

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 and 11-74.4-7 as follows:

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

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

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

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

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

29 (A) Dilapidation. An advanced state of disrepair  
30 or neglect of necessary repairs to the primary  
31 structural components of buildings or improvements in  
32 such a combination that a documented building

1 condition analysis determines that major repair is  
2 required or the defects are so serious and so extensive  
3 that the buildings must be removed.

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

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

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

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

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

32 (G) Lack of ventilation, light, or sanitary  
33 facilities. The absence of adequate ventilation for  
34 light or air circulation in spaces or rooms without  
35 windows, or that require the removal of dust, odor,  
36 gas, smoke, or other noxious airborne materials.

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

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

19 (I) Excessive land coverage and overcrowding of  
20 structures and community facilities. The  
21 over-intensive use of property and the crowding of  
22 buildings and accessory facilities onto a site.  
23 Examples of problem conditions warranting the  
24 designation of an area as one exhibiting excessive land  
25 coverage are: (i) the presence of buildings either  
26 improperly situated on parcels or located on parcels of  
27 inadequate size and shape in relation to present-day  
28 standards of development for health and safety and (ii)  
29 the presence of multiple buildings on a single parcel.  
30 For there to be a finding of excessive land coverage,  
31 these parcels must exhibit one or more of the following  
32 conditions: insufficient provision for light and air  
33 within or around buildings, increased threat of spread  
34 of fire due to the close proximity of buildings, lack  
35 of adequate or proper access to a public right-of-way,  
36 lack of reasonably required off-street parking, or

1 inadequate provision for loading and service.

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

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

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

32 (M) The total equalized assessed value of the  
33 proposed redevelopment project area has declined for 3  
34 of the last 5 calendar years prior to the year in which  
35 the redevelopment project area is designated or is  
36 increasing at an annual rate that is less than the

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

9 (2) If vacant, the sound growth of the redevelopment  
10 project area is impaired by a combination of 2 or more of  
11 the following factors, each of which is (i) present, with  
12 that presence documented, to a meaningful extent so that a  
13 municipality may reasonably find that the factor is clearly  
14 present within the intent of the Act and (ii) reasonably  
15 distributed throughout the vacant part of the  
16 redevelopment project area to which it pertains:

17 (A) Obsolete platting of vacant land that results  
18 in parcels of limited or narrow size or configurations  
19 of parcels of irregular size or shape that would be  
20 difficult to develop on a planned basis and in a manner  
21 compatible with contemporary standards and  
22 requirements, or platting that failed to create  
23 rights-of-ways for streets or alleys or that created  
24 inadequate right-of-way widths for streets, alleys, or  
25 other public rights-of-way or that omitted easements  
26 for public utilities.

27 (B) Diversity of ownership of parcels of vacant  
28 land sufficient in number to retard or impede the  
29 ability to assemble the land for development.

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

33 (D) Deterioration of structures or site  
34 improvements in neighboring areas adjacent to the  
35 vacant land.

36 (E) The area has incurred Illinois Environmental

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

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

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

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

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

36 (C) The area, prior to its designation, is subject

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

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

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

24 (F) The area qualified as a blighted improved area  
25 immediately prior to becoming vacant, unless there has  
26 been substantial private investment in the immediately  
27 surrounding area.

28 (b) For any redevelopment project area that has been  
29 designated pursuant to this Section by an ordinance adopted  
30 prior to November 1, 1999 (the effective date of Public Act  
31 91-478), "conservation area" shall have the meaning set forth  
32 in this Section prior to that date.

33 On and after November 1, 1999, "conservation area" means  
34 any improved area within the boundaries of a redevelopment  
35 project area located within the territorial limits of the  
36 municipality in which 50% or more of the structures in the area

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

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

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

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

25 (4) Presence of structures below minimum code  
26 standards. All structures that do not meet the standards of  
27 zoning, subdivision, building, fire, and other  
28 governmental codes applicable to property, but not  
29 including housing and property maintenance codes.

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

34 (6) Excessive vacancies. The presence of buildings  
35 that are unoccupied or under-utilized and that represent an  
36 adverse influence on the area because of the frequency,



1 extent, or duration of the vacancies.

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

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

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

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

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

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

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

33 (13) The total equalized assessed value of the proposed  
34 redevelopment project area has declined for 3 of the last 5  
35 calendar years for which information is available or is  
36 increasing at an annual rate that is less than the balance

1 of the municipality for 3 of the last 5 calendar years for  
2 which information is available or is increasing at an  
3 annual rate that is less than the Consumer Price Index for  
4 All Urban Consumers published by the United States  
5 Department of Labor or successor agency for 3 of the last 5  
6 calendar years for which information is available.

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

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

27 (e) "Labor surplus municipality" means a municipality in  
28 which, at any time during the 6 months before the municipality  
29 by ordinance designates an industrial park conservation area,  
30 the unemployment rate was over 6% and was also 100% or more of  
31 the national average unemployment rate for that same time as  
32 published in the United States Department of Labor Bureau of  
33 Labor Statistics publication entitled "The Employment  
34 Situation" or its successor publication. For the purpose of  
35 this subsection, if unemployment rate statistics for the  
36 municipality are not available, the unemployment rate in the

1 municipality shall be deemed to be the same as the unemployment  
2 rate in the principal county in which the municipality is  
3 located.

4 (f) "Municipality" shall mean a city, village or  
5 incorporated town.

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

13 (g-1) "Revised Initial Sales Tax Amounts" means the amount  
14 of 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 within the State Sales Tax  
19 Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

20 (h) "Municipal Sales Tax Increment" means an amount equal  
21 to the increase in the aggregate amount of taxes paid to a  
22 municipality from the Local Government Tax Fund arising from  
23 sales by retailers and servicemen within the redevelopment  
24 project area or State Sales Tax Boundary, as the case may be,  
25 for as long as the redevelopment project area or State Sales  
26 Tax Boundary, as the case may be, exist over and above the  
27 aggregate amount of taxes as certified by the Illinois  
28 Department of Revenue and paid under the Municipal Retailers'  
29 Occupation Tax Act and the Municipal Service Occupation Tax Act  
30 by retailers and servicemen, on transactions at places of  
31 business located in the redevelopment project area or State  
32 Sales Tax Boundary, as the case may be, during the base year  
33 which shall be the calendar year immediately prior to the year  
34 in which the municipality adopted tax increment allocation  
35 financing. For purposes of computing the aggregate amount of  
36 such taxes for base years occurring prior to 1985, the

1 Department of Revenue shall determine the Initial Sales Tax  
2 Amounts for such taxes and deduct therefrom an amount equal to  
3 4% of the aggregate amount of taxes per year for each year the  
4 base year is prior to 1985, but not to exceed a total deduction  
5 of 12%. The amount so determined shall be known as the  
6 "Adjusted Initial Sales Tax Amounts". For purposes of  
7 determining the Municipal Sales Tax Increment, the Department  
8 of Revenue shall for each period subtract from the amount paid  
9 to the municipality from the Local Government Tax Fund arising  
10 from sales by retailers and servicemen on transactions located  
11 in the redevelopment project area or the State Sales Tax  
12 Boundary, as the case may be, the certified Initial Sales Tax  
13 Amounts, the Adjusted Initial Sales Tax Amounts or the Revised  
14 Initial Sales Tax Amounts for the Municipal Retailers'  
15 Occupation Tax Act and the Municipal Service Occupation Tax  
16 Act. For the State Fiscal Year 1989, this calculation shall be  
17 made by utilizing the calendar year 1987 to determine the tax  
18 amounts received. For the State Fiscal Year 1990, this  
19 calculation shall be made by utilizing the period from January  
20 1, 1988, until September 30, 1988, to determine the tax amounts  
21 received from retailers and servicemen pursuant to the  
22 Municipal Retailers' Occupation Tax and the Municipal Service  
23 Occupation Tax Act, which shall have deducted therefrom  
24 nine-twelfths of the certified Initial Sales Tax Amounts, the  
25 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
26 Tax Amounts as appropriate. For the State Fiscal Year 1991,  
27 this calculation shall be made by utilizing the period from  
28 October 1, 1988, to June 30, 1989, to determine the tax amounts  
29 received from retailers and servicemen pursuant to the  
30 Municipal Retailers' Occupation Tax and the Municipal Service  
31 Occupation Tax Act which shall have deducted therefrom  
32 nine-twelfths of the certified Initial Sales Tax Amounts,  
33 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
34 Tax Amounts as appropriate. For every State Fiscal Year  
35 thereafter, the applicable period shall be the 12 months  
36 beginning July 1 and ending June 30 to determine the tax

1 amounts received which shall have deducted therefrom the  
2 certified Initial Sales Tax Amounts, the Adjusted Initial Sales  
3 Tax Amounts or the Revised Initial Sales Tax Amounts, as the  
4 case may be.

5 (i) "Net State Sales Tax Increment" means the sum of the  
6 following: (a) 80% of the first \$100,000 of State Sales Tax  
7 Increment annually generated within a State Sales Tax Boundary;  
8 (b) 60% of the amount in excess of \$100,000 but not exceeding  
9 \$500,000 of State Sales Tax Increment annually generated within  
10 a State Sales Tax Boundary; and (c) 40% of all amounts in  
11 excess of \$500,000 of State Sales Tax Increment annually  
12 generated within a State Sales Tax Boundary. If, however, a  
13 municipality established a tax increment financing district in  
14 a county with a population in excess of 3,000,000 before  
15 January 1, 1986, and the municipality entered into a contract  
16 or issued bonds after January 1, 1986, but before December 31,  
17 1986, to finance redevelopment project costs within a State  
18 Sales Tax Boundary, then the Net State Sales Tax Increment  
19 means, for the fiscal years beginning July 1, 1990, and July 1,  
20 1991, 100% of the State Sales Tax Increment annually generated  
21 within a State Sales Tax Boundary; and notwithstanding any  
22 other provision of this Act, for those fiscal years the  
23 Department of Revenue shall distribute to those municipalities  
24 100% of their Net State Sales Tax Increment before any  
25 distribution to any other municipality and regardless of  
26 whether or not those other municipalities will receive 100% of  
27 their Net State Sales Tax Increment. For Fiscal Year 1999, and  
28 every year thereafter until the year 2007, for any municipality  
29 that has not entered into a contract or has not issued bonds  
30 prior to June 1, 1988 to finance redevelopment project costs  
31 within a State Sales Tax Boundary, the Net State Sales Tax  
32 Increment shall be calculated as follows: By multiplying the  
33 Net State Sales Tax Increment by 90% in the State Fiscal Year  
34 1999; 80% in the State Fiscal Year 2000; 70% in the State  
35 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the  
36 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%

1 in the State Fiscal Year 2005; 20% in the State Fiscal Year  
2 2006; and 10% in the State Fiscal Year 2007. No payment shall  
3 be made for State Fiscal Year 2008 and thereafter.

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

30 (j) "State Utility Tax Increment Amount" means an amount  
31 equal to the aggregate increase in State electric and gas tax  
32 charges imposed on owners and tenants, other than residential  
33 customers, of properties located within the redevelopment  
34 project area under Section 9-222 of the Public Utilities Act,  
35 over and above the aggregate of such charges as certified by  
36 the Department of Revenue and paid by owners and tenants, other

1 than residential customers, of properties within the  
2 redevelopment project area during the base year, which shall be  
3 the calendar year immediately prior to the year of the adoption  
4 of the ordinance authorizing tax increment allocation  
5 financing.

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

27 Municipalities that issue bonds in connection with the  
28 redevelopment project during the period from June 1, 1988 until  
29 3 years after the effective date of this Amendatory Act of 1988  
30 shall receive the Net State Utility Tax Increment, subject to  
31 appropriation, for 15 State Fiscal Years after the issuance of  
32 such bonds. For the 16th through the 20th State Fiscal Years  
33 after issuance of the bonds, the Net State Utility Tax  
34 Increment shall be calculated as follows: By multiplying the  
35 Net State Utility Tax Increment by 90% in year 16; 80% in year  
36 17; 70% in year 18; 60% in year 19; and 50% in year 20.



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

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

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

20 (n) "Redevelopment plan" means the comprehensive program  
21 of the municipality for development or redevelopment intended  
22 by the payment of redevelopment project costs to reduce or  
23 eliminate those conditions the existence of which qualified the  
24 redevelopment project area as a "blighted area" or  
25 "conservation area" or combination thereof or "industrial park  
26 conservation area," and thereby to enhance the tax bases of the  
27 taxing districts which extend into the redevelopment project  
28 area. On and after November 1, 1999 (the effective date of  
29 Public Act 91-478), no redevelopment plan may be approved or  
30 amended that includes the development of vacant land (i) with a  
31 golf course and related clubhouse and other facilities or (ii)  
32 designated by federal, State, county, or municipal government  
33 as public land for outdoor recreational activities or for  
34 nature preserves and used for that purpose within 5 years prior  
35 to the adoption of the redevelopment plan. For the purpose of  
36 this subsection, "recreational activities" is limited to mean

1 camping and hunting. Each redevelopment plan shall set forth in  
2 writing the program to be undertaken to accomplish the  
3 objectives and shall include but not be limited to:

4 (A) an itemized list of estimated redevelopment  
5 project costs;

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

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

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

15 (E) the nature and term of the obligations to be  
16 issued;

17 (F) the most recent equalized assessed valuation of the  
18 redevelopment project area;

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

22 (H) a commitment to fair employment practices and an  
23 affirmative action plan;

24 (I) if it concerns an industrial park conservation  
25 area, the plan shall also include a general description of  
26 any proposed developer, user and tenant of any property, a  
27 description of the type, structure and general character of  
28 the facilities to be developed, a description of the type,  
29 class and number of new employees to be employed in the  
30 operation of the facilities to be developed; and

31 (J) if property is to be annexed to the municipality,  
32 the plan shall include the terms of the annexation  
33 agreement.

34 The provisions of items (B) and (C) of this subsection (n)  
35 shall not apply to a municipality that before March 14, 1994  
36 (the effective date of Public Act 88-537) had fixed, either by

1 its corporate authorities or by a commission designated under  
2 subsection (k) of Section 11-74.4-4, a time and place for a  
3 public hearing as required by subsection (a) of Section  
4 11-74.4-5. No redevelopment plan shall be adopted unless a  
5 municipality complies with all of the following requirements:

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

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

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

1 after the year in which the ordinance approving the  
2 redevelopment project area is adopted:

3 (A) if the ordinance was adopted before January 15,  
4 1981, or

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

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

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

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

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

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

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

29 (I) if the ordinance was adopted on November 12,  
30 1991 by the Village of Sauget, or

31 (J) if the ordinance was adopted on February 11,  
32 1985 by the City of Rock Island, or

33 (K) if the ordinance was adopted before December  
34 18, 1986 by the City of Moline, or

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

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

3 (N) if the ordinance was adopted on December 29,  
4 1986 by the City of Galva, or

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

7 (P) if the ordinance was adopted on January 23,  
8 1991 by the City of East St. Louis, or

9 (Q) if the ordinance was adopted on December 22,  
10 1986 by the City of Aledo, or

11 (R) if the ordinance was adopted on February 5,  
12 1990 by the City of Clinton, or

13 (S) if the ordinance was adopted on September 6,  
14 1994 by the City of Freeport, or

15 (T) if the ordinance was adopted on December 22,  
16 1986 by the City of Tuscola, or

17 (U) if the ordinance was adopted on December 23,  
18 1986 by the City of Sparta, or

19 (V) if the ordinance was adopted on December 23,  
20 1986 by the City of Beardstown, or

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

24 (X) if the ordinance was adopted on December 29,  
25 1986 by the City of Collinsville, or

26 (Y) if the ordinance was adopted on September 14,  
27 1994 by the City of Alton, or

28 (Z) if the ordinance was adopted on November 11,  
29 1996 by the City of Lexington, or

30 (AA) if the ordinance was adopted on November 5,  
31 1984 by the City of LeRoy, or

32 (BB) if the ordinance was adopted on April 3, 1991  
33 or June 3, 1992 by the City of Markham, ~~or~~

34 (CC) if the ordinance was adopted on January 19,  
35 1988 by the City of Waukegan, or

36 (DD) if the ordinance was adopted on September 21,

1           1998 by the City of Waukegan, or  
2                   (EE) if the ordinance was adopted on December 15,  
3           1981 by the City of Champaign, or  
4                   (FF) if the ordinance was adopted on December 15,  
5           1986 by the City of Urbana, or  
6                   (GG) if the ordinance was adopted on November 30,  
7           1986 by the City of Effingham.

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

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

30           Those dates, for purposes of real property tax  
31           increment allocation financing pursuant to Section  
32           11-74.4-8 only, shall be not more than 35 years for  
33           redevelopment project areas that were adopted on or after  
34           December 16, 1986 and for which at least \$8 million worth  
35           of municipal bonds were authorized on or after December 19,  
36           1989 but before January 1, 1990; provided that the

1 municipality elects to extend the life of the redevelopment  
2 project area to 35 years by the adoption of an ordinance  
3 after at least 14 but not more than 30 days' written notice  
4 to the taxing bodies, that would otherwise constitute the  
5 joint review board for the redevelopment project area,  
6 before the adoption of the ordinance.

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

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

28 (4) If any incremental revenues are being utilized  
29 under Section 8(a)(1) or 8(a)(2) of this Act in  
30 redevelopment project areas approved by ordinance after  
31 January 1, 1986, the municipality finds: (a) that the  
32 redevelopment project area would not reasonably be  
33 developed without the use of such incremental revenues, and  
34 (b) that such incremental revenues will be exclusively  
35 utilized for the development of the redevelopment project  
36 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 plan,  
5 a housing impact study need not be performed. If, however,  
6 the redevelopment plan would result in the displacement of  
7 residents from 10 or more inhabited residential units, or  
8 if the redevelopment project area contains 75 or more  
9 inhabited residential units and no certification is made,  
10 then the municipality shall prepare, as part of the  
11 separate feasibility report required by subsection (a) of  
12 Section 11-74.4-5, a housing impact study.

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

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



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

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

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

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

34 (9) For redevelopment project areas designated prior  
35 to November 1, 1999, the redevelopment plan may be amended  
36 without further joint review board meeting or hearing,

1 provided that the municipality shall give notice of any  
2 such changes by mail to each affected taxing district and  
3 registrant on the interested party registry, to authorize  
4 the municipality to expend tax increment revenues for  
5 redevelopment project costs defined by paragraphs (5) and  
6 (7.5), subparagraphs (E) and (F) of paragraph (11), and  
7 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so  
8 long as the changes do not increase the total estimated  
9 redevelopment project costs set out in the redevelopment  
10 plan by more than 5% after adjustment for inflation from  
11 the date the plan was adopted.

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

24 (p) "Redevelopment project area" means an area designated  
25 by the municipality, which is not less in the aggregate than 1  
26 1/2 acres and in respect to which the municipality has made a  
27 finding that there exist conditions which cause the area to be  
28 classified as an industrial park conservation area or a  
29 blighted area or a conservation area, or a combination of both  
30 blighted areas and conservation areas.

31 (q) "Redevelopment project costs" mean and include the sum  
32 total of all reasonable or necessary costs incurred or  
33 estimated to be incurred, and any such costs incidental to a  
34 redevelopment plan and a redevelopment project. Such costs  
35 include, without limitation, the following:

36 (1) Costs of studies, surveys, development of plans,

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

28 (1.5) After July 1, 1999, annual administrative costs  
29 shall not include general overhead or administrative costs  
30 of the municipality that would still have been incurred by  
31 the municipality if the municipality had not designated a  
32 redevelopment project area or approved a redevelopment  
33 plan;

34 (1.6) The cost of marketing sites within the  
35 redevelopment project area to prospective businesses,  
36 developers, and investors;

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

9           (3) Costs of rehabilitation, reconstruction or repair  
10          or remodeling of existing public or private buildings,  
11          fixtures, and leasehold improvements; and the cost of  
12          replacing an existing public building if pursuant to the  
13          implementation of a redevelopment project the existing  
14          public building is to be demolished to use the site for  
15          private investment or devoted to a different use requiring  
16          private investment;

17          (4) Costs of the construction of public works or  
18          improvements, except that on and after November 1, 1999,  
19          redevelopment project costs shall not include the cost of  
20          constructing a new municipal public building principally  
21          used to provide offices, storage space, or conference  
22          facilities or vehicle storage, maintenance, or repair for  
23          administrative, public safety, or public works personnel  
24          and that is not intended to replace an existing public  
25          building as provided under paragraph (3) of subsection (q)  
26          of Section 11-74.4-3 unless either (i) the construction of  
27          the new municipal building implements a redevelopment  
28          project that was included in a redevelopment plan that was  
29          adopted by the municipality prior to November 1, 1999 or  
30          (ii) the municipality makes a reasonable determination in  
31          the redevelopment plan, supported by information that  
32          provides the basis for that determination, that the new  
33          municipal building is required to meet an increase in the  
34          need for public safety purposes anticipated to result from  
35          the implementation of the redevelopment plan;

36          (5) Costs of job training and retraining projects,

1 including the cost of "welfare to work" programs  
2 implemented by businesses located within the redevelopment  
3 project area;

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

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

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

34 (A) for foundation districts, excluding any school  
35 district in a municipality with a population in excess  
36 of 1,000,000, by multiplying the district's increase

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

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

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

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

34 (B) For alternate method districts, flat grant  
35 districts, and foundation districts with a district  
36 average 1995-96 Per Capita Tuition Charge equal to or

1 more than \$5,900, excluding any school district with a  
2 population in excess of 1,000,000, by multiplying the  
3 district's increase in attendance resulting from the  
4 net increase in new students enrolled in that school  
5 district who reside in housing units within the  
6 redevelopment project area that have received  
7 financial assistance through an agreement with the  
8 municipality or because the municipality incurs the  
9 cost of necessary infrastructure improvements within  
10 the boundaries of the housing sites necessary for the  
11 completion of that housing as authorized by this Act  
12 since the designation of the redevelopment project  
13 area by the most recently available per capita tuition  
14 cost as defined in Section 10-20.12a of the School Code  
15 less any increase in general state aid as defined in  
16 Section 18-8.05 of the School Code attributable to  
17 these added new students subject to the following  
18 annual limitations:

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

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

29 (iii) for secondary school districts, no more  
30 than 13% of the total amount of property tax  
31 increment revenue produced by those housing units  
32 that have received tax increment finance  
33 assistance under this Act.

34 (C) For any school district in a municipality with  
35 a population in excess of 1,000,000, the following  
36 restrictions shall apply to the reimbursement of

1 increased costs under this paragraph (7.5):

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

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

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

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

31 (8) Relocation costs to the extent that a municipality  
32 determines that relocation costs shall be paid or is  
33 required to make payment of relocation costs by federal or  
34 State law or in order to satisfy subparagraph (7) of  
35 subsection (n);

36 (9) Payment in lieu of taxes;



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

25           (11) Interest cost incurred by a redeveloper related to  
26 the construction, renovation or rehabilitation of a  
27 redevelopment project provided that:

28           (A) such costs are to be paid directly from the  
29 special tax allocation fund established pursuant to  
30 this Act;

31           (B) such payments in any one year may not exceed  
32 30% of the annual interest costs incurred by the  
33 redeveloper with regard to the redevelopment project  
34 during that year;

35           (C) if there are not sufficient funds available in  
36 the special tax allocation fund to make the payment

1           pursuant to this paragraph (11) then the amounts so due  
2           shall accrue and be payable when sufficient funds are  
3           available in the special tax allocation fund;

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

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

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

34          The eligible costs provided under this  
35          subparagraph (F) of paragraph (11) shall be an eligible  
36          cost for the construction, renovation, and

1 rehabilitation of all low and very low-income housing  
2 units, as defined in Section 3 of the Illinois  
3 Affordable Housing Act, within the redevelopment  
4 project area. If the low and very low-income units are  
5 part of a residential redevelopment project that  
6 includes units not affordable to low and very  
7 low-income households, only the low and very  
8 low-income units shall be eligible for benefits under  
9 subparagraph (F) of paragraph (11). The standards for  
10 maintaining the occupancy by low-income households and  
11 very low-income households, as defined in Section 3 of  
12 the Illinois Affordable Housing Act, of those units  
13 constructed with eligible costs made available under  
14 the provisions of this subparagraph (F) of paragraph  
15 (11) shall be established by guidelines adopted by the  
16 municipality. The responsibility for annually  
17 documenting the initial occupancy of the units by  
18 low-income households and very low-income households,  
19 as defined in Section 3 of the Illinois Affordable  
20 Housing Act, shall be that of the then current owner of  
21 the property. For ownership units, the guidelines will  
22 provide, at a minimum, for a reasonable recapture of  
23 funds, or other appropriate methods designed to  
24 preserve the original affordability of the ownership  
25 units. For rental units, the guidelines will provide,  
26 at a minimum, for the affordability of rent to low and  
27 very low-income households. As units become available,  
28 they shall be rented to income-eligible tenants. The  
29 municipality may modify these guidelines from time to  
30 time; the guidelines, however, shall be in effect for  
31 as long as tax increment revenue is being used to pay  
32 for costs associated with the units or for the  
33 retirement of bonds issued to finance the units or for  
34 the life of the redevelopment project area, whichever  
35 is later.

36 (11.5) If the redevelopment project area is located

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

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

19 (13) After November 1, 1999 (the effective date of  
20 Public Act 91-478), none of the redevelopment project costs  
21 enumerated in this subsection shall be eligible  
22 redevelopment project costs if those costs would provide  
23 direct financial support to a retail entity initiating  
24 operations in the redevelopment project area while  
25 terminating operations at another Illinois location within  
26 10 miles of the redevelopment project area but outside the  
27 boundaries of the redevelopment project area municipality.  
28 For purposes of this paragraph, termination means a closing  
29 of a retail operation that is directly related to the  
30 opening of the same operation or like retail entity owned  
31 or operated by more than 50% of the original ownership in a  
32 redevelopment project area, but it does not mean closing an  
33 operation for reasons beyond the control of the retail  
34 entity, as documented by the retail entity, subject to a  
35 reasonable finding by the municipality that the current  
36 location contained inadequate space, had become

1 economically obsolete, or was no longer a viable location  
2 for the retailer or serviceman.

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

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

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

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

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

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

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

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

1 acknowledged, approved, and recorded or filed in accordance  
2 with the Plat Act and a preliminary plat, if any, for any  
3 subsequent phases of the proposed Redevelopment Project Area or  
4 relevant portion thereof has been properly approved and filed  
5 in accordance with the applicable ordinance of the  
6 municipality.

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

15 (Source: P.A. 92-263, eff. 8-7-01; 92-406, eff. 1-1-02; 92-624,  
16 eff. 7-11-02; 92-651, eff. 7-11-02; 93-298, eff. 7-23-03.)

17 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

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



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

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

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

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

33 If no petition is filed with the municipal clerk, as  
34 hereinafter provided in this Section, within 30 days after the  
35 publication of the ordinance, the ordinance shall be in effect.  
36 But, if within that 30 day period a petition is filed with the

1 municipal clerk, signed by electors in the municipality  
2 numbering 10% or more of the number of registered voters in the  
3 municipality, asking that the question of issuing obligations  
4 using full faith and credit of the municipality as security for  
5 the cost of paying for redevelopment project costs, or of  
6 pledging taxes for the payment of such obligations, or both, be  
7 submitted to the electors of the municipality, the corporate  
8 authorities of the municipality shall call a special election  
9 in the manner provided by law to vote upon that question, or,  
10 if a general, State or municipal election is to be held within  
11 a period of not less than 30 or more than 90 days from the date  
12 such petition is filed, shall submit the question at the next  
13 general, State or municipal election. If it appears upon the  
14 canvass of the election by the corporate authorities that a  
15 majority of electors voting upon the question voted in favor  
16 thereof, the ordinance shall be in effect, but if a majority of  
17 the electors voting upon the question are not in favor thereof,  
18 the ordinance shall not take effect.

19 The ordinance authorizing the obligations may provide that  
20 the obligations shall contain a recital that they are issued  
21 pursuant to this Division, which recital shall be conclusive  
22 evidence of their validity and of the regularity of their  
23 issuance.

24 In the event the municipality authorizes issuance of  
25 obligations pursuant to this Section secured by the full faith  
26 and credit of the municipality, the ordinance authorizing the  
27 obligations may provide for the levy and collection of a direct  
28 annual tax upon all taxable property within the municipality  
29 sufficient to pay the principal thereof and interest thereon as  
30 it matures, which levy may be in addition to and exclusive of  
31 the maximum of all other taxes authorized to be levied by the  
32 municipality, which levy, however, shall be abated to the  
33 extent that monies from other sources are available for payment  
34 of the obligations and the municipality certifies the amount of  
35 said monies available to the county clerk.

36 A certified copy of such ordinance shall be filed with the

1 county clerk of each county in which any portion of the  
2 municipality is situated, and shall constitute the authority  
3 for the extension and collection of the taxes to be deposited  
4 in the special tax allocation fund.

5 A municipality may also issue its obligations to refund in  
6 whole or in part, obligations theretofore issued by such  
7 municipality under the authority of this Act, whether at or  
8 prior to maturity, provided however, that the last maturity of  
9 the refunding obligations shall not be expressed to mature  
10 later than December 31 of the year in which the payment to the  
11 municipal treasurer as provided in subsection (b) of Section  
12 11-74.4-8 of this Act is to be made with respect to ad valorem  
13 taxes levied in the twenty-third calendar year after the year  
14 in which the ordinance approving the redevelopment project area  
15 is adopted if the ordinance was adopted on or after January 15,  
16 1981, and not later than December 31 of the year in which the  
17 payment to the municipal treasurer as provided in subsection  
18 (b) of Section 11-74.4-8 of this Act is to be made with respect  
19 to ad valorem taxes levied in the thirty-fifth calendar year  
20 after the year in which the ordinance approving the  
21 redevelopment project area is adopted (A) if the ordinance was  
22 adopted before January 15, 1981, or (B) if the ordinance was  
23 adopted in December 1983, April 1984, July 1985, or December  
24 1989, or (C) if the ordinance was adopted in December, 1987 and  
25 the redevelopment project is located within one mile of Midway  
26 Airport, or (D) if the ordinance was adopted before January 1,  
27 1987 by a municipality in Mason County, or (E) if the  
28 municipality is subject to the Local Government Financial  
29 Planning and Supervision Act or the Financially Distressed City  
30 Law, or (F) if the ordinance was adopted in December 1984 by  
31 the Village of Rosemont, or (G) if the ordinance was adopted on  
32 December 31, 1986 by a municipality located in Clinton County  
33 for which at least \$250,000 of tax increment bonds were  
34 authorized on June 17, 1997, or if the ordinance was adopted on  
35 December 31, 1986 by a municipality with a population in 1990  
36 of less than 3,600 that is located in a county with a

1 population in 1990 of less than 34,000 and for which at least  
2 \$250,000 of tax increment bonds were authorized on June 17,  
3 1997, or (H) if the ordinance was adopted on October 5, 1982 by  
4 the City of Kankakee, or (I) if the ordinance was adopted on  
5 December 29, 1986 by East St. Louis, or if the ordinance was  
6 adopted on November 12, 1991 by the Village of Sauget, or (J)  
7 if the ordinance was adopted on February 11, 1985 by the City  
8 of Rock Island, or (K) if the ordinance was adopted before  
9 December 18, 1986 by the City of Moline, or (L) if the  
10 ordinance was adopted in September 1988 by Sauk Village, or (M)  
11 if the ordinance was adopted in October 1993 by Sauk Village,  
12 or (N) if the ordinance was adopted on December 29, 1986 by the  
13 City of Galva, or (O) if the ordinance was adopted in March  
14 1991 by the City of Centreville, or (P) if the ordinance was  
15 adopted on January 23, 1991 by the City of East St. Louis, or  
16 (Q) if the ordinance was adopted on December 22, 1986 by the  
17 City of Aledo, or (R) if the ordinance was adopted on February  
18 5, 1990 by the City of Clinton, or (S) if the ordinance was  
19 adopted on September 6, 1994 by the City of Freeport, or (T) if  
20 the ordinance was adopted on December 22, 1986 by the City of  
21 Tuscola, or (U) if the ordinance was adopted on December 23,  
22 1986 by the City of Sparta, or (V) if the ordinance was adopted  
23 on December 23, 1986 by the City of Beardstown, or (W) if the  
24 ordinance was adopted on April 27, 1981, October 21, 1985, or  
25 December 30, 1986 by the City of Belleville, or (X) if the  
26 ordinance was adopted on December 29, 1986 by the City of  
27 Collinsville, or (Y) if the ordinance was adopted on September  
28 14, 1994 by the City of Alton, or (Z) if the ordinance was  
29 adopted on November 11, 1996 by the City of Lexington, or (AA)  
30 if the ordinance was adopted on November 5, 1984 by the City of  
31 LeRoy, or (BB) if the ordinance was adopted on April 3, 1991 or  
32 June 3, 1992 by the City of Markham, or (CC) if the ordinance  
33 was adopted on January 19, 1988 by the City of Waukegan, or  
34 (DD) if the ordinance was adopted on September 21, 1998 by the  
35 City of Waukegan, or (EE) if the ordinance was adopted on  
36 December 15, 1981 by the City of Champaign, or (FF) if the

1 ordinance was adopted on December 15, 1986 by the City of  
2 Urbana, or (GG) if the ordinance was adopted on November 30,  
3 1986 by the City of Effingham and, for redevelopment project  
4 areas for which bonds were issued before July 29, 1991, in  
5 connection with a redevelopment project in the area within the  
6 State Sales Tax Boundary and which were extended by municipal  
7 ordinance under subsection (n) of Section 11-74.4-3, the last  
8 maturity of the refunding obligations shall not be expressed to  
9 mature later than the date on which the redevelopment project  
10 area is terminated or December 31, 2013, whichever date occurs  
11 first.

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

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

24 (Source: P.A. 92-263, eff. 8-7-01; 92-406, eff. 1-1-02; 92-624,  
25 eff. 7-11-02; 92-651, eff. 7-11-02; 93-298, eff. 7-23-03.)

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