



Sen. Susan Garrett

Filed: 2/7/2006

09400SB3086sam001

LRB094 19181 EFG 55678 a

1 AMENDMENT TO SENATE BILL 3086

2 AMENDMENT NO. _____. Amend Senate Bill 3086 by replacing
3 everything after the enacting clause with the following:

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

6 (5 ILCS 70/10 new)

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

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

1 5-14001 of the Counties Code or Section 11-12-6 of the Illinois
2 Municipal Code or with a local land resource management plan
3 adopted under Section 4 of the Local Land Resource Management
4 Planning Act.

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

7 (1) the taking confers a private benefit on a
8 particular private party through the use of the property;
9 or

10 (2) the taking is for a public use that is merely a
11 pretext in order to confer a private benefit on a
12 particular private party.

13 A State or unit of local government does not exercise the
14 power of eminent domain for private development if the economic
15 development is a secondary purpose resulting from municipal
16 community development or municipal urban renewal activities to
17 eliminate an existing affirmative harm on society from slums to
18 protect public health and safety.

19 (c) "Private development" does not include any of the
20 following:

21 (1) Transportation projects, including, but not
22 limited to, railroads, airports, or public roads or
23 highways.

24 (2) Water supply, wastewater, flood control, and
25 drainage projects.

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

27 (4) The provision of utility service.

28 (5) Development for any purpose for which the exercise
29 of the power of eminent domain is authorized under the
30 Public Utilities Act.

31 (6) Libraries, museums, and related facilities and any
32 infrastructure related to those facilities.

33 (d) This Section does not affect the authority of a
34 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

1 following respective meanings, unless in any case a different
2 meaning clearly appears from the context.

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

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

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

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

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

31 (C) Deterioration. With respect to buildings,
32 defects including, but not limited to, major defects in
33 the secondary building components such as doors,
34 windows, porches, gutters and downspouts, and fascia.

1 With respect to surface improvements, that the
2 condition of roadways, alleys, curbs, gutters,
3 sidewalks, off-street parking, and surface storage
4 areas evidence deterioration, including, but not
5 limited to, surface cracking, crumbling, potholes,
6 depressions, loose paving material, and weeds
7 protruding through paved surfaces.

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

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

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

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

1 units within a building.

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

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

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

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

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

26 (M) The total equalized assessed value of the
27 proposed redevelopment project area has declined for 3
28 of the last 5 calendar years prior to the year in which
29 the redevelopment project area is designated or is
30 increasing at an annual rate that is less than the
31 balance of the municipality for 3 of the last 5
32 calendar years for which information is available or is
33 increasing at an annual rate that is less than the
34 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 (2) If vacant, the sound growth of the redevelopment
6 project area is impaired by a combination of 2 or more of
7 the following factors, each of which is (i) present, with
8 that presence documented, to a meaningful extent so that a
9 municipality may reasonably find that the factor is clearly
10 present within the intent of the Act and (ii) reasonably
11 distributed throughout the vacant part of the
12 redevelopment project area to which it pertains:

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

23 (B) Diversity of ownership of parcels of vacant
24 land sufficient in number to retard or impede the
25 ability to assemble the land for development.

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

29 (D) Deterioration of structures or site
30 improvements in neighboring areas adjacent to the
31 vacant land.

32 (E) The area has incurred Illinois Environmental
33 Protection Agency or United States Environmental
34 Protection Agency remediation costs for, or a study

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 of structures below minimum code standards.

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

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

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

27 (9) Excessive land coverage and overcrowding of
28 structures and community facilities. The over-intensive
29 use of property and the crowding of buildings and accessory
30 facilities onto a site. Examples of problem conditions
31 warranting the designation of an area as one exhibiting
32 excessive land coverage are: the presence of buildings
33 either improperly situated on parcels or located on parcels
34 of inadequate size and shape in relation to present-day

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

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

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

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

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

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

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

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

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

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

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

26 (g-1) "Revised Initial Sales Tax Amounts" means the amount
27 of taxes paid under the Retailers' Occupation Tax Act, Use Tax
28 Act, 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 within the State Sales Tax
32 Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

33 (h) "Municipal Sales Tax Increment" means an amount equal
34 to the increase in the aggregate amount of taxes paid to a

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

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

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

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

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

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

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

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

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

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

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

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

1 plan is to be used for a private use which taxing districts
2 would have received had a municipality not acquired the real
3 property and adopted tax increment allocation financing and
4 which would result from levies made after the time of the
5 adoption of tax increment allocation financing to the time 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

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

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

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

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

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

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

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

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

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

33 (1) The municipality finds that the redevelopment
34 project area on the whole has not been subject to growth

1 and development through investment by private enterprise
2 and would not reasonably be anticipated to be developed
3 without the adoption of the redevelopment plan.

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

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

1 Section 11-74.4-8 of this Act is to be made with respect to
2 ad valorem taxes levied in the thirty-fifth calendar year
3 after the year in which the ordinance approving the
4 redevelopment project area is adopted:

5 (A) if the ordinance was adopted before January 15,
6 1981, or

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

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

12 (D) if the ordinance was adopted before January 1,
13 1987 by a municipality in Mason County, or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 (AA) if the ordinance was adopted on November 5,

1 1984 by the City of LeRoy, or
2 (BB) if the ordinance was adopted on April 3, 1991
3 or June 3, 1992 by the City of Markham, or
4 (CC) if the ordinance was adopted on November 11,
5 1986 by the City of Pekin, or
6 (DD) if the ordinance was adopted on December 15,
7 1981 by the City of Champaign, or
8 (EE) if the ordinance was adopted on December 15,
9 1986 by the City of Urbana, or
10 (FF) if the ordinance was adopted on December 15,
11 1986 by the Village of Heyworth, or
12 (GG) if the ordinance was adopted on February 24,
13 1992 by the Village of Heyworth, or
14 (HH) if the ordinance was adopted on March 16, 1995
15 by the Village of Heyworth, or
16 (II) if the ordinance was adopted on December 23,
17 1986 by the Town of Cicero, or
18 (JJ) if the ordinance was adopted on December 30,
19 1986 by the City of Effingham, or
20 (KK) if the ordinance was adopted on May 9, 1991 by
21 the Village of Tilton, or
22 (LL) if the ordinance was adopted on October 20,
23 1986 by the City of Elmhurst, or
24 (MM) if the ordinance was adopted on January 19,
25 1988 by the City of Waukegan, or
26 (NN) if the ordinance was adopted on September 21,
27 1998 by the City of Waukegan, or
28 (OO) if the ordinance was adopted on December 31,
29 1986 by the City of Sullivan, or
30 (PP) if the ordinance was adopted on December 23,
31 1991 by the City of Sullivan, or
32 (QQ) ~~(OO)~~ if the ordinance was adopted on December
33 31, 1986 by the City of Oglesby, or
34 (RR) ~~(OO)~~ if the ordinance was adopted on July 28,

1 1987 by the City of Marion, or

2 (SS) ~~(PP)~~ if the ordinance was adopted on April 23,
3 1990 by the City of Marion.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 (ii) for elementary school districts with a

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 (D) the actual reasonable expenses of the owner
33 that were necessary for the owner to reestablish the
34 owner's displaced farm operation, nonprofit

1 organization, or small business as defined in Section
2 1-75 of the Illinois Administrative Procedure Act, but
3 not to exceed \$10,000;

4 all as defined by the federal Uniform Relocation Assistance
5 and Real Property Acquisition Policies Act of 1970, as
6 amended, and any implementing regulations promulgated;

7 (9) Payment in lieu of taxes;

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

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

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

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

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

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

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

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

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

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

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

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

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

32 (13) After November 1, 1999 (the effective date of
33 Public Act 91-478), none of the redevelopment project costs
34 enumerated in this subsection shall be eligible

1 redevelopment project costs if those costs would provide
2 direct financial support to a retail entity initiating
3 operations in the redevelopment project area while
4 terminating operations at another Illinois location within
5 10 miles of the redevelopment project area but outside the
6 boundaries of the redevelopment project area municipality.
7 For purposes of this paragraph, termination means a closing
8 of a retail operation that is directly related to the
9 opening of the same operation or like retail entity owned
10 or operated by more than 50% of the original ownership in a
11 redevelopment project area, but it does not mean closing an
12 operation for reasons beyond the control of the retail
13 entity, as documented by the retail entity, subject to a
14 reasonable finding by the municipality that the current
15 location contained inadequate space, had become
16 economically obsolete, or was no longer a viable location
17 for the retailer or serviceman.

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

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

32 (s) "State Sales Tax Increment" means an amount equal to
33 the increase in the aggregate amount of taxes paid by retailers
34 and servicemen, other than retailers and servicemen subject to

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

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

26 (t) "Taxing districts" means counties, townships, cities
27 and incorporated towns and villages, school, road, park,
28 sanitary, mosquito abatement, forest preserve, public health,
29 fire protection, river conservancy, tuberculosis sanitarium
30 and any other municipal corporations or districts with the
31 power to levy taxes.

32 (u) "Taxing districts' capital costs" means those costs of
33 taxing districts for capital improvements that are found by the
34 municipal corporate authorities to be necessary and directly

1 result from the redevelopment project.

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

28 (w) "Annual Total Increment" means the sum of each
29 municipality's annual Net Sales Tax Increment and each
30 municipality's annual Net Utility Tax Increment. The ratio of
31 the Annual Total Increment of each municipality to the Annual
32 Total Increment for all municipalities, as most recently
33 calculated by the Department, shall determine the proportional
34 shares of the Illinois Tax Increment Fund to be distributed to

1 each municipality.

2 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;
3 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-961, eff.
4 1-1-05; 93-983, eff. 8-23-04; 93-984, eff. 8-23-04; 93-985,
5 eff. 8-23-04; 93-986, eff. 8-23-04; 93-987, eff. 8-23-04;
6 93-995, eff. 8-23-04; 93-1024, eff. 8-25-04; 93-1076, eff.
7 1-18-05; 94-260, eff. 7-19-05; 94-268, eff. 7-19-05; 94-297,
8 eff. 7-21-05; 94-302, eff. 7-21-05; 94-704, eff. 12-5-05;
9 revised 12-9-05.)

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

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

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

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

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

33 (A) Dilapidation. An advanced state of disrepair

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

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

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

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

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

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

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

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

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

1 For there to be a finding of excessive land coverage,
2 these parcels must exhibit one or more of the following
3 conditions: insufficient provision for light and air
4 within or around buildings, increased threat of spread
5 of fire due to the close proximity of buildings, lack
6 of adequate or proper access to a public right-of-way,
7 lack of reasonably required off-street parking, or
8 inadequate provision for loading and service.

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

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

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

1 improper subdivision, parcels of inadequate shape and
2 size to meet contemporary development standards, or
3 other evidence demonstrating an absence of effective
4 community planning.

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

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

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

1 for public utilities.

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

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

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

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

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

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

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

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

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

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

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

1 and the area has not been developed for that designated
2 purpose.

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

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

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

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

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

30 (3) Deterioration. With respect to buildings, defects
31 including, but not limited to, major defects in the
32 secondary building components such as doors, windows,
33 porches, gutters and downspouts, and fascia. With respect
34 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

1 services that are shown to be inadequate. Inadequate
2 utilities are those that are: (i) of insufficient capacity
3 to serve the uses in the redevelopment project area, (ii)
4 deteriorated, antiquated, obsolete, or in disrepair, or
5 (iii) lacking within the redevelopment project area.

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

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

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

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

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

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

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

1 terminals, research facilities, test facilities or railroad
2 facilities.

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

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

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

32 (g) "Initial Sales Tax Amounts" means the amount of taxes
33 paid under the Retailers' Occupation Tax Act, Use Tax Act,
34 Service Use Tax Act, the Service Occupation Tax Act, the

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

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

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

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

1 (i) "Net State Sales Tax Increment" means the sum of the
2 following: (a) 80% of the first \$100,000 of State Sales Tax
3 Increment annually generated within a State Sales Tax Boundary;
4 (b) 60% of the amount in excess of \$100,000 but not exceeding
5 \$500,000 of State Sales Tax Increment annually generated within
6 a State Sales Tax Boundary; and (c) 40% of all amounts in
7 excess of \$500,000 of State Sales Tax Increment annually
8 generated within a State Sales Tax Boundary. If, however, a
9 municipality established a tax increment financing district in
10 a county with a population in excess of 3,000,000 before
11 January 1, 1986, and the municipality entered into a contract
12 or issued bonds after January 1, 1986, but before December 31,
13 1986, to finance redevelopment project costs within a State
14 Sales Tax Boundary, then the Net State Sales Tax Increment
15 means, for the fiscal years beginning July 1, 1990, and July 1,
16 1991, 100% of the State Sales Tax Increment annually generated
17 within a State Sales Tax Boundary; and notwithstanding any
18 other provision of this Act, for those fiscal years the
19 Department of Revenue shall distribute to those municipalities
20 100% of their Net State Sales Tax Increment before any
21 distribution to any other municipality and regardless of
22 whether or not those other municipalities will receive 100% of
23 their Net State Sales Tax Increment. For Fiscal Year 1999, and
24 every year thereafter until the year 2007, for any municipality
25 that has not entered into a contract or has not issued bonds
26 prior to June 1, 1988 to finance redevelopment project costs
27 within a State Sales Tax Boundary, the Net State Sales Tax
28 Increment shall be calculated as follows: By multiplying the
29 Net State Sales Tax Increment by 90% in the State Fiscal Year
30 1999; 80% in the State Fiscal Year 2000; 70% in the State
31 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the
32 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%
33 in the State Fiscal Year 2005; 20% in the State Fiscal Year
34 2006; and 10% in the State Fiscal Year 2007. No payment shall

1 be made for State Fiscal Year 2008 and thereafter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 (3) The redevelopment plan establishes the estimated
29 dates of completion of the redevelopment project and
30 retirement of obligations issued to finance redevelopment
31 project costs. Those dates: shall not be later than
32 December 31 of the year in which the payment to the
33 municipal treasurer as provided in subsection (b) of
34 Section 11-74.4-8 of this Act is to be made with respect to

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

18 (A) if the ordinance was adopted before January 15,
19 1981, or

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

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

25 (D) if the ordinance was adopted before January 1,
26 1987 by a municipality in Mason County, or

27 (E) if the municipality is subject to the Local
28 Government Financial Planning and Supervision Act or
29 the Financially Distressed City Law, or

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

32 (G) if the ordinance was adopted on December 31,
33 1986 by a municipality located in Clinton County for
34 which at least \$250,000 of tax increment bonds were

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

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

10 (I) if the ordinance was adopted on November 12,
11 1991 by the Village of Sauget, or

12 (J) if the ordinance was adopted on February 11,
13 1985 by the City of Rock Island, or

14 (K) if the ordinance was adopted before December
15 18, 1986 by the City of Moline, or

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

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

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

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

24 (P) if the ordinance was adopted on January 23,
25 1991 by the City of East St. Louis, or

26 (Q) if the ordinance was adopted on December 22,
27 1986 by the City of Aledo, or

28 (R) if the ordinance was adopted on February 5,
29 1990 by the City of Clinton, or

30 (S) if the ordinance was adopted on September 6,
31 1994 by the City of Freeport, or

32 (T) if the ordinance was adopted on December 22,
33 1986 by the City of Tuscola, or

34 (U) if the ordinance was adopted on December 23,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 ordinance.

2 (3.5) The municipality finds, in the case of an
3 industrial park conservation area, also that the
4 municipality is a labor surplus municipality and that the
5 implementation of the redevelopment plan will reduce
6 unemployment, create new jobs and by the provision of new
7 facilities enhance the tax base of the taxing districts
8 that extend into the redevelopment project area.

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

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

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

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

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

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

33 (o) "Redevelopment project" means any public and private
34 development project in furtherance of the objectives of a

1 redevelopment plan. On and after November 1, 1999 (the
2 effective date of Public Act 91-478), no redevelopment plan may
3 be approved or amended that includes the development of vacant
4 land (i) with a golf course and related clubhouse and other
5 facilities or (ii) designated by federal, State, county, or
6 municipal government as public land for outdoor recreational
7 activities or for nature preserves and used for that purpose
8 within 5 years prior to the adoption of the redevelopment plan.
9 For the purpose of this subsection, "recreational activities"
10 is limited to mean camping and hunting.

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

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

23 (1) Costs of studies, surveys, development of plans,
24 and specifications, implementation and administration of
25 the redevelopment plan including but not limited to staff
26 and professional service costs for architectural,
27 engineering, legal, financial, planning or other services,
28 provided however that no charges for professional services
29 may be based on a percentage of the tax increment
30 collected; except that on and after November 1, 1999 (the
31 effective date of Public Act 91-478), no contracts for
32 professional services, excluding architectural and
33 engineering services, may be entered into if the terms of
34 the contract extend beyond a period of 3 years. In

1 addition, "redevelopment project costs" shall not include
2 lobbying expenses. After consultation with the
3 municipality, each tax increment consultant or advisor to a
4 municipality that plans to designate or has designated a
5 redevelopment project area shall inform the municipality
6 in writing of any contracts that the consultant or advisor
7 has entered into with entities or individuals that have
8 received, or are receiving, payments financed by tax
9 increment revenues produced by the redevelopment project
10 area with respect to which the consultant or advisor has
11 performed, or will be performing, service for the
12 municipality. This requirement shall be satisfied by the
13 consultant or advisor before the commencement of services
14 for the municipality and thereafter whenever any other
15 contracts with those individuals or entities are executed
16 by the consultant or advisor;

17 (1.5) After July 1, 1999, annual administrative costs
18 shall not include general overhead or administrative costs
19 of the municipality that would still have been incurred by
20 the municipality if the municipality had not designated a
21 redevelopment project area or approved a redevelopment
22 plan;

23 (1.6) The cost of marketing sites within the
24 redevelopment project area to prospective businesses,
25 developers, and investors;

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

34 (3) Costs of rehabilitation, reconstruction or repair

1 or remodeling of existing public or private buildings,
2 fixtures, and leasehold improvements; and the cost of
3 replacing an existing public building if pursuant to the
4 implementation of a redevelopment project the existing
5 public building is to be demolished to use the site for
6 private investment or devoted to a different use requiring
7 private investment;

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

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

31 (6) Financing costs, including but not limited to all
32 necessary and incidental expenses related to the issuance
33 of obligations and which may include payment of interest on
34 any obligations issued hereunder including interest

1 accruing during the estimated period of construction of any
2 redevelopment project for which such obligations are
3 issued and for not exceeding 36 months thereafter and
4 including reasonable reserves related thereto;

5 (7) To the extent the municipality by written agreement
6 accepts and approves the same, all or a portion of a taxing
7 district's capital costs resulting from the redevelopment
8 project necessarily incurred or to be incurred within a
9 taxing district in furtherance of the objectives of the
10 redevelopment plan and project.

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

27 (A) for foundation districts, excluding any school
28 district in a municipality with a population in excess
29 of 1,000,000, by multiplying the district's increase
30 in attendance resulting from the net increase in new
31 students enrolled in that school district who reside in
32 housing units within the redevelopment project area
33 that have received financial assistance through an
34 agreement with the municipality or because the

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

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

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

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

29 (B) For alternate method districts, flat grant
30 districts, and foundation districts with a district
31 average 1995-96 Per Capita Tuition Charge equal to or
32 more than \$5,900, excluding any school district with a
33 population in excess of 1,000,000, by multiplying the
34 district's increase in attendance resulting from the

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

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

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

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

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

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

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

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

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

30 (7.7) For redevelopment project areas designated (or
31 redevelopment project areas amended to add or increase the
32 number of tax-increment-financing assisted housing units)
33 on or after January 1, 2005 (the effective date of Public
34 Act 93-961), a public library district's increased costs

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

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

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

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

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

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

34 (8.5) In instances in which a property owner is

1 displaced for purposes of private development as defined in
2 Section 10 of the Statute on Statutes:

3 (A) the actual reasonable relocation expenses of
4 the owner and the owner's family and the owner's
5 business, farm operation, or personal property;

6 (B) the amount of any direct losses of tangible
7 personal property incurred by the owner as a result of
8 relocating or discontinuing the owner's business or
9 farm operation, but not to exceed an amount equal to
10 the reasonable expenses that would have been required
11 to relocate the property;

12 (C) the actual reasonable expenses incurred by the
13 owner in searching for a replacement business or farm
14 operation; and

15 (D) the actual reasonable expenses of the owner
16 that were necessary for the owner to reestablish the
17 owner's displaced farm operation, nonprofit
18 organization, or small business as defined in Section
19 1-75 of the Illinois Administrative Procedure Act, but
20 not to exceed \$10,000;

21 all as defined by the federal Uniform Relocation Assistance
22 and Real Property Acquisition Policies Act of 1970, as
23 amended, and any implementing regulations promulgated;

24 (9) Payment in lieu of taxes;

25 (10) Costs of job training, retraining, advanced
26 vocational education or career education, including but
27 not limited to courses in occupational, semi-technical or
28 technical fields leading directly to employment, incurred
29 by one or more taxing districts, provided that such costs
30 (i) are related to the establishment and maintenance of
31 additional job training, advanced vocational education or
32 career education programs for persons employed or to be
33 employed by employers located in a redevelopment project
34 area; and (ii) when incurred by a taxing district or taxing

1 districts other than the municipality, are set forth in a
2 written agreement by or among the municipality and the
3 taxing district or taxing districts, which agreement
4 describes the program to be undertaken, including but not
5 limited to the number of employees to be trained, a
6 description of the training and services to be provided,
7 the number and type of positions available or to be
8 available, itemized costs of the program and sources of
9 funds to pay for the same, and the term of the agreement.
10 Such costs include, specifically, the payment by community
11 college districts of costs pursuant to Sections 3-37, 3-38,
12 3-40 and 3-40.1 of the Public Community College Act and by
13 school districts of costs pursuant to Sections 10-22.20a
14 and 10-23.3a of The School Code;

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

18 (A) such costs are to be paid directly from the
19 special tax allocation fund established pursuant to
20 this Act;

21 (B) such payments in any one year may not exceed
22 30% of the annual interest costs incurred by the
23 redeveloper with regard to the redevelopment project
24 during that year;

25 (C) if there are not sufficient funds available in
26 the special tax allocation fund to make the payment
27 pursuant to this paragraph (11) then the amounts so due
28 shall accrue and be payable when sufficient funds are
29 available in the special tax allocation fund;

30 (D) the total of such interest payments paid
31 pursuant to this Act may not exceed 30% of the total
32 (i) cost paid or incurred by the redeveloper for the
33 redevelopment project plus (ii) redevelopment project
34 costs excluding any property assembly costs and any

1 relocation costs incurred by a municipality pursuant
2 to this Act; and

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

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

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

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

30 (11.5) If the redevelopment project area is located
31 within a municipality with a population of more than
32 100,000, the cost of day care services for children of
33 employees from low-income families working for businesses
34 located within the redevelopment project area and all or a

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

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

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

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

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

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

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

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.

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

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

19 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;
20 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-961, eff.
21 1-1-05; 93-983, eff. 8-23-04; 93-984, eff. 8-23-04; 93-985,
22 eff. 8-23-04; 93-986, eff. 8-23-04; 93-987, eff. 8-23-04;
23 93-995, eff. 8-23-04; 93-1024, eff. 8-25-04; 93-1076, eff.
24 1-18-05; 94-260, eff. 7-19-05; 94-268, eff. 7-19-05; 94-297,
25 eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff. 6-1-06;
26 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; revised 12-9-05.)

27 Section 15. The Code of Civil Procedure is amended by
28 changing Sections 7-121 and 7-122 and by adding Sections
29 7-115.5 and 7-122.5 as follows:

30 (735 ILCS 5/7-115.5 new)

31 Sec. 7-115.5. Blight. Notwithstanding any provision of law
32 to the contrary, in a condemnation proceeding in which the

1 property is in an area designated by the condemning authority
2 by ordinance as blighted, the condemning authority must
3 demonstrate and prove by a preponderance of the evidence that
4 the area is "blighted" as defined in Section 11-74.4-3 of the
5 Illinois Municipal Code or, alternatively, in the applicable
6 statute authorizing the entity to exercise the power of eminent
7 domain. The existence of an ordinance designating an area as
8 "blighted" is not prima facie evidence of blight. An ordinance
9 designating an area as "blighted" shall not be presumed to be
10 valid for purposes of the condemnation proceeding.

11 (735 ILCS 5/7-121) (from Ch. 110, par. 7-121)

12 Sec. 7-121. Value.

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

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

33 If the trial or quick-take proceeding is commenced later

1 than one year after the filing of the complaint to condemn, the
2 fair cash market value of the property shall be determined and
3 ascertained as of the 180th day before the date on which the
4 trial or quick-take proceeding was commenced.

5 The court may, in its discretion, require that the fair
6 cash market value of the property be determined and ascertained
7 as of the date of filing the complaint to condemn even if the
8 trial or quick-take proceeding is commenced later than one year
9 after the filing of the complaint to condemn if the court
10 determines that:

11 (i) the property owner caused an unreasonable delay and
12 the fair cash market value of the property increased
13 between the date that the complaint for condemnation was
14 filed and the 180th day before the trial or quick-take
15 proceeding was commenced; or

16 (ii) the condemning authority caused an unreasonable
17 delay and the fair cash market value of the property
18 decreased between the date that the complaint for
19 condemnation was filed and the 180th day before the trial
20 or quick-take proceeding was commenced.

21 If the property owner challenges the condemning
22 authority's right to exercise the power of eminent domain, the
23 challenge is not, in and of itself, an unreasonable delay on
24 the part of the property owner.

25 (c) The provisions of subsection (b) apply only to
26 condemnation proceedings brought for the purpose of private
27 development as defined in Section 10 of the Statute on
28 Statutes.

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

30 (735 ILCS 5/7-122) (from Ch. 110, par. 7-122)

31 Sec. 7-122. Reimbursement; inverse condemnation. Where the
32 State of Illinois, a political subdivision of the State or a
33 municipality is required by a court to initiate condemnation

1 proceedings for the actual physical taking of real property,
2 the court rendering judgment for the property owner and
3 awarding just compensation for such taking shall determine and
4 award or allow to such property owner, as part of such judgment
5 or award, such further sums, as will in the opinion of the
6 court, reimburse such property owner for the owner's reasonable
7 costs, disbursements and expenses, including reasonable
8 attorney, appraisal and engineering fees actually incurred by
9 the property owner in such proceedings.

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

11 (735 ILCS 5/7-122.5 new)

12 Sec. 7-122.5. Reimbursement; condemnation for private
13 development.

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

24 (1) reasonable attorney's fees, expert fees, and
25 appraisal fees, subject to subsections (b), (c), and (d) of
26 this Section;

27 (2) as defined by the federal Uniform Relocation
28 Assistance and Real Property Acquisition Policies Act of
29 1970, as amended, and implemented by regulations
30 promulgated thereunder:

31 (A) the actual reasonable relocation expenses of
32 the owner and the owner's family and the owner's
33 business, farm operation, or personal property;

1 (B) the amount of any direct losses of tangible
2 personal property incurred by the owner as a result of
3 relocating or discontinuing the owner's business or
4 farm operation, but not to exceed an amount equal to
5 the reasonable expenses that would have been required
6 to relocate the property;

7 (C) the actual reasonable expenses incurred by the
8 owner in searching for a replacement business or farm
9 operation; and

10 (D) the actual reasonable expenses of the owner
11 that were necessary for the owner to reestablish the
12 owner's displaced farm operation, nonprofit
13 organization, or small business, but not to exceed
14 \$10,000; and

15 (3) any other reasonable costs incurred by the property
16 owner.

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

32 (1) 33% of the net benefit if the net benefit is
33 \$250,000 or less;

34 (2) 25% of the net benefit if the net benefit is more

1 than \$250,000 but less than \$1 million; or

2 (3) 20% of the net benefit if the net benefit is \$1
3 million or more.

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

8 (1) the novelty, difficulty, and importance of the
9 questions involved;

10 (2) the skill employed by the attorney in conducting
11 the cause;

12 (3) the amount of money involved;

13 (4) the responsibility incurred and fulfilled by the
14 attorney;

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

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

20 In determining the amount of attorney's fees to be awarded
21 under this subsection (c), the court shall consider the fees
22 the property owner would ordinarily be expected to pay for
23 these services if the condemning authority were not responsible
24 for the payment of those fees. At least 30 days before any
25 hearing to assess attorney's fees in accordance with this
26 subsection (c), the attorney shall submit to the court and to
27 the condemning authority the attorney's complete time records
28 and a detailed statement of services indicating the date,
29 nature, and cost of the services rendered and accounting for
30 the time spent performing those services.

31 (d) The property owner shall submit to the court a copy of
32 any fee agreement between the property owner and the owner's
33 attorney. The amount of attorney's fees due in accordance with
34 the fee agreement shall be reduced to the amount of attorney's

1 fees awarded under this Section.

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

6 Section 90. The State Mandates Act is amended by adding
7 Section 8.30 as follows:

8 (30 ILCS 805/8.30 new)

9 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
10 of this Act, no reimbursement by the State is required for the
11 implementation of any mandate created by this amendatory Act of
12 the 94th General Assembly.

13 Section 95. Home rule preemption. Except as otherwise
14 specifically provided, neither the State, a unit of local
15 government, including a home rule unit, nor a school district
16 may exercise the power of eminent domain in a manner that is
17 inconsistent with the amendatory changes of this amendatory Act
18 of the 94th General Assembly. This Section is a limitation
19 under subsection (i) of Section 6 of Article VII of the
20 Illinois Constitution on the concurrent exercise by home rule
21 units of powers and functions exercised by the State.

22 Section 97. No acceleration or delay. Where this Act makes
23 changes in a statute that is represented in this Act by text
24 that is not yet or no longer in effect (for example, a Section
25 represented by multiple versions), the use of that text does
26 not accelerate or delay the taking effect of (i) the changes
27 made by this Act or (ii) provisions derived from any other
28 Public Act.

29 Section 99. Effective date; application. This Act takes

1 effect upon becoming law and does not apply to any action that
2 was commenced prior to April 15, 2006.".