevelopment project and retirement of the  
30 obligations issued to finance redevelopment project costs as  
31 required by item (3) of subsection (n) of Section 11-74.4-3.  
32 Payments received under contracts entered into by the  
33 municipality prior to the effective date of this amendatory  
34 Act of the 93rd General Assembly that are received after the

1 redevelopment project area has been terminated by municipal  
2 ordinance shall be deposited into a special fund of the  
3 municipality to be used for other community redevelopment  
4 needs within the redevelopment project area.

5 (c) Within a redevelopment project area, acquire by  
6 purchase, donation, lease or eminent domain; own, convey,  
7 lease, mortgage or dispose of land and other property, real  
8 or personal, or rights or interests therein, and grant or  
9 acquire licenses, easements and options with respect thereto,  
10 all in the manner and at such price the municipality  
11 determines is reasonably necessary to achieve the objectives  
12 of the redevelopment plan and project. No conveyance, lease,  
13 mortgage, disposition of land or other property owned by a  
14 municipality, or agreement relating to the development of  
15 such municipal property shall be made except upon the  
16 adoption of an ordinance by the corporate authorities of the  
17 municipality. Furthermore, no conveyance, lease, mortgage, or  
18 other disposition of land owned by a municipality or  
19 agreement relating to the development of such municipal  
20 property shall be made without making public disclosure of  
21 the terms of the disposition and all bids and proposals made  
22 in response to the municipality's request. The procedures  
23 for obtaining such bids and proposals shall provide  
24 reasonable opportunity for any person to submit alternative  
25 proposals or bids.

26 (d) Within a redevelopment project area, clear any area  
27 by demolition or removal of any existing buildings and  
28 structures.

29 (e) Within a redevelopment project area, renovate or  
30 rehabilitate or construct any structure or building, as  
31 permitted under this Act.

32 (f) Install, repair, construct, reconstruct or relocate  
33 streets, utilities and site improvements essential to the  
34 preparation of the redevelopment area for use in accordance

1 with a redevelopment plan.

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

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

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

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

26 (k) Create a commission of not less than 5 or more than  
27 15 persons to be appointed by the mayor or president of the  
28 municipality with the consent of the majority of the  
29 governing board of the municipality. Members of a commission  
30 appointed after the effective date of this amendatory Act of  
31 1987 shall be appointed for initial terms of 1, 2, 3, 4 and 5  
32 years, respectively, in such numbers as to provide that the  
33 terms of not more than 1/3 of all such members shall expire  
34 in any one year. Their successors shall be appointed for a

1 term of 5 years. The commission, subject to approval of the  
2 corporate authorities may exercise the powers enumerated in  
3 this Section. The commission shall also have the power to  
4 hold the public hearings required by this division and make  
5 recommendations to the corporate authorities concerning the  
6 adoption of redevelopment plans, redevelopment projects and  
7 designation of redevelopment project areas.

8 (l) Make payment in lieu of taxes or a portion thereof  
9 to taxing districts. If payments in lieu of taxes or a  
10 portion thereof are made to taxing districts, those payments  
11 shall be made to all districts within a project redevelopment  
12 area on a basis which is proportional to the current  
13 collections of revenue which each taxing district receives  
14 from real property in the redevelopment project area.

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

17 (n) If any member of the corporate authority, a member  
18 of a commission established pursuant to Section 11-74.4-4(k)  
19 of this Act, or an employee or consultant of the municipality  
20 involved in the planning and preparation of a redevelopment  
21 plan, or project for a redevelopment project area or proposed  
22 redevelopment project area, as defined in Sections  
23 11-74.4-3(i) through (k) of this Act, owns or controls an  
24 interest, direct or indirect, in any property included in any  
25 redevelopment area, or proposed redevelopment area, he or she  
26 shall disclose the same in writing to the clerk of the  
27 municipality, and shall also so disclose the dates and terms  
28 and conditions of any disposition of any such interest, which  
29 disclosures shall be acknowledged by the corporate  
30 authorities and entered upon the minute books of the  
31 corporate authorities. If an individual holds such an  
32 interest then that individual shall refrain from any further  
33 official involvement in regard to such redevelopment plan,  
34 project or area, from voting on any matter pertaining to such



1 redevelopment plan, project or area, or communicating with  
2 other members concerning corporate authorities, commission or  
3 employees concerning any matter pertaining to said  
4 redevelopment plan, project or area. Furthermore, no such  
5 member or employee shall acquire of any interest direct, or  
6 indirect, in any property in a redevelopment area or proposed  
7 redevelopment area after either (a) such individual obtains  
8 knowledge of such plan, project or area or (b) first public  
9 notice of such plan, project or area pursuant to Section  
10 11-74.4-6 of this Division, whichever occurs first. For the  
11 purposes of this subsection, a property interest acquired in  
12 a single parcel of property by a member of the corporate  
13 authority, which property is used exclusively as the member's  
14 primary residence, shall not be deemed to constitute an  
15 interest in any property included in a redevelopment area or  
16 proposed redevelopment area that was established before  
17 December 31, 1989, but the member must disclose the  
18 acquisition to the municipal clerk under the provisions of  
19 this subsection. For the purposes of this subsection, a  
20 month-to-month leasehold interest in a single parcel of  
21 property by a member of the corporate authority shall not be  
22 deemed to constitute an interest in any property included in  
23 any redevelopment area or proposed redevelopment area, but  
24 the member must disclose the interest to the municipal clerk  
25 under the provisions of this subsection.

26 (o) Create a Tax Increment Economic Development Advisory  
27 Committee to be appointed by the Mayor or President of the  
28 municipality with the consent of the majority of the  
29 governing board of the municipality, the members of which  
30 Committee shall be appointed for initial terms of 1, 2, 3, 4  
31 and 5 years respectively, in such numbers as to provide that  
32 the terms of not more than 1/3 of all such members shall  
33 expire in any one year. Their successors shall be appointed  
34 for a term of 5 years. The Committee shall have none of the

1 powers enumerated in this Section. The Committee shall serve  
2 in an advisory capacity only. The Committee may advise the  
3 governing Board of the municipality and other municipal  
4 officials regarding development issues and opportunities  
5 within the redevelopment project area or the area within the  
6 State Sales Tax Boundary. The Committee may also promote and  
7 publicize development opportunities in the redevelopment  
8 project area or the area within the State Sales Tax Boundary.

9 (p) Municipalities may jointly undertake and perform  
10 redevelopment plans and projects and utilize the provisions  
11 of the Act wherever they have contiguous redevelopment  
12 project areas or they determine to adopt tax increment  
13 financing with respect to a redevelopment project area which  
14 includes contiguous real property within the boundaries of  
15 the municipalities, and in doing so, they may, by agreement  
16 between municipalities, issue obligations, separately or  
17 jointly, and expend revenues received under the Act for  
18 eligible expenses anywhere within contiguous redevelopment  
19 project areas or as otherwise permitted in the Act.

20 (q) Utilize revenues, other than State sales tax  
21 increment revenues, received under this Act from one  
22 redevelopment project area for eligible costs in another  
23 redevelopment project area that is either contiguous to, or  
24 is separated only by a public right of way from, the  
25 redevelopment project area from which the revenues are  
26 received. Utilize tax increment revenues for eligible costs  
27 that are received from a redevelopment project area created  
28 under the Industrial Jobs Recovery Law that is either  
29 contiguous to, or is separated only by a public right of way  
30 from, the redevelopment project area created under this Act  
31 which initially receives these revenues. Utilize revenues,  
32 other than State sales tax increment revenues, by  
33 transferring or loaning such revenues to a redevelopment  
34 project area created under the Industrial Jobs Recovery Law

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

18 (r) If no redevelopment project has been initiated in a  
19 redevelopment project area within 7 years after the area was  
20 designated by ordinance under subsection (a), the  
21 municipality shall adopt an ordinance repealing the area's  
22 designation as a redevelopment project area; provided,  
23 however, that if an area received its designation more than 3  
24 years before the effective date of this amendatory Act of  
25 1994 and no redevelopment project has been initiated within 4  
26 years after the effective date of this amendatory Act of  
27 1994, the municipality shall adopt an ordinance repealing its  
28 designation as a redevelopment project area. Initiation of a  
29 redevelopment project shall be evidenced by either a signed  
30 redevelopment agreement or expenditures on eligible  
31 redevelopment project costs associated with a redevelopment  
32 project.

33 (Source: P.A. 91-478, eff. 11-1-99; 91-642, eff. 8-20-99;  
34 92-16, eff. 6-28-01.)

1 (65 ILCS 5/11-74.4-4.1)

2 Sec. 11-74.4-4.1. Feasibility study.

3 (a) If a municipality by its corporate authorities, or  
4 as it may determine by any commission designated under  
5 subsection (k) of Section 11-74.4-4, adopts an ordinance or  
6 resolution providing for a feasibility study on the  
7 designation of an area as a redevelopment project area, a  
8 copy of the ordinance or resolution shall immediately be sent  
9 to all taxing districts that would be affected by the  
10 designation.

11 On and after the effective date of this amendatory Act of  
12 the 91st General Assembly, the ordinance or resolution shall  
13 include:

14 (1) The boundaries of the area to be studied for  
15 possible designation as a redevelopment project area.

16 (2) The purpose or purposes of the proposed  
17 redevelopment plan and project.

18 (3) A general description of tax increment  
19 allocation financing under this Act.

20 (4) The name, phone number, and address of the  
21 municipal officer who can be contacted for additional  
22 information about the proposed redevelopment project area  
23 and who should receive all comments and suggestions  
24 regarding the redevelopment of the area to be studied.

25 (b) If one of the purposes of the planned redevelopment  
26 project area should reasonably be expected to result in the  
27 displacement of residents from 10 or more inhabited  
28 residential units, the municipality shall adopt a resolution  
29 or ordinance providing for the feasibility study described in  
30 subsection (a). The ordinance or resolution shall also  
31 require that the feasibility study include the preparation of  
32 the housing impact study set forth in paragraph (5) of  
33 subsection (n) of Section 11-74.4-3. If the redevelopment  
34 plan will not result in displacement of residents from 10 or

1 more inhabited residential units, and the municipality  
2 certifies in the plan that such displacement will not result  
3 from the plan, then a resolution or ordinance need not be  
4 adopted.

5 (c) As used in this Section, "feasibility study" means a  
6 preliminary report to assist a municipality to determine  
7 whether or not tax increment allocation financing is  
8 appropriate for effective redevelopment of a proposed  
9 redevelopment project area.

10 (Source: P.A. 91-478, eff. 11-1-99; 92-263, eff. 8-7-01;  
11 92-624, eff. 7-11-02.)

12 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

13 Sec. 11-74.4-7. Obligations secured by the special tax  
14 allocation fund set forth in Section 11-74.4-8 for the  
15 redevelopment project area may be issued to provide for  
16 redevelopment project costs. Such obligations, when so  
17 issued, shall be retired in the manner provided in the  
18 ordinance authorizing the issuance of such obligations by the  
19 receipts of taxes levied as specified in Section 11-74.4-9  
20 against the taxable property included in the area, by  
21 revenues as specified by Section 11-74.4-8a and other revenue  
22 designated by the municipality. A municipality may in the  
23 ordinance pledge all or any part of the funds in and to be  
24 deposited in the special tax allocation fund created pursuant  
25 to Section 11-74.4-8 to the payment of the redevelopment  
26 project costs and obligations. Any pledge of funds in the  
27 special tax allocation fund shall provide for distribution to  
28 the taxing districts and to the Illinois Department of  
29 Revenue of moneys not required, pledged, earmarked, or  
30 otherwise designated for payment and securing of the  
31 obligations and anticipated redevelopment project costs and  
32 such excess funds shall be calculated annually and deemed to  
33 be "surplus" funds. In the event a municipality only applies

1 or pledges a portion of the funds in the special tax  
2 allocation fund for the payment or securing of anticipated  
3 redevelopment project costs or of obligations, any such funds  
4 remaining in the special tax allocation fund after complying  
5 with the requirements of the application or pledge, shall  
6 also be calculated annually and deemed "surplus" funds. All  
7 surplus funds in the special tax allocation fund shall be  
8 distributed annually within 180 days after the close of the  
9 municipality's fiscal year by being paid by the municipal  
10 treasurer to the County Collector, to the Department of  
11 Revenue and to the municipality in direct proportion to the  
12 tax incremental revenue received as a result of an increase  
13 in the equalized assessed value of property in the  
14 redevelopment project area, tax incremental revenue received  
15 from the State and tax incremental revenue received from the  
16 municipality, but not to exceed as to each such source the  
17 total incremental revenue received from that source. The  
18 County Collector shall thereafter make distribution to the  
19 respective taxing districts in the same manner and proportion  
20 as the most recent distribution by the county collector to  
21 the affected districts of real property taxes from real  
22 property in the redevelopment project area.

23 Without limiting the foregoing in this Section, the  
24 municipality may in addition to obligations secured by the  
25 special tax allocation fund pledge for a period not greater  
26 than the term of the obligations towards payment of such  
27 obligations any part or any combination of the following: (a)  
28 net revenues of all or part of any redevelopment project; (b)  
29 taxes levied and collected on any or all property in the  
30 municipality; (c) the full faith and credit of the  
31 municipality; (d) a mortgage on part or all of the  
32 redevelopment project; or (e) any other taxes or anticipated  
33 receipts that the municipality may lawfully pledge.

34 Such obligations may be issued in one or more series

1 bearing interest at such rate or rates as the corporate  
2 authorities of the municipality shall determine by ordinance.  
3 Such obligations shall bear such date or dates, mature at  
4 such time or times not exceeding 20 years from their  
5 respective dates, be in such denomination, carry such  
6 registration privileges, be executed in such manner, be  
7 payable in such medium of payment at such place or places,  
8 contain such covenants, terms and conditions, and be subject  
9 to redemption as such ordinance shall provide. Obligations  
10 issued pursuant to this Act may be sold at public or private  
11 sale at such price as shall be determined by the corporate  
12 authorities of the municipalities. No referendum approval of  
13 the electors shall be required as a condition to the issuance  
14 of obligations pursuant to this Division except as provided  
15 in this Section.

16 In the event the municipality authorizes issuance of  
17 obligations pursuant to the authority of this Division  
18 secured by the full faith and credit of the municipality,  
19 which obligations are other than obligations which may be  
20 issued under home rule powers provided by Article VII,  
21 Section 6 of the Illinois Constitution, or pledges taxes  
22 pursuant to (b) or (c) of the second paragraph of this  
23 section, the ordinance authorizing the issuance of such  
24 obligations or pledging such taxes shall be published within  
25 10 days after such ordinance has been passed in one or more  
26 newspapers, with general circulation within such  
27 municipality. The publication of the ordinance shall be  
28 accompanied by a notice of (1) the specific number of voters  
29 required to sign a petition requesting the question of the  
30 issuance of such obligations or pledging taxes to be  
31 submitted to the electors; (2) the time in which such  
32 petition must be filed; and (3) the date of the prospective  
33 referendum. The municipal clerk shall provide a petition  
34 form to any individual requesting one.

1           If no petition is filed with the municipal clerk, as  
2 hereinafter provided in this Section, within 30 days after  
3 the publication of the ordinance, the ordinance shall be in  
4 effect. But, if within that 30 day period a petition is  
5 filed with the municipal clerk, signed by electors in the  
6 municipality numbering 10% or more of the number of  
7 registered voters in the municipality, asking that the  
8 question of issuing obligations using full faith and credit  
9 of the municipality as security for the cost of paying for  
10 redevelopment project costs, or of pledging taxes for the  
11 payment of such obligations, or both, be submitted to the  
12 electors of the municipality, the corporate authorities of  
13 the municipality shall call a special election in the manner  
14 provided by law to vote upon that question, or, if a general,  
15 State or municipal election is to be held within a period of  
16 not less than 30 or more than 90 days from the date such  
17 petition is filed, shall submit the question at the next  
18 general, State or municipal election. If it appears upon the  
19 canvass of the election by the corporate authorities that a  
20 majority of electors voting upon the question voted in favor  
21 thereof, the ordinance shall be in effect, but if a majority  
22 of the electors voting upon the question are not in favor  
23 thereof, the ordinance shall not take effect.

24           The ordinance authorizing the obligations may provide  
25 that the obligations shall contain a recital that they are  
26 issued pursuant to this Division, which recital shall be  
27 conclusive evidence of their validity and of the regularity  
28 of their issuance.

29           In the event the municipality authorizes issuance of  
30 obligations pursuant to this Section secured by the full  
31 faith and credit of the municipality, the ordinance  
32 authorizing the obligations may provide for the levy and  
33 collection of a direct annual tax upon all taxable property  
34 within the municipality sufficient to pay the principal



1     thereof and interest thereon as it matures, which levy may be  
2     in addition to and exclusive of the maximum of all other  
3     taxes authorized to be levied by the municipality, which  
4     levy, however, shall be abated to the extent that monies from  
5     other sources are available for payment of the obligations  
6     and the municipality certifies the amount of said monies  
7     available to the county clerk.

8           A certified copy of such ordinance shall be filed with  
9     the county clerk of each county in which any portion of the  
10    municipality is situated, and shall constitute the authority  
11    for the extension and collection of the taxes to be deposited  
12    in the special tax allocation fund.

13           A municipality may also issue its obligations to refund  
14    in whole or in part, obligations theretofore issued by such  
15    municipality under the authority of this Act, whether at or  
16    prior to maturity, provided however, that the last maturity  
17    of the refunding obligations shall not be expressed to mature  
18    later than December 31 of the year in which the payment to  
19    the municipal treasurer as provided in subsection (b) of  
20    Section 11-74.4-8 of this Act is to be made with respect to  
21    ad valorem taxes levied in the twenty-third calendar year  
22    after the year in which the ordinance approving the  
23    redevelopment project area is adopted if the ordinance was  
24    adopted on or after January 15, 1981, and not later than  
25    December 31 of the year in which the payment to the municipal  
26    treasurer as provided in subsection (b) of Section 11-74.4-8  
27    of this Act is to be made with respect to ad valorem taxes  
28    levied in the thirty-fifth calendar year after the year in  
29    which the ordinance approving the redevelopment project area  
30    is adopted (A) if the ordinance was adopted before January  
31    15, 1981, or (B) if the ordinance was adopted in December  
32    1983, April 1984, July 1985, or December 1989, or (C) if the  
33    ordinance was adopted in December, 1987 and the redevelopment  
34    project is located within one mile of Midway Airport, or (D)

1 if the ordinance was adopted before January 1, 1987 by a  
2 municipality in Mason County, or (E) if the municipality is  
3 subject to the Local Government Financial Planning and  
4 Supervision Act or the Financially Distressed City Law, or  
5 (F) if the ordinance was adopted in December 1984 by the  
6 Village of Rosemont, or (G) if the ordinance was adopted on  
7 December 31, 1986 by a municipality located in Clinton County  
8 for which at least \$250,000 of tax increment bonds were  
9 authorized on June 17, 1997, or if the ordinance was adopted  
10 on December 31, 1986 by a municipality with a population in  
11 1990 of less than 3,600 that is located in a county with a  
12 population in 1990 of less than 34,000 and for which at least  
13 \$250,000 of tax increment bonds were authorized on June 17,  
14 1997, or (H) if the ordinance was adopted on October 5, 1982  
15 by the City of Kankakee, or (I) if the ordinance was adopted  
16 on December 29, 1986 by East St. Louis, or if the ordinance  
17 was adopted on November 12, 1991 by the Village of Sauget, or  
18 (J) if the ordinance was adopted on February 11, 1985 by the  
19 City of Rock Island, or (K) if the ordinance was adopted  
20 before December 18, 1986 by the City of Moline, or (L) if the  
21 ordinance was adopted in September 1988 by Sauk Village, or  
22 (M) if the ordinance was adopted in October 1993 by Sauk  
23 Village, or (N) if the ordinance was adopted on December 29,  
24 1986 by the City of Galva, or (O) if the ordinance was  
25 adopted in March 1991 by the City of Centreville, or (P) if  
26 the ordinance was adopted on January 23, 1991 by the City of  
27 East St. Louis, or (Q) if the ordinance was adopted on  
28 December 22, 1986 by the City of Aledo, or (R) if the  
29 ordinance was adopted on February 5, 1990 by the City of  
30 Clinton, or (S) if the ordinance was adopted on September 6,  
31 1994 by the City of Freeport, or (T) if the ordinance was  
32 adopted on December 22, 1986 by the City of Tuscola, or (U)  
33 if the ordinance was adopted on December 23, 1986 by the City  
34 of Sparta, or (V) if the ordinance was adopted on December

1 23, 1986 by the City of Beardstown, or (W) if the ordinance  
2 was adopted on April 27, 1981, October 21, 1985, or December  
3 30, 1986 by the City of Belleville, or (X) if the ordinance  
4 was adopted on December 29, 1986 by the City of Collinsville,  
5 or (Y) if the ordinance was adopted on September 14, 1994 by  
6 the City of Alton, or (Z) if the ordinance was adopted on  
7 November 11, 1996 by the City of Lexington, or (AA) if the  
8 ordinance was adopted on November 5, 1984 by the City of  
9 LeRoy, or (BB) if the ordinance was adopted on April 3, 1991  
10 or June 3, 1992 by the City of Markham and, for redevelopment  
11 project areas for which bonds were issued before July 29,  
12 1991, in connection with a redevelopment project in the area  
13 within the State Sales Tax Boundary and which were extended  
14 by municipal ordinance under subsection (n) of Section  
15 11-74.4-3, the last maturity of the refunding obligations  
16 shall not be expressed to mature later than the date on which  
17 the redevelopment project area is terminated or December 31,  
18 2013, whichever date occurs first.

19 In the event a municipality issues obligations under home  
20 rule powers or other legislative authority the proceeds of  
21 which are pledged to pay for redevelopment project costs, the  
22 municipality may, if it has followed the procedures in  
23 conformance with this division, retire said obligations from  
24 funds in the special tax allocation fund in amounts and in  
25 such manner as if such obligations had been issued pursuant  
26 to the provisions of this division.

27 All obligations heretofore or hereafter issued pursuant  
28 to this Act shall not be regarded as indebtedness of the  
29 municipality issuing such obligations or any other taxing  
30 district for the purpose of any limitation imposed by law.

31 (Source: P.A. 91-261, eff. 7-23-99; 91-477, eff. 8-11-99;  
32 91-478, eff. 11-1-99; 91-642, eff. 8-20-99; 91-763, eff.  
33 6-9-00; 92-263, eff. 8-7-01; 92-406, eff. 1-1-02; 92-624,  
34 eff. 7-11-02; 92-651, eff. 7-11-02.)

1 (65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)  
2 Sec. 11-74.4-8. A municipality may not adopt tax  
3 increment financing in a redevelopment project area after the  
4 effective date of this amendatory Act of 1997 that will  
5 encompass an area that is currently included in an enterprise  
6 zone created under the Illinois Enterprise Zone Act unless  
7 that municipality, pursuant to Section 5.4 of the Illinois  
8 Enterprise Zone Act, amends the enterprise zone designating  
9 ordinance to limit the eligibility for tax abatements as  
10 provided in Section 5.4.1 of the Illinois Enterprise Zone  
11 Act. A municipality, at the time a redevelopment project  
12 area is designated, may adopt tax increment allocation  
13 financing by passing an ordinance providing that the ad  
14 valorem taxes, if any, arising from the levies upon taxable  
15 real property in such redevelopment project area by taxing  
16 districts and tax rates determined in the manner provided in  
17 paragraph (c) of Section 11-74.4-9 each year after the  
18 effective date of the ordinance until redevelopment project  
19 costs and all municipal obligations financing redevelopment  
20 project costs incurred under this Division have been paid  
21 shall be divided as follows:

22 (a) That portion of taxes levied upon each taxable lot,  
23 block, tract or parcel of real property which is attributable  
24 to the lower of the current equalized assessed value or the  
25 initial equalized assessed value of each such taxable lot,  
26 block, tract or parcel of real property in the redevelopment  
27 project area shall be allocated to and when collected shall  
28 be paid by the county collector to the respective affected  
29 taxing districts in the manner required by law in the absence  
30 of the adoption of tax increment allocation financing.

31 (b) Except from a tax levied by a township to retire  
32 bonds issued to satisfy court-ordered damages, that portion,  
33 if any, of such taxes which is attributable to the increase  
34 in the current equalized assessed valuation of each taxable

1 lot, block, tract or parcel of real property in the  
2 redevelopment project area over and above the initial  
3 equalized assessed value of each property in the project area  
4 shall be allocated to and when collected shall be paid to the  
5 municipal treasurer who shall deposit said taxes into a  
6 special fund called the special tax allocation fund of the  
7 municipality for the purpose of paying redevelopment project  
8 costs and obligations incurred in the payment thereof. In any  
9 county with a population of 3,000,000 or more that has  
10 adopted a procedure for collecting taxes that provides for  
11 one or more of the installments of the taxes to be billed and  
12 collected on an estimated basis, the municipal treasurer  
13 shall be paid for deposit in the special tax allocation fund  
14 of the municipality, from the taxes collected from estimated  
15 bills issued for property in the redevelopment project area,  
16 the difference between the amount actually collected from  
17 each taxable lot, block, tract, or parcel of real property  
18 within the redevelopment project area and an amount  
19 determined by multiplying the rate at which taxes were last  
20 extended against the taxable lot, block, track, or parcel of  
21 real property in the manner provided in subsection (c) of  
22 Section 11-74.4-9 by the initial equalized assessed value of  
23 the property divided by the number of installments in which  
24 real estate taxes are billed and collected within the county;  
25 provided that the payments on or before December 31, 1999 to  
26 a municipal treasurer shall be made only if each of the  
27 following conditions are met:

28 (1) The total equalized assessed value of the  
29 redevelopment project area as last determined was not  
30 less than 175% of the total initial equalized assessed  
31 value.

32 (2) Not more than 50% of the total equalized  
33 assessed value of the redevelopment project area as last  
34 determined is attributable to a piece of property

1 assigned a single real estate index number.

2 (3) The municipal clerk has certified to the county  
3 clerk that the municipality has issued its obligations to  
4 which there has been pledged the incremental property  
5 taxes of the redevelopment project area or taxes levied  
6 and collected on any or all property in the municipality  
7 or the full faith and credit of the municipality to pay  
8 or secure payment for all or a portion of the  
9 redevelopment project costs. The certification shall be  
10 filed annually no later than September 1 for the  
11 estimated taxes to be distributed in the following year;  
12 however, for the year 1992 the certification shall be  
13 made at any time on or before March 31, 1992.

14 (4) The municipality has not requested that the  
15 total initial equalized assessed value of real property  
16 be adjusted as provided in subsection (b) of Section  
17 11-74.4-9.

18 The conditions of paragraphs (1) through (4) do not apply  
19 after December 31, 1999 to payments to a municipal treasurer  
20 made by a county with 3,000,000 or more inhabitants that has  
21 adopted an estimated billing procedure for collecting taxes.  
22 If a county that has adopted the estimated billing procedure  
23 makes an erroneous overpayment of tax revenue to the  
24 municipal treasurer, then the county may seek a refund of  
25 that overpayment. The county shall send the municipal  
26 treasurer a notice of liability for the overpayment on or  
27 before the mailing date of the next real estate tax bill  
28 within the county. The refund shall be limited to the amount  
29 of the overpayment.

30 It is the intent of this Division that after the  
31 effective date of this amendatory Act of 1988 a  
32 municipality's own ad valorem tax arising from levies on  
33 taxable real property be included in the determination of  
34 incremental revenue in the manner provided in paragraph (c)

1 of Section 11-74.4-9. If the municipality does not extend  
2 such a tax, it shall annually deposit in the municipality's  
3 Special Tax Increment Fund an amount equal to 10% of the  
4 total contributions to the fund from all other taxing  
5 districts in that year. The annual 10% deposit required by  
6 this paragraph shall be limited to the actual amount of  
7 municipally produced incremental tax revenues available to  
8 the municipality from taxpayers located in the redevelopment  
9 project area in that year if: (a) the plan for the area  
10 restricts the use of the property primarily to industrial  
11 purposes, (b) the municipality establishing the redevelopment  
12 project area is a home-rule community with a 1990 population  
13 of between 25,000 and 50,000, (c) the municipality is wholly  
14 located within a county with a 1990 population of over  
15 750,000 and (d) the redevelopment project area was  
16 established by the municipality prior to June 1, 1990. This  
17 payment shall be in lieu of a contribution of ad valorem  
18 taxes on real property. If no such payment is made, any  
19 redevelopment project area of the municipality shall be  
20 dissolved.

21 If a municipality has adopted tax increment allocation  
22 financing by ordinance and the County Clerk thereafter  
23 certifies the "total initial equalized assessed value as  
24 adjusted" of the taxable real property within such  
25 redevelopment project area in the manner provided in  
26 paragraph (b) of Section 11-74.4-9, each year after the date  
27 of the certification of the total initial equalized assessed  
28 value as adjusted until redevelopment project costs and all  
29 municipal obligations financing redevelopment project costs  
30 have been paid the ad valorem taxes, if any, arising from the  
31 levies upon the taxable real property in such redevelopment  
32 project area by taxing districts and tax rates determined in  
33 the manner provided in paragraph (c) of Section 11-74.4-9  
34 shall be divided as follows:

1           (1) That portion of the taxes levied upon each  
2 taxable lot, block, tract or parcel of real property  
3 which is attributable to the lower of the current  
4 equalized assessed value or "current equalized assessed  
5 value as adjusted" or the initial equalized assessed  
6 value of each such taxable lot, block, tract, or parcel  
7 of real property existing at the time tax increment  
8 financing was adopted, minus the total current homestead  
9 exemptions provided by Sections 15-170 and 15-175 of the  
10 Property Tax Code in the redevelopment project area shall  
11 be allocated to and when collected shall be paid by the  
12 county collector to the respective affected taxing  
13 districts in the manner required by law in the absence of  
14 the adoption of tax increment allocation financing.

15           (2) That portion, if any, of such taxes which is  
16 attributable to the increase in the current equalized  
17 assessed valuation of each taxable lot, block, tract, or  
18 parcel of real property in the redevelopment project  
19 area, over and above the initial equalized assessed value  
20 of each property existing at the time tax increment  
21 financing was adopted, minus the total current homestead  
22 exemptions pertaining to each piece of property provided  
23 by Sections 15-170 and 15-175 of the Property Tax Code in  
24 the redevelopment project area, shall be allocated to and  
25 when collected shall be paid to the municipal Treasurer,  
26 who shall deposit said taxes into a special fund called  
27 the special tax allocation fund of the municipality for  
28 the purpose of paying redevelopment project costs and  
29 obligations incurred in the payment thereof.

30           The municipality may pledge in the ordinance the funds in  
31 and to be deposited in the special tax allocation fund for  
32 the payment of such costs and obligations. No part of the  
33 current equalized assessed valuation of each property in the  
34 redevelopment project area attributable to any increase above



1 the total initial equalized assessed value, or the total  
2 initial equalized assessed value as adjusted, of such  
3 properties shall be used in calculating the general State  
4 school aid formula, provided for in Section 18-8 of the  
5 School Code, until such time as all redevelopment project  
6 costs have been paid as provided for in this Section.

7 Whenever a municipality issues bonds for the purpose of  
8 financing redevelopment project costs, such municipality may  
9 provide by ordinance for the appointment of a trustee, which  
10 may be any trust company within the State, and for the  
11 establishment of such funds or accounts to be maintained by  
12 such trustee as the municipality shall deem necessary to  
13 provide for the security and payment of the bonds. If such  
14 municipality provides for the appointment of a trustee, such  
15 trustee shall be considered the assignee of any payments  
16 assigned by the municipality pursuant to such ordinance and  
17 this Section. Any amounts paid to such trustee as assignee  
18 shall be deposited in the funds or accounts established  
19 pursuant to such trust agreement, and shall be held by such  
20 trustee in trust for the benefit of the holders of the bonds,  
21 and such holders shall have a lien on and a security interest  
22 in such funds or accounts so long as the bonds remain  
23 outstanding and unpaid. Upon retirement of the bonds, the  
24 trustee shall pay over any excess amounts held to the  
25 municipality for deposit in the special tax allocation fund.

26 When such redevelopment projects costs, including without  
27 limitation all municipal obligations financing redevelopment  
28 project costs incurred under this Division, have been paid,  
29 all surplus funds then remaining in the special tax  
30 allocation fund shall be distributed by being paid by the  
31 municipal treasurer to the Department of Revenue, the  
32 municipality and the county collector; first to the  
33 Department of Revenue and the municipality in direct  
34 proportion to the tax incremental revenue received from the

1 State and the municipality, but not to exceed the total  
2 incremental revenue received from the State or the  
3 municipality less any annual surplus distribution of  
4 incremental revenue previously made; with any remaining funds  
5 to be paid to the County Collector who shall immediately  
6 thereafter pay said funds to the taxing districts in the  
7 redevelopment project area in the same manner and proportion  
8 as the most recent distribution by the county collector to  
9 the affected districts of real property taxes from real  
10 property in the redevelopment project area.

11 Upon the payment of all redevelopment project costs, the  
12 retirement of obligations, and the distribution of any excess  
13 monies pursuant to this Section, and final closing of the  
14 books and records of the redevelopment project area, the  
15 municipality shall adopt an ordinance dissolving the special  
16 tax allocation fund for the redevelopment project area and  
17 terminating the designation of the redevelopment project area  
18 as a redevelopment project area. Title to real or personal  
19 property and public improvements acquired by or for the  
20 municipality as a result of the redevelopment project and  
21 plan shall vest in the municipality when acquired and shall  
22 continue to be held by the municipality after the  
23 redevelopment project area has been terminated.

24 Municipalities shall notify affected taxing districts prior  
25 to November 1 if the redevelopment project area is to be  
26 terminated by December 31 of that same year. If a  
27 municipality extends estimated dates of completion of a  
28 redevelopment project and retirement of obligations to  
29 finance a redevelopment project, as allowed by this  
30 amendatory Act of 1993, that extension shall not extend the  
31 property tax increment allocation financing authorized by  
32 this Section. Thereafter the rates of the taxing districts  
33 shall be extended and taxes levied, collected and distributed  
34 in the manner applicable in the absence of the adoption of

1 tax increment allocation financing.

2 Nothing in this Section shall be construed as relieving  
3 property in such redevelopment project areas from being  
4 assessed as provided in the Property Tax Code or as relieving  
5 owners of such property from paying a uniform rate of taxes,  
6 as required by Section 4 of Article 9 of the Illinois  
7 Constitution.

8 (Source: P.A. 91-190, eff. 7-20-99; 91-478, eff. 11-1-99;  
9 92-16, eff. 6-28-01.)

10 (65 ILCS 5/11-74.4-10) (from Ch. 24, par. 11-74.4-10)

11 Sec. 11-74.4-10. Revenues received by the municipality  
12 from any property, building or facility owned, leased or  
13 operated by the municipality or any agency or authority  
14 established by the municipality, or from repayments of loans,  
15 may be used to pay redevelopment project costs, or reduce  
16 outstanding obligations of the municipality incurred under  
17 this Division for redevelopment project costs. The  
18 municipality may place such revenues in the special tax  
19 allocation fund which shall be held by the municipal  
20 treasurer or other person designated by the municipality.  
21 Revenue received by the municipality from the sale or other  
22 disposition of real property acquired by the municipality  
23 with the proceeds of obligations funded by tax increment  
24 allocation financing shall be deposited by the municipality  
25 in the special tax allocation fund.

26 (Source: P.A. 79-1525.)

27 Section 99. Effective date. This Act takes effect upon  
28 becoming law.