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09600SB1255ham001

LRB096 04318 RLJ 25758 a

1 AMENDMENT TO SENATE BILL 1255

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1255 by replacing  
3 everything after the enacting clause with the following:

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

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

7 (Text of Section before amendment by P.A. 95-1028)

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

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

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

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

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

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

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

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

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

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

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

23 (G) Lack of ventilation, light, or sanitary  
24 facilities. The absence of adequate ventilation for  
25 light or air circulation in spaces or rooms without  
26 windows, or that require the removal of dust, odor,

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

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

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

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

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

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

1 provided that the remediation costs constitute a  
2 material impediment to the development or  
3 redevelopment of the redevelopment project area.

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

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

1           agency for 3 of the last 5 calendar years prior to the  
2           year in which the redevelopment project area is  
3           designated.

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

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

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

25           (C) Tax and special assessment delinquencies exist  
26          or the property has been the subject of tax sales under

1 the Property Tax Code within the last 5 years.

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

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

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



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

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

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

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

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

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

1 construction, demolition, excavation, or dredge sites.

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

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

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

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

1 blighted area but because of a combination of 3 or more of the  
2 following factors is detrimental to the public safety, health,  
3 morals or welfare and such an area may become a blighted area:

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

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

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

24 (4) Presence of structures below minimum code  
25 standards. All structures that do not meet the standards of  
26 zoning, subdivision, building, fire, and other

1 governmental codes applicable to property, but not  
2 including housing and property maintenance codes.

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

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

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

24 (8) Inadequate utilities. Underground and overhead  
25 utilities such as storm sewers and storm drainage, sanitary  
26 sewers, water lines, and gas, telephone, and electrical

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

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

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

1 noxious, offensive, or unsuitable for the surrounding  
2 area.

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

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

26 (13) The total equalized assessed value of the proposed

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

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

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

1 area includes both vacant land suitable for use as an  
2 industrial park and a blighted area or conservation area  
3 contiguous to such vacant land.

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

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

22 (g) "Initial Sales Tax Amounts" means the amount of taxes  
23 paid under the Retailers' Occupation Tax Act, Use Tax Act,  
24 Service Use Tax Act, the Service Occupation Tax Act, the  
25 Municipal Retailers' Occupation Tax Act, and the Municipal  
26 Service Occupation Tax Act by retailers and servicemen on



1 transactions at places located in a State Sales Tax Boundary  
2 during the calendar year 1985.

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

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

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

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

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

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

24 Municipalities that issued bonds in connection with a  
25 redevelopment project in a redevelopment project area within  
26 the State Sales Tax Boundary prior to July 29, 1991, or that

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

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

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

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

1 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the  
2 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.  
3 No payment shall be made for the State Fiscal Year 2008 and  
4 thereafter.

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

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

22 (m) "Payment in lieu of taxes" means those estimated tax  
23 revenues from real property in a redevelopment project area  
24 derived from real property that has been acquired by a  
25 municipality which according to the redevelopment project or  
26 plan is to be used for a private use which taxing districts

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

8 (n) "Redevelopment plan" means the comprehensive program  
9 of the municipality for development or redevelopment intended  
10 by the payment of redevelopment project costs to reduce or  
11 eliminate those conditions the existence of which qualified the  
12 redevelopment project area as a "blighted area" or  
13 "conservation area" or combination thereof or "industrial park  
14 conservation area," and thereby to enhance the tax bases of the  
15 taxing districts which extend into the redevelopment project  
16 area. On and after November 1, 1999 (the effective date of  
17 Public Act 91-478), no redevelopment plan may be approved or  
18 amended that includes the development of vacant land (i) with a  
19 golf course and related clubhouse and other facilities or (ii)  
20 designated by federal, State, county, or municipal government  
21 as public land for outdoor recreational activities or for  
22 nature preserves and used for that purpose within 5 years prior  
23 to the adoption of the redevelopment plan. For the purpose of  
24 this subsection, "recreational activities" is limited to mean  
25 camping and hunting. Each redevelopment plan shall set forth in  
26 writing the program to be undertaken to accomplish the



1 objectives and shall include but not be limited to:

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

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

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

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

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

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

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

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

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

1 class and number of new employees to be employed in the  
2 operation of the facilities to be developed; and

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

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

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

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

1 authority of the municipality, or (ii) includes land uses  
2 that have been approved by the planning commission of the  
3 municipality.

4 (3) The redevelopment plan establishes the estimated  
5 dates of completion of the redevelopment project and  
6 retirement of obligations issued to finance redevelopment  
7 project costs. Those dates may not be later than the dates  
8 set forth under Section 11-74.4-3.5., ~~or (DDD) (EEE), or~~  
9 ~~(FFF), or (GGG), or (HHH), or (III), or (JJJ), (KKK), (LLL)~~  
10 ~~(MMM), or (NNN) if the ordinance was adopted on December~~  
11 ~~23, 1986 by the Village of Libertyville.~~

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

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

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

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

22           Part I of the housing impact study shall include (i)  
23 data as to whether the residential units are single family  
24 or multi-family units, (ii) the number and type of rooms  
25 within the units, if that information is available, (iii)  
26 whether the units are inhabited or uninhabited, as

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

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

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

25 (7) On and after November 1, 1999, no redevelopment  
26 plan shall be adopted, nor an existing plan amended, nor

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

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

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

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

1           (p) "Redevelopment project area" means an area designated  
2 by the municipality, which is not less in the aggregate than 1  
3 1/2 acres and in respect to which the municipality has made a  
4 finding that there exist conditions which cause the area to be  
5 classified as an industrial park conservation area or a  
6 blighted area or a conservation area, or a combination of both  
7 blighted areas and conservation areas.

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

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



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

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

21 (1.6) The cost of marketing sites within the  
22 redevelopment project area to prospective businesses,  
23 developers, and investors;

24 (2) Property assembly costs, including but not limited  
25 to acquisition of land and other property, real or  
26 personal, or rights or interests therein, demolition of

1 buildings, site preparation, site improvements that serve  
2 as an engineered barrier addressing ground level or below  
3 ground environmental contamination, including, but not  
4 limited to parking lots and other concrete or asphalt  
5 barriers, and the clearing and grading of land;

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

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

1 (ii) the municipality makes a reasonable determination in  
2 the redevelopment plan, supported by information that  
3 provides the basis for that determination, that the new  
4 municipal building is required to meet an increase in the  
5 need for public safety purposes anticipated to result from  
6 the implementation of the redevelopment plan;

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

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

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

25 (7.5) For redevelopment project areas designated (or  
26 redevelopment project areas amended to add or increase the

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

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

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

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

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

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

25 (B) For alternate method districts, flat grant  
26 districts, and foundation districts with a district

1 average 1995-96 Per Capita Tuition Charge equal to or  
2 more than \$5,900, excluding any school district with a  
3 population in excess of 1,000,000, by multiplying the  
4 district's increase in attendance resulting from the  
5 net increase in new students enrolled in that school  
6 district who reside in housing units within the  
7 redevelopment project area that have received  
8 financial assistance through an agreement with the  
9 municipality or because the municipality incurs the  
10 cost of necessary infrastructure improvements within  
11 the boundaries of the housing sites necessary for the  
12 completion of that housing as authorized by this Act  
13 since the designation of the redevelopment project  
14 area by the most recently available per capita tuition  
15 cost as defined in Section 10-20.12a of the School Code  
16 less any increase in general state aid as defined in  
17 Section 18-8.05 of the School Code attributable to  
18 these added new students subject to the following  
19 annual limitations:

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

25 (ii) for elementary school districts, no more  
26 than 27% of the total amount of property tax

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

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

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

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

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

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

26 Any school district seeking payment under this

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

16 (7.7) For redevelopment project areas designated (or  
17 redevelopment project areas amended to add or increase the  
18 number of tax-increment-financing assisted housing units)  
19 on or after January 1, 2005 (the effective date of Public  
20 Act 93-961), a public library district's increased costs  
21 attributable to assisted housing units located within the  
22 redevelopment project area for which the developer or  
23 redeveloper receives financial assistance through an  
24 agreement with the municipality or because the  
25 municipality incurs the cost of necessary infrastructure  
26 improvements within the boundaries of the assisted housing



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

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

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

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

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

1 reimbursement, the library district shall forfeit any  
2 right to directly or indirectly set aside, modify, or  
3 contest in any manner whatsoever the establishment of the  
4 redevelopment project area or projects;

5 (7.9) For redevelopment project areas designated or  
6 amended on or after January 1, 2010, if a fire protection  
7 district is not subject to an intergovernmental agreement  
8 with the municipality for the purposes of funding increased  
9 costs of the district because of new development, then the  
10 fire protection district's increased costs attributable to  
11 the redevelopment project area may be paid to the fire  
12 protection district by the municipality from the Special  
13 Tax Allocation Fund when the tax increment revenue is  
14 received.

15 The amount paid to a fire protection district under  
16 this paragraph (7.9) may be calculated as follows:

17 (A) By multiplying (i) the net increase in the  
18 number of persons served by the fire protection  
19 district by (ii) the fire protection district's  
20 per-person cost of providing fire protection services.

21 (B) If a redevelopment project area contains one or  
22 more buildings over 2 stories in height, and if the  
23 fire protection district serving the redevelopment  
24 project area does not possess a ladder apparatus  
25 capable of reaching the roof of the tallest building in  
26 the redevelopment project area, the amount paid to the

1           fire protection district under this paragraph (7.9)  
2           may include the cost of a ladder apparatus capable of  
3           reaching the roof of the tallest building in the  
4           redevelopment project area.

5           (C) If the development of the redevelopment  
6           project area requires the purchase of new apparatus or  
7           equipment, or the addition of new personnel to serve  
8           the needs of the redevelopment project area, the amount  
9           paid to the fire protection district under this  
10           paragraph (7.9) may include the cost of new apparatus  
11           or equipment, or the addition of new personnel.

12           (D) If the development of the redevelopment  
13           project area requires the construction of a new fire  
14           station to serve the increased needs of the  
15           redevelopment project area, the amount paid to the fire  
16           protection district under this paragraph (7.9) may  
17           include the cost to design and construct the new fire  
18           station, as well as the cost of apparatus, equipment,  
19           and personnel for the new fire station.

20           Any fire protection district seeking payment under  
21           this paragraph (7.9) shall, after July 1 and before  
22           September 30 of each year, provide the municipality with  
23           convincing evidence to support a claim for reimbursement  
24           before the municipality may approve or make a payment to  
25           the fire protection district. If a fire protection district  
26           accepts payment from a municipality under this paragraph

1       (7.9), then the fire protection district shall forfeit any  
2       right to directly or indirectly set aside, modify, or  
3       contest in any manner whatsoever the establishment of the  
4       redevelopment project area or projects.

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

10          (9) Payment in lieu of taxes;

11          (10) Costs of job training, retraining, advanced  
12       vocational education or career education, including but  
13       not limited to courses in occupational, semi-technical or  
14       technical fields leading directly to employment, incurred  
15       by one or more taxing districts, provided that such costs  
16       (i) are related to the establishment and maintenance of  
17       additional job training, advanced vocational education or  
18       career education programs for persons employed or to be  
19       employed by employers located in a redevelopment project  
20       area; and (ii) when incurred by a taxing district or taxing  
21       districts other than the municipality, are set forth in a  
22       written agreement by or among the municipality and the  
23       taxing district or taxing districts, which agreement  
24       describes the program to be undertaken, including but not  
25       limited to the number of employees to be trained, a  
26       description of the training and services to be provided,

1 the number and type of positions available or to be  
2 available, itemized costs of the program and sources of  
3 funds to pay for the same, and the term of the agreement.  
4 Such costs include, specifically, the payment by community  
5 college districts of costs pursuant to Sections 3-37, 3-38,  
6 3-40 and 3-40.1 of the Public Community College Act and by  
7 school districts of costs pursuant to Sections 10-22.20a  
8 and 10-23.3a of The School Code;

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

12 (A) such costs are to be paid directly from the  
13 special tax allocation fund established pursuant to  
14 this Act;

15 (B) such payments in any one year may not exceed  
16 30% of the annual interest costs incurred by the  
17 redeveloper with regard to the redevelopment project  
18 during that year;

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

24 (D) the total of such interest payments paid  
25 pursuant to this Act may not exceed 30% of the total  
26 (i) cost paid or incurred by the redeveloper for the

1           redevelopment project plus (ii) redevelopment project  
2           costs excluding any property assembly costs and any  
3           relocation costs incurred by a municipality pursuant  
4           to this Act; and

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

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

1 housing.

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



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

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

1 county, or regional median income are determined from time  
2 to time by the United States Department of Housing and  
3 Urban Development.

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

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

1           (14) No cost shall be a redevelopment project cost in a  
2           redevelopment project area if used to demolish, remove, or  
3           substantially modify a historic resource, after August 26,  
4           2008 (the effective date of Public Act 95-934) ~~this~~  
5           ~~amendatory Act of the 95th General Assembly~~, unless no  
6           prudent and feasible alternative exists. "Historic  
7           resource" for the purpose of this item (14) means (i) a  
8           place or structure that is included or eligible for  
9           inclusion on the National Register of Historic Places or  
10          (ii) a contributing structure in a district on the National  
11          Register of Historic Places. This item (14) does not apply  
12          to a place or structure for which demolition, removal, or  
13          modification is subject to review by the preservation  
14          agency of a Certified Local Government designated as such  
15          by the National Park Service of the United States  
16          Department of the Interior.

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

24          (r) "State Sales Tax Boundary" means the redevelopment  
25          project area or the amended redevelopment project area  
26          boundaries which are determined pursuant to subsection (9) of

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

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

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

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

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

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

25 (v) As used in subsection (a) of Section 11-74.4-3 of this  
26 Act, "vacant land" means any parcel or combination of parcels

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

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

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

7 (Source: P.A. 94-260, eff. 7-19-05; 94-268, eff. 7-19-05;  
8 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff.  
9 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.  
10 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,  
11 eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07;  
12 94-1092, eff. 1-26-07; 95-15, eff. 7-16-07; 95-164, eff.  
13 1-1-08; 95-331, eff. 8-21-07; 95-346, eff. 8-21-07; 95-459,  
14 eff. 8-27-07; 95-653, eff. 1-1-08; 95-662, eff. 10-11-07;  
15 95-683, eff. 10-19-07; 95-709, eff. 1-29-08; 95-876, eff.  
16 8-21-08; 95-932, eff. 8-26-08; 95-934, eff. 8-26-08; 95-964,  
17 eff. 9-23-08; 95-977, eff. 9-22-08; revised 10-16-08.)

18 (Text of Section after amendment by P.A. 95-1028)

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

23 (a) For any redevelopment project area that has been  
24 designated pursuant to this Section by an ordinance adopted  
25 prior to November 1, 1999 (the effective date of Public Act



1 91-478), "blighted area" shall have the meaning set forth in  
2 this Section prior to that date.

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

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

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

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

26 (C) Deterioration. With respect to buildings,

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

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

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

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

25 (G) Lack of ventilation, light, or sanitary  
26 facilities. The absence of adequate ventilation for

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

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

22 (I) Excessive land coverage and overcrowding of  
23 structures and community facilities. The  
24 over-intensive use of property and the crowding of  
25 buildings and accessory facilities onto a site.  
26 Examples of problem conditions warranting the

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

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

20 (K) Environmental clean-up. The proposed  
21 redevelopment project area has incurred Illinois  
22 Environmental Protection Agency or United States  
23 Environmental Protection Agency remediation costs for,  
24 or a study conducted by an independent consultant  
25 recognized as having expertise in environmental  
26 remediation has determined a need for, the clean-up of

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

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

19 (M) The total equalized assessed value of the  
20 proposed redevelopment project area has declined for 3  
21 of the last 5 calendar years prior to the year in which  
22 the redevelopment project area is designated or is  
23 increasing at an annual rate that is less than the  
24 balance of the municipality for 3 of the last 5  
25 calendar years for which information is available or is  
26 increasing at an annual rate that is less than the

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

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

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

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

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

4 (D) Deterioration of structures or site  
5 improvements in neighboring areas adjacent to the  
6 vacant land.

7 (E) 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  
16 the development or redevelopment of the redevelopment  
17 project area.

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

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

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

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

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

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

26                 (D) The area consists of an unused or illegal



1 disposal site containing earth, stone, building  
2 debris, or similar materials that were removed from  
3 construction, demolition, excavation, or dredge sites.

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

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

19 (b) For any redevelopment project area that has been  
20 designated pursuant to this Section by an ordinance adopted  
21 prior to November 1, 1999 (the effective date of Public Act  
22 91-478), "conservation area" shall have the meaning set forth  
23 in this Section prior to that date.

24 On and after November 1, 1999, "conservation area" means  
25 any improved area within the boundaries of a redevelopment  
26 project area located within the territorial limits of the

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

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

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

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

26 (4) Presence of structures below minimum code

1 standards. All structures that do not meet the standards of  
2 zoning, subdivision, building, fire, and other  
3 governmental codes applicable to property, but not  
4 including housing and property maintenance codes.

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

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

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

26 (8) Inadequate utilities. Underground and overhead

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

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

26 (10) Deleterious land use or layout. The existence of

1 incompatible land-use relationships, buildings occupied by  
2 inappropriate mixed-uses, or uses considered to be  
3 noxious, offensive, or unsuitable for the surrounding  
4 area.

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

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

1 area.

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

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

21 (d) "Industrial park conservation area" means an area  
22 within the boundaries of a redevelopment project area located  
23 within the territorial limits of a municipality that is a labor  
24 surplus municipality or within 1 1/2 miles of the territorial  
25 limits of a municipality that is a labor surplus municipality  
26 if the area is annexed to the municipality; which area is zoned

1 as industrial no later than at the time the municipality by  
2 ordinance designates the redevelopment project area, and which  
3 area includes both vacant land suitable for use as an  
4 industrial park and a blighted area or conservation area  
5 contiguous to such vacant land.

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

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

24 (g) "Initial Sales Tax Amounts" means the amount of taxes  
25 paid under the Retailers' Occupation Tax Act, Use Tax Act,  
26 Service Use Tax Act, the Service Occupation Tax Act, the

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

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

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



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

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

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

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

26 Municipalities that issued bonds in connection with a

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

26 (j) "State Utility Tax Increment Amount" means an amount

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

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

1 in the State Fiscal Year 2001; 60% in the State Fiscal Year  
2 2002; 50% in the State Fiscal Year 2003; 40% in the State  
3 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the  
4 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.  
5 No payment shall be made for the State Fiscal Year 2008 and  
6 thereafter.

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

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

24 (m) "Payment in lieu of taxes" means those estimated tax  
25 revenues from real property in a redevelopment project area  
26 derived from real property that has been acquired by a

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

10 (n) "Redevelopment plan" means the comprehensive program  
11 of the municipality for development or redevelopment intended  
12 by the payment of redevelopment project costs to reduce or  
13 eliminate those conditions the existence of which qualified the  
14 redevelopment project area as a "blighted area" or  
15 "conservation area" or combination thereof or "industrial park  
16 conservation area," and thereby to enhance the tax bases of the  
17 taxing districts which extend into the redevelopment project  
18 area. On and after November 1, 1999 (the effective date of  
19 Public Act 91-478), no redevelopment plan may be approved or  
20 amended that includes the development of vacant land (i) with a  
21 golf course and related clubhouse and other facilities or (ii)  
22 designated by federal, State, county, or municipal government  
23 as public land for outdoor recreational activities or for  
24 nature preserves and used for that purpose within 5 years prior  
25 to the adoption of the redevelopment plan. For the purpose of  
26 this subsection, "recreational activities" is limited to mean

1 camping and hunting. Each redevelopment plan shall set forth in  
2 writing the program to be undertaken to accomplish the  
3 objectives and shall include but not be limited to:

4 (A) an itemized list of estimated redevelopment  
5 project costs;

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

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

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

15 (E) the nature and term of the obligations to be  
16 issued;

17 (F) the most recent equalized assessed valuation of the  
18 redevelopment project area;

19 (G) an estimate as to the equalized assessed valuation  
20 after redevelopment and the general land uses to apply in  
21 the redevelopment project area;

22 (H) a commitment to fair employment practices and an  
23 affirmative action plan;

24 (I) if it concerns an industrial park conservation  
25 area, the plan shall also include a general description of  
26 any proposed developer, user and tenant of any property, a



1 description of the type, structure and general character of  
2 the facilities to be developed, a description of the type,  
3 class and number of new employees to be employed in the  
4 operation of the facilities to be developed; and

5 (J) if property is to be annexed to the municipality,  
6 the plan shall include the terms of the annexation  
7 agreement.

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

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

21 (2) The municipality finds that the redevelopment plan  
22 and project conform to the comprehensive plan for the  
23 development of the municipality as a whole, or, for  
24 municipalities with a population of 100,000 or more,  
25 regardless of when the redevelopment plan and project was  
26 adopted, the redevelopment plan and project either: (i)

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

6 (3) The redevelopment plan establishes the estimated  
7 dates of completion of the redevelopment project and  
8 retirement of obligations issued to finance redevelopment  
9 project costs. Those dates may not be later than the dates  
10 set forth under Section 11-74.4-3.5., ~~or (DDD) (EEE), or~~  
11 ~~(FFF), or (GGG), or (HHH), or (III), or (JJJ), (KKK), (LLL)~~  
12 ~~(MMM), or (NNN) if the ordinance was adopted on December~~  
13 ~~23, 1986 by the Village of Libertyville. (NNN) if the~~  
14 ~~ordinance was adopted on December 22, 1986 by the Village~~  
15 ~~of Hoffman Estates.~~

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

24 (3.5) The municipality finds, in the case of an  
25 industrial park conservation area, also that the  
26 municipality is a labor surplus municipality and that the

1 implementation of the redevelopment plan will reduce  
2 unemployment, create new jobs and by the provision of new  
3 facilities enhance the tax base of the taxing districts  
4 that extend into the redevelopment project area.

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

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

26 Part I of the housing impact study shall include (i)

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

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

26 (6) On and after November 1, 1999, the housing impact

1 study required by paragraph (5) shall be incorporated in  
2 the redevelopment plan for the redevelopment project area.

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

24 (8) On and after November 1, 1999, if, after the  
25 adoption of the redevelopment plan for the redevelopment  
26 project area, any municipality desires to amend its

1 redevelopment plan to remove more inhabited residential  
2 units than specified in its original redevelopment plan,  
3 that change shall be made in accordance with the procedures  
4 in subsection (c) of Section 11-74.4-5.

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

19 (o) "Redevelopment project" means any public and private  
20 development project in furtherance of the objectives of a  
21 redevelopment plan. On and after November 1, 1999 (the  
22 effective date of Public Act 91-478), no redevelopment plan may  
23 be approved or amended that includes the development of vacant  
24 land (i) with a golf course and related clubhouse and other  
25 facilities or (ii) designated by federal, State, county, or  
26 municipal government as public land for outdoor recreational

1 activities or for nature preserves and used for that purpose  
2 within 5 years prior to the adoption of the redevelopment plan.  
3 For the purpose of this subsection, "recreational activities"  
4 is limited to mean camping and hunting.

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

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

17 (1) Costs of studies, surveys, development of plans,  
18 and specifications, implementation and administration of  
19 the redevelopment plan including but not limited to staff  
20 and professional service costs for architectural,  
21 engineering, legal, financial, planning or other services,  
22 provided however that no charges for professional services  
23 may be based on a percentage of the tax increment  
24 collected; except that on and after November 1, 1999 (the  
25 effective date of Public Act 91-478), no contracts for  
26 professional services, excluding architectural and

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

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

25 (1.6) The cost of marketing sites within the  
26 redevelopment project area to prospective businesses,



1 developers, and investors;

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

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

18 (4) Costs of the construction of public works or  
19 improvements, except that on and after November 1, 1999,  
20 redevelopment project costs shall not include the cost of  
21 constructing a new municipal public building principally  
22 used to provide offices, storage space, or conference  
23 facilities or vehicle storage, maintenance, or repair for  
24 administrative, public safety, or public works personnel  
25 and that is not intended to replace an existing public  
26 building as provided under paragraph (3) of subsection (q)

1 of Section 11-74.4-3 unless either (i) the construction of  
2 the new municipal building implements a redevelopment  
3 project that was included in a redevelopment plan that was  
4 adopted by the municipality prior to November 1, 1999 or  
5 (ii) the municipality makes a reasonable determination in  
6 the redevelopment plan, supported by information that  
7 provides the basis for that determination, that the new  
8 municipal building is required to meet an increase in the  
9 need for public safety purposes anticipated to result from  
10 the implementation of the redevelopment plan;

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

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

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

1 taxing district in furtherance of the objectives of the  
2 redevelopment plan and project.

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

19 (A) for foundation districts, excluding any school  
20 district in a municipality with a population in excess  
21 of 1,000,000, by multiplying the district's increase  
22 in attendance resulting from the net increase in new  
23 students enrolled in that school district who reside in  
24 housing units within the redevelopment project area  
25 that have received financial assistance through an  
26 agreement with the municipality or because the

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

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

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

23                 (iii) for secondary school districts with a  
24                 district average 1995-96 Per Capita Tuition Charge  
25                 of less than \$5,900, no more than 8% of the total  
26                 amount of property tax increment revenue produced

1           by those housing units that have received tax  
2           increment finance assistance under this Act.

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

24                 (i) for unit school districts, no more than 40%  
25                 of the total amount of property tax increment  
26                 revenue produced by those housing units that have

1 received tax increment finance assistance under  
2 this Act;

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

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

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

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

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

26 (iii) the amount reimbursed may not affect

1 amounts otherwise obligated by the terms of any  
2 bonds, notes, or other funding instruments, or the  
3 terms of any redevelopment agreement.

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

20 (7.7) For redevelopment project areas designated (or  
21 redevelopment project areas amended to add or increase the  
22 number of tax-increment-financing assisted housing units)  
23 on or after January 1, 2005 (the effective date of Public  
24 Act 93-961), a public library district's increased costs  
25 attributable to assisted housing units located within the  
26 redevelopment project area for which the developer or

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

17 The amount paid to a library district under this  
18 paragraph (7.7) shall be calculated by multiplying (i) the  
19 net increase in the number of persons eligible to obtain a  
20 library card in that district who reside in housing units  
21 within the redevelopment project area that have received  
22 financial assistance through an agreement with the  
23 municipality or because the municipality incurs the cost of  
24 necessary infrastructure improvements within the  
25 boundaries of the housing sites necessary for the  
26 completion of that housing as authorized by this Act since



1 the designation of the redevelopment project area by (ii)  
2 the per-patron cost of providing library services so long  
3 as it does not exceed \$120. The per-patron cost shall be  
4 the Total Operating Expenditures Per Capita as stated in  
5 the most recent Illinois Public Library Statistics  
6 produced by the Library Research Center at the University  
7 of Illinois. The municipality may deduct from the amount  
8 that it must pay to a library district under this paragraph  
9 any amount that it has voluntarily paid to the library  
10 district from the tax increment revenue. The amount paid to  
11 a library district under this paragraph (7.7) shall be no  
12 more than 2% of the amount produced by the assisted housing  
13 units and deposited into the Special Tax Allocation Fund.

14 A library district is not eligible for any payment  
15 under this paragraph (7.7) unless the library district has  
16 experienced an increase in the number of patrons from the  
17 municipality that created the tax-increment-financing  
18 district since the designation of the redevelopment  
19 project area.

20 Any library district seeking payment under this  
21 paragraph (7.7) shall, after July 1 and before September 30  
22 of each year, provide the municipality with convincing  
23 evidence to support its claim for reimbursement before the  
24 municipality shall be required to approve or make the  
25 payment to the library district. If the library district  
26 fails to provide the information during this period in any

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

9 (7.9) For redevelopment project areas designated or  
10 amended on or after January 1, 2010, if a fire protection  
11 district is not subject to an intergovernmental agreement  
12 with the municipality for the purposes of funding increased  
13 costs of the district because of new development, then the  
14 fire protection district's increased costs attributable to  
15 the redevelopment project area may be paid to the fire  
16 protection district by the municipality from the Special  
17 Tax Allocation Fund when the tax increment revenue is  
18 received.

19 The amount paid to a fire protection district under  
20 this paragraph (7.9) may be calculated as follows:

21 (A) By multiplying (i) the net increase in the  
22 number of persons served by the fire protection  
23 district by (ii) the fire protection district's  
24 per-person cost of providing fire protection services.

25 (B) If a redevelopment project area contains one or  
26 more buildings over 2 stories in height, and if the

1       fire protection district serving the redevelopment  
2       project area does not possess a ladder apparatus  
3       capable of reaching the roof of the tallest building in  
4       the redevelopment project area, the amount paid to the  
5       fire protection district under this paragraph (7.9)  
6       may include the cost of a ladder apparatus capable of  
7       reaching the roof of the tallest building in the  
8       redevelopment project area.

9           (C) If the development of the redevelopment  
10       project area requires the purchase of new apparatus or  
11       equipment, or the addition of new personnel to serve  
12       the needs of the redevelopment project area, the amount  
13       paid to the fire protection district under this  
14       paragraph (7.9) may include the cost of new apparatus  
15       or equipment, or the addition of new personnel.

16           (D) If the development of the redevelopment  
17       project area requires the construction of a new fire  
18       station to serve the increased needs of the  
19       redevelopment project area, the amount paid to the fire  
20       protection district under this paragraph (7.9) may  
21       include the cost to design and construct the new fire  
22       station, as well as the cost of apparatus, equipment,  
23       and personnel for the new fire station.

24       Any fire protection district seeking payment under  
25       this paragraph (7.9) shall, after July 1 and before  
26       September 30 of each year, provide the municipality with

1       convincing evidence to support a claim for reimbursement  
2       before the municipality may approve or make a payment to  
3       the fire protection district. If a fire protection district  
4       accepts payment from a municipality under this paragraph  
5       (7.9), then the fire protection district shall forfeit any  
6       right to directly or indirectly set aside, modify, or  
7       contest in any manner whatsoever the establishment of the  
8       redevelopment project area or projects.

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

14           (9) Payment in lieu of taxes;

15           (10) Costs of job training, retraining, advanced  
16       vocational education or career education, including but  
17       not limited to courses in occupational, semi-technical or  
18       technical fields leading directly to employment, incurred  
19       by one or more taxing districts, provided that such costs  
20       (i) are related to the establishment and maintenance of  
21       additional job training, advanced vocational education or  
22       career education programs for persons employed or to be  
23       employed by employers located in a redevelopment project  
24       area; and (ii) when incurred by a taxing district or taxing  
25       districts other than the municipality, are set forth in a  
26       written agreement by or among the municipality and the

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

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

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

19 (B) such payments in any one year may not exceed  
20 30% of the annual interest costs incurred by the  
21 redeveloper with regard to the redevelopment project  
22 during that year;

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

1 available in the special tax allocation fund;

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

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

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

1 Act or other constitutional or statutory authority or  
2 from other sources of municipal revenue that may be  
3 reimbursed from tax increment revenues or the proceeds  
4 of bonds issued to finance the construction of that  
5 housing.

6 The eligible costs provided under this  
7 subparagraph (F) of paragraph (11) shall be an eligible  
8 cost for the construction, renovation, and  
9 rehabilitation of all low and very low-income housing  
10 units, as defined in Section 3 of the Illinois  
11 Affordable Housing Act, within the redevelopment  
12 project area. If the low and very low-income units are  
13 part of a residential redevelopment project that  
14 includes units not affordable to low and very  
15 low-income households, only the low and very  
16 low-income units shall be eligible for benefits under  
17 subparagraph (F) of paragraph (11). The standards for  
18 maintaining the occupancy by low-income households and  
19 very low-income households, as defined in Section 3 of  
20 the Illinois Affordable Housing Act, of those units  
21 constructed with eligible costs made available under  
22 the provisions of this subparagraph (F) of paragraph  
23 (11) shall be established by guidelines adopted by the  
24 municipality. The responsibility for annually  
25 documenting the initial occupancy of the units by  
26 low-income households and very low-income households,

1 as defined in Section 3 of the Illinois Affordable  
2 Housing Act, shall be that of the then current owner of  
3 the property. For ownership units, the guidelines will  
4 provide, at a minimum, for a reasonable recapture of  
5 funds, or other appropriate methods designed to  
6 preserve the original affordability of the ownership  
7 units. For rental units, the guidelines will provide,  
8 at a minimum, for the affordability of rent to low and  
9 very low-income households. As units become available,  
10 they shall be rented to income-eligible tenants. The  
11 municipality may modify these guidelines from time to  
12 time; the guidelines, however, shall be in effect for  
13 as long as tax increment revenue is being used to pay  
14 for costs associated with the units or for the  
15 retirement of bonds issued to finance the units or for  
16 the life of the redevelopment project area, whichever  
17 is later.

18 (11.5) If the redevelopment project area is located  
19 within a municipality with a population of more than  
20 100,000, the cost of day care services for children of  
21 employees from low-income families working for businesses  
22 located within the redevelopment project area and all or a  
23 portion of the cost of operation of day care centers  
24 established by redevelopment project area businesses to  
25 serve employees from low-income families working in  
26 businesses located in the redevelopment project area. For



1 the purposes of this paragraph, "low-income families"  
2 means families whose annual income does not exceed 80% of  
3 the municipal, county, or regional median income, adjusted  
4 for family size, as the annual income and municipal,  
5 county, or regional median income are determined from time  
6 to time by the United States Department of Housing and  
7 Urban Development.

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

11 (13) After November 1, 1999 (the effective date of  
12 Public Act 91-478), none of the redevelopment project costs  
13 enumerated in this subsection shall be eligible  
14 redevelopment project costs if those costs would provide  
15 direct financial support to a retail entity initiating  
16 operations in the redevelopment project area while  
17 terminating operations at another Illinois location within  
18 10 miles of the redevelopment project area but outside the  
19 boundaries of the redevelopment project area municipality.  
20 For purposes of this paragraph, termination means a closing  
21 of a retail operation that is directly related to the  
22 opening of the same operation or like retail entity owned  
23 or operated by more than 50% of the original ownership in a  
24 redevelopment project area, but it does not mean closing an  
25 operation for reasons beyond the control of the retail  
26 entity, as documented by the retail entity, subject to a

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

5 (14) No cost shall be a redevelopment project cost in a  
6 redevelopment project area if used to demolish, remove, or  
7 substantially modify a historic resource, after August 26,  
8 2008 (the effective date of Public Act 95-934) ~~this~~  
9 ~~amendatory Act of the 95th General Assembly~~, unless no  
10 prudent and feasible alternative exists. "Historic  
11 resource" for the purpose of this item (14) means (i) a  
12 place or structure that is included or eligible for  
13 inclusion on the National Register of Historic Places or  
14 (ii) a contributing structure in a district on the National  
15 Register of Historic Places. This item (14) does not apply  
16 to a place or structure for which demolition, removal, or  
17 modification is subject to review by the preservation  
18 agency of a Certified Local Government designated as such  
19 by the National Park Service of the United States  
20 Department of the Interior.

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

1 well as the purposes permitted by this Act.

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

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

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

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

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

25 (u) "Taxing districts' capital costs" means those costs of  
26 taxing districts for capital improvements that are found by the

1 municipal corporate authorities to be necessary and directly  
2 result from the redevelopment project.

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

1 in accordance with the applicable ordinance of the  
2 municipality.

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

11 (Source: P.A. 94-260, eff. 7-19-05; 94-268, eff. 7-19-05;  
12 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff.  
13 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.  
14 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,  
15 eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07;  
16 94-1092, eff. 1-26-07; 95-15, eff. 7-16-07; 95-164, eff.  
17 1-1-08; 95-331, eff. 8-21-07; 95-346, eff. 8-21-07; 95-459,  
18 eff. 8-27-07; 95-653, eff. 1-1-08; 95-662, eff. 10-11-07;  
19 95-683, eff. 10-19-07; 95-709, eff. 1-29-08; 95-876, eff.  
20 8-21-08; 95-932, eff. 8-26-08; 95-934, eff. 8-26-08; 95-964,  
21 eff. 9-23-08; 95-977, eff. 9-22-08; 95-1028, eff. 1-1-10;  
22 revised 1-27-09.)

23 Section 95. No acceleration or delay. Where this Act makes  
24 changes in a statute that is represented in this Act by text  
25 that is not yet or no longer in effect (for example, a Section

1 represented by multiple versions), the use of that text does  
2 not accelerate or delay the taking effect of (i) the changes  
3 made by this Act or (ii) provisions derived from any other  
4 Public Act.

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.".