

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by
5 changing Sections 11-74.4-3 and 11-74.4-7 as follows:

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

7 (Text of Section before amendment by P.A. 94-702 and
8 94-711)

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

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

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

22 (1) If improved, industrial, commercial, and
23 residential buildings or improvements are detrimental to
24 the public safety, health, or welfare because of a
25 combination of 5 or more of the following factors, each of
26 which is (i) 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) reasonably distributed throughout the
30 improved part of the redevelopment project area:

31 (A) Dilapidation. An advanced state of disrepair
32 or neglect of necessary repairs to the primary

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

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

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

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

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

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

34 (G) Lack of ventilation, light, or sanitary
35 facilities. The absence of adequate ventilation for
36 light or air circulation in spaces or rooms without

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

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

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

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

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

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

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

34 (M) The total equalized assessed value of the
35 proposed redevelopment project area has declined for 3
36 of the last 5 calendar years prior to the year in which

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

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

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

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

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

35 (D) Deterioration of structures or site
36 improvements in neighboring areas adjacent to the

1 vacant land.

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

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

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

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

36 (B) The area consists of unused rail yards, rail

1 tracks, or railroad rights-of-way.

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

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

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

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

30 (b) For any redevelopment project area that has been
31 designated pursuant to this Section by an ordinance adopted
32 prior to November 1, 1999 (the effective date of Public Act
33 91-478), "conservation area" shall have the meaning set forth
34 in this Section prior to that date.

35 On and after November 1, 1999, "conservation area" means
36 any improved area within the boundaries of a redevelopment

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

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

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

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

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

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

36 (6) Excessive vacancies. The presence of buildings

1 that are unoccupied or under-utilized and that represent an
2 adverse influence on the area because of the frequency,
3 extent, or duration of the vacancies.

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

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

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

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

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

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

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

35 (13) The total equalized assessed value of the proposed
36 redevelopment project area has declined for 3 of the last 5

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

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

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

29 (e) "Labor surplus municipality" means a municipality in
30 which, at any time during the 6 months before the municipality
31 by ordinance designates an industrial park conservation area,
32 the unemployment rate was over 6% and was also 100% or more of
33 the national average unemployment rate for that same time as
34 published in the United States Department of Labor Bureau of
35 Labor Statistics publication entitled "The Employment
36 Situation" or its successor publication. For the purpose of

1 this subsection, if unemployment rate statistics for the
2 municipality are not available, the unemployment rate in the
3 municipality shall be deemed to be the same as the unemployment
4 rate in the principal county in which the municipality is
5 located.

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

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

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

25 (h) "Municipal Sales Tax Increment" means an amount equal
26 to the increase in the aggregate amount of taxes paid to a
27 municipality from the Local Government Tax Fund arising from
28 sales by retailers and servicemen within the redevelopment
29 project area or State Sales Tax Boundary, as the case may be,
30 for as long as the redevelopment project area or State Sales
31 Tax Boundary, as the case may be, exist over and above the
32 aggregate amount of taxes as certified by the Illinois
33 Department of Revenue and paid under the Municipal Retailers'
34 Occupation Tax Act and the Municipal Service Occupation Tax Act
35 by retailers and servicemen, on transactions at places of
36 business located in the redevelopment project area or State

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

1 nine-twelfths of the certified Initial Sales Tax Amounts,
2 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales
3 Tax Amounts as appropriate. For every State Fiscal Year
4 thereafter, the applicable period shall be the 12 months
5 beginning July 1 and ending June 30 to determine the tax
6 amounts received which shall have deducted therefrom the
7 certified Initial Sales Tax Amounts, the Adjusted Initial Sales
8 Tax Amounts or the Revised Initial Sales Tax Amounts, as the
9 case may be.

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

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

9 Municipalities that issued bonds in connection with a
10 redevelopment project in a redevelopment project area within
11 the State Sales Tax Boundary prior to July 29, 1991, or that
12 entered into contracts in connection with a redevelopment
13 project in a redevelopment project area before June 1, 1988,
14 shall continue to receive their proportional share of the
15 Illinois Tax Increment Fund distribution until the date on
16 which the redevelopment project is completed or terminated. If,
17 however, a municipality that issued bonds in connection with a
18 redevelopment project in a redevelopment project area within
19 the State Sales Tax Boundary prior to July 29, 1991 retires the
20 bonds prior to June 30, 2007 or a municipality that entered
21 into contracts in connection with a redevelopment project in a
22 redevelopment project area before June 1, 1988 completes the
23 contracts prior to June 30, 2007, then so long as the
24 redevelopment project is not completed or is not terminated,
25 the Net State Sales Tax Increment shall be calculated,
26 beginning on the date on which the bonds are retired or the
27 contracts are completed, as follows: By multiplying the Net
28 State Sales Tax Increment by 60% in the State Fiscal Year 2002;
29 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year
30 2004; 30% in the State Fiscal Year 2005; 20% in the State
31 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No
32 payment shall be made for State Fiscal Year 2008 and
33 thereafter. Refunding of any bonds issued prior to July 29,
34 1991, shall not alter the Net State Sales Tax Increment.

35 (j) "State Utility Tax Increment Amount" means an amount
36 equal to the aggregate increase in State electric and gas tax

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

11 (k) "Net State Utility Tax Increment" means the sum of the
12 following: (a) 80% of the first \$100,000 of State Utility Tax
13 Increment annually generated by a redevelopment project area;
14 (b) 60% of the amount in excess of \$100,000 but not exceeding
15 \$500,000 of the State Utility Tax Increment annually generated
16 by a redevelopment project area; and (c) 40% of all amounts in
17 excess of \$500,000 of State Utility Tax Increment annually
18 generated by a redevelopment project area. For the State Fiscal
19 Year 1999, and every year thereafter until the year 2007, for
20 any municipality that has not entered into a contract or has
21 not issued bonds prior to June 1, 1988 to finance redevelopment
22 project costs within a redevelopment project area, the Net
23 State Utility Tax Increment shall be calculated as follows: By
24 multiplying the Net State Utility Tax Increment by 90% in the
25 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%
26 in the State Fiscal Year 2001; 60% in the State Fiscal Year
27 2002; 50% in the State Fiscal Year 2003; 40% in the State
28 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the
29 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.
30 No payment shall be made for the State Fiscal Year 2008 and
31 thereafter.

32 Municipalities that issue bonds in connection with the
33 redevelopment project during the period from June 1, 1988 until
34 3 years after the effective date of this Amendatory Act of 1988
35 shall receive the Net State Utility Tax Increment, subject to
36 appropriation, for 15 State Fiscal Years after the issuance of

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

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

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

25 (n) "Redevelopment plan" means the comprehensive program
26 of the municipality for development or redevelopment intended
27 by the payment of redevelopment project costs to reduce or
28 eliminate those conditions the existence of which qualified the
29 redevelopment project area as a "blighted area" or
30 "conservation area" or combination thereof or "industrial park
31 conservation area," and thereby to enhance the tax bases of the
32 taxing districts which extend into the redevelopment project
33 area. On and after November 1, 1999 (the effective date of
34 Public Act 91-478), no redevelopment plan may be approved or
35 amended that includes the development of vacant land (i) with a
36 golf course and related clubhouse and other facilities or (ii)

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

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

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

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

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

20 (E) the nature and term of the obligations to be
21 issued;

22 (F) the most recent equalized assessed valuation of the
23 redevelopment project area;

24 (G) an estimate as to the equalized assessed valuation
25 after redevelopment and the general land uses to apply in
26 the redevelopment project area;

27 (H) a commitment to fair employment practices and an
28 affirmative action plan;

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

36 (J) if property is to be annexed to the municipality,

1 the plan shall include the terms of the annexation
2 agreement.

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

11 (1) The municipality finds that the redevelopment
12 project area on the whole has not been subject to growth
13 and development through investment by private enterprise
14 and would not reasonably be anticipated to be developed
15 without the adoption of the redevelopment plan.

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

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

1 adopted on or after January 15, 1981; shall not be later
2 than December 31 of the year in which the payment to the
3 municipal treasurer as provided in subsection (b) of
4 Section 11-74.4-8 of this Act is to be made with respect to
5 ad valorem taxes levied in the thirty-third calendar year
6 after the year in which the ordinance approving the
7 redevelopment project area if the ordinance was adopted on
8 May 20, 1985 by the Village of Wheeling; and shall not be
9 later than December 31 of the year in which the payment to
10 the municipal treasurer as provided in subsection (b) of
11 Section 11-74.4-8 of this Act is to be made with respect to
12 ad valorem taxes levied in the thirty-fifth calendar year
13 after the year in which the ordinance approving the
14 redevelopment project area is adopted:

15 (A) if the ordinance was adopted before January 15,
16 1981, or

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

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

22 (D) if the ordinance was adopted before January 1,
23 1987 by a municipality in Mason County, or

24 (E) if the municipality is subject to the Local
25 Government Financial Planning and Supervision Act or
26 the Financially Distressed City Law, or

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

29 (G) if the ordinance was adopted on December 31,
30 1986 by a municipality located in Clinton County for
31 which at least \$250,000 of tax increment bonds were
32 authorized on June 17, 1997, or if the ordinance was
33 adopted on December 31, 1986 by a municipality with a
34 population in 1990 of less than 3,600 that is located
35 in a county with a population in 1990 of less than
36 34,000 and for which at least \$250,000 of tax increment

1 bonds were authorized on June 17, 1997, or
2 (H) if the ordinance was adopted on October 5, 1982
3 by the City of Kankakee, or if the ordinance was
4 adopted on December 29, 1986 by East St. Louis, or
5 (I) if the ordinance was adopted on November 12,
6 1991 by the Village of Sauget, or
7 (J) if the ordinance was adopted on February 11,
8 1985 by the City of Rock Island, or
9 (K) if the ordinance was adopted before December
10 18, 1986 by the City of Moline, or
11 (L) if the ordinance was adopted in September 1988
12 by Sauk Village, or
13 (M) if the ordinance was adopted in October 1993 by
14 Sauk Village, or
15 (N) if the ordinance was adopted on December 29,
16 1986 by the City of Galva, or
17 (O) if the ordinance was adopted in March 1991 by
18 the City of Centreville, or
19 (P) if the ordinance was adopted on January 23,
20 1991 by the City of East St. Louis, or
21 (Q) if the ordinance was adopted on December 22,
22 1986 by the City of Aledo, or
23 (R) if the ordinance was adopted on February 5,
24 1990 by the City of Clinton, or
25 (S) if the ordinance was adopted on September 6,
26 1994 by the City of Freeport, or
27 (T) if the ordinance was adopted on December 22,
28 1986 by the City of Tuscola, or
29 (U) if the ordinance was adopted on December 23,
30 1986 by the City of Sparta, or
31 (V) if the ordinance was adopted on December 23,
32 1986 by the City of Beardstown, or
33 (W) if the ordinance was adopted on April 27, 1981,
34 October 21, 1985, or December 30, 1986 by the City of
35 Belleville, or
36 (X) if the ordinance was adopted on December 29,

1 1986 by the City of Collinsville, or

2 (Y) if the ordinance was adopted on September 14,
3 1994 by the City of Alton, or

4 (Z) if the ordinance was adopted on November 11,
5 1996 by the City of Lexington, or

6 (AA) if the ordinance was adopted on November 5,
7 1984 by the City of LeRoy, or

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

10 (CC) if the ordinance was adopted on November 11,
11 1986 by the City of Pekin, or

12 (DD) if the ordinance was adopted on December 15,
13 1981 by the City of Champaign, or

14 (EE) if the ordinance was adopted on December 15,
15 1986 by the City of Urbana, or

16 (FF) if the ordinance was adopted on December 15,
17 1986 by the Village of Heyworth, or

18 (GG) if the ordinance was adopted on February 24,
19 1992 by the Village of Heyworth, or

20 (HH) if the ordinance was adopted on March 16, 1995
21 by the Village of Heyworth, or

22 (II) if the ordinance was adopted on December 23,
23 1986 by the Town of Cicero, or

24 (JJ) if the ordinance was adopted on December 30,
25 1986 by the City of Effingham, or

26 (KK) if the ordinance was adopted on May 9, 1991 by
27 the Village of Tilton, or

28 (LL) if the ordinance was adopted on October 20,
29 1986 by the City of Elmhurst, or

30 (MM) if the ordinance was adopted on January 19,
31 1988 by the City of Waukegan, or

32 (NN) if the ordinance was adopted on September 21,
33 1998 by the City of Waukegan, or

34 (OO) if the ordinance was adopted on December 31,
35 1986 by the City of Sullivan, or

36 (PP) if the ordinance was adopted on December 23,

1 1991 by the City of Sullivan, or~~;~~
2 (QQ) ~~(OO)~~ if the ordinance was adopted on December
3 31, 1986 by the City of Oglesby, or~~;~~
4 (RR) ~~(OO)~~ if the ordinance was adopted on July 28,
5 1987 by the City of Marion, or
6 (SS) ~~(PP)~~ if the ordinance was adopted on April 23,
7 1990 by the City of Marion, or~~;~~
8 (TT) if the ordinance was adopted on November 17,
9 1986 by the Village of Franklin Park.

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

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

32 Those dates, for purposes of real property tax
33 increment allocation financing pursuant to Section
34 11-74.4-8 only, shall be not more than 35 years for
35 redevelopment project areas that were adopted on or after
36 December 16, 1986 and for which at least \$8 million worth

1 of municipal bonds were authorized on or after December 19,
2 1989 but before January 1, 1990; provided that the
3 municipality elects to extend the life of the redevelopment
4 project area to 35 years by the adoption of an ordinance
5 after at least 14 but not more than 30 days' written notice
6 to the taxing bodies, that would otherwise constitute the
7 joint review board for the redevelopment project area,
8 before the adoption of the ordinance.

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

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

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

1 utilized for the development of the redevelopment project
2 area.

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

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

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

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

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

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

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

36 (9) For redevelopment project areas designated prior

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

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

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

33 (q) "Redevelopment project costs" mean and include the sum
34 total of all reasonable or necessary costs incurred or
35 estimated to be incurred, and any such costs incidental to a
36 redevelopment plan and a redevelopment project. Such costs

1 include, without limitation, the following:

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

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

36 (1.6) The cost of marketing sites within the

1 redevelopment project area to prospective businesses,
2 developers, and investors;

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

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

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

1 the implementation of the redevelopment plan;

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

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

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

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

36 (A) for foundation districts, excluding any school

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

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

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

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

36 (B) For alternate method districts, flat grant

1 districts, and foundation districts with a district
2 average 1995-96 Per Capita Tuition Charge equal to or
3 more than \$5,900, excluding any school district with a
4 population in excess of 1,000,000, by multiplying the
5 district's increase in attendance resulting from the
6 net increase in new students enrolled in that school
7 district who reside in housing units within the
8 redevelopment project area that have received
9 financial assistance through an agreement with the
10 municipality or because the municipality incurs the
11 cost of necessary infrastructure improvements within
12 the boundaries of the housing sites necessary for the
13 completion of that housing as authorized by this Act
14 since the designation of the redevelopment project
15 area by the most recently available per capita tuition
16 cost as defined in Section 10-20.12a of the School Code
17 less any increase in general state aid as defined in
18 Section 18-8.05 of the School Code attributable to
19 these added new students subject to the following
20 annual limitations:

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

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

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

36 (C) For any school district in a municipality with

1 a population in excess of 1,000,000, the following
2 restrictions shall apply to the reimbursement of
3 increased costs under this paragraph (7.5):

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

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

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

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

33 (7.7) For redevelopment project areas designated (or
34 redevelopment project areas amended to add or increase the
35 number of tax-increment-financing assisted housing units)
36 on or after January 1, 2005 (the effective date of Public

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

20 The amount paid to a library district under this
21 paragraph (7.7) shall be calculated by multiplying (i) the
22 net increase in the number of persons eligible to obtain a
23 library card in that district who reside in housing units
24 within the redevelopment project area that have received
25 financial assistance through an agreement with the
26 municipality or because the municipality incurs the cost of
27 necessary infrastructure improvements within the
28 boundaries of the housing sites necessary for the
29 completion of that housing as authorized by this Act since
30 the designation of the redevelopment project area by (ii)
31 the per-patron cost of providing library services so long
32 as it does not exceed \$120. The per-patron cost shall be
33 the Total Operating Expenditures Per Capita as stated in
34 the most recent Illinois Public Library Statistics
35 produced by the Library Research Center at the University
36 of Illinois. The municipality may deduct from the amount

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

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

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

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

33 (9) Payment in lieu of taxes;

34 (10) Costs of job training, retraining, advanced
35 vocational education or career education, including but
36 not limited to courses in occupational, semi-technical or

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

22 (11) Interest cost incurred by a redeveloper related to
23 the construction, renovation or rehabilitation of a
24 redevelopment project provided that:

25 (A) such costs are to be paid directly from the
26 special tax allocation fund established pursuant to
27 this Act;

28 (B) such payments in any one year may not exceed
29 30% of the annual interest costs incurred by the
30 redeveloper with regard to the redevelopment project
31 during that year;

32 (C) if there are not sufficient funds available in
33 the special tax allocation fund to make the payment
34 pursuant to this paragraph (11) then the amounts so due
35 shall accrue and be payable when sufficient funds are
36 available in the special tax allocation fund;

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

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

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

31 The eligible costs provided under this
32 subparagraph (F) of paragraph (11) shall be an eligible
33 cost for the construction, renovation, and
34 rehabilitation of all low and very low-income housing
35 units, as defined in Section 3 of the Illinois
36 Affordable Housing Act, within the redevelopment

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

33 (11.5) If the redevelopment project area is located
34 within a municipality with a population of more than
35 100,000, the cost of day care services for children of
36 employees from low-income families working for businesses

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

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

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

36 If a special service area has been established pursuant to

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

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

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

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

1 a distribution of State Sales Tax Increment must report a list
2 of retailers to the Department of Revenue by October 31, 1988
3 and by July 31, of each year thereafter.

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

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

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

1 relevant portion thereof has been properly approved and filed
2 in accordance with the applicable ordinance of the
3 municipality.

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

12 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;
13 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-961, eff.
14 1-1-05; 93-983, eff. 8-23-04; 93-984, eff. 8-23-04; 93-985,
15 eff. 8-23-04; 93-986, eff. 8-23-04; 93-987, eff. 8-23-04;
16 93-995, eff. 8-23-04; 93-1024, eff. 8-25-04; 93-1076, eff.
17 1-18-05; 94-260, eff. 7-19-05; 94-268, eff. 7-19-05; 94-297,
18 eff. 7-21-05; 94-302, eff. 7-21-05; 94-704, eff. 12-5-05;
19 revised 12-9-05.)

20 (Text of Section after amendment by P.A. 94-702 and 94-711)

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

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

30 On and after November 1, 1999, "blighted area" means any
31 improved or vacant area within the boundaries of a
32 redevelopment project area located within the territorial
33 limits of the municipality where:

34 (1) If improved, industrial, commercial, and
35 residential buildings or improvements are detrimental to

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

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

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

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

29 (D) Presence of structures below minimum code
30 standards. All structures that do not meet the
31 standards of zoning, subdivision, building, fire, and
32 other governmental codes applicable to property, but
33 not including housing and property maintenance codes.

34 (E) Illegal use of individual structures. The use
35 of structures in violation of applicable federal,
36 State, or local laws, exclusive of those applicable to

1 the presence of structures below minimum code
2 standards.

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

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

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

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

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

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

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

30 (L) Lack of community planning. The proposed
31 redevelopment project area was developed prior to or
32 without the benefit or guidance of a community plan.
33 This means that the development occurred prior to the
34 adoption by the municipality of a comprehensive or
35 other community plan or that the plan was not followed
36 at the time of the area's development. This factor must

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

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

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

28 (A) Obsolete platting of vacant land that results
29 in parcels of limited or narrow size or configurations
30 of parcels of irregular size or shape that would be
31 difficult to develop on a planned basis and in a manner
32 compatible with contemporary standards and
33 requirements, or platting that failed to create
34 rights-of-ways for streets or alleys or that created
35 inadequate right-of-way widths for streets, alleys, or
36 other public rights-of-way or that omitted easements

1 for public utilities.

2 (B) Diversity of ownership of parcels of vacant
3 land sufficient in number to retard or impede the
4 ability to assemble the land for development.

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

8 (D) Deterioration of structures or site
9 improvements in neighboring areas adjacent to the
10 vacant land.

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

22 (F) The total equalized assessed value of the
23 proposed redevelopment project area has declined for 3
24 of the last 5 calendar years prior to the year in which
25 the redevelopment project area is designated or is
26 increasing at an annual rate that is less than the
27 balance of the municipality for 3 of the last 5
28 calendar years for which information is available or is
29 increasing at an annual rate that is less than the
30 Consumer Price Index for All Urban Consumers published
31 by the United States Department of Labor or successor
32 agency for 3 of the last 5 calendar years prior to the
33 year in which the redevelopment project area is
34 designated.

35 (3) If vacant, the sound growth of the redevelopment
36 project area is impaired by one of the following factors

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

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

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

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

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

24 (E) Prior to November 1, 1999, the area is not less
25 than 50 nor more than 100 acres and 75% of which is
26 vacant (notwithstanding that the area has been used for
27 commercial agricultural purposes within 5 years prior
28 to the designation of the redevelopment project area),
29 and the area meets at least one of the factors itemized
30 in paragraph (1) of this subsection, the area has been
31 designated as a town or village center by ordinance or
32 comprehensive plan adopted prior to January 1, 1982,
33 and the area has not been developed for that designated
34 purpose.

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

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

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

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

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

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

26 (3) Deterioration. With respect to buildings, defects
27 including, but not limited to, major defects in the
28 secondary building components such as doors, windows,
29 porches, gutters and downspouts, and fascia. With respect
30 to surface improvements, that the condition of roadways,
31 alleys, curbs, gutters, sidewalks, off-street parking, and
32 surface storage areas evidence deterioration, including,
33 but not limited to, surface cracking, crumbling, potholes,
34 depressions, loose paving material, and weeds protruding
35 through paved surfaces.

36 (4) Presence of structures below minimum code

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

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

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

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

26 (8) Inadequate utilities. Underground and overhead
27 utilities such as storm sewers and storm drainage, sanitary
28 sewers, water lines, and gas, telephone, and electrical
29 services that are shown to be inadequate. Inadequate
30 utilities are those that are: (i) of insufficient capacity
31 to serve the uses in the redevelopment project area, (ii)
32 deteriorated, antiquated, obsolete, or in disrepair, or
33 (iii) lacking within the redevelopment project area.

34 (9) Excessive land coverage and overcrowding of
35 structures and community facilities. The over-intensive
36 use of property and the crowding of buildings and accessory

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

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

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

33 (12) The area has incurred Illinois Environmental
34 Protection Agency or United States Environmental
35 Protection Agency remediation costs for, or a study
36 conducted by an independent consultant recognized as

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

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

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

27 (d) "Industrial park conservation area" means an area
28 within the boundaries of a redevelopment project area located
29 within the territorial limits of a municipality that is a labor
30 surplus municipality or within 1 1/2 miles of the territorial
31 limits of a municipality that is a labor surplus municipality
32 if the area is annexed to the municipality; which area is zoned
33 as industrial no later than at the time the municipality by
34 ordinance designates the redevelopment project area, and which
35 area includes both vacant land suitable for use as an
36 industrial park and a blighted area or conservation area

1 contiguous to such vacant land.

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

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

20 (g) "Initial Sales Tax Amounts" means the amount of taxes
21 paid under the Retailers' Occupation Tax Act, Use Tax Act,
22 Service Use Tax Act, the Service Occupation Tax Act, the
23 Municipal Retailers' Occupation Tax Act, and the Municipal
24 Service Occupation Tax Act by retailers and servicemen on
25 transactions at places located in a State Sales Tax Boundary
26 during the calendar year 1985.

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

34 (h) "Municipal Sales Tax Increment" means an amount equal
35 to the increase in the aggregate amount of taxes paid to a
36 municipality from the Local Government Tax Fund arising from

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

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

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

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

18 Municipalities that issued bonds in connection with a
19 redevelopment project in a redevelopment project area within
20 the State Sales Tax Boundary prior to July 29, 1991, or that
21 entered into contracts in connection with a redevelopment
22 project in a redevelopment project area before June 1, 1988,
23 shall continue to receive their proportional share of the
24 Illinois Tax Increment Fund distribution until the date on
25 which the redevelopment project is completed or terminated. If,
26 however, a municipality that issued bonds in connection with a
27 redevelopment project in a redevelopment project area within
28 the State Sales Tax Boundary prior to July 29, 1991 retires the
29 bonds prior to June 30, 2007 or a municipality that entered
30 into contracts in connection with a redevelopment project in a
31 redevelopment project area before June 1, 1988 completes the
32 contracts prior to June 30, 2007, then so long as the
33 redevelopment project is not completed or is not terminated,
34 the Net State Sales Tax Increment shall be calculated,
35 beginning on the date on which the bonds are retired or the
36 contracts are completed, as follows: By multiplying the Net

1 State Sales Tax Increment by 60% in the State Fiscal Year 2002;
2 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year
3 2004; 30% in the State Fiscal Year 2005; 20% in the State
4 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No
5 payment shall be made for State Fiscal Year 2008 and
6 thereafter. Refunding of any bonds issued prior to July 29,
7 1991, shall not alter the Net State Sales Tax Increment.

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

20 (k) "Net State Utility Tax Increment" means the sum of the
21 following: (a) 80% of the first \$100,000 of State Utility Tax
22 Increment annually generated by a redevelopment project area;
23 (b) 60% of the amount in excess of \$100,000 but not exceeding
24 \$500,000 of the State Utility Tax Increment annually generated
25 by a redevelopment project area; and (c) 40% of all amounts in
26 excess of \$500,000 of State Utility Tax Increment annually
27 generated by a redevelopment project area. For the State Fiscal
28 Year 1999, and every year thereafter until the year 2007, for
29 any municipality that has not entered into a contract or has
30 not issued bonds prior to June 1, 1988 to finance redevelopment
31 project costs within a redevelopment project area, the Net
32 State Utility Tax Increment shall be calculated as follows: By
33 multiplying the Net State Utility Tax Increment by 90% in the
34 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%
35 in the State Fiscal Year 2001; 60% in the State Fiscal Year
36 2002; 50% in the State Fiscal Year 2003; 40% in the State

1 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the
2 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.
3 No payment shall be made for the State Fiscal Year 2008 and
4 thereafter.

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

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

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

34 (n) "Redevelopment plan" means the comprehensive program
35 of the municipality for development or redevelopment intended
36 by the payment of redevelopment project costs to reduce or

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

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

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

23 (C) an assessment of any financial impact of the
24 redevelopment project area on or any increased demand for
25 services from any taxing district affected by the plan and
26 any program to address such financial impact or increased
27 demand;

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

29 (E) the nature and term of the obligations to be
30 issued;

31 (F) the most recent equalized assessed valuation of the
32 redevelopment project area;

33 (G) an estimate as to the equalized assessed valuation
34 after redevelopment and the general land uses to apply in
35 the redevelopment project area;

36 (H) a commitment to fair employment practices and an

1 affirmative action plan;

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

9 (J) if property is to be annexed to the municipality,
10 the plan shall include the terms of the annexation
11 agreement.

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

20 (1) The municipality finds that the redevelopment
21 project area on the whole has not been subject to growth
22 and development through investment by private enterprise
23 and would not reasonably be anticipated to be developed
24 without the adoption of the redevelopment plan.

25 (2) The municipality finds that the redevelopment plan
26 and project conform to the comprehensive plan for the
27 development of the municipality as a whole, or, for
28 municipalities with a population of 100,000 or more,
29 regardless of when the redevelopment plan and project was
30 adopted, the redevelopment plan and project either: (i)
31 conforms to the strategic economic development or
32 redevelopment plan issued by the designated planning
33 authority of the municipality, or (ii) includes land uses
34 that have been approved by the planning commission of the
35 municipality.

36 (3) The redevelopment plan establishes the estimated

1 dates of completion of the redevelopment project and
2 retirement of obligations issued to finance redevelopment
3 project costs. Those dates: shall not be later than
4 December 31 of the year in which the payment to the
5 municipal treasurer as provided in subsection (b) of
6 Section 11-74.4-8 of this Act is to be made with respect to
7 ad valorem taxes levied in the twenty-third calendar year
8 after the year in which the ordinance approving the
9 redevelopment project area is adopted if the ordinance was
10 adopted on or after January 15, 1981; shall not be later
11 than December 31 of the year in which the payment to the
12 municipal treasurer as provided in subsection (b) of
13 Section 11-74.4-8 of this Act is to be made with respect to
14 ad valorem taxes levied in the thirty-third calendar year
15 after the year in which the ordinance approving the
16 redevelopment project area if the ordinance was adopted on
17 May 20, 1985 by the Village of Wheeling; and shall not be
18 later than December 31 of the year in which the payment to
19 the municipal treasurer as provided in subsection (b) of
20 Section 11-74.4-8 of this Act is to be made with respect to
21 ad valorem taxes levied in the thirty-fifth calendar year
22 after the year in which the ordinance approving the
23 redevelopment project area is adopted:

24 (A) if the ordinance was adopted before January 15,
25 1981, or

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

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

31 (D) if the ordinance was adopted before January 1,
32 1987 by a municipality in Mason County, or

33 (E) if the municipality is subject to the Local
34 Government Financial Planning and Supervision Act or
35 the Financially Distressed City Law, or

36 (F) if the ordinance was adopted in December 1984

1 by the Village of Rosemont, or

2 (G) if the ordinance was adopted on December 31,
3 1986 by a municipality located in Clinton County for
4 which at least \$250,000 of tax increment bonds were
5 authorized on June 17, 1997, or if the ordinance was
6 adopted on December 31, 1986 by a municipality with a
7 population in 1990 of less than 3,600 that is located
8 in a county with a population in 1990 of less than
9 34,000 and for which at least \$250,000 of tax increment
10 bonds were authorized on June 17, 1997, or

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

14 (I) if the ordinance was adopted on November 12,
15 1991 by the Village of Sauget, or

16 (J) if the ordinance was adopted on February 11,
17 1985 by the City of Rock Island, or

18 (K) if the ordinance was adopted before December
19 18, 1986 by the City of Moline, or

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

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

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

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

28 (P) if the ordinance was adopted on January 23,
29 1991 by the City of East St. Louis, or

30 (Q) if the ordinance was adopted on December 22,
31 1986 by the City of Aledo, or

32 (R) if the ordinance was adopted on February 5,
33 1990 by the City of Clinton, or

34 (S) if the ordinance was adopted on September 6,
35 1994 by the City of Freeport, or

36 (T) if the ordinance was adopted on December 22,

1 1986 by the City of Tuscola, or
2 (U) if the ordinance was adopted on December 23,
3 1986 by the City of Sparta, or
4 (V) if the ordinance was adopted on December 23,
5 1986 by the City of Beardstown, or
6 (W) if the ordinance was adopted on April 27, 1981,
7 October 21, 1985, or December 30, 1986 by the City of
8 Belleville, or
9 (X) if the ordinance was adopted on December 29,
10 1986 by the City of Collinsville, or
11 (Y) if the ordinance was adopted on September 14,
12 1994 by the City of Alton, or
13 (Z) if the ordinance was adopted on November 11,
14 1996 by the City of Lexington, or
15 (AA) if the ordinance was adopted on November 5,
16 1984 by the City of LeRoy, or
17 (BB) if the ordinance was adopted on April 3, 1991
18 or June 3, 1992 by the City of Markham, or
19 (CC) if the ordinance was adopted on November 11,
20 1986 by the City of Pekin, or
21 (DD) if the ordinance was adopted on December 15,
22 1981 by the City of Champaign, or
23 (EE) if the ordinance was adopted on December 15,
24 1986 by the City of Urbana, or
25 (FF) if the ordinance was adopted on December 15,
26 1986 by the Village of Heyworth, or
27 (GG) if the ordinance was adopted on February 24,
28 1992 by the Village of Heyworth, or
29 (HH) if the ordinance was adopted on March 16, 1995
30 by the Village of Heyworth, or
31 (II) if the ordinance was adopted on December 23,
32 1986 by the Town of Cicero, or
33 (JJ) if the ordinance was adopted on December 30,
34 1986 by the City of Effingham, or
35 (KK) if the ordinance was adopted on May 9, 1991 by
36 the Village of Tilton, or

1 (LL) if the ordinance was adopted on October 20,
2 1986 by the City of Elmhurst, or

3 (MM) if the ordinance was adopted on January 19,
4 1988 by the City of Waukegan, or

5 (NN) if the ordinance was adopted on September 21,
6 1998 by the City of Waukegan, or

7 (OO) if the ordinance was adopted on December 31,
8 1986 by the City of Sullivan, or

9 (PP) if the ordinance was adopted on December 23,
10 1991 by the City of Sullivan, or.

11 (QQ) ~~(OO)~~ if the ordinance was adopted on December
12 31, 1986 by the City of Oglesby, or.

13 (RR) ~~(OO)~~ if the ordinance was adopted on July 28,
14 1987 by the City of Marion, or

15 (SS) ~~(PP)~~ if the ordinance was adopted on April 23,
16 1990 by the City of Marion, or.

17 (TT) ~~(OO)~~ if the ordinance was adopted on August
18 20, 1985 by the Village of Mount Prospect, or.

19 (UU) ~~(OO)~~ if the ordinance was adopted on February
20 2, 1998 by the Village of Woodhull, or.

21 (VV) if the ordinance was adopted on November 17,
22 1986 by the Village of Franklin Park.

23 However, for redevelopment project areas for which
24 bonds were issued before July 29, 1991, or for which
25 contracts were entered into before June 1, 1988, in
26 connection with a redevelopment project in the area within
27 the State Sales Tax Boundary, the estimated dates of
28 completion of the redevelopment project and retirement of
29 obligations to finance redevelopment project costs may be
30 extended by municipal ordinance to December 31, 2013. The
31 termination procedures of subsection (b) of Section
32 11-74.4-8 are not required for these redevelopment project
33 areas in 2009 but are required in 2013. The extension
34 allowed by this amendatory Act of 1993 shall not apply to
35 real property tax increment allocation financing under
36 Section 11-74.4-8.

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

9 Those dates, for purposes of real property tax
10 increment allocation financing pursuant to Section
11 11-74.4-8 only, shall be not more than 35 years for
12 redevelopment project areas that were adopted on or after
13 December 16, 1986 and for which at least \$8 million worth
14 of municipal bonds were authorized on or after December 19,
15 1989 but before January 1, 1990; provided that the
16 municipality elects to extend the life of the redevelopment
17 project area to 35 years by the adoption of an ordinance
18 after at least 14 but not more than 30 days' written notice
19 to the taxing bodies, that would otherwise constitute the
20 joint review board for the redevelopment project area,
21 before the adoption of the ordinance.

22 Those dates, for purposes of real property tax
23 increment allocation financing pursuant to Section
24 11-74.4-8 only, shall be not more than 35 years for
25 redevelopment project areas that were established on or
26 after December 1, 1981 but before January 1, 1982 and for
27 which at least \$1,500,000 worth of tax increment revenue
28 bonds were authorized on or after September 30, 1990 but
29 before July 1, 1991; provided that the municipality elects
30 to extend the life of the redevelopment project area to 35
31 years by the adoption of an ordinance after at least 14 but
32 not more than 30 days' written notice to the taxing bodies,
33 that would otherwise constitute the joint review board for
34 the redevelopment project area, before the adoption of the
35 ordinance.

36 (3.5) The municipality finds, in the case of an

1 industrial park conservation area, also that the
2 municipality is a labor surplus municipality and that the
3 implementation of the redevelopment plan will reduce
4 unemployment, create new jobs and by the provision of new
5 facilities enhance the tax base of the taxing districts
6 that extend into the redevelopment project area.

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

16 (5) If the redevelopment plan will not result in
17 displacement of residents from 10 or more inhabited
18 residential units, and the municipality certifies in the
19 plan that such displacement will not result from the plan,
20 a housing impact study need not be performed. If, however,
21 the redevelopment plan would result in the displacement of
22 residents from 10 or more inhabited residential units, or
23 if the redevelopment project area contains 75 or more
24 inhabited residential units and no certification is made,
25 then the municipality shall prepare, as part of the
26 separate feasibility report required by subsection (a) of
27 Section 11-74.4-5, a housing impact study.

28 Part I of the housing impact study shall include (i)
29 data as to whether the residential units are single family
30 or multi-family units, (ii) the number and type of rooms
31 within the units, if that information is available, (iii)
32 whether the units are inhabited or uninhabited, as
33 determined not less than 45 days before the date that the
34 ordinance or resolution required by subsection (a) of
35 Section 11-74.4-5 is passed, and (iv) data as to the racial
36 and ethnic composition of the residents in the inhabited

1 residential units. The data requirement as to the racial
2 and ethnic composition of the residents in the inhabited
3 residential units shall be deemed to be fully satisfied by
4 data from the most recent federal census.

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

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

21 (7) On and after November 1, 1999, no redevelopment
22 plan shall be adopted, nor an existing plan amended, nor
23 shall residential housing that is occupied by households of
24 low-income and very low-income persons in currently
25 existing redevelopment project areas be removed after
26 November 1, 1999 unless the redevelopment plan provides,
27 with respect to inhabited housing units that are to be
28 removed for households of low-income and very low-income
29 persons, affordable housing and relocation assistance not
30 less than that which would be provided under the federal
31 Uniform Relocation Assistance and Real Property
32 Acquisition Policies Act of 1970 and the regulations under
33 that Act, including the eligibility criteria. Affordable
34 housing may be either existing or newly constructed
35 housing. For purposes of this paragraph (7), "low-income
36 households", "very low-income households", and "affordable

1 housing" have the meanings set forth in the Illinois
2 Affordable Housing Act. The municipality shall make a good
3 faith effort to ensure that this affordable housing is
4 located in or near the redevelopment project area within
5 the municipality.

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

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

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

1 For the purpose of this subsection, "recreational activities"
2 is limited to mean camping and hunting.

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

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

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

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

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

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

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

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

32 (4) Costs of the construction of public works or
33 improvements, except that on and after November 1, 1999,
34 redevelopment project costs shall not include the cost of
35 constructing a new municipal public building principally
36 used to provide offices, storage space, or conference

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

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

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

27 (7) To the extent the municipality by written agreement
28 accepts and approves the same, all or a portion of a taxing
29 district's capital costs resulting from the redevelopment
30 project necessarily incurred or to be incurred within a
31 taxing district in furtherance of the objectives of the
32 redevelopment plan and project.

33 (7.5) For redevelopment project areas designated (or
34 redevelopment project areas amended to add or increase the
35 number of tax-increment-financing assisted housing units)
36 on or after November 1, 1999, an elementary, secondary, or

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

13 (A) for foundation districts, excluding any school
14 district in a municipality with a population in excess
15 of 1,000,000, by multiplying the district's increase
16 in attendance resulting from the net increase in new
17 students enrolled in that school district who reside in
18 housing units within the redevelopment project area
19 that have received financial assistance through an
20 agreement with the municipality or because the
21 municipality incurs the cost of necessary
22 infrastructure improvements within the boundaries of
23 the housing sites necessary for the completion of that
24 housing as authorized by this Act since the designation
25 of the redevelopment project area by the most recently
26 available per capita tuition cost as defined in Section
27 10-20.12a of the School Code less any increase in
28 general State aid as defined in Section 18-8.05 of the
29 School Code attributable to these added new students
30 subject to the following annual limitations:

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

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

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

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

34 (i) for unit school districts, no more than 40%
35 of the total amount of property tax increment
36 revenue produced by those housing units that have

1 received tax increment finance assistance under
2 this Act;

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

8 (iii) for secondary school districts, no more
9 than 13% of the total amount of property tax
10 increment revenue produced by those housing units
11 that have received tax increment finance
12 assistance under this Act.

13 (C) For any school district in a municipality with
14 a population in excess of 1,000,000, the following
15 restrictions shall apply to the reimbursement of
16 increased costs under this paragraph (7.5):

17 (i) no increased costs shall be reimbursed
18 unless the school district certifies that each of
19 the schools affected by the assisted housing
20 project is at or over its student capacity;

21 (ii) the amount reimbursable shall be reduced
22 by the value of any land donated to the school
23 district by the municipality or developer, and by
24 the value of any physical improvements made to the
25 schools by the municipality or developer; and

26 (iii) the amount reimbursed may not affect
27 amounts otherwise obligated by the terms of any
28 bonds, notes, or other funding instruments, or the
29 terms of any redevelopment agreement.

30 Any school district seeking payment under this
31 paragraph (7.5) shall, after July 1 and before
32 September 30 of each year, provide the municipality
33 with reasonable evidence to support its claim for
34 reimbursement before the municipality shall be
35 required to approve or make the payment to the school
36 district. If the school district fails to provide the

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

10 (7.7) For redevelopment project areas designated (or
11 redevelopment project areas amended to add or increase the
12 number of tax-increment-financing assisted housing units)
13 on or after January 1, 2005 (the effective date of Public
14 Act 93-961), a public library district's increased costs
15 attributable to assisted housing units located within the
16 redevelopment project area for which the developer or
17 redeveloper receives financial assistance through an
18 agreement with the municipality or because the
19 municipality incurs the cost of necessary infrastructure
20 improvements within the boundaries of the assisted housing
21 sites necessary for the completion of that housing as
22 authorized by this Act shall be paid to the library
23 district by the municipality from the Special Tax
24 Allocation Fund when the tax increment revenue is received
25 as a result of the assisted housing units. This paragraph
26 (7.7) applies only if (i) the library district is located
27 in a county that is subject to the Property Tax Extension
28 Limitation Law or (ii) the library district is not located
29 in a county that is subject to the Property Tax Extension
30 Limitation Law but the district is prohibited by any other
31 law from increasing its tax levy rate without a prior voter
32 referendum.

33 The amount paid to a library district under this
34 paragraph (7.7) shall be calculated by multiplying (i) the
35 net increase in the number of persons eligible to obtain a
36 library card in that district who reside in housing units

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

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

26 Any library district seeking payment under this
27 paragraph (7.7) shall, after July 1 and before September 30
28 of each year, provide the municipality with convincing
29 evidence to support its claim for reimbursement before the
30 municipality shall be required to approve or make the
31 payment to the library district. If the library district
32 fails to provide the information during this period in any
33 year, it shall forfeit any claim to reimbursement for that
34 year. Library districts may adopt a resolution waiving the
35 right to all or a portion of the reimbursement otherwise
36 required by this paragraph (7.7). By acceptance of such

1 reimbursement, the library district shall forfeit any
2 right to directly or indirectly set aside, modify, or
3 contest in any manner whatsoever the establishment of the
4 redevelopment project area or projects;

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

10 (9) Payment in lieu of taxes;

11 (10) Costs of job training, retraining, advanced
12 vocational education or career education, including but
13 not limited to courses in occupational, semi-technical or
14 technical fields leading directly to employment, incurred
15 by one or more taxing districts, provided that such costs
16 (i) are related to the establishment and maintenance of
17 additional job training, advanced vocational education or
18 career education programs for persons employed or to be
19 employed by employers located in a redevelopment project
20 area; and (ii) when incurred by a taxing district or taxing
21 districts other than the municipality, are set forth in a
22 written agreement by or among the municipality and the
23 taxing district or taxing districts, which agreement
24 describes the program to be undertaken, including but not
25 limited to the number of employees to be trained, a
26 description of the training and services to be provided,
27 the number and type of positions available or to be
28 available, itemized costs of the program and sources of
29 funds to pay for the same, and the term of the agreement.
30 Such costs include, specifically, the payment by community
31 college districts of costs pursuant to Sections 3-37, 3-38,
32 3-40 and 3-40.1 of the Public Community College Act and by
33 school districts of costs pursuant to Sections 10-22.20a
34 and 10-23.3a of The School Code;

35 (11) Interest cost incurred by a redeveloper related to
36 the construction, renovation or rehabilitation of a

1 redevelopment project provided that:

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

5 (B) such payments in any one year may not exceed
6 30% of the annual interest costs incurred by the
7 redeveloper with regard to the redevelopment project
8 during that year;

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

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

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

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

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

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

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

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

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

29 (13) After November 1, 1999 (the effective date of
30 Public Act 91-478), none of the redevelopment project costs
31 enumerated in this subsection shall be eligible
32 redevelopment project costs if those costs would provide
33 direct financial support to a retail entity initiating
34 operations in the redevelopment project area while
35 terminating operations at another Illinois location within
36 10 miles of the redevelopment project area but outside the

1 boundaries of the redevelopment project area municipality.

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

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

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

27 (s) "State Sales Tax Increment" means an amount equal to
28 the increase in the aggregate amount of taxes paid by retailers
29 and servicemen, other than retailers and servicemen subject to
30 the Public Utilities Act, on transactions at places of business
31 located within a State Sales Tax Boundary pursuant to the
32 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use
33 Tax Act, and the Service Occupation Tax Act, except such
34 portion of such increase that is paid into the State and Local
35 Sales Tax Reform Fund, the Local Government Distributive Fund,
36 the Local Government Tax Fund and the County and Mass Transit

1 District Fund, for as long as State participation exists, over
2 and above the Initial Sales Tax Amounts, Adjusted Initial Sales
3 Tax Amounts or the Revised Initial Sales Tax Amounts for such
4 taxes as certified by the Department of Revenue and paid under
5 those Acts by retailers and servicemen on transactions at
6 places of business located within the State Sales Tax Boundary
7 during the base year which shall be the calendar year
8 immediately prior to the year in which the municipality adopted
9 tax increment allocation financing, less 3.0% of such amounts
10 generated under the Retailers' Occupation Tax Act, Use Tax Act
11 and Service Use Tax Act and the Service Occupation Tax Act,
12 which sum shall be appropriated to the Department of Revenue to
13 cover its costs of administering and enforcing this Section.
14 For purposes of computing the aggregate amount of such taxes
15 for base years occurring prior to 1985, the Department of
16 Revenue shall compute the Initial Sales Tax Amount for such
17 taxes and deduct therefrom an amount equal to 4% of the
18 aggregate amount of taxes per year for each year the base year
19 is prior to 1985, but not to exceed a total deduction of 12%.
20 The amount so determined shall be known as the "Adjusted
21 Initial Sales Tax Amount". For purposes of determining the
22 State Sales Tax Increment the Department of Revenue shall for
23 each period subtract from the tax amounts received from
24 retailers and servicemen on transactions located in the State
25 Sales Tax Boundary, the certified Initial Sales Tax Amounts,
26 Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax
27 Amounts for the Retailers' Occupation Tax Act, the Use Tax Act,
28 the Service Use Tax Act and the Service Occupation Tax Act. For
29 the State Fiscal Year 1989 this calculation shall be made by
30 utilizing the calendar year 1987 to determine the tax amounts
31 received. For the State Fiscal Year 1990, this calculation
32 shall be made by utilizing the period from January 1, 1988,
33 until September 30, 1988, to determine the tax amounts received
34 from retailers and servicemen, which shall have deducted
35 therefrom nine-twelfths of the certified Initial Sales Tax
36 Amounts, Adjusted Initial Sales Tax Amounts or the Revised

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

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

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

27 (v) As used in subsection (a) of Section 11-74.4-3 of this
28 Act, "vacant land" means any parcel or combination of parcels
29 of real property without industrial, commercial, and
30 residential buildings which has not been used for commercial
31 agricultural purposes within 5 years prior to the designation
32 of the redevelopment project area, unless the parcel is
33 included in an industrial park conservation area or the parcel
34 has been subdivided; provided that if the parcel was part of a
35 larger tract that has been divided into 3 or more smaller
36 tracts that were accepted for recording during the period from

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

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

25 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;
26 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-961, eff.
27 1-1-05; 93-983, eff. 8-23-04; 93-984, eff. 8-23-04; 93-985,
28 eff. 8-23-04; 93-986, eff. 8-23-04; 93-987, eff. 8-23-04;
29 93-995, eff. 8-23-04; 93-1024, eff. 8-25-04; 93-1076, eff.
30 1-18-05; 94-260, eff. 7-19-05; 94-268, eff. 7-19-05; 94-297,
31 eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff. 6-1-06;
32 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; revised 12-9-05.)

33 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

34 (Text of Section before amendment by P.A. 94-702 and
35 94-711)

1 Sec. 11-74.4-7. Obligations secured by the special tax
2 allocation fund set forth in Section 11-74.4-8 for the
3 redevelopment project area may be issued to provide for
4 redevelopment project costs. Such obligations, when so issued,
5 shall be retired in the manner provided in the ordinance
6 authorizing the issuance of such obligations by the receipts of
7 taxes levied as specified in Section 11-74.4-9 against the
8 taxable property included in the area, by revenues as specified
9 by Section 11-74.4-8a and other revenue designated by the
10 municipality. A municipality may in the ordinance pledge all or
11 any part of the funds in and to be deposited in the special tax
12 allocation fund created pursuant to Section 11-74.4-8 to the
13 payment of the redevelopment project costs and obligations. Any
14 pledge of funds in the special tax allocation fund shall
15 provide for distribution to the taxing districts and to the
16 Illinois Department of Revenue of moneys not required, pledged,
17 earmarked, or otherwise designated for payment and securing of
18 the obligations and anticipated redevelopment project costs
19 and such excess funds shall be calculated annually and deemed
20 to be "surplus" funds. In the event a municipality only applies
21 or pledges a portion of the funds in the special tax allocation
22 fund for the payment or securing of anticipated redevelopment
23 project costs or of obligations, any such funds remaining in
24 the special tax allocation fund after complying with the
25 requirements of the application or pledge, shall also be
26 calculated annually and deemed "surplus" funds. All surplus
27 funds in the special tax allocation fund shall be distributed
28 annually within 180 days after the close of the municipality's
29 fiscal year by being paid by the municipal treasurer to the
30 County Collector, to the Department of Revenue and to the
31 municipality in direct proportion to the tax incremental
32 revenue received as a result of an increase in the equalized
33 assessed value of property in the redevelopment project area,
34 tax incremental revenue received from the State and tax
35 incremental revenue received from the municipality, but not to
36 exceed as to each such source the total incremental revenue

1 received from that source. The County Collector shall
2 thereafter make distribution to the respective taxing
3 districts in the same manner and proportion as the most recent
4 distribution by the county collector to the affected districts
5 of real property taxes from real property in the redevelopment
6 project area.

7 Without limiting the foregoing in this Section, the
8 municipality may in addition to obligations secured by the
9 special tax allocation fund pledge for a period not greater
10 than the term of the obligations towards payment of such
11 obligations any part or any combination of the following: (a)
12 net revenues of all or part of any redevelopment project; (b)
13 taxes levied and collected on any or all property in the
14 municipality; (c) the full faith and credit of the
15 municipality; (d) a mortgage on part or all of the
16 redevelopment project; or (e) any other taxes or anticipated
17 receipts that the municipality may lawfully pledge.

18 Such obligations may be issued in one or more series
19 bearing interest at such rate or rates as the corporate
20 authorities of the municipality shall determine by ordinance.
21 Such obligations shall bear such date or dates, mature at such
22 time or times not exceeding 20 years from their respective
23 dates, be in such denomination, carry such registration
24 privileges, be executed in such manner, be payable in such
25 medium of payment at such place or places, contain such
26 covenants, terms and conditions, and be subject to redemption
27 as such ordinance shall provide. Obligations issued pursuant to
28 this Act may be sold at public or private sale at such price as
29 shall be determined by the corporate authorities of the
30 municipalities. No referendum approval of the electors shall be
31 required as a condition to the issuance of obligations pursuant
32 to this Division except as provided in this Section.

33 In the event the municipality authorizes issuance of
34 obligations pursuant to the authority of this Division secured
35 by the full faith and credit of the municipality, which
36 obligations are other than obligations which may be issued

1 under home rule powers provided by Article VII, Section 6 of
2 the Illinois Constitution, or pledges taxes pursuant to (b) or
3 (c) of the second paragraph of this section, the ordinance
4 authorizing the issuance of such obligations or pledging such
5 taxes shall be published within 10 days after such ordinance
6 has been passed in one or more newspapers, with general
7 circulation within such municipality. The publication of the
8 ordinance shall be accompanied by a notice of (1) the specific
9 number of voters required to sign a petition requesting the
10 question of the issuance of such obligations or pledging taxes
11 to be submitted to the electors; (2) the time in which such
12 petition must be filed; and (3) the date of the prospective
13 referendum. The municipal clerk shall provide a petition form
14 to any individual requesting one.

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

1 The ordinance authorizing the obligations may provide that
2 the obligations shall contain a recital that they are issued
3 pursuant to this Division, which recital shall be conclusive
4 evidence of their validity and of the regularity of their
5 issuance.

6 In the event the municipality authorizes issuance of
7 obligations pursuant to this Section secured by the full faith
8 and credit of the municipality, the ordinance authorizing the
9 obligations may provide for the levy and collection of a direct
10 annual tax upon all taxable property within the municipality
11 sufficient to pay the principal thereof and interest thereon as
12 it matures, which levy may be in addition to and exclusive of
13 the maximum of all other taxes authorized to be levied by the
14 municipality, which levy, however, shall be abated to the
15 extent that monies from other sources are available for payment
16 of the obligations and the municipality certifies the amount of
17 said monies available to the county clerk.

18 A certified copy of such ordinance shall be filed with the
19 county clerk of each county in which any portion of the
20 municipality is situated, and shall constitute the authority
21 for the extension and collection of the taxes to be deposited
22 in the special tax allocation fund.

23 A municipality may also issue its obligations to refund in
24 whole or in part, obligations theretofore issued by such
25 municipality under the authority of this Act, whether at or
26 prior to maturity, provided however, that the last maturity of
27 the refunding obligations shall not be expressed to mature
28 later than December 31 of the year in which the payment to the
29 municipal treasurer as provided in subsection (b) of Section
30 11-74.4-8 of this Act is to be made with respect to ad valorem
31 taxes levied in the twenty-third calendar year after the year
32 in which the ordinance approving the redevelopment project area
33 is adopted if the ordinance was adopted on or after January 15,
34 1981, not later than December 31 of the year in which the
35 payment to the municipal treasurer as provided in subsection
36 (b) of Section 11-74.4-8 of this Act is to be made with respect

1 to ad valorem taxes levied in the thirty-third calendar year
2 after the year in which the ordinance approving the
3 redevelopment project area if the ordinance was adopted on May
4 20, 1985 by the Village of Wheeling, and not later than
5 December 31 of the year in which the payment to the municipal
6 treasurer as provided in subsection (b) of Section 11-74.4-8 of
7 this Act is to be made with respect to ad valorem taxes levied
8 in the thirty-fifth calendar year after the year in which the
9 ordinance approving the redevelopment project area is adopted
10 (A) if the ordinance was adopted before January 15, 1981, or
11 (B) if the ordinance was adopted in December 1983, April 1984,
12 July 1985, or December 1989, or (C) if the ordinance was
13 adopted in December, 1987 and the redevelopment project is
14 located within one mile of Midway Airport, or (D) if the
15 ordinance was adopted before January 1, 1987 by a municipality
16 in Mason County, or (E) if the municipality is subject to the
17 Local Government Financial Planning and Supervision Act or the
18 Financially Distressed City Law, or (F) if the ordinance was
19 adopted in December 1984 by the Village of Rosemont, or (G) if
20 the ordinance was adopted on December 31, 1986 by a
21 municipality located in Clinton County for which at least
22 \$250,000 of tax increment bonds were authorized on June 17,
23 1997, or if the ordinance was adopted on December 31, 1986 by a
24 municipality with a population in 1990 of less than 3,600 that
25 is located in a county with a population in 1990 of less than
26 34,000 and for which at least \$250,000 of tax increment bonds
27 were authorized on June 17, 1997, or (H) if the ordinance was
28 adopted on October 5, 1982 by the City of Kankakee, or (I) if
29 the ordinance was adopted on December 29, 1986 by East St.
30 Louis, or if the ordinance was adopted on November 12, 1991 by
31 the Village of Sauget, or (J) if the ordinance was adopted on
32 February 11, 1985 by the City of Rock Island, or (K) if the
33 ordinance was adopted before December 18, 1986 by the City of
34 Moline, or (L) if the ordinance was adopted in September 1988
35 by Sauk Village, or (M) if the ordinance was adopted in October
36 1993 by Sauk Village, or (N) if the ordinance was adopted on

1 December 29, 1986 by the City of Galva, or (O) if the ordinance
2 was adopted in March 1991 by the City of Centreville, or (P) if
3 the ordinance was adopted on January 23, 1991 by the City of
4 East St. Louis, or (Q) if the ordinance was adopted on December
5 22, 1986 by the City of Aledo, or (R) if the ordinance was
6 adopted on February 5, 1990 by the City of Clinton, or (S) if
7 the ordinance was adopted on September 6, 1994 by the City of
8 Freeport, or (T) if the ordinance was adopted on December 22,
9 1986 by the City of Tuscola, or (U) if the ordinance was
10 adopted on December 23, 1986 by the City of Sparta, or (V) if
11 the ordinance was adopted on December 23, 1986 by the City of
12 Beardstown, or (W) if the ordinance was adopted on April 27,
13 1981, October 21, 1985, or December 30, 1986 by the City of
14 Belleville, or (X) if the ordinance was adopted on December 29,
15 1986 by the City of Collinsville, or (Y) if the ordinance was
16 adopted on September 14, 1994 by the City of Alton, or (Z) if
17 the ordinance was adopted on November 11, 1996 by the City of
18 Lexington, or (AA) if the ordinance was adopted on November 5,
19 1984 by the City of LeRoy, or (BB) if the ordinance was adopted
20 on April 3, 1991 or June 3, 1992 by the City of Markham, or (CC)
21 if the ordinance was adopted on November 11, 1986 by the City
22 of Pekin, or (DD) if the ordinance was adopted on December 15,
23 1981 by the City of Champaign, or (EE) if the ordinance was
24 adopted on December 15, 1986 by the City of Urbana, or (FF) if
25 the ordinance was adopted on December 15, 1986 by the Village
26 of Heyworth, or (GG) if the ordinance was adopted on February
27 24, 1992 by the Village of Heyworth, or (HH) if the ordinance
28 was adopted on March 16, 1995 by the Village of Heyworth, or
29 (II) if the ordinance was adopted on December 23, 1986 by the
30 Town of Cicero, or (JJ) if the ordinance was adopted on
31 December 30, 1986 by the City of Effingham, or (KK) if the
32 ordinance was adopted on May 9, 1991 by the Village of Tilton,
33 or (LL) if the ordinance was adopted on October 20, 1986 by the
34 City of Elmhurst, or (MM) if the ordinance was adopted on
35 January 19, 1988 by the City of Waukegan, or (NN) if the
36 ordinance was adopted on September 21, 1998 by the City of

1 Waukegan, or (OO) if the ordinance was adopted on December 31,
2 1986 by the City of Sullivan, or (PP) if the ordinance was
3 adopted on December 23, 1991 by the City of Sullivan, or (QQ)
4 ~~(OO)~~ if the ordinance was adopted on December 31, 1986 by the
5 City of Oglesby, or (RR) ~~(OO)~~ if the ordinance was adopted on
6 July 28, 1987 by the City of Marion, or (SS) ~~(PP)~~ if the
7 ordinance was adopted on April 23, 1990 by the City of Marion,
8 or (TT) if the ordinance was adopted on November 17, 1986 by
9 the Village of Franklin Park, and, for redevelopment project
10 areas for which bonds were issued before July 29, 1991, in
11 connection with a redevelopment project in the area within the
12 State Sales Tax Boundary and which were extended by municipal
13 ordinance under subsection (n) of Section 11-74.4-3, the last
14 maturity of the refunding obligations shall not be expressed to
15 mature later than the date on which the redevelopment project
16 area is terminated or December 31, 2013, whichever date occurs
17 first.

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

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

30 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;
31 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-983, eff.
32 8-23-04; 93-984, eff. 8-23-04; 93-985, eff. 8-23-04; 93-986,
33 eff. 8-23-04; 93-987, eff. 8-23-04; 93-995, eff. 8-23-04;
34 93-1024, eff. 8-25-04; 93-1076, eff. 1-18-05; 94-260, eff.
35 7-19-05; 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-704,
36 eff. 12-5-05; revised 12-9-05.)

1 (Text of Section after amendment by P.A. 94-702 and 94-711)

2 Sec. 11-74.4-7. Obligations secured by the special tax
3 allocation fund set forth in Section 11-74.4-8 for the
4 redevelopment project area may be issued to provide for
5 redevelopment project costs. Such obligations, when so issued,
6 shall be retired in the manner provided in the ordinance
7 authorizing the issuance of such obligations by the receipts of
8 taxes levied as specified in Section 11-74.4-9 against the
9 taxable property included in the area, by revenues as specified
10 by Section 11-74.4-8a and other revenue designated by the
11 municipality. A municipality may in the ordinance pledge all or
12 any part of the funds in and to be deposited in the special tax
13 allocation fund created pursuant to Section 11-74.4-8 to the
14 payment of the redevelopment project costs and obligations. Any
15 pledge of funds in the special tax allocation fund shall
16 provide for distribution to the taxing districts and to the
17 Illinois Department of Revenue of moneys not required, pledged,
18 earmarked, or otherwise designated for payment and securing of
19 the obligations and anticipated redevelopment project costs
20 and such excess funds shall be calculated annually and deemed
21 to be "surplus" funds. In the event a municipality only applies
22 or pledges a portion of the funds in the special tax allocation
23 fund for the payment or securing of anticipated redevelopment
24 project costs or of obligations, any such funds remaining in
25 the special tax allocation fund after complying with the
26 requirements of the application or pledge, shall also be
27 calculated annually and deemed "surplus" funds. All surplus
28 funds in the special tax allocation fund shall be distributed
29 annually within 180 days after the close of the municipality's
30 fiscal year by being paid by the municipal treasurer to the
31 County Collector, to the Department of Revenue and to the
32 municipality in direct proportion to the tax incremental
33 revenue received as a result of an increase in the equalized
34 assessed value of property in the redevelopment project area,
35 tax incremental revenue received from the State and tax

1 incremental revenue received from the municipality, but not to
2 exceed as to each such source the total incremental revenue
3 received from that source. The County Collector shall
4 thereafter make distribution to the respective taxing
5 districts in the same manner and proportion as the most recent
6 distribution by the county collector to the affected districts
7 of real property taxes from real property in the redevelopment
8 project area.

9 Without limiting the foregoing in this Section, the
10 municipality may in addition to obligations secured by the
11 special tax allocation fund pledge for a period not greater
12 than the term of the obligations towards payment of such
13 obligations any part or any combination of the following: (a)
14 net revenues of all or part of any redevelopment project; (b)
15 taxes levied and collected on any or all property in the
16 municipality; (c) the full faith and credit of the
17 municipality; (d) a mortgage on part or all of the
18 redevelopment project; or (e) any other taxes or anticipated
19 receipts that the municipality may lawfully pledge.

20 Such obligations may be issued in one or more series
21 bearing interest at such rate or rates as the corporate
22 authorities of the municipality shall determine by ordinance.
23 Such obligations shall bear such date or dates, mature at such
24 time or times not exceeding 20 years from their respective
25 dates, be in such denomination, carry such registration
26 privileges, be executed in such manner, be payable in such
27 medium of payment at such place or places, contain such
28 covenants, terms and conditions, and be subject to redemption
29 as such ordinance shall provide. Obligations issued pursuant to
30 this Act may be sold at public or private sale at such price as
31 shall be determined by the corporate authorities of the
32 municipalities. No referendum approval of the electors shall be
33 required as a condition to the issuance of obligations pursuant
34 to this Division except as provided in this Section.

35 In the event the municipality authorizes issuance of
36 obligations pursuant to the authority of this Division secured

1 by the full faith and credit of the municipality, which
2 obligations are other than obligations which may be issued
3 under home rule powers provided by Article VII, Section 6 of
4 the Illinois Constitution, or pledges taxes pursuant to (b) or
5 (c) of the second paragraph of this section, the ordinance
6 authorizing the issuance of such obligations or pledging such
7 taxes shall be published within 10 days after such ordinance
8 has been passed in one or more newspapers, with general
9 circulation within such municipality. The publication of the
10 ordinance shall be accompanied by a notice of (1) the specific
11 number of voters required to sign a petition requesting the
12 question of the issuance of such obligations or pledging taxes
13 to be submitted to the electors; (2) the time in which such
14 petition must be filed; and (3) the date of the prospective
15 referendum. The municipal clerk shall provide a petition form
16 to any individual requesting one.

17 If no petition is filed with the municipal clerk, as
18 hereinafter provided in this Section, within 30 days after the
19 publication of the ordinance, the ordinance shall be in effect.
20 But, if within that 30 day period a petition is filed with the
21 municipal clerk, signed by electors in the municipality
22 numbering 10% or more of the number of registered voters in the
23 municipality, asking that the question of issuing obligations
24 using full faith and credit of the municipality as security for
25 the cost of paying for redevelopment project costs, or of
26 pledging taxes for the payment of such obligations, or both, be
27 submitted to the electors of the municipality, the corporate
28 authorities of the municipality shall call a special election
29 in the manner provided by law to vote upon that question, or,
30 if a general, State or municipal election is to be held within
31 a period of not less than 30 or more than 90 days from the date
32 such petition is filed, shall submit the question at the next
33 general, State or municipal election. If it appears upon the
34 canvass of the election by the corporate authorities that a
35 majority of electors voting upon the question voted in favor
36 thereof, the ordinance shall be in effect, but if a majority of

1 the electors voting upon the question are not in favor thereof,
2 the ordinance shall not take effect.

3 The ordinance authorizing the obligations may provide that
4 the obligations shall contain a recital that they are issued
5 pursuant to this Division, which recital shall be conclusive
6 evidence of their validity and of the regularity of their
7 issuance.

8 In the event the municipality authorizes issuance of
9 obligations pursuant to this Section secured by the full faith
10 and credit of the municipality, the ordinance authorizing the
11 obligations may provide for the levy and collection of a direct
12 annual tax upon all taxable property within the municipality
13 sufficient to pay the principal thereof and interest thereon as
14 it matures, which levy may be in addition to and exclusive of
15 the maximum of all other taxes authorized to be levied by the
16 municipality, which levy, however, shall be abated to the
17 extent that monies from other sources are available for payment
18 of the obligations and the municipality certifies the amount of
19 said monies available to the county clerk.

20 A certified copy of such ordinance shall be filed with the
21 county clerk of each county in which any portion of the
22 municipality is situated, and shall constitute the authority
23 for the extension and collection of the taxes to be deposited
24 in the special tax allocation fund.

25 A municipality may also issue its obligations to refund in
26 whole or in part, obligations theretofore issued by such
27 municipality under the authority of this Act, whether at or
28 prior to maturity, provided however, that the last maturity of
29 the refunding obligations shall not be expressed to mature
30 later than December 31 of the year in which the payment to the
31 municipal treasurer as provided in subsection (b) of Section
32 11-74.4-8 of this Act is to be made with respect to ad valorem
33 taxes levied in the twenty-third calendar year after the year
34 in which the ordinance approving the redevelopment project area
35 is adopted if the ordinance was adopted on or after January 15,
36 1981, not later than December 31 of the year in which the

1 payment to the municipal treasurer as provided in subsection
2 (b) of Section 11-74.4-8 of this Act is to be made with respect
3 to ad valorem taxes levied in the thirty-third calendar year
4 after the year in which the ordinance approving the
5 redevelopment project area if the ordinance was adopted on May
6 20, 1985 by the Village of Wheeling, and not later than
7 December 31 of the year in which the payment to the municipal
8 treasurer as provided in subsection (b) of Section 11-74.4-8 of
9 this Act is to be made with respect to ad valorem taxes levied
10 in the thirty-fifth calendar year after the year in which the
11 ordinance approving the redevelopment project area is adopted
12 (A) if the ordinance was adopted before January 15, 1981, or
13 (B) if the ordinance was adopted in December 1983, April 1984,
14 July 1985, or December 1989, or (C) if the ordinance was
15 adopted in December, 1987 and the redevelopment project is
16 located within one mile of Midway Airport, or (D) if the
17 ordinance was adopted before January 1, 1987 by a municipality
18 in Mason County, or (E) if the municipality is subject to the
19 Local Government Financial Planning and Supervision Act or the
20 Financially Distressed City Law, or (F) if the ordinance was
21 adopted in December 1984 by the Village of Rosemont, or (G) if
22 the ordinance was adopted on December 31, 1986 by a
23 municipality located in Clinton County for which at least
24 \$250,000 of tax increment bonds were authorized on June 17,
25 1997, or if the ordinance was adopted on December 31, 1986 by a
26 municipality with a population in 1990 of less than 3,600 that
27 is located in a county with a population in 1990 of less than
28 34,000 and for which at least \$250,000 of tax increment bonds
29 were authorized on June 17, 1997, or (H) if the ordinance was
30 adopted on October 5, 1982 by the City of Kankakee, or (I) if
31 the ordinance was adopted on December 29, 1986 by East St.
32 Louis, or if the ordinance was adopted on November 12, 1991 by
33 the Village of Sauget, or (J) if the ordinance was adopted on
34 February 11, 1985 by the City of Rock Island, or (K) if the
35 ordinance was adopted before December 18, 1986 by the City of
36 Moline, or (L) if the ordinance was adopted in September 1988

1 by Sauk Village, or (M) if the ordinance was adopted in October
2 1993 by Sauk Village, or (N) if the ordinance was adopted on
3 December 29, 1986 by the City of Galva, or (O) if the ordinance
4 was adopted in March 1991 by the City of Centreville, or (P) if
5 the ordinance was adopted on January 23, 1991 by the City of
6 East St. Louis, or (Q) if the ordinance was adopted on December
7 22, 1986 by the City of Aledo, or (R) if the ordinance was
8 adopted on February 5, 1990 by the City of Clinton, or (S) if
9 the ordinance was adopted on September 6, 1994 by the City of
10 Freeport, or (T) if the ordinance was adopted on December 22,
11 1986 by the City of Tuscola, or (U) if the ordinance was
12 adopted on December 23, 1986 by the City of Sparta, or (V) if
13 the ordinance was adopted on December 23, 1986 by the City of
14 Beardstown, or (W) if the ordinance was adopted on April 27,
15 1981, October 21, 1985, or December 30, 1986 by the City of
16 Belleville, or (X) if the ordinance was adopted on December 29,
17 1986 by the City of Collinsville, or (Y) if the ordinance was
18 adopted on September 14, 1994 by the City of Alton, or (Z) if
19 the ordinance was adopted on November 11, 1996 by the City of
20 Lexington, or (AA) if the ordinance was adopted on November 5,
21 1984 by the City of LeRoy, or (BB) if the ordinance was adopted
22 on April 3, 1991 or June 3, 1992 by the City of Markham, or (CC)
23 if the ordinance was adopted on November 11, 1986 by the City
24 of Pekin, or (DD) if the ordinance was adopted on December 15,
25 1981 by the City of Champaign, or (EE) if the ordinance was
26 adopted on December 15, 1986 by the City of Urbana, or (FF) if
27 the ordinance was adopted on December 15, 1986 by the Village
28 of Heyworth, or (GG) if the ordinance was adopted on February
29 24, 1992 by the Village of Heyworth, or (HH) if the ordinance
30 was adopted on March 16, 1995 by the Village of Heyworth, or
31 (II) if the ordinance was adopted on December 23, 1986 by the
32 Town of Cicero, or (JJ) if the ordinance was adopted on
33 December 30, 1986 by the City of Effingham, or (KK) if the
34 ordinance was adopted on May 9, 1991 by the Village of Tilton,
35 or (LL) if the ordinance was adopted on October 20, 1986 by the
36 City of Elmhurst, or (MM) if the ordinance was adopted on

1 January 19, 1988 by the City of Waukegan, or (NN) if the
2 ordinance was adopted on September 21, 1998 by the City of
3 Waukegan, or (OO) if the ordinance was adopted on December 31,
4 1986 by the City of Sullivan, or (PP) if the ordinance was
5 adopted on December 23, 1991 by the City of Sullivan, or (QQ)
6 ~~(OO)~~ if the ordinance was adopted on December 31, 1986 by the
7 City of Oglesby, or (RR) ~~(OO)~~ if the ordinance was adopted on
8 July 28, 1987 by the City of Marion, or (SS) ~~(PP)~~ if the
9 ordinance was adopted on April 23, 1990 by the City of Marion,
10 or (TT) ~~(OO)~~ if the ordinance was adopted on August 20, 1985 by
11 the Village of Mount Prospect, or (UU) ~~(OO)~~ if the ordinance
12 was adopted on February 2, 1998 by the Village of Woodhull, or
13 (VV) if the ordinance was adopted on November 17, 1986 by the
14 Village of Franklin Park, and, for redevelopment project areas
15 for which bonds were issued before July 29, 1991, in connection
16 with a redevelopment project in the area within the State Sales
17 Tax Boundary and which were extended by municipal ordinance
18 under subsection (n) of Section 11-74.4-3, the last maturity of
19 the refunding obligations shall not be expressed to mature
20 later than the date on which the redevelopment project area is
21 terminated or December 31, 2013, whichever date occurs first.

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

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

34 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;
35 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-983, eff.
36 8-23-04; 93-984, eff. 8-23-04; 93-985, eff. 8-23-04; 93-986,

1 eff. 8-23-04; 93-987, eff. 8-23-04; 93-995, eff. 8-23-04;
2 93-1024, eff. 8-25-04; 93-1076, eff. 1-18-05; 94-260, eff.
3 7-19-05; 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702,
4 eff. 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; revised
5 12-9-05.)

6 Section 95. No acceleration or delay. Where this Act makes
7 changes in a statute that is represented in this Act by text
8 that is not yet or no longer in effect (for example, a Section
9 represented by multiple versions), the use of that text does
10 not accelerate or delay the taking effect of (i) the changes
11 made by this Act or (ii) provisions derived from any other
12 Public Act.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.