

1 AN ACT concerning government, which may be referred to as
2 the Equity in Eminent Domain Act.

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

5 Section 5. The Statute on Statutes is amended by adding
6 Section 10 as follows:

7 (5 ILCS 70/10 new)

8 Sec. 10. Exercise of the power of eminent domain for
9 private development purposes; blighted property.

10 (a) Neither the State nor a unit of local government may
11 take or damage property for private development through the
12 exercise of the power of eminent domain unless (i) the property
13 is in an area that is a "blighted area", as defined in Section
14 11-74.4-3 of the Illinois Municipal Code or, alternatively, in
15 the applicable statute authorizing the entity to exercise the
16 power of eminent domain; and (ii) (A) the State or unit of local
17 government has entered into an express written agreement in
18 which a private person or entity agrees to undertake a
19 development project within the blighted area that specifically
20 details the reasons for which the property or rights in that
21 property are necessary for the success of the development
22 project, or (B) the exercise of eminent domain power and the
23 proposed use of the property by the State or unit of local
24 government are consistent with a regional plan that has been
25 adopted within the past 5 years in accordance with Section
26 5-14001 of the Counties Code or Section 11-12-6 of the Illinois
27 Municipal Code or with a local land resource management plan
28 adopted under Section 4 of the Local Land Resource Management
29 Planning Act.

30 (b) The State or a unit of local government exercises the
31 power of eminent domain for private development if:

32 (1) the taking confers a private benefit on a

1 particular private party through the use of the property;
2 or

3 (2) the taking is for a public use that is merely a
4 pretext in order to confer a private benefit on a
5 particular private party.

6 A State or unit of local government does not exercise the
7 power of eminent domain for private development if the economic
8 development is a secondary purpose resulting from municipal
9 community development or municipal urban renewal activities to
10 eliminate an existing affirmative harm on society from slums to
11 protect public health and safety.

12 (c) "Private development" does not include any of the
13 following:

14 (1) Transportation projects, including, but not
15 limited to, railroads, airports, or public roads or
16 highways.

17 (2) Water supply, wastewater, flood control, and
18 drainage projects.

19 (3) Public buildings, hospitals, and parks.

20 (4) The provision of utility service.

21 (5) Development for any purpose for which the exercise
22 of the power of eminent domain is authorized under the
23 Public Utilities Act or the Telephone Company Act.

24 (6) Libraries, museums, and related facilities and any
25 infrastructure related to those facilities.

26 (7) Development of (i) a historic resource, as defined
27 in Section 3 of the Illinois State Agency Historic
28 Resources Preservation Act, (ii) a landmark designated as
29 such under a local ordinance, or (iii) a contributing
30 structure within a local landmark district listed on the
31 National Register of Historic Places; if the proposed
32 development requires that the property be preserved as a
33 historic resource, local landmark, or contributing
34 structure.

35 (d) This Section does not affect the authority of a
36 governmental entity to condemn a leasehold estate on property

1 owned by the governmental entity.

2 (e) The determination by the State or a unit of local
3 government that is proposing the exercise of the power of
4 eminent domain that the taking does not involve an act or
5 circumstance prohibited under this Section does not create a
6 presumption with respect to whether the taking involves that
7 act or circumstance.

8 (f) This Section is a limitation on the exercise of the
9 power of eminent domain, but is not an independent grant of
10 authority to exercise the power of eminent domain.

11 (g) The authorization of the use of eminent domain
12 proceedings to take or damage property is an exclusive power
13 and function of the State. Neither the State nor a unit of
14 local government, including a home rule unit, may exercise the
15 power of eminent domain for private development purposes
16 otherwise than as provided in this Section. This Section is a
17 denial and limitation of home rule powers and functions under
18 subsection (h) of Section 6 of Article VII of the Illinois
19 Constitution.

20 (h) Neither the State nor a unit of local government may
21 take or damage property used for production agriculture for
22 private development through the exercise of the power of
23 eminent domain. For purposes of this subsection (h),
24 "production agriculture" means that term as it is defined in
25 Section 3-35 of the Use Tax Act.

26 Section 10. The Illinois Municipal Code is amended by
27 changing Section 11-74.4-3 as follows:

28 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

29 (Text of Section before amendment by P.A. 94-702 and
30 94-711)

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

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

6 On and after November 1, 1999, "blighted area" means any
7 improved or vacant area within the boundaries of a
8 redevelopment project area located within the territorial
9 limits of the municipality where:

10 (1) If improved, industrial, commercial, and
11 residential buildings or improvements are detrimental to
12 the public safety, health, or welfare because of a
13 combination of 5 or more of the following factors, each of
14 which is (i) present, with that presence documented, to a
15 meaningful extent so that a municipality may reasonably
16 find that the factor is clearly present within the intent
17 of the Act and (ii) reasonably distributed throughout the
18 improved part of the redevelopment project area:

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

26 (B) Obsolescence. The condition or process of
27 falling into disuse. Structures have become ill-suited
28 for the original use.

29 (C) Deterioration. With respect to buildings,
30 defects including, but not limited to, major defects in
31 the secondary building components such as doors,
32 windows, porches, gutters and downspouts, and fascia.
33 With respect to surface improvements, that the
34 condition of roadways, alleys, curbs, gutters,
35 sidewalks, off-street parking, and surface storage
36 areas evidence deterioration, including, but not

1 limited to, surface cracking, crumbling, potholes,
2 depressions, loose paving material, and weeds
3 protruding through paved surfaces.

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

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

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

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

32 (H) Inadequate utilities. Underground and overhead
33 utilities such as storm sewers and storm drainage,
34 sanitary sewers, water lines, and gas, telephone, and
35 electrical services that are shown to be inadequate.
36 Inadequate utilities are those that are: (i) of

1 insufficient capacity to serve the uses in the
2 redevelopment project area, (ii) deteriorated,
3 antiquated, obsolete, or in disrepair, or (iii)
4 lacking within the redevelopment project area.

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

24 (J) Deleterious land use or layout. The existence
25 of incompatible land-use relationships, buildings
26 occupied by inappropriate mixed-uses, or uses
27 considered to be noxious, offensive, or unsuitable for
28 the surrounding area.

29 (K) Environmental clean-up. The proposed
30 redevelopment project area has incurred Illinois
31 Environmental Protection Agency or United States
32 Environmental Protection Agency remediation costs for,
33 or a study conducted by an independent consultant
34 recognized as having expertise in environmental
35 remediation has determined a need for, the clean-up of
36 hazardous waste, hazardous substances, or underground

1 storage tanks required by State or federal law,
2 provided that the remediation costs constitute a
3 material impediment to the development or
4 redevelopment of the redevelopment project area.

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

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

31 (2) If vacant, the sound growth of the redevelopment
32 project area is impaired by a combination of 2 or more of
33 the following factors, each of which is (i) present, with
34 that presence documented, to a meaningful extent so that a
35 municipality may reasonably find that the factor is clearly
36 present within the intent of the Act and (ii) reasonably

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

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

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

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

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

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

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

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

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

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

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

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

31 (D) The area consists of an unused or illegal
32 disposal site containing earth, stone, building
33 debris, or similar materials that were removed from
34 construction, demolition, excavation, or dredge sites.

35 (E) Prior to November 1, 1999, the area is not less
36 than 50 nor more than 100 acres and 75% of which is

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

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

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

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

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

34 (2) Obsolescence. The condition or process of falling
35 into disuse. Structures have become ill-suited for the
36 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
35 structural inadequacies preventing ingress and egress to
36 and from all rooms and units within a building.

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

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

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

32 (11) Lack of community planning. The proposed
33 redevelopment project area was developed prior to or
34 without the benefit or guidance of a community plan. This
35 means that the development occurred prior to the adoption
36 by the municipality of a comprehensive or other community

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

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

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

29 (c) "Industrial park" means an area in a blighted or
30 conservation area suitable for use by any manufacturing,
31 industrial, research or transportation enterprise, of
32 facilities to include but not be limited to factories, mills,
33 processing plants, assembly plants, packing plants,
34 fabricating plants, industrial distribution centers,
35 warehouses, repair overhaul or service facilities, freight
36 terminals, research facilities, test facilities or railroad

1 facilities.

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

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

26 (f) "Municipality" shall mean a city, village,
27 incorporated town, or a township that is located in the
28 unincorporated portion of a county with 3 million or more
29 inhabitants, if the county adopted an ordinance that approved
30 the township's redevelopment plan.

31 (g) "Initial Sales Tax Amounts" means the amount of taxes
32 paid under the Retailers' Occupation Tax Act, Use Tax Act,
33 Service Use Tax Act, the Service Occupation Tax Act, the
34 Municipal Retailers' Occupation Tax Act, and the Municipal
35 Service Occupation Tax Act by retailers and servicemen on
36 transactions at places located in a State Sales Tax Boundary

1 during the calendar year 1985.

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

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

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

30 (i) "Net State Sales Tax Increment" means the sum of the
31 following: (a) 80% of the first \$100,000 of State Sales Tax
32 Increment annually generated within a State Sales Tax Boundary;
33 (b) 60% of the amount in excess of \$100,000 but not exceeding
34 \$500,000 of State Sales Tax Increment annually generated within
35 a State Sales Tax Boundary; and (c) 40% of all amounts in
36 excess of \$500,000 of State Sales Tax Increment annually

1 generated within a State Sales Tax Boundary. If, however, a
2 municipality established a tax increment financing district in
3 a county with a population in excess of 3,000,000 before
4 January 1, 1986, and the municipality entered into a contract
5 or issued bonds after January 1, 1986, but before December 31,
6 1986, to finance redevelopment project costs within a State
7 Sales Tax Boundary, then the Net State Sales Tax Increment
8 means, for the fiscal years beginning July 1, 1990, and July 1,
9 1991, 100% of the State Sales Tax Increment annually generated
10 within a State Sales Tax Boundary; and notwithstanding any
11 other provision of this Act, for those fiscal years the
12 Department of Revenue shall distribute to those municipalities
13 100% of their Net State Sales Tax Increment before any
14 distribution to any other municipality and regardless of
15 whether or not those other municipalities will receive 100% of
16 their Net State Sales Tax Increment. For Fiscal Year 1999, and
17 every year thereafter until the year 2007, for any municipality
18 that has not entered into a contract or has not issued bonds
19 prior to June 1, 1988 to finance redevelopment project costs
20 within a State Sales Tax Boundary, the Net State Sales Tax
21 Increment shall be calculated as follows: By multiplying the
22 Net State Sales Tax Increment by 90% in the State Fiscal Year
23 1999; 80% in the State Fiscal Year 2000; 70% in the State
24 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the
25 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%
26 in the State Fiscal Year 2005; 20% in the State Fiscal Year
27 2006; and 10% in the State Fiscal Year 2007. No payment shall
28 be made for State Fiscal Year 2008 and thereafter.

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

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

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

31 (k) "Net State Utility Tax Increment" means the sum of the
32 following: (a) 80% of the first \$100,000 of State Utility Tax
33 Increment annually generated by a redevelopment project area;
34 (b) 60% of the amount in excess of \$100,000 but not exceeding
35 \$500,000 of the State Utility Tax Increment annually generated
36 by a redevelopment project area; and (c) 40% of all amounts in

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

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

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

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

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

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

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

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

34 (C) an assessment of any financial impact of the
35 redevelopment project area on or any increased demand for
36 services from any taxing district affected by the plan and

1 any program to address such financial impact or increased
2 demand;

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

4 (E) the nature and term of the obligations to be
5 issued;

6 (F) the most recent equalized assessed valuation of the
7 redevelopment project area;

8 (G) an estimate as to the equalized assessed valuation
9 after redevelopment and the general land uses to apply in
10 the redevelopment project area;

11 (H) a commitment to fair employment practices and an
12 affirmative action plan;

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

20 (J) if property is to be annexed to the municipality,
21 the plan shall include the terms of the annexation
22 agreement.

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

31 (1) The municipality finds that the redevelopment
32 project area on the whole has not been subject to growth
33 and development through investment by private enterprise
34 and would not reasonably be anticipated to be developed
35 without the adoption of the redevelopment plan.

36 (2) The municipality finds that the redevelopment plan

1 and project conform to the comprehensive plan for the
2 development of the municipality as a whole, or, for
3 municipalities with a population of 100,000 or more,
4 regardless of when the redevelopment plan and project was
5 adopted, the redevelopment plan and project either: (i)
6 conforms to the strategic economic development or
7 redevelopment plan issued by the designated planning
8 authority of the municipality, or (ii) includes land uses
9 that have been approved by the planning commission of the
10 municipality.

11 (3) The redevelopment plan establishes the estimated
12 dates of completion of the redevelopment project and
13 retirement of obligations issued to finance redevelopment
14 project costs. Those dates: shall not be later than
15 December 31 of the year in which the payment to the
16 municipal treasurer as provided in subsection (b) of
17 Section 11-74.4-8 of this Act is to be made with respect to
18 ad valorem taxes levied in the twenty-third calendar year
19 after the year in which the ordinance approving the
20 redevelopment project area is adopted if the ordinance was
21 adopted on or after January 15, 1981; shall not be later
22 than December 31 of the year in which the payment to the
23 municipal treasurer as provided in subsection (b) of
24 Section 11-74.4-8 of this Act is to be made with respect to
25 ad valorem taxes levied in the thirty-third calendar year
26 after the year in which the ordinance approving the
27 redevelopment project area if the ordinance was adopted on
28 May 20, 1985 by the Village of Wheeling; and shall not be
29 later than December 31 of the year in which the payment to
30 the municipal treasurer as provided in subsection (b) of
31 Section 11-74.4-8 of this Act is to be made with respect to
32 ad valorem taxes levied in the thirty-fifth calendar year
33 after the year in which the ordinance approving the
34 redevelopment project area is adopted:

35 (A) if the ordinance was adopted before January 15,
36 1981, or

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

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

6 (D) if the ordinance was adopted before January 1,
7 1987 by a municipality in Mason County, or

8 (E) if the municipality is subject to the Local
9 Government Financial Planning and Supervision Act or
10 the Financially Distressed City Law, or

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

13 (G) if the ordinance was adopted on December 31,
14 1986 by a municipality located in Clinton County for
15 which at least \$250,000 of tax increment bonds were
16 authorized on June 17, 1997, or if the ordinance was
17 adopted on December 31, 1986 by a municipality with a
18 population in 1990 of less than 3,600 that is located
19 in a county with a population in 1990 of less than
20 34,000 and for which at least \$250,000 of tax increment
21 bonds were authorized on June 17, 1997, or

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

25 (I) if the ordinance was adopted on November 12,
26 1991 by the Village of Sauget, or

27 (J) if the ordinance was adopted on February 11,
28 1985 by the City of Rock Island, or

29 (K) if the ordinance was adopted before December
30 18, 1986 by the City of Moline, or

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

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

35 (N) if the ordinance was adopted on December 29,
36 1986 by the City of Galva, or

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

3 (P) if the ordinance was adopted on January 23,
4 1991 by the City of East St. Louis, or

5 (Q) if the ordinance was adopted on December 22,
6 1986 by the City of Aledo, or

7 (R) if the ordinance was adopted on February 5,
8 1990 by the City of Clinton, or

9 (S) if the ordinance was adopted on September 6,
10 1994 by the City of Freeport, or

11 (T) if the ordinance was adopted on December 22,
12 1986 by the City of Tuscola, or

13 (U) if the ordinance was adopted on December 23,
14 1986 by the City of Sparta, or

15 (V) if the ordinance was adopted on December 23,
16 1986 by the City of Beardstown, or

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

20 (X) if the ordinance was adopted on December 29,
21 1986 by the City of Collinsville, or

22 (Y) if the ordinance was adopted on September 14,
23 1994 by the City of Alton, or

24 (Z) if the ordinance was adopted on November 11,
25 1996 by the City of Lexington, or

26 (AA) if the ordinance was adopted on November 5,
27 1984 by the City of LeRoy, or

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

30 (CC) if the ordinance was adopted on November 11,
31 1986 by the City of Pekin, or

32 (DD) if the ordinance was adopted on December 15,
33 1981 by the City of Champaign, or

34 (EE) if the ordinance was adopted on December 15,
35 1986 by the City of Urbana, or

36 (FF) if the ordinance was adopted on December 15,

1 1986 by the Village of Heyworth, or

2 (GG) if the ordinance was adopted on February 24,
3 1992 by the Village of Heyworth, or

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

6 (II) if the ordinance was adopted on December 23,
7 1986 by the Town of Cicero, or

8 (JJ) if the ordinance was adopted on December 30,
9 1986 by the City of Effingham, or

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

12 (LL) if the ordinance was adopted on October 20,
13 1986 by the City of Elmhurst, or

14 (MM) if the ordinance was adopted on January 19,
15 1988 by the City of Waukegan, or

16 (NN) if the ordinance was adopted on September 21,
17 1998 by the City of Waukegan, or

18 (OO) if the ordinance was adopted on December 31,
19 1986 by the City of Sullivan, or

20 (PP) if the ordinance was adopted on December 23,
21 1991 by the City of Sullivan, or

22 (QQ) ~~(OO)~~ if the ordinance was adopted on December
23 31, 1986 by the City of Oglesby, or

24 (RR) ~~(OO)~~ if the ordinance was adopted on July 28,
25 1987 by the City of Marion, or

26 (SS) ~~(PP)~~ if the ordinance was adopted on April 23,
27 1990 by the City of Marion.

28 However, for redevelopment project areas for which
29 bonds were issued before July 29, 1991, or for which
30 contracts were entered into before June 1, 1988, in
31 connection with a redevelopment project in the area within
32 the State Sales Tax Boundary, the estimated dates of
33 completion of the redevelopment project and retirement of
34 obligations to finance redevelopment project costs may be
35 extended by municipal ordinance to December 31, 2013. The
36 termination procedures of subsection (b) of Section

1 11-74.4-8 are not required for these redevelopment project
2 areas in 2009 but are required in 2013. The extension
3 allowed by this amendatory Act of 1993 shall not apply to
4 real property tax increment allocation financing under
5 Section 11-74.4-8.

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

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

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

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

5 (3.5) The municipality finds, in the case of an
6 industrial park conservation area, also that the
7 municipality is a labor surplus municipality and that the
8 implementation of the redevelopment plan will reduce
9 unemployment, create new jobs and by the provision of new
10 facilities enhance the tax base of the taxing districts
11 that extend into the redevelopment project area.

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

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

33 Part I of the housing impact study shall include (i)
34 data as to whether the residential units are single family
35 or multi-family units, (ii) the number and type of rooms
36 within the units, if that information is available, (iii)

1 whether the units are inhabited or uninhabited, as
2 determined not less than 45 days before the date that the
3 ordinance or resolution required by subsection (a) of
4 Section 11-74.4-5 is passed, and (iv) data as to the racial
5 and ethnic composition of the residents in the inhabited
6 residential units. The data requirement as to the racial
7 and ethnic composition of the residents in the inhabited
8 residential units shall be deemed to be fully satisfied by
9 data from the most recent federal census.

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

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

26 (7) On and after November 1, 1999, no redevelopment
27 plan shall be adopted, nor an existing plan amended, nor
28 shall residential housing that is occupied by households of
29 low-income and very low-income persons in currently
30 existing redevelopment project areas be removed after
31 November 1, 1999 unless the redevelopment plan provides,
32 with respect to inhabited housing units that are to be
33 removed for households of low-income and very low-income
34 persons, affordable housing and relocation assistance not
35 less than that which would be provided under the federal
36 Uniform Relocation Assistance and Real Property

1 Acquisition Policies Act of 1970 and the regulations under
2 that Act, including the eligibility criteria. Affordable
3 housing may be either existing or newly constructed
4 housing. For purposes of this paragraph (7), "low-income
5 households", "very low-income households", and "affordable
6 housing" have the meanings set forth in the Illinois
7 Affordable Housing Act. The municipality shall make a good
8 faith effort to ensure that this affordable housing is
9 located in or near the redevelopment project area within
10 the municipality.

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

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

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

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

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

15 (q) "Redevelopment project costs" mean and include the sum
16 total of all reasonable or necessary costs incurred or
17 estimated to be incurred, and any such costs incidental to a
18 redevelopment plan and a redevelopment project. Such costs
19 include, without limitation, the following:

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

1 in writing of any contracts that the consultant or advisor
2 has entered into with entities or individuals that have
3 received, or are receiving, payments financed by tax
4 increment revenues produced by the redevelopment project
5 area with respect to which the consultant or advisor has
6 performed, or will be performing, service for the
7 municipality. This requirement shall be satisfied by the
8 consultant or advisor before the commencement of services
9 for the municipality and thereafter whenever any other
10 contracts with those individuals or entities are executed
11 by the consultant or advisor;

12 (1.5) After July 1, 1999, annual administrative costs
13 shall not include general overhead or administrative costs
14 of the municipality that would still have been incurred by
15 the municipality if the municipality had not designated a
16 redevelopment project area or approved a redevelopment
17 plan;

18 (1.6) The cost of marketing sites within the
19 redevelopment project area to prospective businesses,
20 developers, and investors;

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

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

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

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

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

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

1 redevelopment plan and project.

2 (7.5) For redevelopment project areas designated (or
3 redevelopment project areas amended to add or increase the
4 number of tax-increment-financing assisted housing units)
5 on or after November 1, 1999, an elementary, secondary, or
6 unit school district's increased costs attributable to
7 assisted housing units located within the redevelopment
8 project area for which the developer or redeveloper
9 receives financial assistance through an agreement with
10 the municipality or because the municipality incurs the
11 cost of necessary infrastructure improvements within the
12 boundaries of the assisted housing sites necessary for the
13 completion of that housing as authorized by this Act, and
14 which costs shall be paid by the municipality from the
15 Special Tax Allocation Fund when the tax increment revenue
16 is received as a result of the assisted housing units and
17 shall be calculated annually as follows:

18 (A) for foundation districts, excluding any school
19 district in a municipality with a population in excess
20 of 1,000,000, by multiplying the district's increase
21 in attendance resulting from the net increase in new
22 students enrolled in that school district who reside in
23 housing units within the redevelopment project area
24 that have received financial assistance through an
25 agreement with the municipality or because the
26 municipality incurs the cost of necessary
27 infrastructure improvements within the boundaries of
28 the housing sites necessary for the completion of that
29 housing as authorized by this Act since the designation
30 of the redevelopment project area by the most recently
31 available per capita tuition cost as defined in Section
32 10-20.12a of the School Code less any increase in
33 general State aid as defined in Section 18-8.05 of the
34 School Code attributable to these added new students
35 subject to the following annual limitations:

36 (i) for unit school districts with a district

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

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

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

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

1 these added new students subject to the following
2 annual limitations:

3 (i) for unit school districts, no more than 40%
4 of the total amount of property tax increment
5 revenue produced by those housing units that have
6 received tax increment finance assistance under
7 this Act;

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

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

18 (C) For any school district in a municipality with
19 a population in excess of 1,000,000, the following
20 restrictions shall apply to the reimbursement of
21 increased costs under this paragraph (7.5):

22 (i) no increased costs shall be reimbursed
23 unless the school district certifies that each of
24 the schools affected by the assisted housing
25 project is at or over its student capacity;

26 (ii) the amount reimbursable shall be reduced
27 by the value of any land donated to the school
28 district by the municipality or developer, and by
29 the value of any physical improvements made to the
30 schools by the municipality or developer; and

31 (iii) the amount reimbursed may not affect
32 amounts otherwise obligated by the terms of any
33 bonds, notes, or other funding instruments, or the
34 terms of any redevelopment agreement.

35 Any school district seeking payment under this
36 paragraph (7.5) shall, after July 1 and before

1 September 30 of each year, provide the municipality
2 with reasonable evidence to support its claim for
3 reimbursement before the municipality shall be
4 required to approve or make the payment to the school
5 district. If the school district fails to provide the
6 information during this period in any year, it shall
7 forfeit any claim to reimbursement for that year.
8 School districts may adopt a resolution waiving the
9 right to all or a portion of the reimbursement
10 otherwise required by this paragraph (7.5). By
11 acceptance of this reimbursement the school district
12 waives the right to directly or indirectly set aside,
13 modify, or contest in any manner the establishment of
14 the redevelopment project area or projects;

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

1 referendum.

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

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

31 Any library district seeking payment under this
32 paragraph (7.7) shall, after July 1 and before September 30
33 of each year, provide the municipality with convincing
34 evidence to support its claim for reimbursement before the
35 municipality shall be required to approve or make the
36 payment to the library district. If the library district

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

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

15 (8.5) In instances in which a property owner is
16 displaced for purposes of private development as defined in
17 Section 10 of the Statute on Statutes:

18 (A) the actual reasonable relocation expenses of
19 the owner and the owner's family and the owner's
20 business, farm operation, or personal property;

21 (B) the amount of any direct losses of tangible
22 personal property incurred by the owner as a result of
23 relocating or discontinuing the owner's business or
24 farm operation, but not to exceed an amount equal to
25 the reasonable expenses that would have been required
26 to relocate the property;

27 (C) the actual reasonable expenses incurred by the
28 owner in searching for a replacement business or farm
29 operation; and

30 (D) the actual reasonable expenses of the owner
31 that were necessary for the owner to reestablish the
32 owner's displaced farm operation, nonprofit
33 organization, or small business as defined in Section
34 1-75 of the Illinois Administrative Procedure Act, but
35 not to exceed \$10,000;

36 all as defined by the federal Uniform Relocation Assistance

1 and Real Property Acquisition Policies Act of 1970, as
2 amended, and any implementing regulations promulgated;

3 (9) Payment in lieu of taxes;

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

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

31 (A) such costs are to be paid directly from the
32 special tax allocation fund established pursuant to
33 this Act;

34 (B) such payments in any one year may not exceed
35 30% of the annual interest costs incurred by the
36 redeveloper with regard to the redevelopment project

1 during that year;

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

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

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

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

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

1 the life of the redevelopment project area, whichever
2 is later.

3 (11.5) If the redevelopment project area is located
4 within a municipality with a population of more than
5 100,000, the cost of day care services for children of
6 employees from low-income families working for businesses
7 located within the redevelopment project area and all or a
8 portion of the cost of operation of day care centers
9 established by redevelopment project area businesses to
10 serve employees from low-income families working in
11 businesses located in the redevelopment project area. For
12 the purposes of this paragraph, "low-income families"
13 means families whose annual income does not exceed 80% of
14 the municipal, county, or regional median income, adjusted
15 for family size, as the annual income and municipal,
16 county, or regional median income are determined from time
17 to time by the United States Department of Housing and
18 Urban Development.

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

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

1 entity, as documented by the retail entity, subject to a
2 reasonable finding by the municipality that the current
3 location contained inadequate space, had become
4 economically obsolete, or was no longer a viable location
5 for the retailer or serviceman.

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

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

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

1 immediately prior to the year in which the municipality adopted
2 tax increment allocation financing, less 3.0% of such amounts
3 generated under the Retailers' Occupation Tax Act, Use Tax Act
4 and Service Use Tax Act and the Service Occupation Tax Act,
5 which sum shall be appropriated to the Department of Revenue to
6 cover its costs of administering and enforcing this Section.
7 For purposes of computing the aggregate amount of such taxes
8 for base years occurring prior to 1985, the Department of
9 Revenue shall compute the Initial Sales Tax Amount for such
10 taxes and deduct therefrom an amount equal to 4% of the
11 aggregate amount of taxes per year for each year the base year
12 is prior to 1985, but not to exceed a total deduction of 12%.
13 The amount so determined shall be known as the "Adjusted
14 Initial Sales Tax Amount". For purposes of determining the
15 State Sales Tax Increment the Department of Revenue shall for
16 each period subtract from the tax amounts received from
17 retailers and servicemen on transactions located in the State
18 Sales Tax Boundary, the certified Initial Sales Tax Amounts,
19 Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax
20 Amounts for the Retailers' Occupation Tax Act, the Use Tax Act,
21 the Service Use Tax Act and the Service Occupation Tax Act. For
22 the State Fiscal Year 1989 this calculation shall be made by
23 utilizing the calendar year 1987 to determine the tax amounts
24 received. For the State Fiscal Year 1990, this calculation
25 shall be made by utilizing the period from January 1, 1988,
26 until September 30, 1988, to determine the tax amounts received
27 from retailers and servicemen, which shall have deducted
28 therefrom nine-twelfths of the certified Initial Sales Tax
29 Amounts, Adjusted Initial Sales Tax Amounts or the Revised
30 Initial Sales Tax Amounts as appropriate. For the State Fiscal
31 Year 1991, this calculation shall be made by utilizing the
32 period from October 1, 1988, until June 30, 1989, to determine
33 the tax amounts received from retailers and servicemen, which
34 shall have deducted therefrom nine-twelfths of the certified
35 Initial State Sales Tax Amounts, Adjusted Initial Sales Tax
36 Amounts or the Revised Initial Sales Tax Amounts as

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

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

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

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

1 subdivision requirements of the Plat Act, land is subdivided
2 when the original plat of the proposed Redevelopment Project
3 Area or relevant portion thereof has been properly certified,
4 acknowledged, approved, and recorded or filed in accordance
5 with the Plat Act and a preliminary plat, if any, for any
6 subsequent phases of the proposed Redevelopment Project Area or
7 relevant portion thereof has been properly approved and filed
8 in accordance with the applicable ordinance of the
9 municipality.

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

18 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;
19 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-961, eff.
20 1-1-05; 93-983, eff. 8-23-04; 93-984, eff. 8-23-04; 93-985,
21 eff. 8-23-04; 93-986, eff. 8-23-04; 93-987, eff. 8-23-04;
22 93-995, eff. 8-23-04; 93-1024, eff. 8-25-04; 93-1076, eff.
23 1-18-05; 94-260, eff. 7-19-05; 94-268, eff. 7-19-05; 94-297,
24 eff. 7-21-05; 94-302, eff. 7-21-05; 94-704, eff. 12-5-05;
25 revised 12-9-05.)

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

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

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

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

5 (1) If improved, industrial, commercial, and
6 residential buildings or improvements are detrimental to
7 the public safety, health, or welfare because of a
8 combination of 5 or more of the following factors, each of
9 which is (i) present, with that presence documented, to a
10 meaningful extent so that a municipality may reasonably
11 find that the factor is clearly present within the intent
12 of the Act and (ii) reasonably distributed throughout the
13 improved part of the redevelopment project area:

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

21 (B) Obsolescence. The condition or process of
22 falling into disuse. Structures have become ill-suited
23 for the original use.

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

35 (D) Presence of structures below minimum code
36 standards. All structures that do not meet the

1 standards of zoning, subdivision, building, fire, and
2 other governmental codes applicable to property, but
3 not including housing and property maintenance codes.

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

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

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

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

36 (I) Excessive land coverage and overcrowding of

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

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

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

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

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

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

34 (A) Obsolete platting of vacant land that results
35 in parcels of limited or narrow size or configurations
36 of parcels of irregular size or shape that would be

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

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

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

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

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

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

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

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

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

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

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

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

30 (E) Prior to November 1, 1999, the area is not less
31 than 50 nor more than 100 acres and 75% of which is
32 vacant (notwithstanding that the area has been used for
33 commercial agricultural purposes within 5 years prior
34 to the designation of the redevelopment project area),
35 and the area meets at least one of the factors itemized
36 in paragraph (1) of this subsection, the area has been

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

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

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

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

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

29 (2) Obsolescence. The condition or process of falling
30 into disuse. Structures have become ill-suited for the
31 original use.

32 (3) Deterioration. With respect to buildings, defects
33 including, but not limited to, major defects in the
34 secondary building components such as doors, windows,
35 porches, gutters and downspouts, and fascia. With respect
36 to surface improvements, that the condition of roadways,

1 alleys, curbs, gutters, sidewalks, off-street parking, and
2 surface storage areas evidence deterioration, including,
3 but not limited to, surface cracking, crumbling, potholes,
4 depressions, loose paving material, and weeds protruding
5 through paved surfaces.

6 (4) Presence of structures below minimum code
7 standards. All structures that do not meet the standards of
8 zoning, subdivision, building, fire, and other
9 governmental codes applicable to property, but not
10 including housing and property maintenance codes.

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

15 (6) Excessive vacancies. The presence of buildings
16 that are unoccupied or under-utilized and that represent an
17 adverse influence on the area because of the frequency,
18 extent, or duration of the vacancies.

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

32 (8) Inadequate utilities. Underground and overhead
33 utilities such as storm sewers and storm drainage, sanitary
34 sewers, water lines, and gas, telephone, and electrical
35 services that are shown to be inadequate. Inadequate
36 utilities are those that are: (i) of insufficient capacity

1 to serve the uses in the redevelopment project area, (ii)
2 deteriorated, antiquated, obsolete, or in disrepair, or
3 (iii) lacking within the redevelopment project area.

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

22 (10) Deleterious land use or layout. The existence of
23 incompatible land-use relationships, buildings occupied by
24 inappropriate mixed-uses, or uses considered to be
25 noxious, offensive, or unsuitable for the surrounding
26 area.

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

1 contemporary development standards, or other evidence
2 demonstrating an absence of effective community planning.

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

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

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

33 (d) "Industrial park conservation area" means an area
34 within the boundaries of a redevelopment project area located
35 within the territorial limits of a municipality that is a labor
36 surplus municipality or within 1 1/2 miles of the territorial

1 limits of a municipality that is a labor surplus municipality
2 if the area is annexed to the municipality; which area is zoned
3 as industrial no later than at the time the municipality by
4 ordinance designates the redevelopment project area, and which
5 area includes both vacant land suitable for use as an
6 industrial park and a blighted area or conservation area
7 contiguous to such vacant land.

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

21 (f) "Municipality" shall mean a city, village,
22 incorporated town, or a township that is located in the
23 unincorporated portion of a county with 3 million or more
24 inhabitants, if the county adopted an ordinance that approved
25 the township's redevelopment plan.

26 (g) "Initial Sales Tax Amounts" means the amount of taxes
27 paid under the Retailers' Occupation Tax Act, Use Tax Act,
28 Service Use Tax Act, the Service Occupation Tax Act, the
29 Municipal Retailers' Occupation Tax Act, and the Municipal
30 Service Occupation Tax Act by retailers and servicemen on
31 transactions at places located in a State Sales Tax Boundary
32 during the calendar year 1985.

33 (g-1) "Revised Initial Sales Tax Amounts" means the amount
34 of taxes paid under the Retailers' Occupation Tax Act, Use Tax
35 Act, Service Use Tax Act, the Service Occupation Tax Act, the
36 Municipal Retailers' Occupation Tax Act, and the Municipal

1 Service Occupation Tax Act by retailers and servicemen on
2 transactions at places located within the State Sales Tax
3 Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

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

1 made by utilizing the calendar year 1987 to determine the tax
2 amounts received. For the State Fiscal Year 1990, this
3 calculation shall be made by utilizing the period from January
4 1, 1988, until September 30, 1988, to determine the tax amounts
5 received from retailers and servicemen pursuant to the
6 Municipal Retailers' Occupation Tax and the Municipal Service
7 Occupation Tax Act, which shall have deducted therefrom
8 nine-twelfths of the certified Initial Sales Tax Amounts, the
9 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales
10 Tax Amounts as appropriate. For the State Fiscal Year 1991,
11 this calculation shall be made by utilizing the period from
12 October 1, 1988, to June 30, 1989, to determine the tax amounts
13 received from retailers and servicemen pursuant to the
14 Municipal Retailers' Occupation Tax and the Municipal Service
15 Occupation Tax Act which shall have deducted therefrom
16 nine-twelfths of the certified Initial Sales Tax Amounts,
17 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales
18 Tax Amounts as appropriate. For every State Fiscal Year
19 thereafter, the applicable period shall be the 12 months
20 beginning July 1 and ending June 30 to determine the tax
21 amounts received which shall have deducted therefrom the
22 certified Initial Sales Tax Amounts, the Adjusted Initial Sales
23 Tax Amounts or the Revised Initial Sales Tax Amounts, as the
24 case may be.

25 (i) "Net State Sales Tax Increment" means the sum of the
26 following: (a) 80% of the first \$100,000 of State Sales Tax
27 Increment annually generated within a State Sales Tax Boundary;
28 (b) 60% of the amount in excess of \$100,000 but not exceeding
29 \$500,000 of State Sales Tax Increment annually generated within
30 a State Sales Tax Boundary; and (c) 40% of all amounts in
31 excess of \$500,000 of State Sales Tax Increment annually
32 generated within a State Sales Tax Boundary. If, however, a
33 municipality established a tax increment financing district in
34 a county with a population in excess of 3,000,000 before
35 January 1, 1986, and the municipality entered into a contract
36 or issued bonds after January 1, 1986, but before December 31,

1 1986, to finance redevelopment project costs within a State
2 Sales Tax Boundary, then the Net State Sales Tax Increment
3 means, for the fiscal years beginning July 1, 1990, and July 1,
4 1991, 100% of the State Sales Tax Increment annually generated
5 within a State Sales Tax Boundary; and notwithstanding any
6 other provision of this Act, for those fiscal years the
7 Department of Revenue shall distribute to those municipalities
8 100% of their Net State Sales Tax Increment before any
9 distribution to any other municipality and regardless of
10 whether or not those other municipalities will receive 100% of
11 their Net State Sales Tax Increment. For Fiscal Year 1999, and
12 every year thereafter until the year 2007, for any municipality
13 that has not entered into a contract or has not issued bonds
14 prior to June 1, 1988 to finance redevelopment project costs
15 within a State Sales Tax Boundary, the Net State Sales Tax
16 Increment shall be calculated as follows: By multiplying the
17 Net State Sales Tax Increment by 90% in the State Fiscal Year
18 1999; 80% in the State Fiscal Year 2000; 70% in the State
19 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the
20 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%
21 in the State Fiscal Year 2005; 20% in the State Fiscal Year
22 2006; and 10% in the State Fiscal Year 2007. No payment shall
23 be made for State Fiscal Year 2008 and thereafter.

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

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

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

26 (k) "Net State Utility Tax Increment" means the sum of the
27 following: (a) 80% of the first \$100,000 of State Utility Tax
28 Increment annually generated by a redevelopment project area;
29 (b) 60% of the amount in excess of \$100,000 but not exceeding
30 \$500,000 of the State Utility Tax Increment annually generated
31 by a redevelopment project area; and (c) 40% of all amounts in
32 excess of \$500,000 of State Utility Tax Increment annually
33 generated by a redevelopment project area. For the State Fiscal
34 Year 1999, and every year thereafter until the year 2007, for
35 any municipality that has not entered into a contract or has
36 not issued bonds prior to June 1, 1988 to finance redevelopment

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

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

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

28 (m) "Payment in lieu of taxes" means those estimated tax
29 revenues from real property in a redevelopment project area
30 derived from real property that has been acquired by a
31 municipality which according to the redevelopment project or
32 plan is to be used for a private use which taxing districts
33 would have received had a municipality not acquired the real
34 property and adopted tax increment allocation financing and
35 which would result from levies made after the time of the
36 adoption of tax increment allocation financing to the time the

1 current equalized value of real property in the redevelopment
2 project area exceeds the total initial equalized value of real
3 property in said area.

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

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

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

29 (C) an assessment of any financial impact of the
30 redevelopment project area on or any increased demand for
31 services from any taxing district affected by the plan and
32 any program to address such financial impact or increased
33 demand;

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

35 (E) the nature and term of the obligations to be
36 issued;

1 (F) the most recent equalized assessed valuation of the
2 redevelopment project area;

3 (G) an estimate as to the equalized assessed valuation
4 after redevelopment and the general land uses to apply in
5 the redevelopment project area;

6 (H) a commitment to fair employment practices and an
7 affirmative action plan;

8 (I) if it concerns an industrial park conservation
9 area, the plan shall also include a general description of
10 any proposed developer, user and tenant of any property, a
11 description of the type, structure and general character of
12 the facilities to be developed, a description of the type,
13 class and number of new employees to be employed in the
14 operation of the facilities to be developed; and

15 (J) if property is to be annexed to the municipality,
16 the plan shall include the terms of the annexation
17 agreement.

18 The provisions of items (B) and (C) of this subsection (n)
19 shall not apply to a municipality that before March 14, 1994
20 (the effective date of Public Act 88-537) had fixed, either by
21 its corporate authorities or by a commission designated under
22 subsection (k) of Section 11-74.4-4, a time and place for a
23 public hearing as required by subsection (a) of Section
24 11-74.4-5. No redevelopment plan shall be adopted unless a
25 municipality complies with all of the following requirements:

26 (1) The municipality finds that the redevelopment
27 project area on the whole has not been subject to growth
28 and development through investment by private enterprise
29 and would not reasonably be anticipated to be developed
30 without the adoption of the redevelopment plan.

31 (2) The municipality finds that the redevelopment plan
32 and project conform to the comprehensive plan for the
33 development of the municipality as a whole, or, for
34 municipalities with a population of 100,000 or more,
35 regardless of when the redevelopment plan and project was
36 adopted, the redevelopment plan and project either: (i)

1 conforms to the strategic economic development or
2 redevelopment plan issued by the designated planning
3 authority of the municipality, or (ii) includes land uses
4 that have been approved by the planning commission of the
5 municipality.

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

30 (A) if the ordinance was adopted before January 15,
31 1981, or

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

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

1 (D) if the ordinance was adopted before January 1,
2 1987 by a municipality in Mason County, or

3 (E) if the municipality is subject to the Local
4 Government Financial Planning and Supervision Act or
5 the Financially Distressed City Law, or

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

8 (G) if the ordinance was adopted on December 31,
9 1986 by a municipality located in Clinton County for
10 which at least \$250,000 of tax increment bonds were
11 authorized on June 17, 1997, or if the ordinance was
12 adopted on December 31, 1986 by a municipality with a
13 population in 1990 of less than 3,600 that is located
14 in a county with a population in 1990 of less than
15 34,000 and for which at least \$250,000 of tax increment
16 bonds were authorized on June 17, 1997, or

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

20 (I) if the ordinance was adopted on November 12,
21 1991 by the Village of Sauget, or

22 (J) if the ordinance was adopted on February 11,
23 1985 by the City of Rock Island, or

24 (K) if the ordinance was adopted before December
25 18, 1986 by the City of Moline, or

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

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

30 (N) if the ordinance was adopted on December 29,
31 1986 by the City of Galva, or

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

34 (P) if the ordinance was adopted on January 23,
35 1991 by the City of East St. Louis, or

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

1 1986 by the City of Aledo, or
2 (R) if the ordinance was adopted on February 5,
3 1990 by the City of Clinton, or
4 (S) if the ordinance was adopted on September 6,
5 1994 by the City of Freeport, or
6 (T) if the ordinance was adopted on December 22,
7 1986 by the City of Tuscola, or
8 (U) if the ordinance was adopted on December 23,
9 1986 by the City of Sparta, or
10 (V) if the ordinance was adopted on December 23,
11 1986 by the City of Beardstown, or
12 (W) if the ordinance was adopted on April 27, 1981,
13 October 21, 1985, or December 30, 1986 by the City of
14 Belleville, or
15 (X) if the ordinance was adopted on December 29,
16 1986 by the City of Collinsville, or
17 (Y) if the ordinance was adopted on September 14,
18 1994 by the City of Alton, or
19 (Z) if the ordinance was adopted on November 11,
20 1996 by the City of Lexington, or
21 (AA) if the ordinance was adopted on November 5,
22 1984 by the City of LeRoy, or
23 (BB) if the ordinance was adopted on April 3, 1991
24 or June 3, 1992 by the City of Markham, or
25 (CC) if the ordinance was adopted on November 11,
26 1986 by the City of Pekin, or
27 (DD) if the ordinance was adopted on December 15,
28 1981 by the City of Champaign, or
29 (EE) if the ordinance was adopted on December 15,
30 1986 by the City of Urbana, or
31 (FF) if the ordinance was adopted on December 15,
32 1986 by the Village of Heyworth, or
33 (GG) if the ordinance was adopted on February 24,
34 1992 by the Village of Heyworth, or
35 (HH) if the ordinance was adopted on March 16, 1995
36 by the Village of Heyworth, or

1 (II) if the ordinance was adopted on December 23,
2 1986 by the Town of Cicero, or

3 (JJ) if the ordinance was adopted on December 30,
4 1986 by the City of Effingham, or

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

7 (LL) if the ordinance was adopted on October 20,
8 1986 by the City of Elmhurst, or

9 (MM) if the ordinance was adopted on January 19,
10 1988 by the City of Waukegan, or

11 (NN) if the ordinance was adopted on September 21,
12 1998 by the City of Waukegan, or

13 (OO) if the ordinance was adopted on December 31,
14 1986 by the City of Sullivan, or

15 (PP) if the ordinance was adopted on December 23,
16 1991 by the City of Sullivan, or.

17 (QQ) ~~(OO)~~ if the ordinance was adopted on December
18 31, 1986 by the City of Oglesby, or.

19 (RR) ~~(OO)~~ if the ordinance was adopted on July 28,
20 1987 by the City of Marion, or

21 (SS) ~~(PP)~~ if the ordinance was adopted on April 23,
22 1990 by the City of Marion, or.

23 (TT) ~~(OO)~~ if the ordinance was adopted on August
24 20, 1985 by the Village of Mount Prospect, or.

25 (UU) ~~(OO)~~ if the ordinance was adopted on February
26 2, 1998 by the Village of Woodhull.

27 However, for redevelopment project areas for which
28 bonds were issued before July 29, 1991, or for which
29 contracts were entered into before June 1, 1988, in
30 connection with a redevelopment project in the area within
31 the State Sales Tax Boundary, the estimated dates of
32 completion of the redevelopment project and retirement of
33 obligations to finance redevelopment project costs may be
34 extended by municipal ordinance to December 31, 2013. The
35 termination procedures of subsection (b) of Section
36 11-74.4-8 are not required for these redevelopment project

1 areas in 2009 but are required in 2013. The extension
2 allowed by this amendatory Act of 1993 shall not apply to
3 real property tax increment allocation financing under
4 Section 11-74.4-8.

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

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

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 established on or
30 after December 1, 1981 but before January 1, 1982 and for
31 which at least \$1,500,000 worth of tax increment revenue
32 bonds were authorized on or after September 30, 1990 but
33 before July 1, 1991; provided that the municipality elects
34 to extend the life of the redevelopment project area to 35
35 years by the adoption of an ordinance after at least 14 but
36 not more than 30 days' written notice to the taxing bodies,

1 that would otherwise constitute the joint review board for
2 the redevelopment project area, before the adoption of the
3 ordinance.

4 (3.5) The municipality finds, in the case of an
5 industrial park conservation area, also that the
6 municipality is a labor surplus municipality and that the
7 implementation of the redevelopment plan will reduce
8 unemployment, create new jobs and by the provision of new
9 facilities enhance the tax base of the taxing districts
10 that extend into the redevelopment project area.

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

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

32 Part I of the housing impact study shall include (i)
33 data as to whether the residential units are single family
34 or multi-family units, (ii) the number and type of rooms
35 within the units, if that information is available, (iii)
36 whether the units are inhabited or uninhabited, as

1 determined not less than 45 days before the date that the
2 ordinance or resolution required by subsection (a) of
3 Section 11-74.4-5 is passed, and (iv) data as to the racial
4 and ethnic composition of the residents in the inhabited
5 residential units. The data requirement as to the racial
6 and ethnic composition of the residents in the inhabited
7 residential units shall be deemed to be fully satisfied by
8 data from the most recent federal census.

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

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

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

1 that Act, including the eligibility criteria. Affordable
2 housing may be either existing or newly constructed
3 housing. For purposes of this paragraph (7), "low-income
4 households", "very low-income households", and "affordable
5 housing" have the meanings set forth in the Illinois
6 Affordable Housing Act. The municipality shall make a good
7 faith effort to ensure that this affordable housing is
8 located in or near the redevelopment project area within
9 the municipality.

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

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

31 (o) "Redevelopment project" means any public and private
32 development project in furtherance of the objectives of a
33 redevelopment plan. On and after November 1, 1999 (the
34 effective date of Public Act 91-478), no redevelopment plan may
35 be approved or amended that includes the development of vacant
36 land (i) with a golf course and related clubhouse and other

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

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

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

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

1 has entered into with entities or individuals that have
2 received, or are receiving, payments financed by tax
3 increment revenues produced by the redevelopment project
4 area with respect to which the consultant or advisor has
5 performed, or will be performing, service for the
6 municipality. This requirement shall be satisfied by the
7 consultant or advisor before the commencement of services
8 for the municipality and thereafter whenever any other
9 contracts with those individuals or entities are executed
10 by the consultant or advisor;

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

17 (1.6) The cost of marketing sites within the
18 redevelopment project area to prospective businesses,
19 developers, and investors;

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

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

36 (4) Costs of the construction of public works or

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

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

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

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

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

17 (A) for foundation districts, excluding any school
18 district in a municipality with a population in excess
19 of 1,000,000, by multiplying the district's increase
20 in attendance resulting from the net increase in new
21 students enrolled in that school district who reside in
22 housing units within the redevelopment project area
23 that have received financial assistance through an
24 agreement with the municipality or because the
25 municipality incurs the cost of necessary
26 infrastructure improvements within the boundaries of
27 the housing sites necessary for the completion of that
28 housing as authorized by this Act since the designation
29 of the redevelopment project area by the most recently
30 available per capita tuition cost as defined in Section
31 10-20.12a of the School Code less any increase in
32 general State aid as defined in Section 18-8.05 of the
33 School Code attributable to these added new students
34 subject to the following annual limitations:

35 (i) for unit school districts with a district
36 average 1995-96 Per Capita Tuition Charge of less

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

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

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

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

1 annual limitations:

2 (i) for unit school districts, no more than 40%
3 of the total amount of property tax increment
4 revenue produced by those housing units that have
5 received tax increment finance assistance under
6 this Act;

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

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

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

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

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

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

34 Any school district seeking payment under this
35 paragraph (7.5) shall, after July 1 and before
36 September 30 of each year, provide the municipality

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

14 (7.7) For redevelopment project areas designated (or
15 redevelopment project areas amended to add or increase the
16 number of tax-increment-financing assisted housing units)
17 on or after January 1, 2005 (the effective date of Public
18 Act 93-961), 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
35 law from increasing its tax levy rate without a prior voter
36 referendum.

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

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

30 Any library district seeking payment under this
31 paragraph (7.7) shall, after July 1 and before September 30
32 of each year, provide the municipality with convincing
33 evidence to support its claim for reimbursement before the
34 municipality shall be required to approve or make the
35 payment to the library district. If the library district
36 fails to provide the information during this period in any

1 year, it shall forfeit any claim to reimbursement for that
2 year. Library districts may adopt a resolution waiving the
3 right to all or a portion of the reimbursement otherwise
4 required by this paragraph (7.7). By acceptance of such
5 reimbursement, the library district shall forfeit any
6 right to directly or indirectly set aside, modify, or
7 contest in any manner whatsoever the establishment of the
8 redevelopment project area or projects;

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

14 (8.5) In instances in which a property owner is
15 displaced for purposes of private development as defined in
16 Section 10 of the Statute on Statutes:

17 (A) the actual reasonable relocation expenses of
18 the owner and the owner's family and the owner's
19 business, farm operation, or personal property;

20 (B) the amount of any direct losses of tangible
21 personal property incurred by the owner as a result of
22 relocating or discontinuing the owner's business or
23 farm operation, but not to exceed an amount equal to
24 the reasonable expenses that would have been required
25 to relocate the property;

26 (C) the actual reasonable expenses incurred by the
27 owner in searching for a replacement business or farm
28 operation; and

29 (D) the actual reasonable expenses of the owner
30 that were necessary for the owner to reestablish the
31 owner's displaced farm operation, nonprofit
32 organization, or small business as defined in Section
33 1-75 of the Illinois Administrative Procedure Act, but
34 not to exceed \$10,000;

35 all as defined by the federal Uniform Relocation Assistance
36 and Real Property Acquisition Policies Act of 1970, as

1 amended, and any implementing regulations promulgated;

2 (9) Payment in lieu of taxes;

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

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

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

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

1 (C) if there are not sufficient funds available in
2 the special tax allocation fund to make the payment
3 pursuant to this paragraph (11) then the amounts so due
4 shall accrue and be payable when sufficient funds are
5 available in the special tax allocation fund;

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

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

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

36 The eligible costs provided under this

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

1 is later.

2 (11.5) If the redevelopment project area is located
3 within a municipality with a population of more than
4 100,000, the cost of day care services for children of
5 employees from low-income families working for businesses
6 located within the redevelopment project area and all or a
7 portion of the cost of operation of day care centers
8 established by redevelopment project area businesses to
9 serve employees from low-income families working in
10 businesses located in the redevelopment project area. For
11 the purposes of this paragraph, "low-income families"
12 means families whose annual income does not exceed 80% of
13 the municipal, county, or regional median income, adjusted
14 for family size, as the annual income and municipal,
15 county, or regional median income are determined from time
16 to time by the United States Department of Housing and
17 Urban Development.

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

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

1 reasonable finding by the municipality that the current
2 location contained inadequate space, had become
3 economically obsolete, or was no longer a viable location
4 for the retailer or serviceman.

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

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

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

1 tax increment allocation financing, less 3.0% of such amounts
2 generated under the Retailers' Occupation Tax Act, Use Tax Act
3 and Service Use Tax Act and the Service Occupation Tax Act,
4 which sum shall be appropriated to the Department of Revenue to
5 cover its costs of administering and enforcing this Section.
6 For purposes of computing the aggregate amount of such taxes
7 for base years occurring prior to 1985, the Department of
8 Revenue shall compute the Initial Sales Tax Amount for such
9 taxes and deduct therefrom an amount equal to 4% of the
10 aggregate amount of taxes per year for each year the base year
11 is prior to 1985, but not to exceed a total deduction of 12%.
12 The amount so determined shall be known as the "Adjusted
13 Initial Sales Tax Amount". For purposes of determining the
14 State Sales Tax Increment the Department of Revenue shall for
15 each period subtract from the tax amounts received from
16 retailers and servicemen on transactions located in the State
17 Sales Tax Boundary, the certified Initial Sales Tax Amounts,
18 Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax
19 Amounts for the Retailers' Occupation Tax Act, the Use Tax Act,
20 the Service Use Tax Act and the Service Occupation Tax Act. For
21 the State Fiscal Year 1989 this calculation shall be made by
22 utilizing the calendar year 1987 to determine the tax amounts
23 received. For the State Fiscal Year 1990, this calculation
24 shall be made by utilizing the period from January 1, 1988,
25 until September 30, 1988, to determine the tax amounts received
26 from retailers and servicemen, which shall have deducted
27 therefrom nine-twelfths of the certified Initial Sales Tax
28 Amounts, Adjusted Initial Sales Tax Amounts or the Revised
29 Initial Sales Tax Amounts as appropriate. For the State Fiscal
30 Year 1991, this calculation shall be made by utilizing the
31 period from October 1, 1988, until June 30, 1989, to determine
32 the tax amounts received from retailers and servicemen, which
33 shall have deducted therefrom nine-twelfths of the certified
34 Initial State Sales Tax Amounts, Adjusted Initial Sales Tax
35 Amounts or the Revised Initial Sales Tax Amounts as
36 appropriate. For every State Fiscal Year thereafter, the

1 applicable period shall be the 12 months beginning July 1 and
2 ending on June 30, to determine the tax amounts received which
3 shall have deducted therefrom the certified Initial Sales Tax
4 Amounts, Adjusted Initial Sales Tax Amounts or the Revised
5 Initial Sales Tax Amounts. Municipalities intending to receive
6 a distribution of State Sales Tax Increment must report a list
7 of retailers to the Department of Revenue by October 31, 1988
8 and by July 31, of each year thereafter.

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

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

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

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

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

17 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;
18 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-961, eff.
19 1-1-05; 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; 94-260, eff. 7-19-05; 94-268, eff. 7-19-05; 94-297,
23 eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff. 6-1-06;
24 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; revised 12-9-05.)

25 Section 15. The Code of Civil Procedure is amended by
26 changing Sections 7-121 and 7-122 and by adding Sections
27 7-115.5 and 7-122.5 as follows:

28 (735 ILCS 5/7-115.5 new)

29 Sec. 7-115.5. Blight. Notwithstanding any provision of law
30 to the contrary, in a condemnation proceeding in which the
31 property is in an area designated by the condemning authority
32 by ordinance as blighted, the condemning authority must
33 demonstrate and prove by a preponderance of the evidence that
34 the area is "blighted" as defined in Section 11-74.4-3 of the

1 Illinois Municipal Code or, alternatively, in the applicable
2 statute authorizing the entity to exercise the power of eminent
3 domain. The existence of an ordinance designating an area as
4 "blighted" is not prima facie evidence of blight. An ordinance
5 designating an area as "blighted" shall not be presumed to be
6 valid for purposes of the condemnation proceeding.

7 (735 ILCS 5/7-121) (from Ch. 110, par. 7-121)

8 Sec. 7-121. Value.

9 (a) Except as to property designated as possessing a
10 special use, the fair cash market value of property in a
11 proceeding in eminent domain shall be the amount of money which
12 a purchaser, willing but not obligated to buy the property,
13 would pay to an owner willing but not obliged to sell in a
14 voluntary sale, which amount of money shall be determined and
15 ascertained as of the date of filing the complaint to condemn
16 unless otherwise provided in subsection (b). In the
17 condemnation of property for a public improvement there shall
18 be excluded from such amount of money any appreciation in value
19 proximately caused by such improvement, and any depreciation in
20 value proximately caused by such improvement. However, such
21 appreciation or depreciation shall not be excluded where
22 property is condemned for a separate project conceived
23 independently of and subsequent to the original project.

24 (b) If the trial or quick-take proceeding is commenced
25 within one year after the complaint for condemnation is filed,
26 then the fair cash market value of property in a proceeding in
27 eminent domain shall be determined and ascertained as of the
28 date of filing the complaint to condemn.

29 If the trial or quick-take proceeding is commenced later
30 than one year after the filing of the complaint to condemn, the
31 fair cash market value of the property shall be determined and
32 ascertained as of the 180th day before the date on which the
33 trial or quick-take proceeding was commenced.

34 The court may, in its discretion, require that the fair
35 cash market value of the property be determined and ascertained

1 as of the date of filing the complaint to condemn even if the
2 trial or quick-take proceeding is commenced later than one year
3 after the filing of the complaint to condemn if the court
4 determines that:

5 (i) the property owner caused an unreasonable delay and
6 the fair cash market value of the property increased
7 between the date that the complaint for condemnation was
8 filed and the 180th day before the trial or quick-take
9 proceeding was commenced; or

10 (ii) the condemning authority caused an unreasonable
11 delay and the fair cash market value of the property
12 decreased between the date that the complaint for
13 condemnation was filed and the 180th day before the trial
14 or quick-take proceeding was commenced.

15 If the property owner challenges the condemning
16 authority's right to exercise the power of eminent domain, the
17 challenge is not, in and of itself, an unreasonable delay on
18 the part of the property owner.

19 (c) The provisions of subsection (b) apply only to
20 condemnation proceedings brought for the purpose of private
21 development as defined in Section 10 of the Statute on
22 Statutes.

23 (Source: P.A. 82-280.)

24 (735 ILCS 5/7-122) (from Ch. 110, par. 7-122)

25 Sec. 7-122. Reimbursement; inverse condemnation. Where the
26 State of Illinois, a political subdivision of the State or a
27 municipality is required by a court to initiate condemnation
28 proceedings for the actual physical taking of real property,
29 the court rendering judgment for the property owner and
30 awarding just compensation for such taking shall determine and
31 award or allow to such property owner, as part of such judgment
32 or award, such further sums, as will in the opinion of the
33 court, reimburse such property owner for the owner's reasonable
34 costs, disbursements and expenses, including reasonable
35 attorney, appraisal and engineering fees actually incurred by

1 the property owner in such proceedings.

2 (Source: P.A. 82-280.)

3 (735 ILCS 5/7-122.5 new)

4 Sec. 7-122.5. Reimbursement; condemnation for private
5 development.

6 (a) In all condemnation proceedings for the taking or
7 damaging of real property under the exercise of the power of
8 eminent domain for private development purposes as defined in
9 Section 10 of the Statute on Statutes, the court rendering
10 judgment shall determine and award or allow to the property
11 owner, as part of that judgment or award, such further sums as
12 will, in the opinion of the court, reimburse the property owner
13 for the property owner's reasonable costs, disbursements, and
14 expenses actually incurred by the property owner in those
15 proceedings, including:

16 (1) reasonable attorney's fees, expert fees, and
17 appraisal fees, subject to subsections (b), (c), and (d) of
18 this Section;

19 (2) as defined by the federal Uniform Relocation
20 Assistance and Real Property Acquisition Policies Act of
21 1970, as amended, and implemented by regulations
22 promulgated thereunder:

23 (A) the actual reasonable relocation expenses of
24 the owner and the owner's family and the owner's
25 business, farm operation, or personal property;

26 (B) the amount of any direct losses of tangible
27 personal property incurred by the owner as a result of
28 relocating or discontinuing the owner's business or
29 farm operation, but not to exceed an amount equal to
30 the reasonable expenses that would have been required
31 to relocate the property;

32 (C) the actual reasonable expenses incurred by the
33 owner in searching for a replacement business or farm
34 operation; and

35 (D) the actual reasonable expenses of the owner

1 that were necessary for the owner to reestablish the
2 owner's displaced farm operation, nonprofit
3 organization, or small business, but not to exceed
4 \$10,000; and

5 (3) any other reasonable costs incurred by the property
6 owner.

7 (b) Any award of attorney's fees under this Section shall
8 be based solely on the net benefit achieved for the property
9 owner, except that the court may also consider any non-monetary
10 benefits obtained for the property owner through the efforts of
11 the attorney to the extent that the non-monetary benefits are
12 specifically identified by the court and can be quantified by
13 the court with a reasonable degree of certainty. "Net benefit"
14 means the difference, exclusive of interest, between the final
15 judgment or settlement and the last written offer made by the
16 condemning authority before the property owner hires an
17 attorney or, if the condemning authority does not make a
18 written offer before the property owner hires an attorney, then
19 "net benefit" means the difference between the final judgment
20 or settlement and the first written offer. The award shall be
21 calculated as follows:

22 (1) 33% of the net benefit if the net benefit is
23 \$250,000 or less;

24 (2) 25% of the net benefit if the net benefit is more
25 than \$250,000 but less than \$1 million; or

26 (3) 20% of the net benefit if the net benefit is \$1
27 million or more.

28 (c) In assessing attorney's fees incurred by the property
29 owner in defeating an order of taking or an order for
30 apportionment, or other supplemental proceedings, when not
31 otherwise provided for, the court shall consider:

32 (1) the novelty, difficulty, and importance of the
33 questions involved;

34 (2) the skill employed by the attorney in conducting
35 the cause;

36 (3) the amount of money involved;

1 (4) the responsibility incurred and fulfilled by the
2 attorney;

3 (5) the attorney's time and labor reasonably required
4 to adequately represent the client in relation to the
5 benefits obtained by the property owner; and

6 (6) the fee or rate customarily charged for legal
7 services a comparable or similar nature.

8 In determining the amount of attorney's fees to be awarded
9 under this subsection (c), the court shall consider the fees
10 the property owner would ordinarily be expected to pay for
11 these services if the condemning authority were not responsible
12 for the payment of those fees. At least 30 days before any
13 hearing to assess attorney's fees in accordance with this
14 subsection (c), the attorney shall submit to the court and to
15 the condemning authority the attorney's complete time records
16 and a detailed statement of services indicating the date,
17 nature, and cost of the services rendered and accounting for
18 the time spent performing those services.

19 (d) The property owner shall submit to the court a copy of
20 any fee agreement between the property owner and the owner's
21 attorney. The amount of attorney's fees due in accordance with
22 the fee agreement shall be reduced to the amount of attorney's
23 fees awarded under this Section.

24 (e) The provisions of subsections (a), (b), (c), and (d) of
25 this Section apply only to condemnation proceedings that are
26 brought for the purposes of private development, as defined in
27 Section 10 of the Statute on Statutes.

28 Section 90. The State Mandates Act is amended by adding
29 Section 8.30 as follows:

30 (30 ILCS 805/8.30 new)

31 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
32 of this Act, no reimbursement by the State is required for the
33 implementation of any mandate created by this amendatory Act of
34 the 94th General Assembly.

1 Section 95. Home rule preemption. Except as otherwise
2 specifically provided, neither the State, a unit of local
3 government, including a home rule unit, nor a school district
4 may exercise the power of eminent domain in a manner that is
5 inconsistent with the amendatory changes of this amendatory Act
6 of the 94th General Assembly. This Section is a limitation
7 under subsection (i) of Section 6 of Article VII of the
8 Illinois Constitution on the concurrent exercise by home rule
9 units of powers and functions exercised by the State.

10 Section 97. No acceleration or delay. Where this Act makes
11 changes in a statute that is represented in this Act by text
12 that is not yet or no longer in effect (for example, a Section
13 represented by multiple versions), the use of that text does
14 not accelerate or delay the taking effect of (i) the changes
15 made by this Act or (ii) provisions derived from any other
16 Public Act.

17 Section 99. Effective date; application. This Act takes
18 effect upon becoming law and does not apply to any action that
19 was commenced prior to April 15, 2006.