



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB4201

Introduced 12/14/2007, by Rep. Keith P. Sommer

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-3

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

65 ILCS 5/11-74.4-7

from Ch. 24, par. 11-74.4-7

Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. Provides that the redevelopment project in the TIF district created by an ordinance that was adopted on September 9, 1999 by the Village of Downs must be completed by December 31 of the thirty-second year (now, the 23rd year) after the year in which the ordinance was adopted. Effective immediately.

LRB095 14467 HLH 40373 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning local government.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 calendar years for which information is available.

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

1 financing.

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 municipal treasurer as provided in subsection (b) of  
2 Section 11-74.4-8 of this Act is to be made with respect to  
3 ad valorem taxes levied in the twenty-third calendar year  
4 after the year in which the ordinance approving the  
5 redevelopment project area is adopted if the ordinance was  
6 adopted on or after January 15, 1981; shall not be later  
7 than December 31 of the year in which the payment to the  
8 municipal treasurer as provided in subsection (b) of  
9 Section 11-74.4-8 of this Act is to be made with respect to  
10 ad valorem taxes levied in the thirty-second calendar year  
11 after the year in which the ordinance approving the  
12 redevelopment project area if the ordinance was adopted on  
13 September 9, 1999 by the Village of Downs; shall not be  
14 later than December 31 of the year in which the payment to  
15 the municipal treasurer as provided in subsection (b) of  
16 Section 11-74.4-8 of this Act is to be made with respect to  
17 ad valorem taxes levied in the thirty-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) if the ordinance was adopted on July 1, 1986  
5 by the City of Granite City, or  
6 (XX) if the ordinance was adopted on February 2,  
7 1989 by the Village of Lombard, or  
8 (YY) if the ordinance was adopted on December 29,  
9 1986 by the Village of Gardner, or  
10 (ZZ) if the ordinance was adopted on July 14, 1999  
11 by the Village of Paw Paw, or  
12 (AAA) if the ordinance was adopted on November 17,  
13 1986 by the Village of Franklin Park, or  
14 (BBB) if the ordinance was adopted on November 20,  
15 1989 by the Village of South Holland, or  
16 (CCC) if the ordinance was adopted on July 14, 1992  
17 by the Village of Riverdale, or  
18 (DDD) ~~(CCC)~~ if the ordinance was adopted on  
19 December 29, 1986 by the City of Galesburg, or  
20 (EEE) ~~(DDD)~~ if the ordinance was adopted on April  
21 1, 1985 by the City of Galesburg, or  
22 (FFF) ~~(CCC)~~ if the ordinance was adopted on May 21,  
23 1990 by the City of West Chicago, or  
24 (GGG) ~~(CCC)~~ if the ordinance was adopted on  
25 December 16, 1986 by the City of Oak Forest, or  
26 (HHH) ~~(AAA)~~ if the ordinance was adopted in 1999 by

1 the City of Villa Grove, ~~or~~

2 (III) ~~(CCC)~~ if the ordinance was adopted on January  
3 13, 1987 by the Village of Mt. Zion, ~~or~~

4 (JJJ) ~~(CCC)~~ if the ordinance was adopted on  
5 December 30, 1986 by the Village of Manteno, ~~or~~

6 (KKK) ~~(DDD)~~ if the ordinance was adopted on April  
7 3, 1989 by the City of Chicago Heights, ~~or~~

8 (LLL) ~~(EEE)~~ if the ordinance was adopted on January  
9 6, 1999 by the Village of Rosemont, or

10 (MMM) ~~(FFF)~~ if the ordinance was adopted on  
11 December 19, 2000 by the Village of Stone Park.

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

26 A municipality may by municipal ordinance amend an

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

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

21 Those dates, for purposes of real property tax  
22 increment allocation financing pursuant to Section  
23 11-74.4-8 only, shall be not more than 35 years for  
24 redevelopment project areas that were established on or  
25 after December 1, 1981 but before January 1, 1982 and for  
26 which at least \$1,500,000 worth of tax increment revenue

1 bonds were authorized on or after September 30, 1990 but  
2 before July 1, 1991; provided that the municipality elects  
3 to extend the life of the redevelopment project area to 35  
4 years by the adoption of an ordinance after at least 14 but  
5 not more than 30 days' written notice to the taxing bodies,  
6 that would otherwise constitute the joint review board for  
7 the redevelopment project area, before the adoption of the  
8 ordinance.

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

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

25 (5) If the redevelopment plan will not result in  
26 displacement of residents from 10 or more inhabited

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

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

24 Part II of the housing impact study shall identify the  
25 inhabited residential units in the proposed redevelopment  
26 project area that are to be or may be removed. If inhabited

1 residential units are to be removed, then the housing  
2 impact study shall identify (i) the number and location of  
3 those units that will or may be removed, (ii) the  
4 municipality's plans for relocation assistance for those  
5 residents in the proposed redevelopment project area whose  
6 residences are to be removed, (iii) the availability of  
7 replacement housing for those residents whose residences  
8 are to be removed, and shall identify the type, location,  
9 and cost of the housing, and (iv) the type and extent of  
10 relocation assistance to be provided.

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

14 (7) On and after November 1, 1999, no redevelopment  
15 plan shall be adopted, nor an existing plan amended, nor  
16 shall residential housing that is occupied by households of  
17 low-income and very low-income persons in currently  
18 existing redevelopment project areas be removed after  
19 November 1, 1999 unless the redevelopment plan provides,  
20 with respect to inhabited housing units that are to be  
21 removed for households of low-income and very low-income  
22 persons, affordable housing and relocation assistance not  
23 less than that which would be provided under the federal  
24 Uniform Relocation Assistance and Real Property  
25 Acquisition Policies Act of 1970 and the regulations under  
26 that Act, including the eligibility criteria. Affordable

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

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

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

1 redevelopment project costs set out in the redevelopment  
2 plan by more than 5% after adjustment for inflation from  
3 the date the plan was adopted.

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

16 (p) "Redevelopment project area" means an area designated  
17 by the municipality, which is not less in the aggregate than 1  
18 1/2 acres and in respect to which the municipality has made a  
19 finding that there exist conditions which cause the area to be  
20 classified as an industrial park conservation area or a  
21 blighted area or a conservation area, or a combination of both  
22 blighted areas and conservation areas.

23 (q) "Redevelopment project costs" mean and include the sum  
24 total of all reasonable or necessary costs incurred or  
25 estimated to be incurred, and any such costs incidental to a  
26 redevelopment plan and a redevelopment project. Such costs



1 include, without limitation, the following:

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

1 for the municipality and thereafter whenever any other  
2 contracts with those individuals or entities are executed  
3 by the consultant or advisor;

4 (1.5) After July 1, 1999, annual administrative costs  
5 shall not include general overhead or administrative costs  
6 of the municipality that would still have been incurred by  
7 the municipality if the municipality had not designated a  
8 redevelopment project area or approved a redevelopment  
9 plan;

10 (1.6) The cost of marketing sites within the  
11 redevelopment project area to prospective businesses,  
12 developers, and investors;

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

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

1 private investment or devoted to a different use requiring  
2 private investment;

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

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

26 (6) Financing costs, including but not limited to all

1 necessary and incidental expenses related to the issuance  
2 of obligations and which may include payment of interest on  
3 any obligations issued hereunder including interest  
4 accruing during the estimated period of construction of any  
5 redevelopment project for which such obligations are  
6 issued and for not exceeding 36 months thereafter and  
7 including reasonable reserves related thereto;

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

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

1 Special Tax Allocation Fund when the tax increment revenue  
2 is received as a result of the assisted housing units and  
3 shall be calculated annually as follows:

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

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

1 increment finance assistance under this Act;

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

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

14 (B) For alternate method districts, flat grant  
15 districts, and foundation districts with a district  
16 average 1995-96 Per Capita Tuition Charge equal to or  
17 more than \$5,900, excluding any school district with a  
18 population in excess of 1,000,000, by multiplying the  
19 district's increase in attendance resulting from the  
20 net increase in new students enrolled in that school  
21 district who reside in housing units within the  
22 redevelopment project area that have received  
23 financial assistance through an agreement with the  
24 municipality or because the municipality incurs the  
25 cost of necessary infrastructure improvements within  
26 the boundaries of the housing sites necessary for the

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

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

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

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

24 (C) For any school district in a municipality with  
25 a population in excess of 1,000,000, the following  
26 restrictions shall apply to the reimbursement of

1 increased costs under this paragraph (7.5):

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

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

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

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



1 acceptance of this reimbursement the school district  
2 waives the right to directly or indirectly set aside,  
3 modify, or contest in any manner the establishment of  
4 the redevelopment project area or projects;

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

1 referendum.

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

25 A library district is not eligible for any payment  
26 under this paragraph (7.7) unless the library district has

1 experienced an increase in the number of patrons from the  
2 municipality that created the tax-increment-financing  
3 district since the designation of the redevelopment  
4 project area.

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

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

25 (9) Payment in lieu of taxes;

26 (10) Costs of job training, retraining, advanced

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

1 certify pursuant to subsection (9) of Section 11-74.4-8a the  
2 appropriate boundaries eligible for the determination of State  
3 Sales Tax Increment.

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

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

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

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

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

24 (v) As used in subsection (a) of Section 11-74.4-3 of this  
25 Act, "vacant land" means any parcel or combination of parcels  
26 of real property without industrial, commercial, and

1 residential buildings which has not been used for commercial  
2 agricultural purposes within 5 years prior to the designation  
3 of the redevelopment project area, unless the parcel is  
4 included in an industrial park conservation area or the parcel  
5 has been subdivided; provided that if the parcel was part of a  
6 larger tract that has been divided into 3 or more smaller  
7 tracts that were accepted for recording during the period from  
8 1950 to 1990, then the parcel shall be deemed to have been  
9 subdivided, and all proceedings and actions of the municipality  
10 taken in that connection with respect to any previously  
11 approved or designated redevelopment project area or amended  
12 redevelopment project area are hereby validated and hereby  
13 declared to be legally sufficient for all purposes of this Act.  
14 For purposes of this Section and only for land subject to the  
15 subdivision requirements of the Plat Act, land is subdivided  
16 when the original plat of the proposed Redevelopment Project  
17 Area or relevant portion thereof has been properly certified,  
18 acknowledged, approved, and recorded or filed in accordance  
19 with the Plat Act and a preliminary plat, if any, for any  
20 subsequent phases of the proposed Redevelopment Project Area or  
21 relevant portion thereof has been properly approved and filed  
22 in accordance with the applicable ordinance of the  
23 municipality.

24 (w) "Annual Total Increment" means the sum of each  
25 municipality's annual Net Sales Tax Increment and each  
26 municipality's annual Net Utility Tax Increment. The ratio of

1 the Annual Total Increment of each municipality to the Annual  
2 Total Increment for all municipalities, as most recently  
3 calculated by the Department, shall determine the proportional  
4 shares of the Illinois Tax Increment Fund to be distributed to  
5 each municipality.

6 (Source: P.A. 94-260, eff. 7-19-05; 94-268, eff. 7-19-05;  
7 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff.  
8 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.  
9 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,  
10 eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07;  
11 94-1092, eff. 1-26-07; 95-15, eff. 7-16-07; 95-164, eff.  
12 1-1-08; 95-331, eff. 8-21-07; 95-346, eff. 8-21-07; 95-459,  
13 eff. 8-27-07; 95-653, eff. 1-1-08; 95-662, eff. 10-11-07;  
14 95-683, eff. 10-19-07; revised 11-8-07.)

15 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

16 Sec. 11-74.4-7. Obligations secured by the special tax  
17 allocation fund set forth in Section 11-74.4-8 for the  
18 redevelopment project area may be issued to provide for  
19 redevelopment project costs. Such obligations, when so issued,  
20 shall be retired in the manner provided in the ordinance  
21 authorizing the issuance of such obligations by the receipts of  
22 taxes levied as specified in Section 11-74.4-9 against the  
23 taxable property included in the area, by revenues as specified  
24 by Section 11-74.4-8a and other revenue designated by the  
25 municipality. A municipality may in the ordinance pledge all or

1 any part of the funds in and to be deposited in the special tax  
2 allocation fund created pursuant to Section 11-74.4-8 to the  
3 payment of the redevelopment project costs and obligations. Any  
4 pledge of funds in the special tax allocation fund shall  
5 provide for distribution to the taxing districts and to the  
6 Illinois Department of Revenue of moneys not required, pledged,  
7 earmarked, or otherwise designated for payment and securing of  
8 the obligations and anticipated redevelopment project costs  
9 and such excess funds shall be calculated annually and deemed  
10 to be "surplus" funds. In the event a municipality only applies  
11 or pledges a portion of the funds in the special tax allocation  
12 fund for the payment or securing of anticipated redevelopment  
13 project costs or of obligations, any such funds remaining in  
14 the special tax allocation fund after complying with the  
15 requirements of the application or pledge, shall also be  
16 calculated annually and deemed "surplus" funds. All surplus  
17 funds in the special tax allocation fund shall be distributed  
18 annually within 180 days after the close of the municipality's  
19 fiscal year by being paid by the municipal treasurer to the  
20 County Collector, to the Department of Revenue and to the  
21 municipality in direct proportion to the tax incremental  
22 revenue received as a result of an increase in the equalized  
23 assessed value of property in the redevelopment project area,  
24 tax incremental revenue received from the State and tax  
25 incremental revenue received from the municipality, but not to  
26 exceed as to each such source the total incremental revenue

1 received from that source. The County Collector shall  
2 thereafter make distribution to the respective taxing  
3 districts in the same manner and proportion as the most recent  
4 distribution by the county collector to the affected districts  
5 of real property taxes from real property in the redevelopment  
6 project area.

7 Without limiting the foregoing in this Section, the  
8 municipality may in addition to obligations secured by the  
9 special tax allocation fund pledge for a period not greater  
10 than the term of the obligations towards payment of such  
11 obligations any part or any combination of the following: (a)  
12 net revenues of all or part of any redevelopment project; (b)  
13 taxes levied and collected on any or all property in the  
14 municipality; (c) the full faith and credit of the  
15 municipality; (d) a mortgage on part or all of the  
16 redevelopment project; or (e) any other taxes or anticipated  
17 receipts that the municipality may lawfully pledge.

18 Such obligations may be issued in one or more series  
19 bearing interest at such rate or rates as the corporate  
20 authorities of the municipality shall determine by ordinance.  
21 Such obligations shall bear such date or dates, mature at such  
22 time or times not exceeding 20 years from their respective  
23 dates, be in such denomination, carry such registration  
24 privileges, be executed in such manner, be payable in such  
25 medium of payment at such place or places, contain such  
26 covenants, terms and conditions, and be subject to redemption



1 as such ordinance shall provide. Obligations issued pursuant to  
2 this Act may be sold at public or private sale at such price as  
3 shall be determined by the corporate authorities of the  
4 municipalities. No referendum approval of the electors shall be  
5 required as a condition to the issuance of obligations pursuant  
6 to this Division except as provided in this Section.

7 In the event the municipality authorizes issuance of  
8 obligations pursuant to the authority of this Division secured  
9 by the full faith and credit of the municipality, which  
10 obligations are other than obligations which may be issued  
11 under home rule powers provided by Article VII, Section 6 of  
12 the Illinois Constitution, or pledges taxes pursuant to (b) or  
13 (c) of the second paragraph of this section, the ordinance  
14 authorizing the issuance of such obligations or pledging such  
15 taxes shall be published within 10 days after such ordinance  
16 has been passed in one or more newspapers, with general  
17 circulation within such municipality. The publication of the  
18 ordinance shall be accompanied by a notice of (1) the specific  
19 number of voters required to sign a petition requesting the  
20 question of the issuance of such obligations or pledging taxes  
21 to be submitted to the electors; (2) the time in which such  
22 petition must be filed; and (3) the date of the prospective  
23 referendum. The municipal clerk shall provide a petition form  
24 to any individual requesting one.

25 If no petition is filed with the municipal clerk, as  
26 hereinafter provided in this Section, within 30 days after the

1 publication of the ordinance, the ordinance shall be in effect.  
2 But, if within that 30 day period a petition is filed with the  
3 municipal clerk, signed by electors in the municipality  
4 numbering 10% or more of the number of registered voters in the  
5 municipality, asking that the question of issuing obligations  
6 using full faith and credit of the municipality as security for  
7 the cost of paying for redevelopment project costs, or of  
8 pledging taxes for the payment of such obligations, or both, be  
9 submitted to the electors of the municipality, the corporate  
10 authorities of the municipality shall call a special election  
11 in the manner provided by law to vote upon that question, or,  
12 if a general, State or municipal election is to be held within  
13 a period of not less than 30 or more than 90 days from the date  
14 such petition is filed, shall submit the question at the next  
15 general, State or municipal election. If it appears upon the  
16 canvass of the election by the corporate authorities that a  
17 majority of electors voting upon the question voted in favor  
18 thereof, the ordinance shall be in effect, but if a majority of  
19 the electors voting upon the question are not in favor thereof,  
20 the ordinance shall not take effect.

21 The ordinance authorizing the obligations may provide that  
22 the obligations shall contain a recital that they are issued  
23 pursuant to this Division, which recital shall be conclusive  
24 evidence of their validity and of the regularity of their  
25 issuance.

26 In the event the municipality authorizes issuance of

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

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

17 A municipality may also issue its obligations to refund in  
18 whole or in part, obligations theretofore issued by such  
19 municipality under the authority of this Act, whether at or  
20 prior to maturity, provided however, that the last maturity of  
21 the refunding obligations shall not be expressed to mature  
22 later than December 31 of the year in which the payment to the  
23 municipal treasurer as provided in subsection (b) of Section  
24 11-74.4-8 of this Act is to be made with respect to ad valorem  
25 taxes levied in the twenty-third calendar year after the year  
26 in which the ordinance approving the redevelopment project area

1 is adopted if the ordinance was adopted on or after January 15,  
2 1981, not later than December 31 of the year in which the  
3 payment to the municipal treasurer as provided in subsection  
4 (b) of Section 11-74.4-8 of this Act is to be made with respect  
5 to ad valorem taxes levied in the thirty-second calendar year  
6 after the year in which the ordinance approving the  
7 redevelopment project area if the ordinance was adopted on  
8 September 9, 1999 by the Village of Downs, not later than  
9 December 31 of the year in which the payment to the municipal  
10 treasurer as provided in subsection (b) of Section 11-74.4-8 of  
11 this Act is to be made with respect to ad valorem taxes levied  
12 in the thirty-third calendar year after the year in which the  
13 ordinance approving the redevelopment project area if the  
14 ordinance was adopted on May 20, 1985 by the Village of  
15 Wheeling, and not later than December 31 of the year in which  
16 the payment to the municipal treasurer as provided in  
17 subsection (b) of Section 11-74.4-8 of this Act is to be made  
18 with respect to ad valorem taxes levied in the thirty-fifth  
19 calendar year after the year in which the ordinance approving  
20 the redevelopment project area is adopted (A) if the ordinance  
21 was adopted before January 15, 1981, or (B) if the ordinance  
22 was adopted in December 1983, April 1984, July 1985, or  
23 December 1989, or (C) if the ordinance was adopted in December,  
24 1987 and the redevelopment project is located within one mile  
25 of Midway Airport, or (D) if the ordinance was adopted before  
26 January 1, 1987 by a municipality in Mason County, or (E) if

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

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

1 adopted on May 9, 1991 by the Village of Tilton, or (LL) if the  
2 ordinance was adopted on October 20, 1986 by the City of  
3 Elmhurst, or (MM) if the ordinance was adopted on January 19,  
4 1988 by the City of Waukegan, or (NN) if the ordinance was  
5 adopted on September 21, 1998 by the City of Waukegan, or (OO)  
6 if the ordinance was adopted on December 31, 1986 by the City  
7 of Sullivan, or (PP) if the ordinance was adopted on December  
8 23, 1991 by the City of Sullivan, or (QQ) if the ordinance was  
9 adopted on December 31, 1986 by the City of Oglesby, or (RR) if  
10 the ordinance was adopted on July 28, 1987 by the City of  
11 Marion, or (SS) if the ordinance was adopted on April 23, 1990  
12 by the City of Marion, or (TT) if the ordinance was adopted on  
13 August 20, 1985 by the Village of Mount Prospect, or (UU) if  
14 the ordinance was adopted on February 2, 1998 by the Village of  
15 Woodhull, or (VV) if the ordinance was adopted on April 20,  
16 1993 by the Village of Princeville, or (WW) if the ordinance  
17 was adopted on July 1, 1986 by the City of Granite City, or  
18 (XX) if the ordinance was adopted on February 2, 1989 by the  
19 Village of Lombard, or (YY) if the ordinance was adopted on  
20 December 29, 1986 by the Village of Gardner, or (ZZ) if the  
21 ordinance was adopted on July 14, 1999 by the Village of Paw  
22 Paw, or (AAA) if the ordinance was adopted on November 17, 1986  
23 by the Village of Franklin Park, or (BBB) if the ordinance was  
24 adopted on November 20, 1989 by the Village of South Holland,  
25 or (CCC) if the ordinance was adopted on July 14, 1992 by the  
26 Village of Riverdale, or DDD ~~(CCC)~~ if the ordinance was adopted

1 on December 29, 1986 by the City of Galesburg, or (EEE) ~~(DDD)~~  
2 if the ordinance was adopted on April 1, 1985 by the City of  
3 Galesburg, or (FFF) ~~(CCC)~~ if the ordinance was adopted on May  
4 21, 1990 by the City of West Chicago, or (GGG) ~~(CCC)~~ if the  
5 ordinance was adopted on December 16, 1986 by the City of Oak  
6 Forest, or (HHH) ~~(AAA)~~ if the ordinance was adopted in 1999 by  
7 the City of Villa Grove, or (III) ~~(CCC)~~ if the ordinance was  
8 adopted on January 13, 1987 by the Village of Mt. Zion, or  
9 (JJJ) ~~(CCC)~~ if the ordinance was adopted on December 30, 1986  
10 by the Village of Manteno, or (KKK) ~~(DDD)~~ if the ordinance was  
11 adopted on April 3, 1989 by the City of Chicago Heights, or  
12 (LLL) ~~(EEE)~~ if the ordinance was adopted on January 6, 1999 by  
13 the Village of Rosemont, or (MMM) ~~(FFF)~~ if the ordinance was  
14 adopted on December 19, 2000 by the Village of Stone Park and,  
15 for redevelopment project areas for which bonds were issued  
16 before July 29, 1991, in connection with a redevelopment  
17 project in the area within the State Sales Tax Boundary and  
18 which were extended by municipal ordinance under subsection (n)  
19 of Section 11-74.4-3, the last maturity of the refunding  
20 obligations shall not be expressed to mature later than the  
21 date on which the redevelopment project area is terminated or  
22 December 31, 2013, whichever date occurs first.

23 In the event a municipality issues obligations under home  
24 rule powers or other legislative authority the proceeds of  
25 which are pledged to pay for redevelopment project costs, the  
26 municipality may, if it has followed the procedures in



1 conformance with this division, retire said obligations from  
2 funds in the special tax allocation fund in amounts and in such  
3 manner as if such obligations had been issued pursuant to the  
4 provisions of this division.

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

9 (Source: P.A. 94-260, eff. 7-19-05; 94-297, eff. 7-21-05;  
10 94-302, eff. 7-21-05; 94-702, eff. 6-1-06; 94-704, eff.  
11 12-5-05; 94-711, eff. 6-1-06; 94-778, eff. 5-19-06; 94-782,  
12 eff. 5-19-06; 94-783, eff. 5-19-06; 94-810, eff. 5-26-06;  
13 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07; 94-1092, eff.  
14 1-26-07; 95-15, eff. 7-16-07; 95-164, eff. 1-1-08; 95-331, eff.  
15 8-21-07; 95-346, eff. 8-21-07; 95-459, eff. 8-27-07; 95-653,  
16 eff. 1-1-08; 95-662, eff. 10-11-07; 95-683, eff. 10-19-07;  
17 revised 11-8-07.)

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law.