



**Filed: 5/31/2005**

09400SB0835sam002

LRB094 04461 JOB 47354 a

1 AMENDMENT TO SENATE BILL 835

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 835 by replacing  
3 everything after the enacting clause with the following:

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

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

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

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

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

20 (1) If improved, industrial, commercial, and  
21 residential buildings or improvements are detrimental to  
22 the public safety, health, or welfare because of a  
23 combination of 5 or more of the following factors, each of  
24 which is (i) present, with that presence documented, to a

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

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

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

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

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

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

1 standards.

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

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

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

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

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

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

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

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

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

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

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

31 (A) Obsolete platting of vacant land that results  
32 in parcels of limited or narrow size or configurations  
33 of parcels of irregular size or shape that would be  
34 difficult to develop on a planned basis and in a manner

1 compatible with contemporary standards and  
2 requirements, or platting that failed to create  
3 rights-of-ways for streets or alleys or that created  
4 inadequate right-of-way widths for streets, alleys, or  
5 other public rights-of-way or that omitted easements  
6 for public utilities.

7 (B) Diversity of ownership of parcels of vacant  
8 land sufficient in number to retard or impede the  
9 ability to assemble the land for development.

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

13 (D) Deterioration of structures or site  
14 improvements in neighboring areas adjacent to the  
15 vacant land.

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

27 (F) The total equalized assessed value of the  
28 proposed redevelopment project area has declined for 3  
29 of the last 5 calendar years prior to the year in which  
30 the redevelopment project area is designated or is  
31 increasing at an annual rate that is less than the  
32 balance of the municipality for 3 of the last 5  
33 calendar years for which information is available or is  
34 increasing at an annual rate that is less than the

1 Consumer Price Index for All Urban Consumers published  
2 by the United States Department of Labor or successor  
3 agency for 3 of the last 5 calendar years prior to the  
4 year in which the redevelopment project area is  
5 designated.

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

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

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

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

27 (D) The area consists of an unused or illegal  
28 disposal site containing earth, stone, building  
29 debris, or similar materials that were removed from  
30 construction, demolition, excavation, or dredge sites.

31 (E) Prior to November 1, 1999, the area is not less  
32 than 50 nor more than 100 acres and 75% of which is  
33 vacant (notwithstanding that the area has been used for  
34 commercial agricultural purposes within 5 years prior

1 to the designation of the redevelopment project area),  
2 and the area meets at least one of the factors itemized  
3 in paragraph (1) of this subsection, the area has been  
4 designated as a town or village center by ordinance or  
5 comprehensive plan adopted prior to January 1, 1982,  
6 and the area has not been developed for that designated  
7 purpose.

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

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

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

25 (1) Dilapidation. An advanced state of disrepair or  
26 neglect of necessary repairs to the primary structural  
27 components of buildings or improvements in such a  
28 combination that a documented building condition analysis  
29 determines that major repair is required or the defects are  
30 so serious and so extensive that the buildings must be  
31 removed.

32 (2) Obsolescence. The condition or process of falling  
33 into disuse. Structures have become ill-suited for the  
34 original use.



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

11           (4) Presence of structures below minimum code  
12 standards. All structures that do not meet the standards of  
13 zoning, subdivision, building, fire, and other  
14 governmental codes applicable to property, but not  
15 including housing and property maintenance codes.

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

20           (6) Excessive vacancies. The presence of buildings  
21 that are unoccupied or under-utilized and that represent an  
22 adverse influence on the area because of the frequency,  
23 extent, or duration of the vacancies.

24           (7) Lack of ventilation, light, or sanitary  
25 facilities. The absence of adequate ventilation for light  
26 or air circulation in spaces or rooms without windows, or  
27 that require the removal of dust, odor, gas, smoke, or  
28 other noxious airborne materials. Inadequate natural light  
29 and ventilation means the absence or inadequacy of  
30 skylights or windows for interior spaces or rooms and  
31 improper window sizes and amounts by room area to window  
32 area ratios. Inadequate sanitary facilities refers to the  
33 absence or inadequacy of garbage storage and enclosure,  
34 bathroom facilities, hot water and kitchens, and

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

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

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

29 (10) Deleterious land use or layout. The existence of  
30 incompatible land-use relationships, buildings occupied by  
31 inappropriate mixed-uses, or uses considered to be  
32 noxious, offensive, or unsuitable for the surrounding  
33 area.

34 (11) Lack of community planning. The proposed

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

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

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

33 (c) "Industrial park" means an area in a blighted or  
34 conservation area suitable for use by any manufacturing,

1 industrial, research or transportation enterprise, of  
2 facilities to include but not be limited to factories, mills,  
3 processing plants, assembly plants, packing plants,  
4 fabricating plants, industrial distribution centers,  
5 warehouses, repair overhaul or service facilities, freight  
6 terminals, research facilities, test facilities or railroad  
7 facilities.

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

19 (e) "Labor surplus municipality" means a municipality in  
20 which, at any time during the 6 months before the municipality  
21 by ordinance designates an industrial park conservation area,  
22 the unemployment rate was over 6% and was also 100% or more of  
23 the national average unemployment rate for that same time as  
24 published in the United States Department of Labor Bureau of  
25 Labor Statistics publication entitled "The Employment  
26 Situation" or its successor publication. For the purpose of  
27 this subsection, if unemployment rate statistics for the  
28 municipality are not available, the unemployment rate in the  
29 municipality shall be deemed to be the same as the unemployment  
30 rate in the principal county in which the municipality is  
31 located.

32 (f) "Municipality" shall mean a city, village or  
33 incorporated town.

34 (g) "Initial Sales Tax Amounts" means the amount of taxes

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

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

14 (h) "Municipal Sales Tax Increment" means an amount equal  
15 to the increase in the aggregate amount of taxes paid to a  
16 municipality from the Local Government Tax Fund arising from  
17 sales by retailers and servicemen within the redevelopment  
18 project area or State Sales Tax Boundary, as the case may be,  
19 for as long as the redevelopment project area or State Sales  
20 Tax Boundary, as the case may be, exist over and above the  
21 aggregate amount of taxes as certified by the Illinois  
22 Department of Revenue and paid under the Municipal Retailers'  
23 Occupation Tax Act and the Municipal Service Occupation Tax Act  
24 by retailers and servicemen, on transactions at places of  
25 business located in the redevelopment project area or State  
26 Sales Tax Boundary, as the case may be, during the base year  
27 which shall be the calendar year immediately prior to the year  
28 in which the municipality adopted tax increment allocation  
29 financing. For purposes of computing the aggregate amount of  
30 such taxes for base years occurring prior to 1985, the  
31 Department of Revenue shall determine the Initial Sales Tax  
32 Amounts for such taxes and deduct therefrom an amount equal to  
33 4% of the aggregate amount of taxes per year for each year the  
34 base year is prior to 1985, but not to exceed a total deduction

1 of 12%. The amount so determined shall be known as the  
2 "Adjusted Initial Sales Tax Amounts". For purposes of  
3 determining the Municipal Sales Tax Increment, the Department  
4 of Revenue shall for each period subtract from the amount paid  
5 to the municipality from the Local Government Tax Fund arising  
6 from sales by retailers and servicemen on transactions located  
7 in the redevelopment project area or the State Sales Tax  
8 Boundary, as the case may be, the certified Initial Sales Tax  
9 Amounts, the Adjusted Initial Sales Tax Amounts or the Revised  
10 Initial Sales Tax Amounts for the Municipal Retailers'  
11 Occupation Tax Act and the Municipal Service Occupation Tax  
12 Act. For the State Fiscal Year 1989, this calculation shall be  
13 made by utilizing the calendar year 1987 to determine the tax  
14 amounts received. For the State Fiscal Year 1990, this  
15 calculation shall be made by utilizing the period from January  
16 1, 1988, until September 30, 1988, to determine the tax amounts  
17 received from retailers and servicemen pursuant to the  
18 Municipal Retailers' Occupation Tax and the Municipal Service  
19 Occupation Tax Act, which shall have deducted therefrom  
20 nine-twelfths of the certified Initial Sales Tax Amounts, the  
21 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
22 Tax Amounts as appropriate. For the State Fiscal Year 1991,  
23 this calculation shall be made by utilizing the period from  
24 October 1, 1988, to June 30, 1989, to determine the tax amounts  
25 received from retailers and servicemen pursuant to the  
26 Municipal Retailers' Occupation Tax and the Municipal Service  
27 Occupation Tax Act which shall have deducted therefrom  
28 nine-twelfths of the certified Initial Sales Tax Amounts,  
29 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
30 Tax Amounts as appropriate. For every State Fiscal Year  
31 thereafter, the applicable period shall be the 12 months  
32 beginning July 1 and ending June 30 to determine the tax  
33 amounts received which shall have deducted therefrom the  
34 certified Initial Sales Tax Amounts, the Adjusted Initial Sales

1 Tax Amounts or the Revised Initial Sales Tax Amounts, as the  
2 case may be.

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

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

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

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



1 over and above the aggregate of such charges as certified by  
2 the Department of Revenue and paid by owners and tenants, other  
3 than residential customers, of properties within the  
4 redevelopment project area during the base year, which shall be  
5 the calendar year immediately prior to the year of the adoption  
6 of the ordinance authorizing tax increment allocation  
7 financing.

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

29 Municipalities that issue bonds in connection with the  
30 redevelopment project during the period from June 1, 1988 until  
31 3 years after the effective date of this Amendatory Act of 1988  
32 shall receive the Net State Utility Tax Increment, subject to  
33 appropriation, for 15 State Fiscal Years after the issuance of  
34 such bonds. For the 16th through the 20th State Fiscal Years

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (3) The redevelopment plan establishes the estimated  
31 dates of completion of the redevelopment project and  
32 retirement of obligations issued to finance redevelopment  
33 project costs. Those dates shall not be later than December  
34 31 of the year in which the payment to the municipal

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

13 (A) if the ordinance was adopted before January 15,  
14 1981, or

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

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

20 (D) if the ordinance was adopted before January 1,  
21 1987 by a municipality in Mason County, or

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

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

27 (G) if the ordinance was adopted on December 31,  
28 1986 by a municipality located in Clinton County for  
29 which at least \$250,000 of tax increment bonds were  
30 authorized on June 17, 1997, or if the ordinance was  
31 adopted on December 31, 1986 by a municipality with a  
32 population in 1990 of less than 3,600 that is located  
33 in a county with a population in 1990 of less than  
34 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

1 Belleville, or

2 (X) if the ordinance was adopted on December 29,  
3 1986 by the City of Collinsville, or

4 (Y) if the ordinance was adopted on September 14,  
5 1994 by the City of Alton, or

6 (Z) if the ordinance was adopted on November 11,  
7 1996 by the City of Lexington, or

8 (AA) if the ordinance was adopted on November 5,  
9 1984 by the City of LeRoy, or

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

12 (CC) if the ordinance was adopted on November 11,  
13 1986 by the City of Pekin, or

14 (DD) ~~(CC)~~ if the ordinance was adopted on December  
15 15, 1981 by the City of Champaign, or

16 (EE) ~~(CC)~~ if the ordinance was adopted on December  
17 15, 1986 by the City of Urbana, or

18 (FF) ~~(CC)~~ if the ordinance was adopted on December  
19 15, 1986 by the Village of Heyworth, or

20 (GG) ~~(CC)~~ if the ordinance was adopted on February  
21 24, 1992 by the Village of Heyworth, or

22 (HH) ~~(CC)~~ if the ordinance was adopted on March 16,  
23 1995 by the Village of Heyworth, or

24 (II) ~~(CC)~~ if the ordinance was adopted on December  
25 23, 1986 by the Town of Cicero, or

26 (JJ) ~~(CC)~~ if the ordinance was adopted on December  
27 30, 1986 by the City of Effingham, or

28 (KK) ~~(CC)~~ if the ordinance was adopted on May 9,  
29 1991 by the Village of Tilton, or

30 (LL) ~~(CC)~~ if the ordinance was adopted on October  
31 20, 1986 by the City of Elmhurst, or

32 (MM) ~~(CC)~~ if the ordinance was adopted on January  
33 19, 1988 by the City of Waukegan, or

34 (NN) ~~(DD)~~ if the ordinance was adopted on September

1           21, 1998 by the City of Waukegan, or -

2                   (00) if the ordinance was adopted on February 2,  
3                   1998 by the Village of Woodhull.

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

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

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



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

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

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

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

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

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

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

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

1 in subsection (c) of Section 11-74.4-5.

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

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

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

1 (q) "Redevelopment project costs" mean and include the sum  
2 total of all reasonable or necessary costs incurred or  
3 estimated to be incurred, and any such costs incidental to a  
4 redevelopment plan and a redevelopment project. Such costs  
5 include, without limitation, the following:

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

34 (1.5) After July 1, 1999, annual administrative costs

1 shall not include general overhead or administrative costs  
2 of the municipality that would still have been incurred by  
3 the municipality if the municipality had not designated a  
4 redevelopment project area or approved a redevelopment  
5 plan;

6 (1.6) The cost of marketing sites within the  
7 redevelopment project area to prospective businesses,  
8 developers, and investors;

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

17 (3) Costs of rehabilitation, reconstruction or repair  
18 or remodeling of existing public or private buildings,  
19 fixtures, and leasehold improvements; and the cost of  
20 replacing an existing public building if pursuant to the  
21 implementation of a redevelopment project the existing  
22 public building is to be demolished to use the site for  
23 private investment or devoted to a different use requiring  
24 private investment;

25 (4) Costs of the construction of public works or  
26 improvements, except that on and after November 1, 1999,  
27 redevelopment project costs shall not include the cost of  
28 constructing a new municipal public building principally  
29 used to provide offices, storage space, or conference  
30 facilities or vehicle storage, maintenance, or repair for  
31 administrative, public safety, or public works personnel  
32 and that is not intended to replace an existing public  
33 building as provided under paragraph (3) of subsection (q)  
34 of Section 11-74.4-3 unless either (i) the construction of

1 the new municipal building implements a redevelopment  
2 project that was included in a redevelopment plan that was  
3 adopted by the municipality prior to November 1, 1999 or  
4 (ii) the municipality makes a reasonable determination in  
5 the redevelopment plan, supported by information that  
6 provides the basis for that determination, that the new  
7 municipal building is required to meet an increase in the  
8 need for public safety purposes anticipated to result from  
9 the implementation of the redevelopment plan;

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

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

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

28 (7.5) For redevelopment project areas designated (or  
29 redevelopment project areas amended to add or increase the  
30 number of tax-increment-financing assisted housing units)  
31 on or after November 1, 1999, an elementary, secondary, or  
32 unit school district's increased costs attributable to  
33 assisted housing units located within the redevelopment  
34 project area for which the developer or redeveloper

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

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

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

34 (ii) for elementary school districts with a



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

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

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

33 (i) for unit school districts, no more than 40%  
34 of the total amount of property tax increment

1 revenue produced by those housing units that have  
2 received tax increment finance assistance under  
3 this Act;

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

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

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

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

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

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

31 Any school district seeking payment under this  
32 paragraph (7.5) shall, after July 1 and before  
33 September 30 of each year, provide the municipality  
34 with reasonable evidence to support its claim for

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

13 (7.7) For redevelopment project areas designated (or  
14 redevelopment project areas amended to add or increase the  
15 number of tax-increment-financing assisted housing units)  
16 on or after January 1, 2005 (the effective date of Public  
17 Act 93-961) ~~this amendatory Act of the 93rd General~~  
18 ~~Assembly~~, a public library district's increased costs  
19 attributable to assisted housing units located within the  
20 redevelopment project area for which the developer or  
21 redeveloper receives financial assistance through an  
22 agreement with the municipality or because the  
23 municipality incurs the cost of necessary infrastructure  
24 improvements within the boundaries of the assisted housing  
25 sites necessary for the completion of that housing as  
26 authorized by this Act shall be paid to the library  
27 district by the municipality from the Special Tax  
28 Allocation Fund when the tax increment revenue is received  
29 as a result of the assisted housing units. This paragraph  
30 (7.7) applies only if (i) the library district is located  
31 in a county that is subject to the Property Tax Extension  
32 Limitation Law or (ii) the library district is not located  
33 in a county that is subject to the Property Tax Extension  
34 Limitation Law but the district is prohibited by any other

1 law from increasing its tax levy rate without a prior voter  
2 referendum.

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

26 A library district is not eligible for any payment  
27 under this paragraph (7.7) unless the library district has  
28 experienced an increase in the number of patrons from the  
29 municipality that created the tax-increment-financing  
30 district since the designation of the redevelopment  
31 project area.

32 Any library district seeking payment under this  
33 paragraph (7.7) shall, after July 1 and before September 30  
34 of each year, provide the municipality with convincing

1 evidence to support its claim for reimbursement before the  
2 municipality shall be required to approve or make the  
3 payment to the library district. If the library district  
4 fails to provide the information during this period in any  
5 year, it shall forfeit any claim to reimbursement for that  
6 year. Library districts may adopt a resolution waiving the  
7 right to all or a portion of the reimbursement otherwise  
8 required by this paragraph (7.7). By acceptance of such  
9 reimbursement, the library district shall forfeit any  
10 right to directly or indirectly set aside, modify, or  
11 contest in any manner whatsoever the establishment of the  
12 redevelopment project area or projects;

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

18 (9) Payment in lieu of taxes;

19 (10) Costs of job training, retraining, advanced  
20 vocational education or career education, including but  
21 not limited to courses in occupational, semi-technical or  
22 technical fields leading directly to employment, incurred  
23 by one or more taxing districts, provided that such costs  
24 (i) are related to the establishment and maintenance of  
25 additional job training, advanced vocational education or  
26 career education programs for persons employed or to be  
27 employed by employers located in a redevelopment project  
28 area; and (ii) when incurred by a taxing district or taxing  
29 districts other than the municipality, are set forth in a  
30 written agreement by or among the municipality and the  
31 taxing district or taxing districts, which agreement  
32 describes the program to be undertaken, including but not  
33 limited to the number of employees to be trained, a  
34 description of the training and services to be provided,

1 the number and type of positions available or to be  
2 available, itemized costs of the program and sources of  
3 funds to pay for the same, and the term of the agreement.  
4 Such costs include, specifically, the payment by community  
5 college districts of costs pursuant to Sections 3-37, 3-38,  
6 3-40 and 3-40.1 of the Public Community College Act and by  
7 school districts of costs pursuant to Sections 10-22.20a  
8 and 10-23.3a of The School Code;

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

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

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

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

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

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

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

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

20 The eligible costs provided under this  
21 subparagraph (F) of paragraph (11) shall be an eligible  
22 cost for the construction, renovation, and  
23 rehabilitation of all low and very low-income housing  
24 units, as defined in Section 3 of the Illinois  
25 Affordable Housing Act, within the redevelopment  
26 project area. If the low and very low-income units are  
27 part of a residential redevelopment project that  
28 includes units not affordable to low and very  
29 low-income households, only the low and very  
30 low-income units shall be eligible for benefits under  
31 subparagraph (F) of paragraph (11). The standards for  
32 maintaining the occupancy by low-income households and  
33 very low-income households, as defined in Section 3 of  
34 the Illinois Affordable Housing Act, of those units

1 constructed with eligible costs made available under  
2 the provisions of this subparagraph (F) of paragraph  
3 (11) shall be established by guidelines adopted by the  
4 municipality. The responsibility for annually  
5 documenting the initial occupancy of the units by  
6 low-income households and very low-income households,  
7 as defined in Section 3 of the Illinois Affordable  
8 Housing Act, shall be that of the then current owner of  
9 the property. For ownership units, the guidelines will  
10 provide, at a minimum, for a reasonable recapture of  
11 funds, or other appropriate methods designed to  
12 preserve the original affordability of the ownership  
13 units. For rental units, the guidelines will provide,  
14 at a minimum, for the affordability of rent to low and  
15 very low-income households. As units become available,  
16 they shall be rented to income-eligible tenants. The  
17 municipality may modify these guidelines from time to  
18 time; the guidelines, however, shall be in effect for  
19 as long as tax increment revenue is being used to pay  
20 for costs associated with the units or for the  
21 retirement of bonds issued to finance the units or for  
22 the life of the redevelopment project area, whichever  
23 is later.

24 (11.5) If the redevelopment project area is located  
25 within a municipality with a population of more than  
26 100,000, the cost of day care services for children of  
27 employees from low-income families working for businesses  
28 located within the redevelopment project area and all or a  
29 portion of the cost of operation of day care centers  
30 established by redevelopment project area businesses to  
31 serve employees from low-income families working in  
32 businesses located in the redevelopment project area. For  
33 the purposes of this paragraph, "low-income families"  
34 means families whose annual income does not exceed 80% of



1 the municipal, county, or regional median income, adjusted  
2 for family size, as the annual income and municipal,  
3 county, or regional median income are determined from time  
4 to time by the United States Department of Housing and  
5 Urban Development.

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

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

29 If a special service area has been established pursuant to  
30 the Special Service Area Tax Act or Special Service Area Tax  
31 Law, then any tax increment revenues derived from the tax  
32 imposed pursuant to the Special Service Area Tax Act or Special  
33 Service Area Tax Law may be used within the redevelopment  
34 project area for the purposes permitted by that Act or Law as

1 well as the purposes permitted by this Act.

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

9 (s) "State Sales Tax Increment" means an amount equal to  
10 the increase in the aggregate amount of taxes paid by retailers  
11 and servicemen, other than retailers and servicemen subject to  
12 the Public Utilities Act, on transactions at places of business  
13 located within a State Sales Tax Boundary pursuant to the  
14 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use  
15 Tax Act, and the Service Occupation Tax Act, except such  
16 portion of such increase that is paid into the State and Local  
17 Sales Tax Reform Fund, the Local Government Distributive Fund,  
18 the Local Government Tax Fund and the County and Mass Transit  
19 District Fund, for as long as State participation exists, over  
20 and above the Initial Sales Tax Amounts, Adjusted Initial Sales  
21 Tax Amounts or the Revised Initial Sales Tax Amounts for such  
22 taxes as certified by the Department of Revenue and paid under  
23 those Acts by retailers and servicemen on transactions at  
24 places of business located within the State Sales Tax Boundary  
25 during the base year which shall be the calendar year  
26 immediately prior to the year in which the municipality adopted  
27 tax increment allocation financing, less 3.0% of such amounts  
28 generated under the Retailers' Occupation Tax Act, Use Tax Act  
29 and Service Use Tax Act and the Service Occupation Tax Act,  
30 which sum shall be appropriated to the Department of Revenue to  
31 cover its costs of administering and enforcing this Section.  
32 For purposes of computing the aggregate amount of such taxes  
33 for base years occurring prior to 1985, the Department of  
34 Revenue shall compute the Initial Sales Tax Amount for such

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

1 of retailers to the Department of Revenue by October 31, 1988  
2 and by July 31, of each year thereafter.

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

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

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

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

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

13 (Source: P.A. 92-263, eff. 8-7-01; 92-406, eff. 1-1-02; 92-624,  
14 eff. 7-11-02; 92-651, eff. 7-11-02; 93-298, eff. 7-23-03;  
15 93-708, eff. 1-1-05; 93-747, eff. 7-15-04; 93-924, eff.  
16 8-12-04; 93-961, eff. 1-1-05; 93-983, eff. 8-23-04; 93-984,  
17 eff. 8-23-04; 93-985, eff. 8-23-04; 93-986, eff. 8-23-04;  
18 93-987, eff. 8-23-04; 93-995, eff. 8-23-04; 93-1024, eff.  
19 8-25-04; 93-1076, eff. 1-18-05; revised 1-25-05.)

20 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

21 Sec. 11-74.4-7. Obligations secured by the special tax  
22 allocation fund set forth in Section 11-74.4-8 for the  
23 redevelopment project area may be issued to provide for  
24 redevelopment project costs. Such obligations, when so issued,  
25 shall be retired in the manner provided in the ordinance  
26 authorizing the issuance of such obligations by the receipts of  
27 taxes levied as specified in Section 11-74.4-9 against the  
28 taxable property included in the area, by revenues as specified  
29 by Section 11-74.4-8a and other revenue designated by the  
30 municipality. A municipality may in the ordinance pledge all or  
31 any part of the funds in and to be deposited in the special tax  
32 allocation fund created pursuant to Section 11-74.4-8 to the  
33 payment of the redevelopment project costs and obligations. Any

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

30 Without limiting the foregoing in this Section, the  
31 municipality may in addition to obligations secured by the  
32 special tax allocation fund pledge for a period not greater  
33 than the term of the obligations towards payment of such  
34 obligations any part or any combination of the following: (a)

1 net revenues of all or part of any redevelopment project; (b)  
2 taxes levied and collected on any or all property in the  
3 municipality; (c) the full faith and credit of the  
4 municipality; (d) a mortgage on part or all of the  
5 redevelopment project; or (e) any other taxes or anticipated  
6 receipts that the municipality may lawfully pledge.

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

22 In the event the municipality authorizes issuance of  
23 obligations pursuant to the authority of this Division secured  
24 by the full faith and credit of the municipality, which  
25 obligations are other than obligations which may be issued  
26 under home rule powers provided by Article VII, Section 6 of  
27 the Illinois Constitution, or pledges taxes pursuant to (b) or  
28 (c) of the second paragraph of this section, the ordinance  
29 authorizing the issuance of such obligations or pledging such  
30 taxes shall be published within 10 days after such ordinance  
31 has been passed in one or more newspapers, with general  
32 circulation within such municipality. The publication of the  
33 ordinance shall be accompanied by a notice of (1) the specific  
34 number of voters required to sign a petition requesting the

1 question of the issuance of such obligations or pledging taxes  
2 to be submitted to the electors; (2) the time in which such  
3 petition must be filed; and (3) the date of the prospective  
4 referendum. The municipal clerk shall provide a petition form  
5 to any individual requesting one.

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

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

33 In the event the municipality authorizes issuance of  
34 obligations pursuant to this Section secured by the full faith



1 and credit of the municipality, the ordinance authorizing the  
2 obligations may provide for the levy and collection of a direct  
3 annual tax upon all taxable property within the municipality  
4 sufficient to pay the principal thereof and interest thereon as  
5 it matures, which levy may be in addition to and exclusive of  
6 the maximum of all other taxes authorized to be levied by the  
7 municipality, which levy, however, shall be abated to the  
8 extent that monies from other sources are available for payment  
9 of the obligations and the municipality certifies the amount of  
10 said monies available to the county clerk.

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

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

1 1989, or (C) if the ordinance was adopted in December, 1987 and  
2 the redevelopment project is located within one mile of Midway  
3 Airport, or (D) if the ordinance was adopted before January 1,  
4 1987 by a municipality in Mason County, or (E) if the  
5 municipality is subject to the Local Government Financial  
6 Planning and Supervision Act or the Financially Distressed City  
7 Law, or (F) if the ordinance was adopted in December 1984 by  
8 the Village of Rosemont, or (G) if the ordinance was adopted on  
9 December 31, 1986 by a municipality located in Clinton County  
10 for which at least \$250,000 of tax increment bonds were  
11 authorized on June 17, 1997, or if the ordinance was adopted on  
12 December 31, 1986 by a municipality with a population in 1990  
13 of less than 3,600 that is located in a county with a  
14 population in 1990 of less than 34,000 and for which at least  
15 \$250,000 of tax increment bonds were authorized on June 17,  
16 1997, or (H) if the ordinance was adopted on October 5, 1982 by  
17 the City of Kankakee, or (I) if the ordinance was adopted on  
18 December 29, 1986 by East St. Louis, or if the ordinance was  
19 adopted on November 12, 1991 by the Village of Sauget, or (J)  
20 if the ordinance was adopted on February 11, 1985 by the City  
21 of Rock Island, or (K) if the ordinance was adopted before  
22 December 18, 1986 by the City of Moline, or (L) if the  
23 ordinance was adopted in September 1988 by Sauk Village, or (M)  
24 if the ordinance was adopted in October 1993 by Sauk Village,  
25 or (N) if the ordinance was adopted on December 29, 1986 by the  
26 City of Galva, or (O) if the ordinance was adopted in March  
27 1991 by the City of Centreville, or (P) if the ordinance was  
28 adopted on January 23, 1991 by the City of East St. Louis, or  
29 (Q) if the ordinance was adopted on December 22, 1986 by the  
30 City of Aledo, or (R) if the ordinance was adopted on February  
31 5, 1990 by the City of Clinton, or (S) if the ordinance was  
32 adopted on September 6, 1994 by the City of Freeport, or (T) if  
33 the ordinance was adopted on December 22, 1986 by the City of  
34 Tuscola, or (U) if the ordinance was adopted on December 23,

1 1986 by the City of Sparta, or (V) if the ordinance was adopted  
2 on December 23, 1986 by the City of Beardstown, or (W) if the  
3 ordinance was adopted on April 27, 1981, October 21, 1985, or  
4 December 30, 1986 by the City of Belleville, or (X) if the  
5 ordinance was adopted on December 29, 1986 by the City of  
6 Collinsville, or (Y) if the ordinance was adopted on September  
7 14, 1994 by the City of Alton, or (Z) if the ordinance was  
8 adopted on November 11, 1996 by the City of Lexington, or (AA)  
9 if the ordinance was adopted on November 5, 1984 by the City of  
10 LeRoy, or (BB) if the ordinance was adopted on April 3, 1991 or  
11 June 3, 1992 by the City of Markham, or (CC) if the ordinance  
12 was adopted on November 11, 1986 by the City of Pekin, or (DD)  
13 ~~(CC)~~ if the ordinance was adopted on December 15, 1981 by the  
14 City of Champaign, or (EE) ~~(CC)~~ if the ordinance was adopted on  
15 December 15, 1986 by the City of Urbana, or (FF) ~~(CC)~~ if the  
16 ordinance was adopted on December 15, 1986 by the Village of  
17 Heyworth, or (GG) ~~(CC)~~ if the ordinance was adopted on February  
18 24, 1992 by the Village of Heyworth, or (HH) ~~(CC)~~ if the  
19 ordinance was adopted on March 16, 1995 by the Village of  
20 Heyworth, or (II) ~~(CC)~~ if the ordinance was adopted on December  
21 23, 1986 by the Town of Cicero, or (JJ) ~~(CC)~~ if the ordinance  
22 was adopted on December 30, 1986 by the City of Effingham, or  
23 (KK) ~~(CC)~~ if the ordinance was adopted on May 9, 1991 by the  
24 Village of Tilton, or (LL) ~~(CC)~~ if the ordinance was adopted on  
25 October 20, 1986 by the City of Elmhurst, or (MM) ~~(CC)~~ if the  
26 ordinance was adopted on January 19, 1988 by the City of  
27 Waukegan, or (NN) ~~(DD)~~ if the ordinance was adopted on  
28 September 21, 1998 by the City of Waukegan, or (OO) if the  
29 ordinance was adopted on February 2, 1998 by the Village of  
30 Woodhull and, for redevelopment project areas for which bonds  
31 were issued before July 29, 1991, in connection with a  
32 redevelopment project in the area within the State Sales Tax  
33 Boundary and which were extended by municipal ordinance under  
34 subsection (n) of Section 11-74.4-3, the last maturity of the

1 refunding obligations shall not be expressed to mature later  
2 than the date on which the redevelopment project area is  
3 terminated or December 31, 2013, whichever date occurs first.

4 In the event a municipality issues obligations under home  
5 rule powers or other legislative authority the proceeds of  
6 which are pledged to pay for redevelopment project costs, the  
7 municipality may, if it has followed the procedures in  
8 conformance with this division, retire said obligations from  
9 funds in the special tax allocation fund in amounts and in such  
10 manner as if such obligations had been issued pursuant to the  
11 provisions of this division.

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

16 (Source: P.A. 92-263, eff. 8-7-01; 92-406, eff. 1-1-02; 92-624,  
17 eff. 7-11-02; 92-651, eff. 7-11-02; 93-298, eff. 7-23-03;  
18 93-708, eff. 1-1-05; 93-747, eff. 7-15-04; 93-924, eff.  
19 8-12-04; 93-983, eff. 8-23-04; 93-984, eff. 8-23-04; 93-985,  
20 eff. 8-23-04; 93-986, eff. 8-23-04; 93-987, eff. 8-23-04;  
21 93-995, eff. 8-23-04; 93-1024, eff. 8-25-04; 93-1076, eff.  
22 1-18-05; revised 1-25-05.)

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law."