



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB1575

Introduced 2/15/2011, by Rep. Elizabeth Hernandez

SYNOPSIS AS INTRODUCED:

See Index

Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. Prohibits new redevelopment project areas from being designated if the equalized assessed value of all property in the redevelopment project area plus the total current equalized assessed value of all property located in the municipality and subject to tax increment financing exceeds 10% of the total equalized assessed value of all property located in the municipality. Provides that all accumulated tax incremental revenues not specifically appropriated for defined costs for projects within a redevelopment project area by the end of a municipality's fiscal year shall be deemed "surplus" funds and shall be distributed to taxing districts. Changes the definition of "blighted area" to include a requirement that redevelopment is unlikely to happen in area in the absence of tax increment financing. Contains provisions allowing taxing districts to opt-out of redevelopment projects. Requires all redevelopment project areas to be approved by a majority vote of each county board and the governing authorities affected taxing districts that have not elected to opt out. Contains provisions authorizing intergovernmental agreements related to taxes and fees collected from within a redevelopment project area. Amends the Economic Development Area Tax Increment Allocation Act, the County Economic Development Project Area Property Tax Allocation Act, and the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code to provide that the initial equalized assessed value of property shall be indexed for inflation. Contains other provisions. Effective immediately.

LRB097 06600 HLH 46685 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning local government.

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

4 Section 5. The Intergovernmental Cooperation Act is
5 amended by adding Section 6.5 as follows:

6 (5 ILCS 220/6.5 new)

7 Sec. 6.5. Redevelopment project agreements. A public
8 agency may enter into an intergovernmental agreement as
9 provided in subsection (1-5) of Section 11-74.4-4 of the
10 Illinois Municipal Code.

11 Section 10. The Economic Development Area Tax Increment
12 Allocation Act is amended by changing Section 6 as follows:

13 (20 ILCS 620/6) (from Ch. 67 1/2, par. 1006)

14 Sec. 6. Filing with county clerk; certification of initial
15 equalized assessed value.

16 (a) The municipality shall file a certified copy of any
17 ordinance authorizing tax increment allocation financing for
18 an economic development project area with the county clerk, and
19 the county clerk shall immediately thereafter determine (1) the
20 most recently ascertained equalized assessed value of each lot,
21 block, tract or parcel of real property within the economic

1 development project area from which shall be deducted the
2 homestead exemptions provided by Sections 15-170, 15-175, and
3 15-176 of the Property Tax Code, which value shall be the
4 "initial equalized assessed value" of each such piece of
5 property, and (2) the total equalized assessed value of all
6 taxable real property within the economic development project
7 area by adding together the most recently ascertained equalized
8 assessed value of each taxable lot, block, tract, or parcel of
9 real property within such economic development project area,
10 from which shall be deducted the homestead exemptions provided
11 under Article 15 of the Property Tax Code, and shall certify
12 such amount as the "total initial equalized assessed value" of
13 the taxable real property within the economic development
14 project area.

15 (b) After the county clerk has certified the "total initial
16 equalized assessed value" of the taxable real property in the
17 economic development project area, then in respect to every
18 taxing district containing an economic development project
19 area, the county clerk or any other official required by law to
20 ascertain the amount of the equalized assessed value of all
21 taxable property within that taxing district for the purpose of
22 computing the rate per cent of tax to be extended upon taxable
23 property within that taxing district, shall in every year that
24 tax increment allocation financing is in effect ascertain the
25 amount of value of taxable property in an economic development
26 project area by including in that amount the lower of the

1 current equalized assessed value or the certified "total
2 initial equalized assessed value" of all taxable real property
3 in such area. The rate per cent of tax determined shall be
4 extended to the current equalized assessed value of all
5 property in the economic development project area in the same
6 manner as the rate per cent of tax is extended to all other
7 taxable property in the taxing district. The method of
8 allocating taxes established under this Section shall
9 terminate when the municipality adopts an ordinance dissolving
10 the special tax allocation fund for the economic development
11 project area, terminating the economic development project
12 area, and terminating the use of tax increment allocation
13 financing for the economic development project area. This Act
14 shall not be construed as relieving property owners within an
15 economic development project area from paying a uniform rate of
16 taxes upon the current equalized assessed value of their
17 taxable property as provided in the Property Tax Code.

18 (c) Beginning January 1, 2012, each year, the initial
19 equalized assessed value must be increased over the initial
20 equalized assessed value of the previous year by the annual
21 rate of increase, for the previous calendar year, of the
22 Consumer Price Index for All Urban Consumers for all items,
23 published by the United States Bureau of Labor Statistics.

24 (Source: P.A. 95-644, eff. 10-12-07.)

25 Section 15. The Property Tax Code is amended by changing

1 Section 20-15 as follows:

2 (35 ILCS 200/20-15)

3 Sec. 20-15. Information on bill or separate statement.
4 There shall be printed on each bill, or on a separate slip
5 which shall be mailed with the bill:

6 (a) a statement itemizing the rate at which taxes have
7 been extended for each of the taxing districts in the
8 county in whose district the property is located, and in
9 those counties utilizing electronic data processing
10 equipment the dollar amount of tax due from the person
11 assessed allocable to each of those taxing districts,
12 including a separate statement of the dollar amount of tax
13 due which is allocable to a tax levied under the Illinois
14 Local Library Act or to any other tax levied by a
15 municipality or township for public library purposes,

16 (b) a separate statement for each of the taxing
17 districts of the dollar amount of tax due which is
18 allocable to a tax levied under the Illinois Pension Code
19 or to any other tax levied by a municipality or township
20 for public pension or retirement purposes,

21 (c) the total tax rate,

22 (d) the total amount of tax due, ~~and~~

23 (e) the amount by which the total tax and the tax
24 allocable to each taxing district differs from the
25 taxpayer's last prior tax bill, and -

1 (f) a statement itemizing the amount and percentage of
2 funds from each taxing district in which the property is
3 located that are distributed into a tax increment
4 allocation fund and the total amount amount and percentage
5 of funds being allocated to a tax increment allocation
6 fund.

7 The county treasurer shall ensure that only those taxing
8 districts in which a parcel of property is located shall be
9 listed on the bill for that property.

10 In all counties the statement shall also provide:

11 (1) the property index number or other suitable
12 description,

13 (2) the assessment of the property,

14 (3) the equalization factors imposed by the county and
15 by the Department, and

16 (4) the equalized assessment resulting from the
17 application of the equalization factors to the basic
18 assessment.

19 In all counties which do not classify property for purposes
20 of taxation, for property on which a single family residence is
21 situated the statement shall also include a statement to
22 reflect the fair cash value determined for the property. In all
23 counties which classify property for purposes of taxation in
24 accordance with Section 4 of Article IX of the Illinois
25 Constitution, for parcels of residential property in the lowest
26 assessment classification the statement shall also include a

1 statement to reflect the fair cash value determined for the
2 property.

3 In all counties, the statement must include information
4 that certain taxpayers may be eligible for tax exemptions,
5 abatements, and other assistance programs and that, for more
6 information, taxpayers should consult with the office of their
7 township or county assessor and with the Illinois Department of
8 Revenue.

9 In all counties, the statement shall include information
10 that certain taxpayers may be eligible for the Senior Citizens
11 and Disabled Persons Property Tax Relief and Pharmaceutical
12 Assistance Act and that applications are available from the
13 Illinois Department on Aging.

14 In counties which use the estimated or accelerated billing
15 methods, these statements shall only be provided with the final
16 installment of taxes due. The provisions of this Section create
17 a mandatory statutory duty. They are not merely directory or
18 discretionary. The failure or neglect of the collector to mail
19 the bill, or the failure of the taxpayer to receive the bill,
20 shall not affect the validity of any tax, or the liability for
21 the payment of any tax.

22 (Source: P.A. 95-644, eff. 10-12-07.)

23 Section 20. The County Economic Development Project Area
24 Property Tax Allocation Act is amended by changing Section 6 as
25 follows:

1 (55 ILCS 85/6) (from Ch. 34, par. 7006)

2 Sec. 6. Filing with county clerk; certification of initial
3 equalized assessed value.

4 (a) The county shall file a certified copy of any ordinance
5 authorizing property tax allocation financing for an economic
6 development project area with the county clerk, and the county
7 clerk shall immediately thereafter determine (1) the most
8 recently ascertained equalized assessed value of each lot,
9 block, tract or parcel of real property within the economic
10 development project area from which shall be deducted the
11 homestead exemptions under Article 15 of the Property Tax Code,
12 which value shall be the "initial equalized assessed value" of
13 each such piece of property, and (2) the total equalized
14 assessed value of all taxable real property within the economic
15 development project area by adding together the most recently
16 ascertained equalized assessed value of each taxable lot,
17 block, tract, or parcel of real property within such economic
18 development project area, from which shall be deducted the
19 homestead exemptions provided by Sections 15-170, 15-175, and
20 15-176 of the Property Tax Code. Upon receiving written notice
21 from the Department of its approval and certification of such
22 economic development project area, the county clerk shall
23 immediately certify such amount as the "total initial equalized
24 assessed value" of the taxable property within the economic
25 development project area.

1 (b) After the county clerk has certified the "total initial
2 equalized assessed value" of the taxable real property in the
3 economic development project area, then in respect to every
4 taxing district containing an economic development project
5 area, the county clerk or any other official required by law to
6 ascertain the amount of the equalized assessed value of all
7 taxable property within that taxing district for the purpose of
8 computing the rate percent of tax to be extended upon taxable
9 property within the taxing district, shall in every year that
10 property tax allocation financing is in effect ascertain the
11 amount of value of taxable property in an economic development
12 project area by including in that amount the lower of the
13 current equalized assessed value or the certified "total
14 initial equalized assessed value" of all taxable real property
15 in such area. The rate percent of tax determined shall be
16 extended to the current equalized assessed value of all
17 property in the economic development project area in the same
18 manner as the rate percent of tax is extended to all other
19 taxable property in the taxing district. The method of
20 allocating taxes established under this Section shall
21 terminate when the county adopts an ordinance dissolving the
22 special tax allocation fund for the economic development
23 project area. This Act shall not be construed as relieving
24 property owners within an economic development project area
25 from paying a uniform rate of taxes upon the current equalized
26 assessed value of their taxable property as provided in the

1 Property Tax Code.

2 (c) Beginning January 1, 2012, each year, the initial
3 equalized assessed value must be increased over the initial
4 equalized assessed value of the previous year by the annual
5 rate of increase, for the previous calendar year, of the
6 Consumer Price Index for All Urban Consumers for all items,
7 published by the United States Bureau of Labor Statistics.

8 (Source: P.A. 95-644, eff. 10-12-07.)

9 Section 25. The County Economic Development Project Area
10 Tax Increment Allocation Act of 1991 is amended by changing
11 Section 45 as follows:

12 (55 ILCS 90/45) (from Ch. 34, par. 8045)

13 Sec. 45. Filing with county clerk; certification of initial
14 equalized assessed value.

15 (a) A county that has by ordinance approved an economic
16 development plan, established an economic development project
17 area, and adopted tax increment allocation financing for that
18 area shall file certified copies of the ordinance or ordinances
19 with the county clerk. Upon receiving the ordinance or
20 ordinances, the county clerk shall immediately determine (i)
21 the most recently ascertained equalized assessed value of each
22 lot, block, tract, or parcel of real property within the
23 economic development project area from which shall be deducted
24 the homestead exemptions under Article 15 of the Property Tax

1 Code (that value being the "initial equalized assessed value"
2 of each such piece of property) and (ii) the total equalized
3 assessed value of all taxable real property within the economic
4 development project area by adding together the most recently
5 ascertained equalized assessed value of each taxable lot,
6 block, tract, or parcel of real property within the economic
7 development project area, from which shall be deducted the
8 homestead exemptions under Article 15 of the Property Tax Code,
9 and shall certify that amount as the "total initial equalized
10 assessed value" of the taxable real property within the
11 economic development project area.

12 (b) After the county clerk has certified the "total initial
13 equalized assessed value" of the taxable real property in the
14 economic development project area, then in respect to every
15 taxing district containing an economic development project
16 area, the county clerk or any other official required by law to
17 ascertain the amount of the equalized assessed value of all
18 taxable property within the taxing district for the purpose of
19 computing the rate per cent of tax to be extended upon taxable
20 property within the taxing district shall, in every year that
21 tax increment allocation financing is in effect, ascertain the
22 amount of value of taxable property in an economic development
23 project area by including in that amount the lower of the
24 current equalized assessed value or the certified "total
25 initial equalized assessed value" of all taxable real property
26 in the area. The rate per cent of tax determined shall be

1 extended to the current equalized assessed value of all
2 property in the economic development project area in the same
3 manner as the rate per cent of tax is extended to all other
4 taxable property in the taxing district. The method of
5 extending taxes established under this Section shall terminate
6 when the county adopts an ordinance dissolving the special tax
7 allocation fund for the economic development project area. This
8 Act shall not be construed as relieving property owners within
9 an economic development project area from paying a uniform rate
10 of taxes upon the current equalized assessed value of their
11 taxable property as provided in the Property Tax Code.

12 (c) Beginning January 1, 2012, each year, the initial
13 equalized assessed value must be increased over the initial
14 equalized assessed value of the previous year by the annual
15 rate of increase, for the previous calendar year, of the
16 Consumer Price Index for All Urban Consumers for all items,
17 published by the United States Bureau of Labor Statistics.

18 (Source: P.A. 95-644, eff. 10-12-07.)

19 Section 30. The Illinois Municipal Code is amended by
20 changing Sections 11-74.4-3, 11-74.4-4, 11-74.4-7, 11-74.4-8,
21 and 11-74.4-9 by adding Section 11-74.4-5.1 as follows:

22 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

23 Sec. 11-74.4-3. Definitions. The following terms, wherever
24 used or referred to in this Division 74.4 shall have the

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

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

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

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

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

1 that the buildings must be removed.

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

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

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

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

26 (F) Excessive vacancies. The presence of buildings

1 that are unoccupied or under-utilized and that
2 represent an adverse influence on the area because of
3 the frequency, extent, or duration of the vacancies.

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

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

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

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

25 (K) Environmental clean-up. The proposed
26 redevelopment project area has incurred Illinois

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

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

24 (M) The total equalized assessed value of the
25 proposed redevelopment project area has declined for 3
26 of the last 5 calendar years prior to the year in which

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

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

19 (A) Obsolete platting of vacant land that results
20 in parcels of limited or narrow size or configurations
21 of parcels of irregular size or shape that would be
22 difficult to develop on a planned basis and in a manner
23 compatible with contemporary standards and
24 requirements, or platting that failed to create
25 rights-of-ways for streets or alleys or that created
26 inadequate right-of-way widths for streets, alleys, or

1 other public rights-of-way or that omitted easements
2 for public utilities.

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

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

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

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

23 (F) The total equalized assessed value of the
24 proposed redevelopment project area has declined for 3
25 of the last 5 calendar years prior to the year in which
26 the redevelopment project area is designated or is

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

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

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

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

22 (C) The area, prior to its designation, is subject
23 to (i) chronic flooding that adversely impacts on real
24 property in the area as certified by a registered
25 professional engineer or appropriate regulatory agency
26 or (ii) surface water that discharges from all or a

1 part of the area and contributes to flooding within the
2 same watershed, but only if the redevelopment project
3 provides for facilities or improvements to contribute
4 to the alleviation of all or part of the flooding.

5 (D) The area consists of an unused or illegal
6 disposal site containing earth, stone, building
7 debris, or similar materials that were removed from
8 construction, demolition, excavation, or dredge sites.

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

20 (F) The area qualified as a blighted improved area
21 immediately prior to becoming vacant, unless there has
22 been substantial private investment in the immediately
23 surrounding area.

24 (4) Redevelopment is unlikely to happen in the absence
25 of tax increment financing.

26 (b) For any redevelopment project area that has been

1 designated pursuant to this Section by an ordinance adopted
2 prior to November 1, 1999 (the effective date of Public Act
3 91-478), "conservation area" shall have the meaning set forth
4 in this Section prior to that date.

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

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

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

23 (3) Deterioration. With respect to buildings, defects
24 including, but not limited to, major defects in the
25 secondary building components such as doors, windows,
26 porches, gutters and downspouts, and fascia. With respect

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

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

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

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

20 (7) Lack of ventilation, light, or sanitary
21 facilities. The absence of adequate ventilation for light
22 or air circulation in spaces or rooms without windows, or
23 that require the removal of dust, odor, gas, smoke, or
24 other noxious airborne materials. Inadequate natural light
25 and ventilation means the absence or inadequacy of
26 skylights or windows for interior spaces or rooms and

1 improper window sizes and amounts by room area to window
2 area ratios. Inadequate sanitary facilities refers to the
3 absence or inadequacy of garbage storage and enclosure,
4 bathroom facilities, hot water and kitchens, and
5 structural inadequacies preventing ingress and egress to
6 and from all rooms and units within a building.

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

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

1 conditions: insufficient provision for light and air
2 within or around buildings, increased threat of spread of
3 fire due to the close proximity of buildings, lack of
4 adequate or proper access to a public right-of-way, lack of
5 reasonably required off-street parking, or inadequate
6 provision for loading and service.

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

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

24 (12) The area has incurred Illinois Environmental
25 Protection Agency or United States Environmental
26 Protection Agency remediation costs for, or a study

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

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

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

1 facilities.

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

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

26 (f) "Municipality" shall mean a city, village,

1 incorporated town, or a township that is located in the
2 unincorporated portion of a county with 3 million or more
3 inhabitants, if the county adopted an ordinance that approved
4 the township's redevelopment plan.

5 (g) "Initial Sales Tax Amounts" means the amount of taxes
6 paid under the Retailers' Occupation Tax Act, Use Tax Act,
7 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 in a State Sales Tax Boundary
11 during the calendar year 1985.

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

19 (h) "Municipal Sales Tax Increment" means an amount equal
20 to the increase in the aggregate amount of taxes paid to a
21 municipality from the Local Government Tax Fund arising from
22 sales by retailers and servicemen within the redevelopment
23 project area or State Sales Tax Boundary, as the case may be,
24 for as long as the redevelopment project area or State Sales
25 Tax Boundary, as the case may be, exist over and above the
26 aggregate amount of taxes as certified by the Illinois

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

1 amounts received. For the State Fiscal Year 1990, this
2 calculation shall be made by utilizing the period from January
3 1, 1988, until September 30, 1988, to determine the tax amounts
4 received from retailers and servicemen pursuant to the
5 Municipal Retailers' Occupation Tax and the Municipal Service
6 Occupation Tax Act, which shall have deducted therefrom
7 nine-twelfths of the certified Initial Sales Tax Amounts, the
8 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales
9 Tax Amounts as appropriate. For the State Fiscal Year 1991,
10 this calculation shall be made by utilizing the period from
11 October 1, 1988, to June 30, 1989, to determine the tax amounts
12 received from retailers and servicemen pursuant to the
13 Municipal Retailers' Occupation Tax and the Municipal Service
14 Occupation Tax Act which shall have deducted therefrom
15 nine-twelfths of the certified Initial Sales Tax Amounts,
16 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales
17 Tax Amounts as appropriate. For every State Fiscal Year
18 thereafter, the applicable period shall be the 12 months
19 beginning July 1 and ending June 30 to determine the tax
20 amounts received which shall have deducted therefrom the
21 certified Initial Sales Tax Amounts, the Adjusted Initial Sales
22 Tax Amounts or the Revised Initial Sales Tax Amounts, as the
23 case may be.

24 (i) "Net State Sales Tax Increment" means the sum of the
25 following: (a) 80% of the first \$100,000 of State Sales Tax
26 Increment annually generated within a State Sales Tax Boundary;

1 (b) 60% of the amount in excess of \$100,000 but not exceeding
2 \$500,000 of State Sales Tax Increment annually generated within
3 a State Sales Tax Boundary; and (c) 40% of all amounts in
4 excess of \$500,000 of State Sales Tax Increment annually
5 generated within a State Sales Tax Boundary. If, however, a
6 municipality established a tax increment financing district in
7 a county with a population in excess of 3,000,000 before
8 January 1, 1986, and the municipality entered into a contract
9 or issued bonds after January 1, 1986, but before December 31,
10 1986, to finance redevelopment project costs within a State
11 Sales Tax Boundary, then the Net State Sales Tax Increment
12 means, for the fiscal years beginning July 1, 1990, and July 1,
13 1991, 100% of the State Sales Tax Increment annually generated
14 within a State Sales Tax Boundary; and notwithstanding any
15 other provision of this Act, for those fiscal years the
16 Department of Revenue shall distribute to those municipalities
17 100% of their Net State Sales Tax Increment before any
18 distribution to any other municipality and regardless of
19 whether or not those other municipalities will receive 100% of
20 their Net State Sales Tax Increment. For Fiscal Year 1999, and
21 every year thereafter until the year 2007, for any municipality
22 that has not entered into a contract or has not issued bonds
23 prior to June 1, 1988 to finance redevelopment project costs
24 within a State Sales Tax Boundary, the Net State Sales Tax
25 Increment shall be calculated as follows: By multiplying the
26 Net State Sales Tax Increment by 90% in the State Fiscal Year

1 1999; 80% in the State Fiscal Year 2000; 70% in the State
2 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the
3 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%
4 in the State Fiscal Year 2005; 20% in the State Fiscal Year
5 2006; and 10% in the State Fiscal Year 2007. No payment shall
6 be made for State Fiscal Year 2008 and thereafter.

7 Municipalities that issued bonds in connection with a
8 redevelopment project in a redevelopment project area within
9 the State Sales Tax Boundary prior to July 29, 1991, or that
10 entered into contracts in connection with a redevelopment
11 project in a redevelopment project area before June 1, 1988,
12 shall continue to receive their proportional share of the
13 Illinois Tax Increment Fund distribution until the date on
14 which the redevelopment project is completed or terminated. If,
15 however, a municipality that issued bonds in connection with a
16 redevelopment project in a redevelopment project area within
17 the State Sales Tax Boundary prior to July 29, 1991 retires the
18 bonds prior to June 30, 2007 or a municipality that entered
19 into contracts in connection with a redevelopment project in a
20 redevelopment project area before June 1, 1988 completes the
21 contracts prior to June 30, 2007, then so long as the
22 redevelopment project is not completed or is not terminated,
23 the Net State Sales Tax Increment shall be calculated,
24 beginning on the date on which the bonds are retired or the
25 contracts are completed, as follows: By multiplying the Net
26 State Sales Tax Increment by 60% in the State Fiscal Year 2002;

1 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year
2 2004; 30% in the State Fiscal Year 2005; 20% in the State
3 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No
4 payment shall be made for State Fiscal Year 2008 and
5 thereafter. Refunding of any bonds issued prior to July 29,
6 1991, shall not alter the Net State Sales Tax Increment.

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

19 (k) "Net State Utility Tax Increment" means the sum of the
20 following: (a) 80% of the first \$100,000 of State Utility Tax
21 Increment annually generated by a redevelopment project area;
22 (b) 60% of the amount in excess of \$100,000 but not exceeding
23 \$500,000 of the State Utility Tax Increment annually generated
24 by a redevelopment project area; and (c) 40% of all amounts in
25 excess of \$500,000 of State Utility Tax Increment annually
26 generated by a redevelopment project area. For the State Fiscal

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

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

1 (1) "Obligations" mean bonds, loans, debentures, notes,
2 special certificates or other evidence of indebtedness issued
3 by the municipality to carry out a redevelopment project or to
4 refund outstanding obligations.

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

17 (n) "Redevelopment plan" means the comprehensive program
18 of the municipality for development or redevelopment intended
19 by the payment of redevelopment project costs to reduce or
20 eliminate those conditions the existence of which qualified the
21 redevelopment project area as a "blighted area" or
22 "conservation area" or combination thereof or "industrial park
23 conservation area," and thereby to enhance the tax bases of the
24 taxing districts which extend into the redevelopment project
25 area. On and after November 1, 1999 (the effective date of
26 Public Act 91-478), no redevelopment plan may be approved or

1 amended that includes the development of vacant land (i) with a
2 golf course and related clubhouse and other facilities or (ii)
3 designated by federal, State, county, or municipal government
4 as public land for outdoor recreational activities or for
5 nature preserves and used for that purpose within 5 years prior
6 to the adoption of the redevelopment plan. For the purpose of
7 this subsection, "recreational activities" is limited to mean
8 camping and hunting. Each redevelopment plan shall set forth in
9 writing the program to be undertaken to accomplish the
10 objectives and shall include but not be limited to:

11 (A) an itemized list of estimated redevelopment
12 project costs;

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

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

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

22 (E) the nature and term of the obligations to be
23 issued;

24 (F) the most recent equalized assessed valuation of the
25 redevelopment project area;

26 (G) an estimate as to the equalized assessed valuation

1 after redevelopment and the general land uses to apply in
2 the redevelopment project area;

3 (H) a commitment to fair employment practices and an
4 affirmative action plan;

5 (I) if it concerns an industrial park conservation
6 area, the plan shall also include a general description of
7 any proposed developer, user and tenant of any property, a
8 description of the type, structure and general character of
9 the facilities to be developed, a description of the type,
10 class and number of new employees to be employed in the
11 operation of the facilities to be developed; ~~and~~

12 (J) if property is to be annexed to the municipality,
13 the plan shall include the terms of the annexation
14 agreement; and -

15 (K) a comprehensive purpose and goal statement
16 designed to evaluate progress over time.

17 The provisions of items (B) and (C) of this subsection (n)
18 shall not apply to a municipality that before March 14, 1994
19 (the effective date of Public Act 88-537) had fixed, either by
20 its corporate authorities or by a commission designated under
21 subsection (k) of Section 11-74.4-4, a time and place for a
22 public hearing as required by subsection (a) of Section
23 11-74.4-5. No redevelopment plan shall be adopted unless a
24 municipality complies with all of the following requirements:

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

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

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

15 (3) The redevelopment plan establishes the estimated
16 dates of completion of the redevelopment project and
17 retirement of obligations issued to finance redevelopment
18 project costs. Those dates may not be later than the dates
19 set forth under Section 11-74.4-3.5.

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

1 redevelopment project area.

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

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

18 (5) If the redevelopment plan will not result in
19 displacement of residents from 10 or more inhabited
20 residential units, and the municipality certifies in the
21 plan that such displacement will not result from the plan,
22 a housing impact study need not be performed. If, however,
23 the redevelopment plan would result in the displacement of
24 residents from 10 or more inhabited residential units, or
25 if the redevelopment project area contains 75 or more
26 inhabited residential units and no certification is made,

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

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

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

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

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

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

1 the municipality.

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

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

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

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

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

16 (p-1) Notwithstanding any provision of this Act to the
17 contrary, on and after August 25, 2009 (the effective date of
18 Public Act 96-680), a redevelopment project area may include
19 areas within a one-half mile radius of an existing or proposed
20 Regional Transportation Authority Suburban Transit Access
21 Route (STAR Line) station without a finding that the area is
22 classified as an industrial park conservation area, a blighted
23 area, a conservation area, or a combination thereof, but only
24 if the municipality receives unanimous consent from the joint
25 review board created to review the proposed redevelopment
26 project area.

1 (q) "Redevelopment project costs", except for
2 redevelopment project areas created pursuant to subsection
3 (p-1), means and includes the sum total of all reasonable or
4 necessary costs incurred or estimated to be incurred, and any
5 such costs incidental to a redevelopment plan and a
6 redevelopment project. Such costs include, without limitation,
7 the following:

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

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

10 (1.5) After July 1, 1999, annual administrative costs
11 shall not include general overhead or administrative costs
12 of the municipality that would still have been incurred by
13 the municipality if the municipality had not designated a
14 redevelopment project area or approved a redevelopment
15 plan;

16 (1.6) The cost of marketing sites within the
17 redevelopment project area to prospective businesses,
18 developers, and investors;

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

1 (3) Costs of rehabilitation, reconstruction or repair
2 or remodeling of existing public or private buildings,
3 fixtures, and leasehold improvements; and the cost of
4 replacing an existing public building if pursuant to the
5 implementation of a redevelopment project the existing
6 public building is to be demolished to use the site for
7 private investment or devoted to a different use requiring
8 private investment; including any direct or indirect costs
9 relating to Green Globes or LEED certified construction
10 elements or construction elements with an equivalent
11 certification;

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

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

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

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

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

26 (7.5) For redevelopment project areas designated (or

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

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

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

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

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

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

26 (B) For alternate method districts, flat grant

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

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

26 (ii) for elementary school districts, no more

1 than 27% of the total amount of property tax
2 increment revenue produced by those housing units
3 that have received tax increment finance
4 assistance under this Act; and

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

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

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

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

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

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

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

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

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

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

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

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

1 required by this paragraph (7.7). By acceptance of such
2 reimbursement, the library district shall forfeit any
3 right to directly or indirectly set aside, modify, or
4 contest in any manner whatsoever the establishment of the
5 redevelopment project area or projects;

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

11 (9) Payment in lieu of taxes;

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

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

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

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

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

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

25 (D) the total of such interest payments paid
26 pursuant to this Act may not exceed 30% of the total

1 (i) cost paid or incurred by the redeveloper for the
2 redevelopment project plus (ii) redevelopment project
3 costs excluding any property assembly costs and any
4 relocation costs incurred by a municipality pursuant
5 to this Act; and

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

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

1 of bonds issued to finance the construction of that
2 housing.

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

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

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

1 for family size, as the annual income and municipal,
2 county, or regional median income are determined from time
3 to time by the United States Department of Housing and
4 Urban Development.

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

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

1 for the retailer or serviceman.

2 (14) No cost shall be a redevelopment project cost in a
3 redevelopment project area if used to demolish, remove, or
4 substantially modify a historic resource, after August 26,
5 2008 (the effective date of Public Act 95-934), 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 (q-1) For redevelopment project areas created pursuant to
25 subsection (p-1), redevelopment project costs are limited to
26 those costs in paragraph (q) that are related to the existing

1 or proposed Regional Transportation Authority Suburban Transit
2 Access Route (STAR Line) station.

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

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

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

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

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

26 (u) "Taxing districts' capital costs" means those costs of

1 taxing districts for capital improvements that are found by the
2 municipal corporate authorities to be necessary and directly
3 result from the redevelopment project.

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

1 relevant portion thereof has been properly approved and filed
2 in accordance with the applicable ordinance of the
3 municipality.

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

12 (x) "LEED certified" means any certification level of
13 construction elements by a qualified Leadership in Energy and
14 Environmental Design Accredited Professional as determined by
15 the U.S. Green Building Council.

16 (y) "Green Globes certified" means any certification level
17 of construction elements by a qualified Green Globes
18 Professional as determined by the Green Building Initiative.

19 (Source: P.A. 95-15, eff. 7-16-07; 95-164, eff. 1-1-08; 95-331,
20 eff. 8-21-07; 95-346, eff. 8-21-07; 95-459, eff. 8-27-07;
21 95-653, eff. 1-1-08; 95-662, eff. 10-11-07; 95-683, eff.
22 10-19-07; 95-709, eff. 1-29-08; 95-876, eff. 8-21-08; 95-932,
23 eff. 8-26-08; 95-934, eff. 8-26-08; 95-964, eff. 9-23-08;
24 95-977, eff. 9-22-08; 95-1028, eff. 8-25-09 (see Section 5 of
25 P.A. 96-717 for the effective date of changes made by P.A.
26 95-1028); 96-328, eff. 8-11-09; 96-630, eff. 1-1-10; 96-680,

1 eff. 8-25-09; 96-1000, eff. 7-2-10.)

2 (65 ILCS 5/11-74.4-4) (from Ch. 24, par. 11-74.4-4)

3 Sec. 11-74.4-4. Municipal powers and duties; redevelopment
4 project areas. ~~A municipality may: (a)~~ The changes made by this
5 amendatory Act of the 91st General Assembly do not apply to a
6 municipality that, (i) before the effective date of this
7 amendatory Act of the 91st General Assembly, has adopted an
8 ordinance or resolution fixing a time and place for a public
9 hearing under Section 11-74.4-5 or (ii) before July 1, 1999,
10 has adopted an ordinance or resolution providing for a
11 feasibility study under Section 11-74.4-4.1, but has not yet
12 adopted an ordinance approving redevelopment plans and
13 redevelopment projects or designating redevelopment project
14 areas under this Section, until after that municipality adopts
15 an ordinance approving redevelopment plans and redevelopment
16 projects or designating redevelopment project areas under this
17 Section; thereafter the changes made by this amendatory Act of
18 the 91st General Assembly apply to the same extent that they
19 apply to redevelopment plans and redevelopment projects that
20 were approved and redevelopment projects that were designated
21 before the effective date of this amendatory Act of the 91st
22 General Assembly.

23 A municipality may:

24 (a) By ordinance introduced in the governing body of the
25 municipality within 14 to 90 days from the completion of the

1 hearing specified in Section 11-74.4-5 approve redevelopment
2 plans and redevelopment projects, and designate redevelopment
3 project areas pursuant to notice and hearing required by this
4 Act. No redevelopment project area shall be designated unless a
5 plan and project are approved prior to the designation of such
6 area and such area shall include only those contiguous parcels
7 of real property and improvements thereon substantially
8 benefited by the proposed redevelopment project improvements.
9 Upon adoption of the ordinances, the municipality shall
10 forthwith transmit to the county clerk of the county or
11 counties within which the redevelopment project area is located
12 a certified copy of the ordinances, a legal description of the
13 redevelopment project area, a map of the redevelopment project
14 area, identification of the year that the county clerk shall
15 use for determining the total initial equalized assessed value
16 of the redevelopment project area consistent with subsection
17 (a) of Section 11-74.4-9, and a list of the parcel or tax
18 identification number of each parcel of property included in
19 the redevelopment project area. Notwithstanding any other
20 provision of law, no redevelopment project area may be
21 designated on or after the effective date of this amendatory
22 Act of the 97th General Assembly if, as of the effective date
23 of the designation, the equalized assessed value of all
24 property in the redevelopment project area plus the total
25 current equalized assessed value of all property located in the
26 municipality and subject to tax increment financing exceeds 10%

1 of the total equalized assessed value of all property located
2 in the municipality.

3 (b) Make and enter into all contracts with property owners,
4 developers, tenants, overlapping taxing bodies, and others
5 necessary or incidental to the implementation and furtherance
6 of its redevelopment plan and project. Contract provisions
7 concerning loan repayment obligations in contracts entered
8 into on or after the effective date of this amendatory Act of
9 the 93rd General Assembly shall terminate no later than the
10 last to occur of the estimated dates of completion of the
11 redevelopment project and retirement of the obligations issued
12 to finance redevelopment project costs as required by item (3)
13 of subsection (n) of Section 11-74.4-3. Payments received under
14 contracts entered into by the municipality prior to the
15 effective date of this amendatory Act of the 93rd General
16 Assembly that are received after the redevelopment project area
17 has been terminated by municipal ordinance shall be deposited
18 into a special fund of the municipality to be used for other
19 community redevelopment needs within the redevelopment project
20 area.

21 (c) Within a redevelopment project area, acquire by
22 purchase, donation, lease or eminent domain; own, convey,
23 lease, mortgage or dispose of land and other property, real or
24 personal, or rights or interests therein, and grant or acquire
25 licenses, easements and options with respect thereto, all in
26 the manner and at such price the municipality determines is

1 reasonably necessary to achieve the objectives of the
2 redevelopment plan and project. No conveyance, lease,
3 mortgage, disposition of land or other property owned by a
4 municipality, or agreement relating to the development of such
5 municipal property shall be made except upon the adoption of an
6 ordinance by the corporate authorities of the municipality.
7 Furthermore, no conveyance, lease, mortgage, or other
8 disposition of land owned by a municipality or agreement
9 relating to the development of such municipal property shall be
10 made without making public disclosure of the terms of the
11 disposition and all bids and proposals made in response to the
12 municipality's request. The procedures for obtaining such bids
13 and proposals shall provide reasonable opportunity for any
14 person to submit alternative proposals or bids.

15 (d) Within a redevelopment project area, clear any area by
16 demolition or removal of any existing buildings and structures.

17 (e) Within a redevelopment project area, renovate or
18 rehabilitate or construct any structure or building, as
19 permitted under this Act.

20 (f) Install, repair, construct, reconstruct or relocate
21 streets, utilities and site improvements essential to the
22 preparation of the redevelopment area for use in accordance
23 with a redevelopment plan.

24 (g) Within a redevelopment project area, fix, charge and
25 collect fees, rents and charges for the use of any building or
26 property owned or leased by it or any part thereof, or facility

1 therein.

2 (h) Accept grants, guarantees and donations of property,
3 labor, or other things of value from a public or private source
4 for use within a project redevelopment area.

5 (i) Acquire and construct public facilities within a
6 redevelopment project area, as permitted under this Act.

7 (j) Incur project redevelopment costs and reimburse
8 developers who incur redevelopment project costs authorized by
9 a redevelopment agreement; provided, however, that on and after
10 the effective date of this amendatory Act of the 91st General
11 Assembly, no municipality shall incur redevelopment project
12 costs (except for planning costs and any other eligible costs
13 authorized by municipal ordinance or resolution that are
14 subsequently included in the redevelopment plan for the area
15 and are incurred by the municipality after the ordinance or
16 resolution is adopted) that are not consistent with the program
17 for accomplishing the objectives of the redevelopment plan as
18 included in that plan and approved by the municipality until
19 the municipality has amended the redevelopment plan as provided
20 elsewhere in this Act.

21 (k) Create a commission of not less than 5 or more than 15
22 persons to be appointed by the mayor or president of the
23 municipality with the consent of the majority of the governing
24 board of the municipality. Members of a commission appointed
25 after the effective date of this amendatory Act of 1987 shall
26 be appointed for initial terms of 1, 2, 3, 4 and 5 years,

1 respectively, in such numbers as to provide that the terms of
2 not more than 1/3 of all such members shall expire in any one
3 year. Their successors shall be appointed for a term of 5
4 years. The commission, subject to approval of the corporate
5 authorities may exercise the powers enumerated in this Section.
6 The commission shall also have the power to hold the public
7 hearings required by this division and make recommendations to
8 the corporate authorities concerning the adoption of
9 redevelopment plans, redevelopment projects and designation of
10 redevelopment project areas.

11 (l) Make payment in lieu of taxes or a portion thereof to
12 taxing districts. If payments in lieu of taxes or a portion
13 thereof are made to taxing districts, those payments shall be
14 made to all districts within a project redevelopment area on a
15 basis which is proportional to the current collections of
16 revenue which each taxing district receives from real property
17 in the redevelopment project area.

18 (l-5) Enter into an intergovernmental agreement with one or
19 more affected taxing districts to share in tax proceeds and
20 fees generated from the redevelopment project.

21 (m) Exercise any and all other powers necessary to
22 effectuate the purposes of this Act.

23 (n) If any member of the corporate authority, a member of a
24 commission established pursuant to Section 11-74.4-4(k) of
25 this Act, or an employee or consultant of the municipality
26 involved in the planning and preparation of a redevelopment

1 plan, or project for a redevelopment project area or proposed
2 redevelopment project area, as defined in Sections
3 11-74.4-3(i) through (k) of this Act, owns or controls an
4 interest, direct or indirect, in any property included in any
5 redevelopment area, or proposed redevelopment area, he or she
6 shall disclose the same in writing to the clerk of the
7 municipality, and shall also so disclose the dates and terms
8 and conditions of any disposition of any such interest, which
9 disclosures shall be acknowledged by the corporate authorities
10 and entered upon the minute books of the corporate authorities.
11 If an individual holds such an interest then that individual
12 shall refrain from any further official involvement in regard
13 to such redevelopment plan, project or area, from voting on any
14 matter pertaining to such redevelopment plan, project or area,
15 or communicating with other members concerning corporate
16 authorities, commission or employees concerning any matter
17 pertaining to said redevelopment plan, project or area.
18 Furthermore, no such member or employee shall acquire of any
19 interest direct, or indirect, in any property in a
20 redevelopment area or proposed redevelopment area after either
21 (a) such individual obtains knowledge of such plan, project or
22 area or (b) first public notice of such plan, project or area
23 pursuant to Section 11-74.4-6 of this Division, whichever
24 occurs first. For the purposes of this subsection, a property
25 interest acquired in a single parcel of property by a member of
26 the corporate authority, which property is used exclusively as

1 the member's primary residence, shall not be deemed to
2 constitute an interest in any property included in a
3 redevelopment area or proposed redevelopment area that was
4 established before December 31, 1989, but the member must
5 disclose the acquisition to the municipal clerk under the
6 provisions of this subsection. A single property interest
7 acquired within one year after the effective date of this
8 amendatory Act of the 94th General Assembly or 2 years after
9 the effective date of this amendatory Act of the 95th General
10 Assembly by a member of the corporate authority does not
11 constitute an interest in any property included in any
12 redevelopment area or proposed redevelopment area, regardless
13 of when the redevelopment area was established, if (i) the
14 property is used exclusively as the member's primary residence,
15 (ii) the member discloses the acquisition to the municipal
16 clerk under the provisions of this subsection, (iii) the
17 acquisition is for fair market value, (iv) the member acquires
18 the property as a result of the property being publicly
19 advertised for sale, and (v) the member refrains from voting
20 on, and communicating with other members concerning, any matter
21 when the benefits to the redevelopment project or area would be
22 significantly greater than the benefits to the municipality as
23 a whole. For the purposes of this subsection, a month-to-month
24 leasehold interest in a single parcel of property by a member
25 of the corporate authority shall not be deemed to constitute an
26 interest in any property included in any redevelopment area or

1 proposed redevelopment area, but the member must disclose the
2 interest to the municipal clerk under the provisions of this
3 subsection.

4 (o) Create a Tax Increment Economic Development Advisory
5 Committee to be appointed by the Mayor or President of the
6 municipality with the consent of the majority of the governing
7 board of the municipality, the members of which Committee shall
8 be appointed for initial terms of 1, 2, 3, 4 and 5 years
9 respectively, in such numbers as to provide that the terms of
10 not more than 1/3 of all such members shall expire in any one
11 year. Their successors shall be appointed for a term of 5
12 years. The Committee shall have none of the powers enumerated
13 in this Section. The Committee shall serve in an advisory
14 capacity only. The Committee may advise the governing Board of
15 the municipality and other municipal officials regarding
16 development issues and opportunities within the redevelopment
17 project area or the area within the State Sales Tax Boundary.
18 The Committee may also promote and publicize development
19 opportunities in the redevelopment project area or the area
20 within the State Sales Tax Boundary.

21 (p) Municipalities may jointly undertake and perform
22 redevelopment plans and projects and utilize the provisions of
23 the Act wherever they have contiguous redevelopment project
24 areas or they determine to adopt tax increment financing with
25 respect to a redevelopment project area which includes
26 contiguous real property within the boundaries of the

1 municipalities, and in doing so, they may, by agreement between
2 municipalities, issue obligations, separately or jointly, and
3 expend revenues received under the Act for eligible expenses
4 anywhere within contiguous redevelopment project areas or as
5 otherwise permitted in the Act.

6 (q) Utilize revenues, other than State sales tax increment
7 revenues, received under this Act from one redevelopment
8 project area for eligible costs in another redevelopment
9 project area that is:

10 (i) contiguous to the redevelopment project area from
11 which the revenues are received;

12 (ii) separated only by a public right of way from the
13 redevelopment project area from which the revenues are
14 received; or

15 (iii) separated only by forest preserve property from
16 the redevelopment project area from which the revenues are
17 received if the closest boundaries of the redevelopment
18 project areas that are separated by the forest preserve
19 property are less than one mile apart.

20 Utilize tax increment revenues for eligible costs that are
21 received from a redevelopment project area created under the
22 Industrial Jobs Recovery Law that is either contiguous to, or
23 is separated only by a public right of way from, the
24 redevelopment project area created under this Act which
25 initially receives these revenues. Utilize revenues, other
26 than State sales tax increment revenues, by transferring or

1 loaning such revenues to a redevelopment project area created
2 under the Industrial Jobs Recovery Law that is either
3 contiguous to, or separated only by a public right of way from
4 the redevelopment project area that initially produced and
5 received those revenues; and, if the redevelopment project area
6 (i) was established before the effective date of this
7 amendatory Act of the 91st General Assembly and (ii) is located
8 within a municipality with a population of more than 100,000,
9 utilize revenues or proceeds of obligations authorized by
10 Section 11-74.4-7 of this Act, other than use or occupation tax
11 revenues, to pay for any redevelopment project costs as defined
12 by subsection (q) of Section 11-74.4-3 to the extent that the
13 redevelopment project costs involve public property that is
14 either contiguous to, or separated only by a public right of
15 way from, a redevelopment project area whether or not
16 redevelopment project costs or the source of payment for the
17 costs are specifically set forth in the redevelopment plan for
18 the redevelopment project area.

19 (r) If no redevelopment project has been initiated in a
20 redevelopment project area within 7 years after the area was
21 designated by ordinance under subsection (a), the municipality
22 shall adopt an ordinance repealing the area's designation as a
23 redevelopment project area; provided, however, that if an area
24 received its designation more than 3 years before the effective
25 date of this amendatory Act of 1994 and no redevelopment
26 project has been initiated within 4 years after the effective

1 date of this amendatory Act of 1994, the municipality shall
2 adopt an ordinance repealing its designation as a redevelopment
3 project area. Initiation of a redevelopment project shall be
4 evidenced by either a signed redevelopment agreement or
5 expenditures on eligible redevelopment project costs
6 associated with a redevelopment project.

7 (Source: P.A. 94-1013, eff. 1-1-07; 95-1054, eff. 1-1-10;
8 revised 9-16-10.)

9 (65 ILCS 5/11-74.4-5.1 new)

10 Sec. 11-74.4-5.1. County board approval. Prior to the
11 designation of any redevelopment project area, any taxing
12 district with boundaries that overlap the proposed
13 redevelopment project area may elect to opt out of the proposed
14 designation. Such an election shall be filed with the county
15 clerk of each county in which the redevelopment project area is
16 located. On and after the effective date of this amendatory Act
17 of the 97th General Assembly, all redevelopment project areas
18 must be approved by a majority vote of each county board and
19 the governing authorities of all other taxing districts with
20 boundaries that overlap the proposed redevelopment project
21 area that have not elected to opt out under this Section.

22 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

23 Sec. 11-74.4-7. Obligations secured by the special tax
24 allocation fund set forth in Section 11-74.4-8 for the

1 redevelopment project area may be issued to provide for
2 redevelopment project costs. Such obligations, when so issued,
3 shall be retired in the manner provided in the ordinance
4 authorizing the issuance of such obligations by the receipts of
5 taxes levied as specified in Section 11-74.4-9 against the
6 taxable property included in the area, by revenues as specified
7 by Section 11-74.4-8a and other revenue designated by the
8 municipality. A municipality may in the ordinance pledge all or
9 any part of the funds in and to be deposited in the special tax
10 allocation fund created pursuant to Section 11-74.4-8 to the
11 payment of the redevelopment project costs and obligations. Any
12 pledge of funds in the special tax allocation fund shall
13 provide for distribution to the taxing districts and to the
14 Illinois Department of Revenue of moneys not required, pledged,
15 earmarked, or otherwise designated for payment and securing of
16 the obligations and anticipated redevelopment project costs
17 and such excess funds shall be calculated annually and deemed
18 to be "surplus" funds. In the event a municipality only applies
19 or pledges a portion of the funds in the special tax allocation
20 fund for the payment or securing of anticipated redevelopment
21 project costs or of obligations, any such funds remaining in
22 the special tax allocation fund after complying with the
23 requirements of the application or pledge, shall also be
24 calculated annually and deemed "surplus" funds.
25 Notwithstanding the foregoing, after the effective date of this
26 amendatory Act of the 97th General Assembly, all accumulated

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

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

1 municipality; (c) the full faith and credit of the
2 municipality; (d) a mortgage on part or all of the
3 redevelopment project; or (e) any other taxes or anticipated
4 receipts that the municipality may lawfully pledge.

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

20 In the event the municipality authorizes issuance of
21 obligations pursuant to the authority of this Division secured
22 by the full faith and credit of the municipality, which
23 obligations are other than obligations which may be issued
24 under home rule powers provided by Article VII, Section 6 of
25 the Illinois Constitution, or pledges taxes pursuant to (b) or
26 (c) of the second paragraph of this section, the ordinance

1 authorizing the issuance of such obligations or pledging such
2 taxes shall be published within 10 days after such ordinance
3 has been passed in one or more newspapers, with general
4 circulation within such municipality. The publication of the
5 ordinance shall be accompanied by a notice of (1) the specific
6 number of voters required to sign a petition requesting the
7 question of the issuance of such obligations or pledging taxes
8 to be submitted to the electors; (2) the time in which such
9 petition must be filed; and (3) the date of the prospective
10 referendum. The municipal clerk shall provide a petition form
11 to any individual requesting one.

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

1 such petition is filed, shall submit the question at the next
2 general, State or municipal election. If it appears upon the
3 canvass of the election by the corporate authorities that a
4 majority of electors voting upon the question voted in favor
5 thereof, the ordinance shall be in effect, but if a majority of
6 the electors voting upon the question are not in favor thereof,
7 the ordinance shall not take effect.

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

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

25 A certified copy of such ordinance shall be filed with the
26 county clerk of each county in which any portion of the

1 municipality is situated, and shall constitute the authority
2 for the extension and collection of the taxes to be deposited
3 in the special tax allocation fund.

4 A municipality may also issue its obligations to refund in
5 whole or in part, obligations theretofore issued by such
6 municipality under the authority of this Act, whether at or
7 prior to maturity, provided however, that the last maturity of
8 the refunding obligations may not be later than the dates set
9 forth under Section 11-74.4-3.5.

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

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

22 (Source: P.A. 95-15, eff. 7-16-07; 95-164, eff. 1-1-08; 95-331,
23 eff. 8-21-07; 95-346, eff. 8-21-07; 95-459, eff. 8-27-07;
24 95-653, eff. 1-1-08; 95-662, eff. 10-11-07; 95-683, eff.
25 10-19-07; 95-709, eff. 1-29-08; 95-876, eff. 8-21-08; 95-932,
26 eff. 8-26-08; 95-964, eff. 9-23-08; 95-977, eff. 9-22-08;

1 95-1028, eff. 8-25-09 (see Section 5 of P.A. 96-717 for the
2 effective date of changes made by P.A. 95-1028); 96-328, eff.
3 8-11-09; 96-1000, eff. 7-2-10.)

4 (65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

5 Sec. 11-74.4-8. Tax increment allocation financing. A
6 municipality may not adopt tax increment financing in a
7 redevelopment project area after the effective date of this
8 amendatory Act of 1997 that will encompass an area that is
9 currently included in an enterprise zone created under the
10 Illinois Enterprise Zone Act unless that municipality,
11 pursuant to Section 5.4 of the Illinois Enterprise Zone Act,
12 amends the enterprise zone designating ordinance to limit the
13 eligibility for tax abatements as provided in Section 5.4.1 of
14 the Illinois Enterprise Zone Act. A municipality, at the time a
15 redevelopment project area is designated, may adopt tax
16 increment allocation financing by passing an ordinance
17 providing that the ad valorem taxes, if any, arising from the
18 levies upon taxable real property in such redevelopment project
19 area by taxing districts and tax rates determined in the manner
20 provided in paragraph (c) of Section 11-74.4-9 each year after
21 the effective date of the ordinance until redevelopment project
22 costs and all municipal obligations financing redevelopment
23 project costs incurred under this Division have been paid shall
24 be divided as follows:

25 (a) That portion of taxes levied upon each taxable lot,

1 block, tract or parcel of real property which is attributable
2 to the lower of the current equalized assessed value or the
3 initial equalized assessed value of each such taxable lot,
4 block, tract or parcel of real property in the redevelopment
5 project area shall be allocated to and when collected shall be
6 paid by the county collector to the respective affected taxing
7 districts in the manner required by law in the absence of the
8 adoption of tax increment allocation financing.

9 (a-5) That portion of taxes levied upon each taxable lot,
10 block, tract or parcel of real property by a taxing district
11 that has opted out of the redevelopment project area under
12 Section 11-74.4-5.1 shall be allocated to and when collected
13 shall be paid by the county collector to the that taxing
14 district in the manner required by law in the absence of the
15 adoption of tax increment allocation financing.

16 (b) Except from a tax levied by a township to retire bonds
17 issued to satisfy court-ordered damages, that portion, if any,
18 of such taxes which is attributable to the increase in the
19 current equalized assessed valuation of each taxable lot,
20 block, tract or parcel of real property in the redevelopment
21 project area over and above the initial equalized assessed
22 value of each property in the project area shall be allocated
23 to and when collected shall be paid to the municipal treasurer
24 who shall deposit said taxes into a special fund called the
25 special tax allocation fund of the municipality for the purpose
26 of paying redevelopment project costs and obligations incurred

1 in the payment thereof. In any county with a population of
2 3,000,000 or more that has adopted a procedure for collecting
3 taxes that provides for one or more of the installments of the
4 taxes to be billed and collected on an estimated basis, the
5 municipal treasurer shall be paid for deposit in the special
6 tax allocation fund of the municipality, from the taxes
7 collected from estimated bills issued for property in the
8 redevelopment project area, the difference between the amount
9 actually collected from each taxable lot, block, tract, or
10 parcel of real property within the redevelopment project area
11 and an amount determined by multiplying the rate at which taxes
12 were last extended against the taxable lot, block, track, or
13 parcel of real property in the manner provided in subsection
14 (c) of Section 11-74.4-9 by the initial equalized assessed
15 value of the property divided by the number of installments in
16 which real estate taxes are billed and collected within the
17 county; provided that the payments on or before December 31,
18 1999 to a municipal treasurer shall be made only if each of the
19 following conditions are met:

20 (1) The total equalized assessed value of the
21 redevelopment project area as last determined was not less
22 than 175% of the total initial equalized assessed value.

23 (2) Not more than 50% of the total equalized assessed
24 value of the redevelopment project area as last determined
25 is attributable to a piece of property assigned a single
26 real estate index number.

1 (3) The municipal clerk has certified to the county
2 clerk that the municipality has issued its obligations to
3 which there has been pledged the incremental property taxes
4 of the redevelopment project area or taxes levied and
5 collected on any or all property in the municipality or the
6 full faith and credit of the municipality to pay or secure
7 payment for all or a portion of the redevelopment project
8 costs. The certification shall be filed annually no later
9 than September 1 for the estimated taxes to be distributed
10 in the following year; however, for the year 1992 the
11 certification shall be made at any time on or before March
12 31, 1992.

13 (4) The municipality has not requested that the total
14 initial equalized assessed value of real property be
15 adjusted as provided in subsection (b) of Section
16 11-74.4-9.

17 The conditions of paragraphs (1) through (4) do not apply
18 after December 31, 1999 to payments to a municipal treasurer
19 made by a county with 3,000,000 or more inhabitants that has
20 adopted an estimated billing procedure for collecting taxes. If
21 a county that has adopted the estimated billing procedure makes
22 an erroneous overpayment of tax revenue to the municipal
23 treasurer, then the county may seek a refund of that
24 overpayment. The county shall send the municipal treasurer a
25 notice of liability for the overpayment on or before the
26 mailing date of the next real estate tax bill within the

1 county. The refund shall be limited to the amount of the
2 overpayment.

3 It is the intent of this Division that after the effective
4 date of this amendatory Act of 1988 a municipality's own ad
5 valorem tax arising from levies on taxable real property be
6 included in the determination of incremental revenue in the
7 manner provided in paragraph (c) of Section 11-74.4-9. If the
8 municipality does not extend such a tax, it shall annually
9 deposit in the municipality's Special Tax Increment Fund an
10 amount equal to 10% of the total contributions to the fund from
11 all other taxing districts in that year. The annual 10% deposit
12 required by this paragraph shall be limited to the actual
13 amount of municipally produced incremental tax revenues
14 available to the municipality from taxpayers located in the
15 redevelopment project area in that year if: (a) the plan for
16 the area restricts the use of the property primarily to
17 industrial purposes, (b) the municipality establishing the
18 redevelopment project area is a home-rule community with a 1990
19 population of between 25,000 and 50,000, (c) the municipality
20 is wholly located within a county with a 1990 population of
21 over 750,000 and (d) the redevelopment project area was
22 established by the municipality prior to June 1, 1990. This
23 payment shall be in lieu of a contribution of ad valorem taxes
24 on real property. If no such payment is made, any redevelopment
25 project area of the municipality shall be dissolved.

26 If a municipality has adopted tax increment allocation

1 financing by ordinance and the County Clerk thereafter
2 certifies the "total initial equalized assessed value as
3 adjusted" of the taxable real property within such
4 redevelopment project area in the manner provided in paragraph
5 (b) of Section 11-74.4-9, each year after the date of the
6 certification of the total initial equalized assessed value as
7 adjusted until redevelopment project costs and all municipal
8 obligations financing redevelopment project costs have been
9 paid the ad valorem taxes, if any, arising from the levies upon
10 the taxable real property in such redevelopment project area by
11 taxing districts and tax rates determined in the manner
12 provided in paragraph (c) of Section 11-74.4-9 shall be divided
13 as follows:

14 (1) That portion of the taxes levied upon each taxable
15 lot, block, tract or parcel of real property which is
16 attributable to the lower of the current equalized assessed
17 value or "current equalized assessed value as adjusted" or
18 the initial equalized assessed value of each such taxable
19 lot, block, tract, or parcel of real property existing at
20 the time tax increment financing was adopted, minus the
21 total current homestead exemptions under Article 15 of the
22 Property Tax Code in the redevelopment project area shall
23 be allocated to and when collected shall be paid by the
24 county collector to the respective affected taxing
25 districts in the manner required by law in the absence of
26 the adoption of tax increment allocation financing.

1 (2) That portion, if any, of such taxes which is
2 attributable to the increase in the current equalized
3 assessed valuation of each taxable lot, block, tract, or
4 parcel of real property in the redevelopment project area,
5 over and above the initial equalized assessed value of each
6 property existing at the time tax increment financing was
7 adopted, minus the total current homestead exemptions
8 pertaining to each piece of property provided by Article 15
9 of the Property Tax Code in the redevelopment project area,
10 shall be allocated to and when collected shall be paid to
11 the municipal Treasurer, who shall deposit said taxes into
12 a special fund called the special tax allocation fund of
13 the municipality for the purpose of paying redevelopment
14 project costs and obligations incurred in the payment
15 thereof.

16 The municipality may pledge in the ordinance the funds in
17 and to be deposited in the special tax allocation fund for the
18 payment of such costs and obligations. No part of the current
19 equalized assessed valuation of each property in the
20 redevelopment project area attributable to any increase above
21 the total initial equalized assessed value, or the total
22 initial equalized assessed value as adjusted, of such
23 properties shall be used in calculating the general State
24 school aid formula, provided for in Section 18-8 of the School
25 Code, until such time as all redevelopment project costs have
26 been paid as provided for in this Section.

1 Whenever a municipality issues bonds for the purpose of
2 financing redevelopment project costs, such municipality may
3 provide by ordinance for the appointment of a trustee, which
4 may be any trust company within the State, and for the
5 establishment of such funds or accounts to be maintained by
6 such trustee as the municipality shall deem necessary to
7 provide for the security and payment of the bonds. If such
8 municipality provides for the appointment of a trustee, such
9 trustee shall be considered the assignee of any payments
10 assigned by the municipality pursuant to such ordinance and
11 this Section. Any amounts paid to such trustee as assignee
12 shall be deposited in the funds or accounts established
13 pursuant to such trust agreement, and shall be held by such
14 trustee in trust for the benefit of the holders of the bonds,
15 and such holders shall have a lien on and a security interest
16 in such funds or accounts so long as the bonds remain
17 outstanding and unpaid. Upon retirement of the bonds, the
18 trustee shall pay over any excess amounts held to the
19 municipality for deposit in the special tax allocation fund.

20 When such redevelopment projects costs, including without
21 limitation all municipal obligations financing redevelopment
22 project costs incurred under this Division, have been paid, all
23 surplus funds then remaining in the special tax allocation fund
24 shall be distributed by being paid by the municipal treasurer
25 to the Department of Revenue, the municipality and the county
26 collector; first to the Department of Revenue and the

1 municipality in direct proportion to the tax incremental
2 revenue received from the State and the municipality, but not
3 to exceed the total incremental revenue received from the State
4 or the municipality less any annual surplus distribution of
5 incremental revenue previously made; with any remaining funds
6 to be paid to the County Collector who shall immediately
7 thereafter pay said funds to the taxing districts in the
8 redevelopment project area in the same manner and proportion as
9 the most recent distribution by the county collector to the
10 affected districts of real property taxes from real property in
11 the redevelopment project area.

12 Upon the payment of all redevelopment project costs, the
13 retirement of obligations, the distribution of any excess
14 monies pursuant to this Section, and final closing of the books
15 and records of the redevelopment project area, the municipality
16 shall adopt an ordinance dissolving the special tax allocation
17 fund for the redevelopment project area and terminating the
18 designation of the redevelopment project area as a
19 redevelopment project area. Title to real or personal property
20 and public improvements acquired by or for the municipality as
21 a result of the redevelopment project and plan shall vest in
22 the municipality when acquired and shall continue to be held by
23 the municipality after the redevelopment project area has been
24 terminated. Municipalities shall notify affected taxing
25 districts prior to November 1 if the redevelopment project area
26 is to be terminated by December 31 of that same year. If a

1 municipality extends estimated dates of completion of a
2 redevelopment project and retirement of obligations to finance
3 a redevelopment project, as allowed by this amendatory Act of
4 1993, that extension shall not extend the property tax
5 increment allocation financing authorized by this Section.
6 Thereafter the rates of the taxing districts shall be extended
7 and taxes levied, collected and distributed in the manner
8 applicable in the absence of the adoption of tax increment
9 allocation financing.

10 Nothing in this Section shall be construed as relieving
11 property in such redevelopment project areas from being
12 assessed as provided in the Property Tax Code or as relieving
13 owners of such property from paying a uniform rate of taxes, as
14 required by Section 4 of Article 9 of the Illinois
15 Constitution.

16 (Source: P.A. 95-644, eff. 10-12-07.)

17 (65 ILCS 5/11-74.4-9) (from Ch. 24, par. 11-74.4-9)

18 Sec. 11-74.4-9. Equalized assessed value of property.

19 (a) If a municipality by ordinance provides for tax
20 increment allocation financing pursuant to Section 11-74.4-8,
21 the county clerk immediately thereafter shall determine (1) the
22 most recently ascertained equalized assessed value of each lot,
23 block, tract or parcel of real property within such
24 redevelopment project area from which shall be deducted the
25 homestead exemptions under Article 15 of the Property Tax Code,

1 which value shall be the "initial equalized assessed value" of
2 each such piece of property, and (2) the total equalized
3 assessed value of all taxable real property within such
4 redevelopment project area by adding together the most recently
5 ascertained equalized assessed value of each taxable lot,
6 block, tract, or parcel of real property within such project
7 area, from which shall be deducted the homestead exemptions
8 provided by Sections 15-170, 15-175, and 15-176 of the Property
9 Tax Code, and shall certify such amount as the "total initial
10 equalized assessed value" of the taxable real property within
11 such project area.

12 (b) In reference to any municipality which has adopted tax
13 increment financing after January 1, 1978, and in respect to
14 which the county clerk has certified the "total initial
15 equalized assessed value" of the property in the redevelopment
16 area, the municipality may thereafter request the clerk in
17 writing to adjust the initial equalized value of all taxable
18 real property within the redevelopment project area by
19 deducting therefrom the exemptions under Article 15 of the
20 Property Tax Code applicable to each lot, block, tract or
21 parcel of real property within such redevelopment project area.
22 The county clerk shall immediately after the written request to
23 adjust the total initial equalized value is received determine
24 the total homestead exemptions in the redevelopment project
25 area provided by Sections 15-170, 15-175, and 15-176 of the
26 Property Tax Code by adding together the homestead exemptions

1 provided by said Sections on each lot, block, tract or parcel
2 of real property within such redevelopment project area and
3 then shall deduct the total of said exemptions from the total
4 initial equalized assessed value. The county clerk shall then
5 promptly certify such amount as the "total initial equalized
6 assessed value as adjusted" of the taxable real property within
7 such redevelopment project area.

8 (c) After the county clerk has certified the "total initial
9 equalized assessed value" of the taxable real property in such
10 area, then in respect to every taxing district containing a
11 redevelopment project area, the county clerk or any other
12 official required by law to ascertain the amount of the
13 equalized assessed value of all taxable property within such
14 district for the purpose of computing the rate per cent of tax
15 to be extended upon taxable property within such district,
16 shall in every year that tax increment allocation financing is
17 in effect ascertain the amount of value of taxable property in
18 a redevelopment project area by including in such amount the
19 lower of the current equalized assessed value or the certified
20 "total initial equalized assessed value" of all taxable real
21 property in such area, except that after he has certified the
22 "total initial equalized assessed value as adjusted" he shall
23 in the year of said certification if tax rates have not been
24 extended and in every year thereafter that tax increment
25 allocation financing is in effect ascertain the amount of value
26 of taxable property in a redevelopment project area by

1 including in such amount the lower of the current equalized
2 assessed value or the certified "total initial equalized
3 assessed value as adjusted" of all taxable real property in
4 such area. The rate per cent of tax determined shall be
5 extended to the current equalized assessed value of all
6 property in the redevelopment project area in the same manner
7 as the rate per cent of tax is extended to all other taxable
8 property in the taxing district. The method of extending taxes
9 established under this Section shall terminate when the
10 municipality adopts an ordinance dissolving the special tax
11 allocation fund for the redevelopment project area. This
12 Division shall not be construed as relieving property owners
13 within a redevelopment project area from paying a uniform rate
14 of taxes upon the current equalized assessed value of their
15 taxable property as provided in the Property Tax Code.

16 (d) Beginning January 1, 2012, each year, the initial
17 equalized assessed value must be increased over the initial
18 equalized assessed value of the previous year by the annual
19 rate of increase, for the previous calendar year, of the
20 Consumer Price Index for All Urban Consumers for all items,
21 published by the United States Bureau of Labor Statistics.

22 (Source: P.A. 95-644, eff. 10-12-07.)

23 Section 35. The Economic Development Project Area Tax
24 Increment Allocation Act of 1995 is amended by changing Section
25 45 as follows:

1 (65 ILCS 110/45)

2 Sec. 45. Filing with county clerk; certification of initial
3 equalized assessed value.

4 (a) A municipality that has by ordinance approved an
5 economic development plan, established an economic development
6 project area, and adopted tax increment allocation financing
7 for that area shall file certified copies of the ordinance or
8 ordinances with the county clerk. Upon receiving the ordinance
9 or ordinances, the county clerk shall immediately determine (i)
10 the most recently ascertained equalized assessed value of each
11 lot, block, tract, or parcel of real property within the
12 economic development project area from which shall be deducted
13 the homestead exemptions under Article 15 of the Property Tax
14 Code (that value being the "initial equalized assessed value"
15 of each such piece of property) and (ii) the total equalized
16 assessed value of all taxable real property within the economic
17 development project area by adding together the most recently
18 ascertained equalized assessed value of each taxable lot,
19 block, tract, or parcel of real property within the economic
20 development project area, from which shall be deducted the
21 homestead exemptions provided by Sections 15-170, 15-175, and
22 15-176 of the Property Tax Code, and shall certify that amount
23 as the "total initial equalized assessed value" of the taxable
24 real property within the economic development project area.

25 (b) After the county clerk has certified the "total initial

1 equalized assessed value" of the taxable real property in the
2 economic development project area, then in respect to every
3 taxing district containing an economic development project
4 area, the county clerk or any other official required by law to
5 ascertain the amount of the equalized assessed value of all
6 taxable property within the taxing district for the purpose of
7 computing the rate per cent of tax to be extended upon taxable
8 property within the taxing district shall, in every year that
9 tax increment allocation financing is in effect, ascertain the
10 amount of value of taxable property in an economic development
11 project area by including in that amount the lower of the
12 current equalized assessed value or the certified "total
13 initial equalized assessed value" of all taxable real property
14 in the area. The rate per cent of tax determined shall be
15 extended to the current equalized assessed value of all
16 property in the economic development project area in the same
17 manner as the rate per cent of tax is extended to all other
18 taxable property in the taxing district. The method of
19 extending taxes established under this Section shall terminate
20 when the municipality adopts an ordinance dissolving the
21 special tax allocation fund for the economic development
22 project area. This Act shall not be construed as relieving
23 owners or lessees of property within an economic development
24 project area from paying a uniform rate of taxes upon the
25 current equalized assessed value of their taxable property as
26 provided in the Property Tax Code.

1 (c) Beginning January 1, 2012, each year, the initial
2 equalized assessed value must be increased over the initial
3 equalized assessed value of the previous year by the annual
4 rate of increase, for the previous calendar year, of the
5 Consumer Price Index for All Urban Consumers for all items,
6 published by the United States Bureau of Labor Statistics.

7 (Source: P.A. 95-644, eff. 10-12-07.)

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.

1	INDEX	
2	Statutes amended in order of appearance	
3	5 ILCS 220/6.5 new	
4	20 ILCS 620/6	from Ch. 67 1/2, par. 1006
5	35 ILCS 200/20-15	
6	55 ILCS 85/6	from Ch. 34, par. 7006
7	55 ILCS 90/45	from Ch. 34, par. 8045
8	65 ILCS 5/11-74.4-3	from Ch. 24, par. 11-74.4-3
9	65 ILCS 5/11-74.4-4	from Ch. 24, par. 11-74.4-4
10	65 ILCS 5/11-74.4-5.1 new	
11	65 ILCS 5/11-74.4-7	from Ch. 24, par. 11-74.4-7
12	65 ILCS 5/11-74.4-8	from Ch. 24, par. 11-74.4-8
13	65 ILCS 5/11-74.4-9	from Ch. 24, par. 11-74.4-9
14	65 ILCS 110/45	