



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0843

Introduced 2/7/2007, by Rep. Harry Osterman

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-3

from Ch. 24, par. 11-74.4-3

Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. Provides that, after July 1, 2007, the term "redevelopment costs" includes costs associated with lead-abatement activities for property that is contiguous to, but not included within, the redevelopment project area if those lead-abatement activities further the purpose of the redevelopment project. Effective July 1, 2007.

LRB095 08860 BDD 29046 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning local government.

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

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

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

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

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

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

20 (1) If improved, industrial, commercial, and
21 residential buildings or improvements are detrimental to
22 the public safety, health, or welfare because of a
23 combination of 5 or more of the following factors, each of

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (L) Lack of community planning. The proposed
23 redevelopment project area was developed prior to or
24 without the benefit or guidance of a community plan.
25 This means that the development occurred prior to the
26 adoption by the municipality of a comprehensive or

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

9 (M) 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 (2) If vacant, the sound growth of the redevelopment
23 project area is impaired by a combination of 2 or more of
24 the following factors, each of which is (i) present, with
25 that presence documented, to a meaningful extent so that a
26 municipality may reasonably find that the factor is clearly

1 present within the intent of the Act and (ii) reasonably
2 distributed throughout the vacant part of the
3 redevelopment project area to which it pertains:

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

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

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

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

23 (E) The area has incurred Illinois Environmental
24 Protection Agency or United States Environmental
25 Protection Agency remediation costs for, or a study
26 conducted by an independent consultant recognized as

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

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

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

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

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

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

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

16 (D) The area consists of an unused or illegal
17 disposal site containing earth, stone, building
18 debris, or similar materials that were removed from
19 construction, demolition, excavation, or dredge sites.

20 (E) Prior to November 1, 1999, the area is not less
21 than 50 nor more than 100 acres and 75% of which is
22 vacant (notwithstanding that the area has been used for
23 commercial agricultural purposes within 5 years prior
24 to the designation of the redevelopment project area),
25 and the area meets at least one of the factors itemized
26 in paragraph (1) of this subsection, the area has been

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

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

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

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

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

1 so serious and so extensive that the buildings must be
2 removed.

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

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

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

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

25 (6) Excessive vacancies. The presence of buildings
26 that are unoccupied or under-utilized and that represent an

1 adverse influence on the area because of the frequency,
2 extent, or duration of the vacancies.

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

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

24 (9) Excessive land coverage and overcrowding of
25 structures and community facilities. The over-intensive
26 use of property and the crowding of buildings and accessory

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

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

21 (11) Lack of community planning. The proposed
22 redevelopment project area was developed prior to or
23 without the benefit or guidance of a community plan. This
24 means that the development occurred prior to the adoption
25 by the municipality of a comprehensive or other community
26 plan or that the plan was not followed at the time of the

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

1 calendar years for which information is available.

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

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

22 (e) "Labor surplus municipality" means a municipality in
23 which, at any time during the 6 months before the municipality
24 by ordinance designates an industrial park conservation area,
25 the unemployment rate was over 6% and was also 100% or more of
26 the national average unemployment rate for that same time as

1 published in the United States Department of Labor Bureau of
2 Labor Statistics publication entitled "The Employment
3 Situation" or its successor publication. For the purpose of
4 this subsection, if unemployment rate statistics for the
5 municipality are not available, the unemployment rate in the
6 municipality shall be deemed to be the same as the unemployment
7 rate in the principal county in which the municipality is
8 located.

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

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

21 (g-1) "Revised Initial Sales Tax Amounts" means the amount
22 of taxes paid under the Retailers' Occupation Tax Act, Use Tax
23 Act, Service Use Tax Act, the Service Occupation Tax Act, the
24 Municipal Retailers' Occupation Tax Act, and the Municipal
25 Service Occupation Tax Act by retailers and servicemen on
26 transactions at places located within the State Sales Tax

1 Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

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

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

1 thereafter, the applicable period shall be the 12 months
2 beginning July 1 and ending June 30 to determine the tax
3 amounts received which shall have deducted therefrom the
4 certified Initial Sales Tax Amounts, the Adjusted Initial Sales
5 Tax Amounts or the Revised Initial Sales Tax Amounts, as the
6 case may be.

7 (i) "Net State Sales Tax Increment" means the sum of the
8 following: (a) 80% of the first \$100,000 of State Sales Tax
9 Increment annually generated within a State Sales Tax Boundary;
10 (b) 60% of the amount in excess of \$100,000 but not exceeding
11 \$500,000 of State Sales Tax Increment annually generated within
12 a State Sales Tax Boundary; and (c) 40% of all amounts in
13 excess of \$500,000 of State Sales Tax Increment annually
14 generated within a State Sales Tax Boundary. If, however, a
15 municipality established a tax increment financing district in
16 a county with a population in excess of 3,000,000 before
17 January 1, 1986, and the municipality entered into a contract
18 or issued bonds after January 1, 1986, but before December 31,
19 1986, to finance redevelopment project costs within a State
20 Sales Tax Boundary, then the Net State Sales Tax Increment
21 means, for the fiscal years beginning July 1, 1990, and July 1,
22 1991, 100% of the State Sales Tax Increment annually generated
23 within a State Sales Tax Boundary; and notwithstanding any
24 other provision of this Act, for those fiscal years the
25 Department of Revenue shall distribute to those municipalities
26 100% of their Net State Sales Tax Increment before any

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

16 Municipalities that issued bonds in connection with a
17 redevelopment project in a redevelopment project area within
18 the State Sales Tax Boundary prior to July 29, 1991, or that
19 entered into contracts in connection with a redevelopment
20 project in a redevelopment project area before June 1, 1988,
21 shall continue to receive their proportional share of the
22 Illinois Tax Increment Fund distribution until the date on
23 which the redevelopment project is completed or terminated. If,
24 however, a municipality that issued bonds in connection with a
25 redevelopment project in a redevelopment project area within
26 the State Sales Tax Boundary prior to July 29, 1991 retires the

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

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

1 financing.

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

23 Municipalities that issue bonds in connection with the
24 redevelopment project during the period from June 1, 1988 until
25 3 years after the effective date of this Amendatory Act of 1988
26 shall receive the Net State Utility Tax Increment, subject to

1 appropriation, for 15 State Fiscal Years after the issuance of
2 such bonds. For the 16th through the 20th State Fiscal Years
3 after issuance of the bonds, the Net State Utility Tax
4 Increment shall be calculated as follows: By multiplying the
5 Net State Utility Tax Increment by 90% in year 16; 80% in year
6 17; 70% in year 18; 60% in year 19; and 50% in year 20.
7 Refunding of any bonds issued prior to June 1, 1988, shall not
8 alter the revised Net State Utility Tax Increment payments set
9 forth above.

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

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

26 (n) "Redevelopment plan" means the comprehensive program

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

20 (A) an itemized list of estimated redevelopment
21 project costs;

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

25 (C) an assessment of any financial impact of the
26 redevelopment project area on or any increased demand for

1 services from any taxing district affected by the plan and
2 any program to address such financial impact or increased
3 demand;

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

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

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

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

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

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

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

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

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

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

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

22 (3) The redevelopment plan establishes the estimated
23 dates of completion of the redevelopment project and
24 retirement of obligations issued to finance redevelopment
25 project costs. Those dates: shall not be later than
26 December 31 of the year in which the payment to the

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

20 (A) if the ordinance was adopted before January 15,
21 1981, or

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

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

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

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

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

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

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

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

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

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

26 (L) if the ordinance was adopted in September 1988

1 by Sauk Village, or

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

4 (N) if the ordinance was adopted on December 29,
5 1986 by the City of Galva, or

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

8 (P) if the ordinance was adopted on January 23,
9 1991 by the City of East St. Louis, or

10 (Q) if the ordinance was adopted on December 22,
11 1986 by the City of Aledo, or

12 (R) if the ordinance was adopted on February 5,
13 1990 by the City of Clinton, or

14 (S) if the ordinance was adopted on September 6,
15 1994 by the City of Freeport, or

16 (T) if the ordinance was adopted on December 22,
17 1986 by the City of Tuscola, or

18 (U) if the ordinance was adopted on December 23,
19 1986 by the City of Sparta, or

20 (V) if the ordinance was adopted on December 23,
21 1986 by the City of Beardstown, or

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

25 (X) if the ordinance was adopted on December 29,
26 1986 by the City of Collinsville, or

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

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

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

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

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

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

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

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

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

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

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

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

25 (KK) if the ordinance was adopted on May 9, 1991 by
26 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) if the ordinance was adopted on December 31,
12 1986 by the City of Oglesby, or

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

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

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

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

21 (VV) if the ordinance was adopted on April 20, 1993
22 by the Village of Princeville, or

23 (WW) ~~(VV)~~ if the ordinance was adopted on July 1,
24 1986 by the City of Granite City, or

25 (XX) ~~(RR)~~ if the ordinance was adopted on February
26 2, 1989 by the Village of Lombard, or

1 (YY) ~~(VV)~~ if the ordinance was adopted on December
2 29, 1986 by the Village of Gardner, or

3 (ZZ) ~~(VV)~~ if the ordinance was adopted on July 14,
4 1999 by the Village of Paw Paw.

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

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

1 Those dates, for purposes of real property tax
2 increment allocation financing pursuant to Section
3 11-74.4-8 only, shall be not more than 35 years for
4 redevelopment project areas that were adopted on or after
5 December 16, 1986 and for which at least \$8 million worth
6 of municipal bonds were authorized on or after December 19,
7 1989 but before January 1, 1990; provided that the
8 municipality elects to extend the life of the redevelopment
9 project area to 35 years by the adoption of an ordinance
10 after at least 14 but not more than 30 days' written notice
11 to the taxing bodies, that would otherwise constitute the
12 joint review board for the redevelopment project area,
13 before the adoption of the ordinance.

14 Those dates, for purposes of real property tax
15 increment allocation financing pursuant to Section
16 11-74.4-8 only, shall be not more than 35 years for
17 redevelopment project areas that were established on or
18 after December 1, 1981 but before January 1, 1982 and for
19 which at least \$1,500,000 worth of tax increment revenue
20 bonds were authorized on or after September 30, 1990 but
21 before July 1, 1991; provided that the municipality elects
22 to extend the life of the redevelopment project area to 35
23 years by the adoption of an ordinance after at least 14 but
24 not more than 30 days' written notice to the taxing bodies,
25 that would otherwise constitute the joint review board for
26 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,

1 then the municipality shall prepare, as part of the
2 separate feasibility report required by subsection (a) of
3 Section 11-74.4-5, a housing impact study.

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

17 Part II of the housing impact study shall identify the
18 inhabited residential units in the proposed redevelopment
19 project area that are to be or may be removed. If inhabited
20 residential units are to be removed, then the housing
21 impact study shall identify (i) the number and location of
22 those units that will or may be removed, (ii) the
23 municipality's plans for relocation assistance for those
24 residents in the proposed redevelopment project area whose
25 residences are to be removed, (iii) the availability of
26 replacement housing for those residents whose residences

1 are to be removed, and shall identify the type, location,
2 and cost of the housing, and (iv) the type and extent of
3 relocation assistance to be provided.

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

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

1 the municipality.

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

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

23 (o) "Redevelopment project" means any public and private
24 development project in furtherance of the objectives of a
25 redevelopment plan. On and after November 1, 1999 (the
26 effective date of Public Act 91-478), no redevelopment plan may

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

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

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

21 (1) Costs of studies, surveys, development of plans,
22 and specifications, implementation and administration of
23 the redevelopment plan including but not limited to staff
24 and professional service costs for architectural,
25 engineering, legal, financial, planning or other services,
26 provided however that no charges for professional services

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

23 (1.5) After July 1, 1999, annual administrative costs
24 shall not include general overhead or administrative costs
25 of the municipality that would still have been incurred by
26 the municipality if the municipality had not designated a

1 redevelopment project area or approved a redevelopment
2 plan;

3 (1.6) The cost of marketing sites within the
4 redevelopment project area to prospective businesses,
5 developers, and investors;

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

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

22 (3.5) After July 1, 2007, costs associated with
23 lead-abatement activities for property that is contiguous
24 to, but not included within, the redevelopment project area
25 if those lead-abatement activities would further the
26 purpose of the redevelopment project.

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

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

24 (6) Financing costs, including but not limited to all
25 necessary and incidental expenses related to the issuance
26 of obligations and which may include payment of interest on

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

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

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

1 shall be calculated annually as follows:

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

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

26 (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

1 area by the most recently available per capita tuition
2 cost as defined in Section 10-20.12a of the School Code
3 less any increase in general state aid as defined in
4 Section 18-8.05 of the School Code attributable to
5 these added new students subject to the following
6 annual limitations:

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

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

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

22 (C) For any school district in a municipality with
23 a population in excess of 1,000,000, the following
24 restrictions shall apply to the reimbursement of
25 increased costs under this paragraph (7.5):

26 (i) no increased costs shall be reimbursed

1 unless the school district certifies that each of
2 the schools affected by the assisted housing
3 project is at or over its student capacity;

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

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

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

1 modify, or contest in any manner the establishment of
2 the redevelopment project area or projects;

3 (7.7) For redevelopment project areas designated (or
4 redevelopment project areas amended to add or increase the
5 number of tax-increment-financing assisted housing units)
6 on or after January 1, 2005 (the effective date of Public
7 Act 93-961), a public library district's increased costs
8 attributable to assisted housing units located within the
9 redevelopment project area for which the developer or
10 redeveloper receives financial assistance through an
11 agreement with the municipality or because the
12 municipality incurs the cost of necessary infrastructure
13 improvements within the boundaries of the assisted housing
14 sites necessary for the completion of that housing as
15 authorized by this Act shall be paid to the library
16 district by the municipality from the Special Tax
17 Allocation Fund when the tax increment revenue is received
18 as a result of the assisted housing units. This paragraph
19 (7.7) applies only if (i) the library district is located
20 in a county that is subject to the Property Tax Extension
21 Limitation Law or (ii) the library district is not located
22 in a county that is subject to the Property Tax Extension
23 Limitation Law but the district is prohibited by any other
24 law from increasing its tax levy rate without a prior voter
25 referendum.

26 The amount paid to a library district under this

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

23 A library district is not eligible for any payment
24 under this paragraph (7.7) unless the library district has
25 experienced an increase in the number of patrons from the
26 municipality that created the tax-increment-financing

1 district since the designation of the redevelopment
2 project area.

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

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

23 (9) Payment in lieu of taxes;

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

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

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

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

1 this Act;

2 (B) such payments in any one year may not exceed
3 30% of the annual interest costs incurred by the
4 redeveloper with regard to the redevelopment project
5 during that year;

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

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

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

25 (F) Instead of the eligible costs provided by
26 subparagraphs (B) and (D) of paragraph (11), as

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

15 The eligible costs provided under this
16 subparagraph (F) of paragraph (11) shall be an eligible
17 cost for the construction, renovation, and
18 rehabilitation of all low and very low-income housing
19 units, as defined in Section 3 of the Illinois
20 Affordable Housing Act, within the redevelopment
21 project area. If the low and very low-income units are
22 part of a residential redevelopment project that
23 includes units not affordable to low and very
24 low-income households, only the low and very
25 low-income units shall be eligible for benefits under
26 subparagraph (F) of paragraph (11). The standards for

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

1 (11.5) If the redevelopment project area is located
2 within a municipality with a population of more than
3 100,000, the cost of day care services for children of
4 employees from low-income families working for businesses
5 located within the redevelopment project area and all or a
6 portion of the cost of operation of day care centers
7 established by redevelopment project area businesses to
8 serve employees from low-income families working in
9 businesses located in the redevelopment project area. For
10 the purposes of this paragraph, "low-income families"
11 means families whose annual income does not exceed 80% of
12 the municipal, county, or regional median income, adjusted
13 for family size, as the annual income and municipal,
14 county, or regional median income are determined from time
15 to time by the United States Department of Housing and
16 Urban Development.

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

20 (13) After November 1, 1999 (the effective date of
21 Public Act 91-478), none of the redevelopment project costs
22 enumerated in this subsection shall be eligible
23 redevelopment project costs if those costs would provide
24 direct financial support to a retail entity initiating
25 operations in the redevelopment project area while
26 terminating operations at another Illinois location within

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

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

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

1 Sales Tax Increment.

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

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

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

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

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

22 (v) As used in subsection (a) of Section 11-74.4-3 of this
23 Act, "vacant land" means any parcel or combination of parcels
24 of real property without industrial, commercial, and
25 residential buildings which has not been used for commercial
26 agricultural purposes within 5 years prior to the designation

1 of the redevelopment project area, unless the parcel is
2 included in an industrial park conservation area or the parcel
3 has been subdivided; provided that if the parcel was part of a
4 larger tract that has been divided into 3 or more smaller
5 tracts that were accepted for recording during the period from
6 1950 to 1990, then the parcel shall be deemed to have been
7 subdivided, and all proceedings and actions of the municipality
8 taken in that connection with respect to any previously
9 approved or designated redevelopment project area or amended
10 redevelopment project area are hereby validated and hereby
11 declared to be legally sufficient for all purposes of this Act.
12 For purposes of this Section and only for land subject to the
13 subdivision requirements of the Plat Act, land is subdivided
14 when the original plat of the proposed Redevelopment Project
15 Area or relevant portion thereof has been properly certified,
16 acknowledged, approved, and recorded or filed in accordance
17 with the Plat Act and a preliminary plat, if any, for any
18 subsequent phases of the proposed Redevelopment Project Area or
19 relevant portion thereof has been properly approved and filed
20 in accordance with the applicable ordinance of the
21 municipality.

22 (w) "Annual Total Increment" means the sum of each
23 municipality's annual Net Sales Tax Increment and each
24 municipality's annual Net Utility Tax Increment. The ratio of
25 the Annual Total Increment of each municipality to the Annual
26 Total Increment for all municipalities, as most recently

1 calculated by the Department, shall determine the proportional
2 shares of the Illinois Tax Increment Fund to be distributed to
3 each municipality.

4 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;
5 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-961, eff.
6 1-1-05; 93-983, eff. 8-23-04; 93-984, eff. 8-23-04; 93-985,
7 eff. 8-23-04; 93-986, eff. 8-23-04; 93-987, eff. 8-23-04;
8 93-995, eff. 8-23-04; 93-1024, eff. 8-25-04; 93-1076, eff.
9 1-18-05; 94-260, eff. 7-19-05; 94-268, eff. 7-19-05; 94-297,
10 eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff. 6-1-06;
11 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.
12 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,
13 eff. 5-26-06; 94-903, eff. 6-22-06; revised 8-3-06.)

14 Section 99. Effective date. This Act takes effect July 1,
15 2007.