



Rep. Donald L. Moffitt

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LRB095 06283 HLH 34212 a

1 AMENDMENT TO HOUSE BILL 2918

2 AMENDMENT NO. _____. Amend House Bill 2918 by replacing
3 everything after the enacting clause with the following:

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

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

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

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

16 On and after November 1, 1999, "blighted area" means any

1 improved or vacant area within the boundaries of a
2 redevelopment project area located within the territorial
3 limits of the municipality where:

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

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

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

23 (C) Deterioration. With respect to buildings,
24 defects including, but not limited to, major defects in
25 the secondary building components such as doors,
26 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.

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

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

19 (I) Excessive land coverage and overcrowding of
20 structures and community facilities. The
21 over-intensive use of property and the crowding of
22 buildings and accessory facilities onto a site.
23 Examples of problem conditions warranting the
24 designation of an area as one exhibiting excessive land
25 coverage are: (i) the presence of buildings either
26 improperly situated on parcels or located on parcels of

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

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

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

1 material impediment to the development or
2 redevelopment of the redevelopment project area.

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

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

1 year in which the redevelopment project area is
2 designated.

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

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

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

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

1 (D) Deterioration of structures or site
2 improvements in neighboring areas adjacent to the
3 vacant land.

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

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

1 designated.

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

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

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

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

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

1 (E) Prior to November 1, 1999, the area is not less
2 than 50 nor more than 100 acres and 75% of which is
3 vacant (notwithstanding that the area has been used for
4 commercial agricultural purposes within 5 years prior
5 to the designation of the redevelopment project area),
6 and the area meets at least one of the factors itemized
7 in paragraph (1) of this subsection, the area has been
8 designated as a town or village center by ordinance or
9 comprehensive plan adopted prior to January 1, 1982,
10 and the area has not been developed for that designated
11 purpose.

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

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

21 On and after November 1, 1999, "conservation area" means
22 any improved area within the boundaries of a redevelopment
23 project area located within the territorial limits of the
24 municipality in which 50% or more of the structures in the area
25 have an age of 35 years or more. Such an area is not yet a
26 blighted area but because of a combination of 3 or more of the

1 following factors is detrimental to the public safety, health,
2 morals or welfare and such an area may become a blighted area:

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

10 (2) Obsolescence. The condition or process of falling
11 into disuse. Structures have become ill-suited for the
12 original use.

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

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

1 including housing and property maintenance codes.

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

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

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

23 (8) Inadequate utilities. Underground and overhead
24 utilities such as storm sewers and storm drainage, sanitary
25 sewers, water lines, and gas, telephone, and electrical
26 services that are shown to be inadequate. Inadequate

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

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

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

1 area.

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

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

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

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

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

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

1 industrial park and a blighted area or conservation area
2 contiguous to such vacant land.

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

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

21 (g) "Initial Sales Tax Amounts" means the amount of taxes
22 paid under the Retailers' Occupation Tax Act, Use Tax Act,
23 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 in a State Sales Tax Boundary

1 during the calendar year 1985.

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

9 (h) "Municipal Sales Tax Increment" means an amount equal
10 to the increase in the aggregate amount of taxes paid to a
11 municipality from the Local Government Tax Fund arising from
12 sales by retailers and servicemen within the redevelopment
13 project area or State Sales Tax Boundary, as the case may be,
14 for as long as the redevelopment project area or State Sales
15 Tax Boundary, as the case may be, exist over and above the
16 aggregate amount of taxes as certified by the Illinois
17 Department of Revenue and paid under the Municipal Retailers'
18 Occupation Tax Act and the Municipal Service Occupation Tax Act
19 by retailers and servicemen, on transactions at places of
20 business located in the redevelopment project area or State
21 Sales Tax Boundary, as the case may be, during the base year
22 which shall be the calendar year immediately prior to the year
23 in which the municipality adopted tax increment allocation
24 financing. For purposes of computing the aggregate amount of
25 such taxes for base years occurring prior to 1985, the
26 Department of Revenue shall determine the Initial Sales Tax

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

1 October 1, 1988, to June 30, 1989, 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,
6 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales
7 Tax Amounts as appropriate. For every State Fiscal Year
8 thereafter, the applicable period shall be the 12 months
9 beginning July 1 and ending June 30 to determine the tax
10 amounts received which shall have deducted therefrom the
11 certified Initial Sales Tax Amounts, the Adjusted Initial Sales
12 Tax Amounts or the Revised Initial Sales Tax Amounts, as the
13 case may be.

14 (i) "Net State Sales Tax Increment" means the sum of the
15 following: (a) 80% of the first \$100,000 of State Sales Tax
16 Increment annually generated within a State Sales Tax Boundary;
17 (b) 60% of the amount in excess of \$100,000 but not exceeding
18 \$500,000 of State Sales Tax Increment annually generated within
19 a State Sales Tax Boundary; and (c) 40% of all amounts in
20 excess of \$500,000 of State Sales Tax Increment annually
21 generated within a State Sales Tax Boundary. If, however, a
22 municipality established a tax increment financing district in
23 a county with a population in excess of 3,000,000 before
24 January 1, 1986, and the municipality entered into a contract
25 or issued bonds after January 1, 1986, but before December 31,
26 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

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

23 (j) "State Utility Tax Increment Amount" means an amount
24 equal to the aggregate increase in State electric and gas tax
25 charges imposed on owners and tenants, other than residential
26 customers, of properties located within the redevelopment

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

9 (k) "Net State Utility Tax Increment" means the sum of the
10 following: (a) 80% of the first \$100,000 of State Utility Tax
11 Increment annually generated by a redevelopment project area;
12 (b) 60% of the amount in excess of \$100,000 but not exceeding
13 \$500,000 of the State Utility Tax Increment annually generated
14 by a redevelopment project area; and (c) 40% of all amounts in
15 excess of \$500,000 of State Utility Tax Increment annually
16 generated by a redevelopment project area. For the State Fiscal
17 Year 1999, and every year thereafter until the year 2007, for
18 any municipality that has not entered into a contract or has
19 not issued bonds prior to June 1, 1988 to finance redevelopment
20 project costs within a redevelopment project area, the Net
21 State Utility Tax Increment shall be calculated as follows: By
22 multiplying the Net State Utility Tax Increment by 90% in the
23 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%
24 in the State Fiscal Year 2001; 60% in the State Fiscal Year
25 2002; 50% in the State Fiscal Year 2003; 40% in the State
26 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the

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

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

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

21 (m) "Payment in lieu of taxes" means those estimated tax
22 revenues from real property in a redevelopment project area
23 derived from real property that has been acquired by a
24 municipality which according to the redevelopment project or
25 plan is to be used for a private use which taxing districts
26 would have received had a municipality not acquired the real

1 property and adopted tax increment allocation financing and
2 which would result from levies made after the time of the
3 adoption of tax increment allocation financing to the time the
4 current equalized value of real property in the redevelopment
5 project area exceeds the total initial equalized value of real
6 property in said area.

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

1 (A) an itemized list of estimated redevelopment
2 project costs;

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

6 (C) an assessment of any financial impact of the
7 redevelopment project area on or any increased demand for
8 services from any taxing district affected by the plan and
9 any program to address such financial impact or increased
10 demand;

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

12 (E) the nature and term of the obligations to be
13 issued;

14 (F) the most recent equalized assessed valuation of the
15 redevelopment project area;

16 (G) an estimate as to the equalized assessed valuation
17 after redevelopment and the general land uses to apply in
18 the redevelopment project area;

19 (H) a commitment to fair employment practices and an
20 affirmative action plan;

21 (I) if it concerns an industrial park conservation
22 area, the plan shall also include a general description of
23 any proposed developer, user and tenant of any property, a
24 description of the type, structure and general character of
25 the facilities to be developed, a description of the type,
26 class and number of new employees to be employed in the

1 operation of the facilities to be developed; and

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

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

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

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

1 that have been approved by the planning commission of the
2 municipality.

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

1 (A) if the ordinance was adopted before January 15,
2 1981, or

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

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

8 (D) if the ordinance was adopted before January 1,
9 1987 by a municipality in Mason County, or

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

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

15 (G) if the ordinance was adopted on December 31,
16 1986 by a municipality located in Clinton County for
17 which at least \$250,000 of tax increment bonds were
18 authorized on June 17, 1997, or if the ordinance was
19 adopted on December 31, 1986 by a municipality with a
20 population in 1990 of less than 3,600 that is located
21 in a county with a population in 1990 of less than
22 34,000 and for which at least \$250,000 of tax increment
23 bonds were authorized on June 17, 1997, or

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

1 (I) if the ordinance was adopted on November 12,
2 1991 by the Village of Sauget, or

3 (J) if the ordinance was adopted on February 11,
4 1985 by the City of Rock Island, or

5 (K) if the ordinance was adopted before December
6 18, 1986 by the City of Moline, or

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

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

11 (N) if the ordinance was adopted on December 29,
12 1986 by the City of Galva, or

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

15 (P) if the ordinance was adopted on January 23,
16 1991 by the City of East St. Louis, or

17 (Q) if the ordinance was adopted on December 22,
18 1986 by the City of Aledo, or

19 (R) if the ordinance was adopted on February 5,
20 1990 by the City of Clinton, or

21 (S) if the ordinance was adopted on September 6,
22 1994 by the City of Freeport, or

23 (T) if the ordinance was adopted on December 22,
24 1986 by the City of Tuscola, or

25 (U) if the ordinance was adopted on December 23,
26 1986 by the City of Sparta, or

1 (V) if the ordinance was adopted on December 23,
2 1986 by the City of Beardstown, or

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

6 (X) if the ordinance was adopted on December 29,
7 1986 by the City of Collinsville, or

8 (Y) if the ordinance was adopted on September 14,
9 1994 by the City of Alton, or

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

12 (AA) if the ordinance was adopted on November 5,
13 1984 by the City of LeRoy, or

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

16 (CC) if the ordinance was adopted on November 11,
17 1986 by the City of Pekin, or

18 (DD) if the ordinance was adopted on December 15,
19 1981 by the City of Champaign, or

20 (EE) if the ordinance was adopted on December 15,
21 1986 by the City of Urbana, or

22 (FF) if the ordinance was adopted on December 15,
23 1986 by the Village of Heyworth, or

24 (GG) if the ordinance was adopted on February 24,
25 1992 by the Village of Heyworth, or

26 (HH) if the ordinance was adopted on March 16, 1995

1 by the Village of Heyworth, or

2 (II) if the ordinance was adopted on December 23,
3 1986 by the Town of Cicero, or

4 (JJ) if the ordinance was adopted on December 30,
5 1986 by the City of Effingham, or

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

8 (LL) if the ordinance was adopted on October 20,
9 1986 by the City of Elmhurst, or

10 (MM) if the ordinance was adopted on January 19,
11 1988 by the City of Waukegan, or

12 (NN) if the ordinance was adopted on September 21,
13 1998 by the City of Waukegan, or

14 (OO) if the ordinance was adopted on December 31,
15 1986 by the City of Sullivan, or

16 (PP) if the ordinance was adopted on December 23,
17 1991 by the City of Sullivan, or

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

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

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

24 (TT) if the ordinance was adopted on August 20,
25 1985 by the Village of Mount Prospect, or

26 (UU) if the ordinance was adopted on February 2,

1 1998 by the Village of Woodhull, or

2 (VV) if the ordinance was adopted on April 20, 1993
3 by the Village of Princeville, or.

4 (WW) ~~(VV)~~ if the ordinance was adopted on July 1,
5 1986 by the City of Granite City, or.

6 (XX) ~~(RR)~~ if the ordinance was adopted on February
7 2, 1989 by the Village of Lombard, or

8 (YY) ~~(VV)~~ if the ordinance was adopted on December
9 29, 1986 by the Village of Gardner, or

10 (ZZ) ~~(VV)~~ if the ordinance was adopted on July 14,
11 1999 by the Village of Paw Paw, or.

12 (AAA) ~~(VV)~~ if the ordinance was adopted on November
13 17, 1986 by the Village of Franklin Park, or.

14 (BBB) ~~(VV)~~ if the ordinance was adopted on November
15 20, 1989 by the Village of South Holland, or.

16 (CCC) if the ordinance was adopted on December 29,
17 1986 by the City of Galesburg, or

18 (DDD) if the ordinance was adopted on April 1, 1985
19 by the City of Galesburg.

20 However, for redevelopment project areas for which
21 bonds were issued before July 29, 1991, or for which
22 contracts were entered into before June 1, 1988, in
23 connection with a redevelopment project in the area within
24 the State Sales Tax Boundary, the estimated dates of
25 completion of the redevelopment project and retirement of
26 obligations to finance redevelopment project costs may be

1 extended by municipal ordinance to December 31, 2013. The
2 termination procedures of subsection (b) of Section
3 11-74.4-8 are not required for these redevelopment project
4 areas in 2009 but are required in 2013. The extension
5 allowed by this amendatory Act of 1993 shall not apply to
6 real property tax increment allocation financing under
7 Section 11-74.4-8.

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

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

1 joint review board for the redevelopment project area,
2 before the adoption of the ordinance.

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

17 (3.5) The municipality finds, in the case of an
18 industrial park conservation area, also that the
19 municipality is a labor surplus municipality and that the
20 implementation of the redevelopment plan will reduce
21 unemployment, create new jobs and by the provision of new
22 facilities enhance the tax base of the taxing districts
23 that extend into the redevelopment project area.

24 (4) If any incremental revenues are being utilized
25 under Section 8(a)(1) or 8(a)(2) of this Act in
26 redevelopment project areas approved by ordinance after

1 January 1, 1986, the municipality finds: (a) that the
2 redevelopment project area would not reasonably be
3 developed without the use of such incremental revenues, and
4 (b) that such incremental revenues will be exclusively
5 utilized for the development of the redevelopment project
6 area.

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

19 Part I of the housing impact study shall include (i)
20 data as to whether the residential units are single family
21 or multi-family units, (ii) the number and type of rooms
22 within the units, if that information is available, (iii)
23 whether the units are inhabited or uninhabited, as
24 determined not less than 45 days before the date that the
25 ordinance or resolution required by subsection (a) of
26 Section 11-74.4-5 is passed, and (iv) data as to the racial

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

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

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

22 (7) On and after November 1, 1999, no redevelopment
23 plan shall be adopted, nor an existing plan amended, nor
24 shall residential housing that is occupied by households of
25 low-income and very low-income persons in currently
26 existing redevelopment project areas be removed after

1 November 1, 1999 unless the redevelopment plan provides,
2 with respect to inhabited housing units that are to be
3 removed for households of low-income and very low-income
4 persons, affordable housing and relocation assistance not
5 less than that which would be provided under the federal
6 Uniform Relocation Assistance and Real Property
7 Acquisition Policies Act of 1970 and the regulations under
8 that Act, including the eligibility criteria. Affordable
9 housing may be either existing or newly constructed
10 housing. For purposes of this paragraph (7), "low-income
11 households", "very low-income households", and "affordable
12 housing" have the meanings set forth in the Illinois
13 Affordable Housing Act. The municipality shall make a good
14 faith effort to ensure that this affordable housing is
15 located in or near the redevelopment project area within
16 the municipality.

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

24 (9) For redevelopment project areas designated prior
25 to November 1, 1999, the redevelopment plan may be amended
26 without further joint review board meeting or hearing,

1 provided that the municipality shall give notice of any
2 such changes by mail to each affected taxing district and
3 registrant on the interested party registry, to authorize
4 the municipality to expend tax increment revenues for
5 redevelopment project costs defined by paragraphs (5) and
6 (7.5), subparagraphs (E) and (F) of paragraph (11), and
7 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so
8 long as the changes do not increase the total estimated
9 redevelopment project costs set out in the redevelopment
10 plan by more than 5% after adjustment for inflation from
11 the date the plan was adopted.

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

24 (p) "Redevelopment project area" means an area designated
25 by the municipality, which is not less in the aggregate than 1
26 1/2 acres and in respect to which the municipality has made a

1 finding that there exist conditions which cause the area to be
2 classified as an industrial park conservation area or a
3 blighted area or a conservation area, or a combination of both
4 blighted areas and conservation areas.

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

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

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

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

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

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

1 limited to parking lots and other concrete or asphalt
2 barriers, and the clearing and grading of land;

3 (3) Costs of rehabilitation, reconstruction or repair
4 or remodeling of existing public or private buildings,
5 fixtures, and leasehold improvements; and the cost of
6 replacing an existing public building if pursuant to the
7 implementation of a redevelopment project the existing
8 public building is to be demolished to use the site for
9 private investment or devoted to a different use requiring
10 private investment;

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

1 municipal building is required to meet an increase in the
2 need for public safety purposes anticipated to result from
3 the implementation of the redevelopment plan;

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

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

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

22 (7.5) For redevelopment project areas designated (or
23 redevelopment project areas amended to add or increase the
24 number of tax-increment-financing assisted housing units)
25 on or after November 1, 1999, an elementary, secondary, or
26 unit school district's increased costs attributable to

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

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

1 general State aid as defined in Section 18-8.05 of the
2 School Code attributable to these added new students
3 subject to the following annual limitations:

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

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

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

22 (B) For alternate method districts, flat grant
23 districts, and foundation districts with a district
24 average 1995-96 Per Capita Tuition Charge equal to or
25 more than \$5,900, excluding any school district with a
26 population in excess of 1,000,000, by multiplying the

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

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

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

1 (iii) for secondary school districts, no more
2 than 13% of the total amount of property tax
3 increment revenue produced by those housing units
4 that have received tax increment finance
5 assistance under this Act.

6 (C) For any school district in a municipality with
7 a population in excess of 1,000,000, the following
8 restrictions shall apply to the reimbursement of
9 increased costs under this paragraph (7.5):

10 (i) no increased costs shall be reimbursed
11 unless the school district certifies that each of
12 the schools affected by the assisted housing
13 project is at or over its student capacity;

14 (ii) the amount reimbursable shall be reduced
15 by the value of any land donated to the school
16 district by the municipality or developer, and by
17 the value of any physical improvements made to the
18 schools by the municipality or developer; and

19 (iii) the amount reimbursed may not affect
20 amounts otherwise obligated by the terms of any
21 bonds, notes, or other funding instruments, or the
22 terms of any redevelopment agreement.

23 Any school district seeking payment under this
24 paragraph (7.5) shall, after July 1 and before
25 September 30 of each year, provide the municipality
26 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

1 Allocation Fund when the tax increment revenue is received
2 as a result of the assisted housing units. This paragraph
3 (7.7) applies only if (i) the library district is located
4 in a county that is subject to the Property Tax Extension
5 Limitation Law or (ii) the library district is not located
6 in a county that is subject to the Property Tax Extension
7 Limitation Law but the district is prohibited by any other
8 law from increasing its tax levy rate without a prior voter
9 referendum.

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

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

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

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

1 redevelopment project area or projects;

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

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.

1 Such costs include, specifically, the payment by community
2 college districts of costs pursuant to Sections 3-37, 3-38,
3 3-40 and 3-40.1 of the Public Community College Act and by
4 school districts of costs pursuant to Sections 10-22.20a
5 and 10-23.3a of The School Code;

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

9 (A) such costs are to be paid directly from the
10 special tax allocation fund established pursuant to
11 this Act;

12 (B) such payments in any one year may not exceed
13 30% of the annual interest costs incurred by the
14 redeveloper with regard to the redevelopment project
15 during that year;

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

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

1 to this Act; and

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

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

25 The eligible costs provided under this
26 subparagraph (F) of paragraph (11) shall be an eligible

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

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

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

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

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

24 If a special service area has been established pursuant to
25 the Special Service Area Tax Act or Special Service Area Tax
26 Law, then any tax increment revenues derived from the tax

1 imposed pursuant to the Special Service Area Tax Act or Special
2 Service Area Tax Law may be used within the redevelopment
3 project area for the purposes permitted by that Act or Law as
4 well as the purposes permitted by this Act.

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

12 (s) "State Sales Tax Increment" means an amount equal to
13 the increase in the aggregate amount of taxes paid by retailers
14 and servicemen, other than retailers and servicemen subject to
15 the Public Utilities Act, on transactions at places of business
16 located within a State Sales Tax Boundary pursuant to the
17 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use
18 Tax Act, and the Service Occupation Tax Act, except such
19 portion of such increase that is paid into the State and Local
20 Sales Tax Reform Fund, the Local Government Distributive Fund,
21 the Local Government Tax Fund and the County and Mass Transit
22 District Fund, for as long as State participation exists, over
23 and above the Initial Sales Tax Amounts, Adjusted Initial Sales
24 Tax Amounts or the Revised Initial Sales Tax Amounts for such
25 taxes as certified by the Department of Revenue and paid under
26 those Acts by retailers and servicemen on transactions at

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

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

22 (t) "Taxing districts" means counties, townships, cities
23 and incorporated towns and villages, school, road, park,
24 sanitary, mosquito abatement, forest preserve, public health,
25 fire protection, river conservancy, tuberculosis sanitarium
26 and any other municipal corporations or districts with the

1 power to levy taxes.

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

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

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

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

14 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;
15 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-961, eff.
16 1-1-05; 93-983, eff. 8-23-04; 93-984, eff. 8-23-04; 93-985,
17 eff. 8-23-04; 93-986, eff. 8-23-04; 93-987, eff. 8-23-04;
18 93-995, eff. 8-23-04; 93-1024, eff. 8-25-04; 93-1076, eff.
19 1-18-05; 94-260, eff. 7-19-05; 94-268, eff. 7-19-05; 94-297,
20 eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff. 6-1-06;
21 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.
22 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,
23 eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07;
24 94-1092, eff. 1-26-07; revised 1-30-07.)

1 Sec. 11-74.4-7. Obligations secured by the special tax
2 allocation fund set forth in Section 11-74.4-8 for the
3 redevelopment project area may be issued to provide for
4 redevelopment project costs. Such obligations, when so issued,
5 shall be retired in the manner provided in the ordinance
6 authorizing the issuance of such obligations by the receipts of
7 taxes levied as specified in Section 11-74.4-9 against the
8 taxable property included in the area, by revenues as specified
9 by Section 11-74.4-8a and other revenue designated by the
10 municipality. A municipality may in the ordinance pledge all or
11 any part of the funds in and to be deposited in the special tax
12 allocation fund created pursuant to Section 11-74.4-8 to the
13 payment of the redevelopment project costs and obligations. Any
14 pledge of funds in the special tax allocation fund shall
15 provide for distribution to the taxing districts and to the
16 Illinois Department of Revenue of moneys not required, pledged,
17 earmarked, or otherwise designated for payment and securing of
18 the obligations and anticipated redevelopment project costs
19 and such excess funds shall be calculated annually and deemed
20 to be "surplus" funds. In the event a municipality only applies
21 or pledges a portion of the funds in the special tax allocation
22 fund for the payment or securing of anticipated redevelopment
23 project costs or of obligations, any such funds remaining in
24 the special tax allocation fund after complying with the
25 requirements of the application or pledge, shall also be
26 calculated annually and deemed "surplus" funds. All surplus

1 funds in the special tax allocation fund shall be distributed
2 annually within 180 days after the close of the municipality's
3 fiscal year by being paid by the municipal treasurer to the
4 County Collector, to the Department of Revenue and to the
5 municipality in direct proportion to the tax incremental
6 revenue received as a result of an increase in the equalized
7 assessed value of property in the redevelopment project area,
8 tax incremental revenue received from the State and tax
9 incremental revenue received from the municipality, but not to
10 exceed as to each such source the total incremental revenue
11 received from that source. The County Collector shall
12 thereafter make distribution to the respective taxing
13 districts in the same manner and proportion as the most recent
14 distribution by the county collector to the affected districts
15 of real property taxes from real property in the redevelopment
16 project area.

17 Without limiting the foregoing in this Section, the
18 municipality may in addition to obligations secured by the
19 special tax allocation fund pledge for a period not greater
20 than the term of the obligations towards payment of such
21 obligations any part or any combination of the following: (a)
22 net revenues of all or part of any redevelopment project; (b)
23 taxes levied and collected on any or all property in the
24 municipality; (c) the full faith and credit of the
25 municipality; (d) a mortgage on part or all of the
26 redevelopment project; or (e) any other taxes or anticipated

1 receipts that the municipality may lawfully pledge.

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

17 In the event the municipality authorizes issuance of
18 obligations pursuant to the authority of this Division secured
19 by the full faith and credit of the municipality, which
20 obligations are other than obligations which may be issued
21 under home rule powers provided by Article VII, Section 6 of
22 the Illinois Constitution, or pledges taxes pursuant to (b) or
23 (c) of the second paragraph of this section, the ordinance
24 authorizing the issuance of such obligations or pledging such
25 taxes shall be published within 10 days after such ordinance
26 has been passed in one or more newspapers, with general

1 circulation within such municipality. The publication of the
2 ordinance shall be accompanied by a notice of (1) the specific
3 number of voters required to sign a petition requesting the
4 question of the issuance of such obligations or pledging taxes
5 to be submitted to the electors; (2) the time in which such
6 petition must be filed; and (3) the date of the prospective
7 referendum. The municipal clerk shall provide a petition form
8 to any individual requesting one.

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

1 majority of electors voting upon the question voted in favor
2 thereof, the ordinance shall be in effect, but if a majority of
3 the electors voting upon the question are not in favor thereof,
4 the ordinance shall not take effect.

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

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

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

1 A municipality may also issue its obligations to refund in
2 whole or in part, obligations theretofore issued by such
3 municipality under the authority of this Act, whether at or
4 prior to maturity, provided however, that the last maturity of
5 the refunding obligations shall not be expressed to mature
6 later than December 31 of the year in which the payment to the
7 municipal treasurer as provided in subsection (b) of Section
8 11-74.4-8 of this Act is to be made with respect to ad valorem
9 taxes levied in the twenty-third calendar year after the year
10 in which the ordinance approving the redevelopment project area
11 is adopted if the ordinance was adopted on or after January 15,
12 1981, not later than December 31 of the year in which the
13 payment to the municipal treasurer as provided in subsection
14 (b) of Section 11-74.4-8 of this Act is to be made with respect
15 to ad valorem taxes levied in the thirty-third calendar year
16 after the year in which the ordinance approving the
17 redevelopment project area if the ordinance was adopted on May
18 20, 1985 by the Village of Wheeling, and not later than
19 December 31 of the year in which the payment to the municipal
20 treasurer as provided in subsection (b) of Section 11-74.4-8 of
21 this Act is to be made with respect to ad valorem taxes levied
22 in the thirty-fifth calendar year after the year in which the
23 ordinance approving the redevelopment project area is adopted
24 (A) if the ordinance was adopted before January 15, 1981, or
25 (B) if the ordinance was adopted in December 1983, April 1984,
26 July 1985, or December 1989, or (C) if the ordinance was

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

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

1 (II) if the ordinance was adopted on December 23, 1986 by the
2 Town of Cicero, or (JJ) if the ordinance was adopted on
3 December 30, 1986 by the City of Effingham, or (KK) if the
4 ordinance was adopted on May 9, 1991 by the Village of Tilton,
5 or (LL) if the ordinance was adopted on October 20, 1986 by the
6 City of Elmhurst, or (MM) if the ordinance was adopted on
7 January 19, 1988 by the City of Waukegan, or (NN) if the
8 ordinance was adopted on September 21, 1998 by the City of
9 Waukegan, or (OO) if the ordinance was adopted on December 31,
10 1986 by the City of Sullivan, or (PP) if the ordinance was
11 adopted on December 23, 1991 by the City of Sullivan, or (QQ)
12 if the ordinance was adopted on December 31, 1986 by the City
13 of Oglesby, or (RR) if the ordinance was adopted on July 28,
14 1987 by the City of Marion, or (SS) if the ordinance was
15 adopted on April 23, 1990 by the City of Marion, or (TT) if the
16 ordinance was adopted on August 20, 1985 by the Village of
17 Mount Prospect, or (UU) if the ordinance was adopted on
18 February 2, 1998 by the Village of Woodhull, or (VV) if the
19 ordinance was adopted on April 20, 1993 by the Village of
20 Princeville, or (WW) ~~(VV)~~ if the ordinance was adopted on July
21 1, 1986 by the City of Granite City, or (XX) ~~(RR)~~ if the
22 ordinance was adopted on February 2, 1989 by the Village of
23 Lombard, or (YY) ~~(VV)~~ if the ordinance was adopted on December
24 29, 1986 by the Village of Gardner, or (ZZ) ~~(VV)~~ if the
25 ordinance was adopted on July 14, 1999 by the Village of Paw
26 Paw, or (AAA) ~~(VV)~~ if the ordinance was adopted on November 17,

1 1986 by the Village of Franklin Park,~~T~~ or (BBB) ~~(VV)~~ if the
2 ordinance was adopted on November 20, 1989 by the Village of
3 South Holland, or (CCC) if the ordinance was adopted on
4 December 29, 1986 by the City of Galesburg, or (DDD) if the
5 ordinance was adopted on April 1, 1985 by the City of Galesburg
6 and, for redevelopment project areas for which bonds were
7 issued before July 29, 1991, in connection with a redevelopment
8 project in the area within the State Sales Tax Boundary and
9 which were extended by municipal ordinance under subsection (n)
10 of Section 11-74.4-3, the last maturity of the refunding
11 obligations shall not be expressed to mature later than the
12 date on which the redevelopment project area is terminated or
13 December 31, 2013, whichever date occurs first.

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

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

26 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;

1 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-983, eff.
2 8-23-04; 93-984, eff. 8-23-04; 93-985, eff. 8-23-04; 93-986,
3 eff. 8-23-04; 93-987, eff. 8-23-04; 93-995, eff. 8-23-04;
4 93-1024, eff. 8-25-04; 93-1076, eff. 1-18-05; 94-260, eff.
5 7-19-05; 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702,
6 eff. 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778,
7 eff. 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06;
8 94-810, eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff.
9 1-26-07; 94-1092, eff. 1-26-07; revised 1-30-07.)".