

1 AN ACT concerning taxation.

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

4 Section 5. The Illinois Municipal Code is amended by
5 changing Sections 8-11-20, 11-74.4-3, 11-74.4-4.1, 11-74.4-5,
6 11-74.4-7, and 11-74.4-8a as follows:

7 (65 ILCS 5/8-11-20)

8 Sec. 8-11-20. Economic incentive agreements. The
9 corporate authorities of a municipality may enter into an
10 economic incentive agreement relating to the development or
11 redevelopment of land within the corporate limits of the
12 municipality. Under this agreement, the municipality may
13 agree to share or rebate a portion of any retailers'
14 occupation taxes received by the municipality that were
15 generated by the development or redevelopment over a finite
16 period of time. Before entering into the agreement
17 authorized by this Section, the corporate authorities shall
18 make the following findings:

19 (1) If the property subject to the agreement is vacant:

20 (A) that the property has remained vacant for at
21 least one year, or

22 (B) that any building located on the property was
23 demolished within the last year and that the building
24 would have qualified under finding (2) of this Section;

25 (2) If the property subject to the agreement is
26 currently developed:

27 (A) that the buildings on the property no longer
28 comply with current building codes, or

29 (B) that the buildings on the property have
30 remained less than significantly unoccupied or
31 underutilized for a period of at least one year;

1 (3) That the project is expected to create or retain job
2 opportunities within the municipality;

3 (4) That the project will serve to further the
4 development of adjacent areas;

5 (5) That without the agreement, the project would not be
6 possible;

7 (6) That the developer meets high standards of
8 creditworthiness and financial strength as demonstrated by
9 one or more of the following:

10 (A) corporate debenture ratings of BBB or higher by
11 Standard & Poor's Corporation or Baa or higher by Moody's
12 Investors Service, Inc.;

13 (B) a letter from a financial institution with
14 assets of \$10,000,000 or more attesting to the financial
15 strength of the developer; or

16 (C) specific evidence of equity financing for not
17 less than 10% of the total project costs;

18 (7) That the project will strengthen the commercial
19 sector of the municipality;

20 (8) That the project will enhance the tax base of the
21 municipality; and

22 (9) That the agreement is made in the best interest of
23 the municipality.

24 (Source: P.A. 89-63, eff. 6-30-95.)

25 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)
26 Sec. 11-74.4-3. Definitions. The following terms,
27 wherever used or referred to in this Division 74.4 shall have
28 the following respective meanings, unless in any case a
29 different meaning clearly appears from the context.

30 (a) For any redevelopment project area that has been
31 designated pursuant to this Section by an ordinance adopted
32 prior to November 1, 1999 (the effective date of Public Act
33 91-478), "blighted area" shall have the meaning set forth in

1 this Section prior to that date.

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

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

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

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

26 (C) Deterioration. With respect to buildings,
27 defects including, but not limited to, major defects
28 in the secondary building components such as doors,
29 windows, porches, gutters and downspouts, and
30 fascia. With respect to surface improvements, that
31 the condition of roadways, alleys, curbs, gutters,
32 sidewalks, off-street parking, and surface storage
33 areas evidence deterioration, including, but not
34 limited to, surface cracking, crumbling, potholes,

1 depressions, loose paving material, and weeds
2 protruding through paved surfaces.

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

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

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

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

34 (H) Inadequate utilities. Underground and

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

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

30 (J) Deleterious land use or layout. The
31 existence of incompatible land-use relationships,
32 buildings occupied by inappropriate mixed-uses, or
33 uses considered to be noxious, offensive, or
34 unsuitable for the surrounding area.

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

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

28 (M) The total equalized assessed value of the
29 proposed redevelopment project area has declined for
30 3 of the last 5 calendar years prior to the year in
31 which the redevelopment project area is designated
32 or is increasing at an annual rate that is less than
33 the balance of the municipality for 3 of the last 5
34 calendar years for which information is available or

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

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

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

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

29 (C) Tax and special assessment delinquencies
 30 exist or the property has been the subject of tax
 31 sales under the Property Tax Code within the last 5
 32 years.

33 (D) Deterioration of structures or site
 34 improvements in neighboring areas adjacent to the

1 vacant land.

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

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

27 (3) If vacant, the sound growth of the
28 redevelopment project area is impaired by one of the
29 following factors that (i) is present, with that presence
30 documented, to a meaningful extent so that a municipality
31 may reasonably find that the factor is clearly present
32 within the intent of the Act and (ii) is reasonably
33 distributed throughout the vacant part of the
34 redevelopment project area to which it pertains:

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

3 (B) The area consists of unused railyards,
4 rail tracks, or railroad rights-of-way.

5 (C) The area, prior to its designation, is
6 subject to chronic flooding that adversely impacts
7 on real property in the area as certified by a
8 registered professional engineer or appropriate
9 regulatory agency.

10 (D) The area consists of an unused or illegal
11 disposal site containing earth, stone, building
12 debris, or similar materials that were removed from
13 construction, demolition, excavation, or dredge
14 sites.

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

27 (F) The area qualified as a blighted improved
28 area immediately prior to becoming vacant, unless
29 there has been substantial private investment in the
30 immediately surrounding area.

31 (b) For any redevelopment project area that has been
32 designated pursuant to this Section by an ordinance adopted
33 prior to November 1, 1999 (the effective date of Public Act
34 91-478), "conservation area" shall have the meaning set forth

1 in this Section prior to that date.

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

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

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

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

31 (4) Presence of structures below minimum code
32 standards. All structures that do not meet the standards
33 of zoning, subdivision, building, fire, and other
34 governmental codes applicable to property, but not

1 including housing and property maintenance codes.

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

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

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

24 (8) Inadequate utilities. Underground and overhead
25 utilities such as storm sewers and storm drainage,
26 sanitary sewers, water lines, and gas, telephone, and
27 electrical services that are shown to be inadequate.
28 Inadequate utilities are those that are: (i) of
29 insufficient capacity to serve the uses in the
30 redevelopment project area, (ii) deteriorated,
31 antiquated, obsolete, or in disrepair, or (iii) lacking
32 within the redevelopment project area.

33 (9) Excessive land coverage and overcrowding of
34 structures and community facilities. The over-intensive

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

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

23 (11) Lack of community planning. The proposed
24 redevelopment project area was developed prior to or
25 without the benefit or guidance of a community plan. This
26 means that the development occurred prior to the adoption
27 by the municipality of a comprehensive or other community
28 plan or that the plan was not followed at the time of the
29 area's development. This factor must be documented by
30 evidence of adverse or incompatible land-use
31 relationships, inadequate street layout, improper
32 subdivision, parcels of inadequate shape and size to meet
33 contemporary development standards, or other evidence
34 demonstrating an absence of effective community planning.

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

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

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

32 (d) "Industrial park conservation area" means an area
33 within the boundaries of a redevelopment project area located
34 within the territorial limits of a municipality that is a

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

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

22 (f) "Municipality" shall mean a city, village or
23 incorporated town.

24 (g) "Initial Sales Tax Amounts" means the amount of
25 taxes paid under the Retailers' Occupation Tax Act, Use Tax
26 Act, Service Use Tax Act, the Service Occupation Tax Act, the
27 Municipal Retailers' Occupation Tax Act, and the Municipal
28 Service Occupation Tax Act by retailers and servicemen on
29 transactions at places located in a State Sales Tax Boundary
30 during the calendar year 1985.

31 (g-1) "Revised Initial Sales Tax Amounts" means the
32 amount of taxes paid under the Retailers' Occupation Tax Act,
33 Use Tax Act, Service Use Tax Act, the Service Occupation Tax
34 Act, the Municipal Retailers' Occupation Tax Act, and the

1 Municipal Service Occupation Tax Act by retailers and
2 servicemen on transactions at places located within the State
3 Sales Tax Boundary revised pursuant to Section 11-74.4-8a(9)
4 of this Act.

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

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

29 (i) "Net State Sales Tax Increment" means the sum of the
30 following: (a) 80% of the first \$100,000 of State Sales Tax
31 Increment annually generated within a State Sales Tax
32 Boundary; (b) 60% of the amount in excess of \$100,000 but not
33 exceeding \$500,000 of State Sales Tax Increment annually
34 generated within a State Sales Tax Boundary; and (c) 40% of

1 all amounts in excess of \$500,000 of State Sales Tax
2 Increment annually generated within a State Sales Tax
3 Boundary. If, however, a municipality established a tax
4 increment financing district in a county with a population in
5 excess of 3,000,000 before January 1, 1986, and the
6 municipality entered into a contract or issued bonds after
7 January 1, 1986, but before December 31, 1986, to finance
8 redevelopment project costs within a State Sales Tax
9 Boundary, then the Net State Sales Tax Increment means, for
10 the fiscal years beginning July 1, 1990, and July 1, 1991,
11 100% of the State Sales Tax Increment annually generated
12 within a State Sales Tax Boundary; and notwithstanding any
13 other provision of this Act, for those fiscal years the
14 Department of Revenue shall distribute to those
15 municipalities 100% of their Net State Sales Tax Increment
16 before any distribution to any other municipality and
17 regardless of whether or not those other municipalities will
18 receive 100% of their Net State Sales Tax Increment. For
19 Fiscal Year 1999, and every year thereafter until the year
20 2007, for any municipality that has not entered into a
21 contract or has not issued bonds prior to June 1, 1988 to
22 finance redevelopment project costs within a State Sales Tax
23 Boundary, the Net State Sales Tax Increment shall be
24 calculated as follows: By multiplying the Net State Sales Tax
25 Increment by 90% in the State Fiscal Year 1999; 80% in the
26 State Fiscal Year 2000; 70% in the State Fiscal Year 2001;
27 60% in the State Fiscal Year 2002; 50% in the State Fiscal
28 Year 2003; 40% in the State Fiscal Year 2004; 30% in the
29 State Fiscal Year 2005; 20% in the State Fiscal Year 2006;
30 and 10% in the State Fiscal Year 2007. No payment shall be
31 made for State Fiscal Year 2008 and thereafter.

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

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

27 (j) "State Utility Tax Increment Amount" means an amount
28 equal to the aggregate increase in State electric and gas tax
29 charges imposed on owners and tenants, other than residential
30 customers, of properties located within the redevelopment
31 project area under Section 9-222 of the Public Utilities Act,
32 over and above the aggregate of such charges as certified by
33 the Department of Revenue and paid by owners and tenants,
34 other than residential customers, of properties within the

1 redevelopment project area during the base year, which shall
2 be the calendar year immediately prior to the year of the
3 adoption of the ordinance authorizing tax increment
4 allocation financing.

5 (k) "Net State Utility Tax Increment" means the sum of
6 the following: (a) 80% of the first \$100,000 of State Utility
7 Tax Increment annually generated by a redevelopment project
8 area; (b) 60% of the amount in excess of \$100,000 but not
9 exceeding \$500,000 of the State Utility Tax Increment
10 annually generated by a redevelopment project area; and (c)
11 40% of all amounts in excess of \$500,000 of State Utility Tax
12 Increment annually generated by a redevelopment project area.
13 For the State Fiscal Year 1999, and every year thereafter
14 until the year 2007, for any municipality that has not
15 entered into a contract or has not issued bonds prior to June
16 1, 1988 to finance redevelopment project costs within a
17 redevelopment project area, the Net State Utility Tax
18 Increment shall be calculated as follows: By multiplying the
19 Net State Utility Tax Increment by 90% in the State Fiscal
20 Year 1999; 80% in the State Fiscal Year 2000; 70% in the
21 State Fiscal Year 2001; 60% in the State Fiscal Year 2002;
22 50% in the State Fiscal Year 2003; 40% in the State Fiscal
23 Year 2004; 30% in the State Fiscal Year 2005; 20% in the
24 State Fiscal Year 2006; and 10% in the State Fiscal Year
25 2007. No payment shall be made for the State Fiscal Year 2008
26 and thereafter.

27 Municipalities that issue bonds in connection with the
28 redevelopment project during the period from June 1, 1988
29 until 3 years after the effective date of this Amendatory Act
30 of 1988 shall receive the Net State Utility Tax Increment,
31 subject to appropriation, for 15 State Fiscal Years after the
32 issuance of such bonds. For the 16th through the 20th State
33 Fiscal Years after issuance of the bonds, the Net State
34 Utility Tax Increment shall be calculated as follows: By

1 multiplying the Net State Utility Tax Increment by 90% in
2 year 16; 80% in year 17; 70% in year 18; 60% in year 19; and
3 50% in year 20. Refunding of any bonds issued prior to June
4 1, 1988, shall not alter the revised Net State Utility Tax
5 Increment payments set forth above.

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

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

22 (n) "Redevelopment plan" means the comprehensive program
23 of the municipality for development or redevelopment intended
24 by the payment of redevelopment project costs to reduce or
25 eliminate those conditions the existence of which qualified
26 the redevelopment project area as a "blighted area" or
27 "conservation area" or combination thereof or "industrial
28 park conservation area," and thereby to enhance the tax bases
29 of the taxing districts which extend into the redevelopment
30 project area. On and after November 1, 1999 (the effective
31 date of Public Act 91-478), no redevelopment plan may be
32 approved or amended that includes the development of vacant
33 land (i) with a golf course and related clubhouse and other
34 facilities or (ii) designated by federal, State, county, or

1 municipal government as public land for outdoor recreational
2 activities or for nature preserves and used for that purpose
3 within 5 years prior to the adoption of the redevelopment
4 plan. For the purpose of this subsection, "recreational
5 activities" is limited to mean camping and hunting. Each
6 redevelopment plan shall set forth in writing the program to
7 be undertaken to accomplish the objectives and shall include
8 but not be limited to:

9 (A) an itemized list of estimated redevelopment
10 project costs;

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

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

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

20 (E) the nature and term of the obligations to be
21 issued;

22 (F) the most recent equalized assessed valuation of
23 the redevelopment project area;

24 (G) an estimate as to the equalized assessed
25 valuation after redevelopment and the general land uses
26 to apply in the redevelopment project area;

27 (H) a commitment to fair employment practices and
28 an affirmative action plan;

29 (I) if it concerns an industrial park conservation
30 area, the plan shall also include a general description
31 of any proposed developer, user and tenant of any
32 property, a description of the type, structure and
33 general character of the facilities to be developed, a
34 description of the type, class and number of new

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

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

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

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

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

31 (3) The redevelopment plan establishes the
32 estimated dates of completion of the redevelopment
33 project and retirement of obligations issued to finance
34 redevelopment project costs. Those dates shall not be

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

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

17 (B) if the ordinance was adopted in December
18 1983, April 1984, July 1985, or December 1989, or

19 (C) if the ordinance was adopted in December
20 1987 and the redevelopment project is located within
21 one mile of Midway Airport, or

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

25 (E) if the municipality is subject to the
26 Local Government Financial Planning and Supervision
27 Act or the Financially Distressed City Law, or

28 (F) if the ordinance was adopted in December
29 1984 by the Village of Rosemont, or

30 (G) if the ordinance was adopted on December
31 31, 1986 by a municipality located in Clinton County
32 for which at least \$250,000 of tax increment bonds
33 were authorized on June 17, 1997, or if the
34 ordinance was adopted on December 31, 1986 by a

1 municipality with a population in 1990 of less than
 2 3,600 that is located in a county with a population
 3 in 1990 of less than 34,000 and for which at least
 4 \$250,000 of tax increment bonds were authorized on
 5 June 17, 1997, or

6 (H) if the ordinance was adopted on October 5,
 7 1982 by the City of Kankakee, or if the ordinance
 8 was adopted on December 29, 1986 by East St. Louis,
 9 or

10 (I) if the ordinance was adopted on November
 11 12, 1991 by the Village of Sauget, or

12 (J) if the ordinance was adopted on February
 13 11, 1985 by the City of Rock Island, or

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

16 (L) if the ordinance was adopted in September
 17 1988 by Sauk Village, or

18 (M) if the ordinance was adopted in October
 19 1993 by Sauk Village, or

20 (N) if the ordinance was adopted on December
 21 29, 1986 by the City of Galva, or

22 (O) if the ordinance was adopted in March 1991
 23 by the City of Centreville.

24 However, for redevelopment project areas for which
 25 bonds were issued before July 29, 1991, or for which
 26 contracts were entered into before June 1, 1988, in
 27 connection with a redevelopment project in the area
 28 within the State Sales Tax Boundary, the estimated dates
 29 of completion of the redevelopment project and retirement
 30 of obligations to finance redevelopment project costs may
 31 be extended by municipal ordinance to December 31, 2013.
 32 The extension allowed by this amendatory Act of 1993
 33 shall not apply to real property tax increment allocation
 34 financing under Section 11-74.4-8.

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

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

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

1 the adoption of the ordinance.

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

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

18 (5) On and after November 1, 1999, if the
19 redevelopment plan will not result in displacement of 10
20 or more residents from inhabited units, and the
21 municipality certifies in the plan that such displacement
22 will not result from the plan, a housing impact study
23 need not be performed. If, however, the redevelopment
24 plan would result in the displacement of residents from
25 10 or more inhabited residential units, or if the
26 redevelopment project area contains 75 or more inhabited
27 residential units and no certification is made, then the
28 municipality shall prepare, as part of the separate
29 feasibility report required by subsection (a) of Section
30 11-74.4-5, a housing impact study.

31 Part I of the housing impact study shall include (i)
32 data as to whether the residential units are single
33 family or multi-family units, (ii) the number and type of
34 rooms within the units, if that information is available,

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

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

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

28 (7) On and after November 1, 1999, no redevelopment
29 plan shall be adopted, nor an existing plan amended, nor
30 shall residential housing that is occupied by households
31 of low-income and very low-income persons in currently
32 existing redevelopment project areas be removed after
33 November 1, 1999 unless the redevelopment plan provides,
34 with respect to inhabited housing units that are to be

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

15 (8) On and after November 1, 1999, if, after the
16 adoption of the redevelopment plan for the redevelopment
17 project area, any municipality desires to amend its
18 redevelopment plan to remove more inhabited residential
19 units than specified in its original redevelopment plan,
20 that increase in the number of units to be removed shall
21 be deemed to be a change in the nature of the
22 redevelopment plan as to require compliance with the
23 procedures in this Act pertaining to the initial approval
24 of a redevelopment plan.

25 (9) For redevelopment project areas designated
26 prior to November 1, 1999, the redevelopment plan may be
27 amended without further joint review board meeting or
28 hearing, provided that the municipality shall give notice
29 of any such changes by mail to each affected taxing
30 district and registrant on the interested party registry,
31 to authorize the municipality to expend tax increment
32 revenues for redevelopment project costs defined by
33 paragraphs (5) and (7.5), subparagraphs (E) and (F) of
34 paragraph (11), and paragraph (11.5) of subsection (q) of

1 Section 11-74.4-3, so long as the changes do not increase
 2 the total estimated redevelopment project costs set out
 3 in the redevelopment plan by more than 5% after
 4 adjustment for inflation from the date the plan was
 5 adopted.

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

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

27 (q) "Redevelopment project costs" mean and include the
 28 sum total of all reasonable or necessary costs incurred or
 29 estimated to be incurred, and any such costs incidental to a
 30 redevelopment plan and a redevelopment project. Such costs
 31 include, without limitation, the following:

- 32 (1) Costs of studies, surveys, development of
- 33 plans, and specifications, implementation and
- 34 administration of the redevelopment plan including but

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

27 (1.5) After July 1, 1999, annual administrative
28 costs shall not include general overhead or
29 administrative costs of the municipality that would still
30 have been incurred by the municipality if the
31 municipality had not designated a redevelopment project
32 area or approved a redevelopment plan;

33 (1.6) The cost of marketing sites within the
34 redevelopment project area to prospective businesses,

1 developers, and investors;

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

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

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

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

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

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

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

23 (7.5) For redevelopment project areas designated
24 (or redevelopment project areas amended to add or
25 increase the number of tax-increment-financing assisted
26 housing units) on or after November 1, 1999, an
27 elementary, secondary, or unit school district's
28 increased costs attributable to assisted housing units
29 located within the redevelopment project area for which
30 the developer or redeveloper receives financial
31 assistance through an agreement with the municipality or
32 because the municipality incurs the cost of necessary
33 infrastructure improvements within the boundaries of the
34 assisted housing sites necessary for the completion of

1 that housing as authorized by this Act, and which costs
2 shall be paid by the municipality from the Special Tax
3 Allocation Fund when the tax increment revenue is
4 received as a result of the assisted housing units and
5 shall be calculated annually as follows:

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

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

32 (ii) for elementary school districts with
33 a district average 1995-96 Per Capita Tuition
34 Charge of less than \$5,900, no more than 17% of

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

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

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

34 (i) for unit school districts, no more

1 than 40% of the total amount of property tax
 2 increment revenue produced by those housing
 3 units that have received tax increment finance
 4 assistance under this Act;

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

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

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

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

25 (ii) the amount reimburseable shall be
 26 reduced by the value of any land donated to the
 27 school district by the municipality or
 28 developer, and by the value of any physical
 29 improvements made to the schools by the
 30 municipality or developer; and

31 (iii) the amount reimbursed may not
 32 affect amounts otherwise obligated by the terms
 33 of any bonds, notes, or other funding
 34 instruments, or the terms of any redevelopment

1 agreement.

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

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

24 (9) Payment in lieu of taxes;

25 (10) Costs of job training, retraining, advanced
26 vocational education or career education, including but
27 not limited to courses in occupational, semi-technical or
28 technical fields leading directly to employment, incurred
29 by one or more taxing districts, provided that such costs
30 (i) are related to the establishment and maintenance of
31 additional job training, advanced vocational education or
32 career education programs for persons employed or to be
33 employed by employers located in a redevelopment project
34 area; and (ii) when incurred by a taxing district or

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

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

19 (A) such costs are to be paid directly from
 20 the special tax allocation fund established pursuant
 21 to this Act;

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

26 (C) if there are not sufficient funds
 27 available in the special tax allocation fund to make
 28 the payment pursuant to this paragraph (11) then the
 29 amounts so due shall accrue and be payable when
 30 sufficient funds are available in the special tax
 31 allocation fund;

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

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

5 (E) the cost limits set forth in subparagraphs
6 (B) and (D) of paragraph (11) shall be modified for
7 the financing of rehabilitated or new housing units
8 for low-income households and very low-income
9 households, as defined in Section 3 of the Illinois
10 Affordable Housing Act. The percentage of 75% shall
11 be substituted for 30% in subparagraphs (B) and (D)
12 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
16 any other provisions of this Act to the contrary,
17 the municipality may pay from tax increment revenues
18 up to 50% of the cost of construction of new housing
19 units to be occupied by low-income households and
20 very low-income households as defined in Section 3
21 of the 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
24 this Act or other constitutional or statutory
25 authority or from other sources of municipal revenue
26 that may be reimbursed from tax increment revenues
27 or the proceeds of bonds issued to finance the
28 construction of that housing.

29 The eligible costs provided under this
30 subparagraph (F) of paragraph (11) shall be an
31 eligible cost for the construction, renovation, and
32 rehabilitation of all low and very low-income
33 housing units, as defined in Section 3 of the
34 Illinois Affordable Housing Act, within the

1 redevelopment project area. If the low and very
2 low-income units are part of a residential
3 redevelopment project that includes units not
4 affordable to low and very low-income households,
5 only the low and very low-income units shall be
6 eligible for benefits under subparagraph (F) of
7 paragraph (11). The standards for maintaining the
8 occupancy by low-income households and very
9 low-income households, as defined in Section 3 of
10 the Illinois Affordable Housing Act, of those units
11 constructed with eligible costs made available under
12 the provisions of this subparagraph (F) of paragraph
13 (11) shall be established by guidelines adopted by
14 the municipality. The responsibility for annually
15 documenting the initial occupancy of the units by
16 low-income households and very low-income
17 households, as defined in Section 3 of the Illinois
18 Affordable Housing Act, shall be that of the then
19 current owner of the property. For ownership units,
20 the guidelines will provide, at a minimum, for a
21 reasonable recapture of funds, or other appropriate
22 methods designed to preserve the original
23 affordability of the ownership units. For rental
24 units, the guidelines will provide, at a minimum,
25 for the affordability of rent to low and very
26 low-income households. As units become available,
27 they shall be rented to income-eligible tenants.
28 The municipality may modify these guidelines from
29 time to time; the guidelines, however, shall be in
30 effect for as long as tax increment revenue is being
31 used to pay for costs associated with the units or
32 for the retirement of bonds issued to finance the
33 units or for the life of the redevelopment project
34 area, whichever is later.

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

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

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

1 beyond the control of the retail entity, as documented by
2 the retail entity, subject to a reasonable finding by the
3 municipality that the current location contained
4 inadequate space, had become economically obsolete, or
5 was no longer a viable location for the retailer or
6 serviceman.

7 If a special service area has been established pursuant
8 to the Special Service Area Tax Act or Special Service Area
9 Tax Law, then any tax increment revenues derived from the tax
10 imposed pursuant to the Special Service Area Tax Act or
11 Special Service Area Tax Law may be used within the
12 redevelopment project area for the purposes permitted by that
13 Act or Law as well as the purposes permitted by this Act.

14 (r) "State Sales Tax Boundary" means the redevelopment
15 project area or the amended redevelopment project area
16 boundaries which are determined pursuant to subsection (9) of
17 Section 11-74.4-8a of this Act. The Department of Revenue
18 shall certify pursuant to subsection (9) of Section
19 11-74.4-8a the appropriate boundaries eligible for the
20 determination of State Sales Tax Increment.

21 (s) "State Sales Tax Increment" means an amount equal to
22 the increase in the aggregate amount of taxes paid by
23 retailers and servicemen, other than retailers and servicemen
24 subject to the Public Utilities Act, on transactions at
25 places of business located within a State Sales Tax Boundary
26 pursuant to the Retailers' Occupation Tax Act, the Use Tax
27 Act, the Service Use Tax Act, and the Service Occupation Tax
28 Act, except such portion of such increase that is paid into
29 the State and Local Sales Tax Reform Fund, the Local
30 Government Distributive Fund, the Local Government Tax
31 Fund and the County and Mass Transit District Fund, for as
32 long as State participation exists, over and above the
33 Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts
34 or the Revised Initial Sales Tax Amounts for such taxes as

1 certified by the Department of Revenue and paid under those
2 Acts by retailers and servicemen on transactions at places of
3 business located within the State Sales Tax Boundary during
4 the base year which shall be the calendar year immediately
5 prior to the year in which the municipality adopted tax
6 increment allocation financing, less 3.0% of such amounts
7 generated under the Retailers' Occupation Tax Act, Use Tax
8 Act and Service Use Tax Act and the Service Occupation Tax
9 Act, which sum shall be appropriated to the Department of
10 Revenue to cover its costs of administering and enforcing
11 this Section. For purposes of computing the aggregate amount
12 of such taxes for base years occurring prior to 1985, the
13 Department of Revenue shall compute the Initial Sales Tax
14 Amount for such taxes and deduct therefrom an amount equal to
15 4% of the aggregate amount of taxes per year for each year
16 the base year is prior to 1985, but not to exceed a total
17 deduction of 12%. The amount so determined shall be known as
18 the "Adjusted Initial Sales Tax Amount". For purposes of
19 determining the State Sales Tax Increment the Department of
20 Revenue shall for each period subtract from the tax amounts
21 received from retailers and servicemen on transactions
22 located in the State Sales Tax Boundary, the certified
23 Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts
24 or Revised Initial Sales Tax Amounts for the Retailers'
25 Occupation Tax Act, the Use Tax Act, the Service Use Tax Act
26 and the Service Occupation Tax Act. For the State Fiscal
27 Year 1989 this calculation shall be made by utilizing the
28 calendar year 1987 to determine the tax amounts received. For
29 the State Fiscal Year 1990, this calculation shall be made by
30 utilizing the period from January 1, 1988, until September
31 30, 1988, to determine the tax amounts received from
32 retailers and servicemen, which shall have deducted therefrom
33 nine-twelfths of the certified Initial Sales Tax Amounts,
34 Adjusted Initial Sales Tax Amounts or the Revised Initial

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

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

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

27 (v) As used in subsection (a) of Section 11-74.4-3 of
28 this Act, "vacant land" means any parcel or combination of
29 parcels of real property without industrial, commercial, and
30 residential buildings which has not been used for commercial
31 agricultural purposes within 5 years prior to the designation
32 of the redevelopment project area, unless the parcel is
33 included in an industrial park conservation area or the
34 parcel has been subdivided; provided that if the parcel was

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

19 (w) "Annual Total Increment" means the sum of each
20 municipality's annual Net Sales Tax Increment and each
21 municipality's annual Net Utility Tax Increment. The ratio
22 of the Annual Total Increment of each municipality to the
23 Annual Total Increment for all municipalities, as most
24 recently calculated by the Department, shall determine the
25 proportional shares of the Illinois Tax Increment Fund to be
26 distributed to each municipality.

27 (Source: P.A. 90-379, eff. 8-14-97; 91-261, eff. 7-23-99;
28 91-477, eff. 8-11-99; 91-478, eff. 11-1-99; 91-642, eff.
29 8-20-99; 91-763, eff. 6-9-00)

30 (65 ILCS 5/11-74.4-4.1)

31 Sec. 11-74.4-4.1. Feasibility study.

32 (a) If a municipality by its corporate authorities, or
33 as it may determine by any commission designated under

1 subsection (k) of Section 11-74.4-4, adopts an ordinance or
2 resolution providing for a feasibility study on the
3 designation of an area as a redevelopment project area, a
4 copy of the ordinance or resolution shall immediately be sent
5 to all taxing districts that would be affected by the
6 designation.

7 On and after the effective date of this amendatory Act of
8 the 91st General Assembly, the ordinance or resolution shall
9 include:

10 (1) The boundaries of the area to be studied for
11 possible designation as a redevelopment project area.

12 (2) The purpose or purposes of the proposed
13 redevelopment plan and project.

14 (3) A general description of tax increment
15 allocation financing under this Act.

16 (4) The name, phone number, and address of the
17 municipal officer who can be contacted for additional
18 information about the proposed redevelopment project area
19 and who should receive all comments and suggestions
20 regarding the redevelopment of the area to be studied.

21 (b) If one of the purposes of the planned redevelopment
22 project area should reasonably be expected to result in the
23 displacement of residents from 10 or more inhabited
24 residential units, the municipality shall adopt a resolution
25 or ordinance providing for the feasibility study described in
26 subsection (a). The ordinance or resolution shall also
27 require that the feasibility study include the preparation of
28 the housing impact study set forth in paragraph (5) of
29 subsection (n) of Section 11-74.4-3. If the redevelopment
30 plan will not result in displacement of 10 or more residents
31 from inhabited units, and the municipality certifies in the
32 plan that such displacement will not result from the plan,
33 then a resolution or ordinance need not be adopted.

34 (Source: P.A. 91-478, eff. 11-1-99.)

1 (65 ILCS 5/11-74.4-5) (from Ch. 24, par. 11-74.4-5)
2 Sec. 11-74.4-5. (a) The changes made by this amendatory
3 Act of the 91st General Assembly do not apply to a
4 municipality that, (i) before the effective date of this
5 amendatory Act of the 91st General Assembly, has adopted an
6 ordinance or resolution fixing a time and place for a public
7 hearing under this Section or (ii) before July 1, 1999, has
8 adopted an ordinance or resolution providing for a
9 feasibility study under Section 11-74.4-4.1, but has not yet
10 adopted an ordinance approving redevelopment plans and
11 redevelopment projects or designating redevelopment project
12 areas under Section 11-74.4-4, until after that municipality
13 adopts an ordinance approving redevelopment plans and
14 redevelopment projects or designating redevelopment project
15 areas under Section 11-74.4-4; thereafter the changes made by
16 this amendatory Act of the 91st General Assembly apply to the
17 same extent that they apply to redevelopment plans and
18 redevelopment projects that were approved and redevelopment
19 projects that were designated before the effective date of
20 this amendatory Act of the 91st General Assembly.

21 Prior to the adoption of an ordinance proposing the
22 designation of a redevelopment project area, or approving a
23 redevelopment plan or redevelopment project, the municipality
24 by its corporate authorities, or as it may determine by any
25 commission designated under subsection (k) of Section
26 11-74.4-4 shall adopt an ordinance or resolution fixing a
27 time and place for public hearing. At least 10 days prior to
28 the adoption of the ordinance or resolution establishing the
29 time and place for the public hearing, the municipality shall
30 make available for public inspection a redevelopment plan or
31 a separate report that provides in reasonable detail the
32 basis for the eligibility of the redevelopment project area.
33 The report along with the name of a person to contact for
34 further information shall be sent within a reasonable time

1 after the adoption of such ordinance or resolution to the
2 affected taxing districts by certified mail. On and after the
3 effective date of this amendatory Act of the 91st General
4 Assembly, the municipality shall print in a newspaper of
5 general circulation within the municipality a notice that
6 interested persons may register with the municipality in
7 order to receive information on the proposed designation of a
8 redevelopment project area or the approval of a redevelopment
9 plan. The notice shall state the place of registration and
10 the operating hours of that place. The municipality shall
11 have adopted reasonable rules to implement this registration
12 process under Section 11-74.4-4.2. The municipality shall
13 provide notice of the availability of the redevelopment plan
14 and eligibility report, including how to obtain this
15 information, by mail within a reasonable time after the
16 adoption of the ordinance or resolution, to all residential
17 addresses that, after a good faith effort, the municipality
18 determines are located within 750 feet of the boundaries of
19 the proposed redevelopment project area. This requirement is
20 subject to the limitation that in a municipality with a
21 population of over 100,000, if the total number of
22 residential addresses within 750 feet of the boundaries of
23 the proposed redevelopment project area exceeds 750, the
24 municipality shall be required to provide the notice to only
25 the 750 residential addresses that, after a good faith
26 effort, the municipality determines are closest to the
27 boundaries of the proposed redevelopment project area. The
28 notice shall also be provided by the municipality, regardless
29 of its population, to those organizations and residents that
30 have registered with the municipality for that information in
31 accordance with the registration guidelines established by
32 the municipality under Section 11-74.4-4.2. Notice--of--the
33 availability---of--the--redevelopment--plan--and--eligibility
34 report,-including-how-to-obtain-this-information,-shall--also

1 be--sent--by-mail-within-a-reasonable-time-after-the-adoption
 2 of-the-ordinance-or-resolution-to-all--residents--within--the
 3 postal--zip--code-area-or-areas-contained-in-whole-or-in-part
 4 within---the---proposed---redevelopment---project---area---or
 5 organizations-that-operate--in--the--municipality--that--have
 6 registered--with--the--municipality--for--that-information-in
 7 accordance-with-the-registration--guidelines--established--by
 8 the-municipality-under-Section-11-74.4-4.2.

9 At the public hearing any interested person or affected
 10 taxing district may file with the municipal clerk written
 11 objections to and may be heard orally in respect to any
 12 issues embodied in the notice. The municipality shall hear
 13 and--determine all protests and objections at the hearing and
 14 the hearing may be adjourned to another date without further
 15 notice other than a motion to be entered upon the minutes
 16 fixing the time and place of the subsequent hearing. At the
 17 public hearing or at any time prior to the adoption by the
 18 municipality of an ordinance approving a redevelopment plan,
 19 the municipality may make changes in the redevelopment plan.
 20 Changes which (1) add additional parcels of property to the
 21 proposed redevelopment project area, (2) substantially affect
 22 the general land uses proposed in the redevelopment plan, (3)
 23 substantially change the nature of or extend the life of the
 24 redevelopment project, or (4) increase the number of low or
 25 very low income households to be displaced from the
 26 redevelopment project area, provided that measured from the
 27 time of creation of the redevelopment project area the total
 28 displacement of the households will exceed 10, shall be made
 29 only after the municipality gives notice, convenes a joint
 30 review board, and conducts a public hearing pursuant to the
 31 procedures set forth in this Section and in Section 11-74.4-6
 32 of this Act. Changes which do not (1) add additional parcels
 33 of property to the proposed redevelopment project area, (2)
 34 substantially affect the general land uses proposed in the

1 redevelopment plan, (3) substantially change the nature of or
2 extend the life of the redevelopment project, or (4) increase
3 the number of low or very low income households to be
4 displaced from the redevelopment project area, provided that
5 measured from the time of creation of the redevelopment
6 project area the total displacement of the households will
7 exceed 10, may be made without further hearing, provided that
8 the municipality shall give notice of any such changes by
9 mail to each affected taxing district and registrant on the
10 interested parties registry, provided for under Section
11 11-74.4-4.2, and by publication in a newspaper of general
12 circulation within the affected taxing district. Such notice
13 by mail and by publication shall each occur not later than 10
14 days following the adoption by ordinance of such changes.
15 Hearings with regard to a redevelopment project area, project
16 or plan may be held simultaneously.

17 (b) Prior to holding a public hearing to approve or
18 amend a redevelopment plan or to designate or add additional
19 parcels of property to a redevelopment project area, the
20 municipality shall convene a joint review board. The board
21 shall consist of a representative selected by each community
22 college district, local elementary school district and high
23 school district or each local community unit school district,
24 park district, library district, township, fire protection
25 district, and county that will have the authority to directly
26 levy taxes on the property within the proposed redevelopment
27 project area at the time that the proposed redevelopment
28 project area is approved, a representative selected by the
29 municipality and a public member. The public member shall
30 first be selected and then the board's chairperson shall be
31 selected by a majority of the board members present and
32 voting.

33 For redevelopment project areas with redevelopment plans
34 or proposed redevelopment plans that would result in the

1 displacement of residents from 10 or more inhabited
2 residential units or that include 75 or more inhabited
3 residential units, the public member shall be a person who
4 resides in the redevelopment project area. If, as determined
5 by the housing impact study provided for in paragraph (5) of
6 subsection (n) of Section 11-74.4-3, or if no housing impact
7 study is required then based on other reasonable data, the
8 majority of residential units are occupied by very low, low,
9 or moderate income households, as defined in Section 3 of the
10 Illinois Affordable Housing Act, the public member shall be a
11 person who resides in very low, low, or moderate income
12 housing within the redevelopment project area.
13 Municipalities with fewer than 15,000 residents shall not be
14 required to select a person who lives in very low, low, or
15 moderate income housing within the redevelopment project
16 area, provided that the redevelopment plan or project will
17 not result in displacement of residents from 10 or more
18 inhabited units, and the municipality so certifies in the
19 plan. If no person satisfying these requirements is
20 available or if no qualified person will serve as the public
21 member, then the joint review board is relieved of this
22 paragraph's selection requirements for the public member.

23 Within 90 days of the effective date of this amendatory
24 Act of the 91st General Assembly, each municipality that
25 designated a redevelopment project area for which it was not
26 required to convene a joint review board under this Section
27 shall convene a joint review board to perform the duties
28 specified under paragraph (e) of this Section.

29 All board members shall be appointed and the first board
30 meeting shall be held following at least 14 days but not more
31 than 28 days after the mailing of notice by the municipality
32 to all the taxing districts as required by Section
33 11-74.4-6(c). Notwithstanding the preceding sentence, a
34 municipality that adopted either a public hearing resolution

1 or a feasibility resolution between July 1, 1999 and July 1,
2 2000 that called for the meeting of the joint review board
3 within 14 days of notice of public hearing to affected taxing
4 districts is deemed to be in compliance with the notice,
5 meeting, and public hearing provisions of the Act. Such
6 notice shall also advise the taxing bodies represented on the
7 joint review board of the time and place of the first meeting
8 of the board. Additional meetings of the board shall be held
9 upon the call of any member. The municipality seeking
10 designation of the redevelopment project area shall provide
11 administrative support to the board.

12 The board shall review (i) the public record, planning
13 documents and proposed ordinances approving the redevelopment
14 plan and project and (ii) proposed amendments to the
15 redevelopment plan or additions of parcels of property to the
16 redevelopment project area to be adopted by the municipality.
17 As part of its deliberations, the board may hold additional
18 hearings on the proposal. A board's recommendation shall be
19 an advisory, non-binding recommendation. The recommendation
20 shall be adopted by a majority of those members present and
21 voting. The recommendations shall be submitted to the
22 municipality within 30 days after convening of the board.
23 Failure of the board to submit its report on a timely basis
24 shall not be cause to delay the public hearing or any other
25 step in the process of designating or amending the
26 redevelopment project area but shall be deemed to constitute
27 approval by the joint review board of the matters before it.

28 The board shall base its recommendation to approve or
29 disapprove the redevelopment plan and the designation of the
30 redevelopment project area or the amendment of the
31 redevelopment plan or addition of parcels of property to the
32 redevelopment project area on the basis of the redevelopment
33 project area and redevelopment plan satisfying the plan
34 requirements, the eligibility criteria defined in Section

1 11-74.4-3, and the objectives of this Act.

2 The board shall issue a written report describing why the
3 redevelopment plan and project area or the amendment thereof
4 meets or fails to meet one or more of the objectives of this
5 Act and both the plan requirements and the eligibility
6 criteria defined in Section 11-74.4-3. In the event the Board
7 does not file a report it shall be presumed that these taxing
8 bodies find the redevelopment project area and redevelopment
9 plan satisfy the objectives of this Act and the plan
10 requirements and eligibility criteria.

11 If the board recommends rejection of the matters before
12 it, the municipality will have 30 days within which to
13 resubmit the plan or amendment. During this period, the
14 municipality will meet and confer with the board and attempt
15 to resolve those issues set forth in the board's written
16 report that led lead to the rejection of the plan or
17 amendment.

18 Notwithstanding the resubmission set forth above, the
19 municipality may commence the scheduled public hearing and
20 either adjourn the public hearing or continue the public
21 hearing until a date certain. Prior to continuing any public
22 hearing to a date certain, the municipality shall announce
23 during the public hearing the time, date, and location for
24 the reconvening of the public hearing. Any changes to the
25 redevelopment plan necessary to satisfy the issues set forth
26 in the joint review board report shall be the subject of a
27 public hearing before the hearing is adjourned if the changes
28 would (1) substantially affect the general land uses proposed
29 in the redevelopment plan, (2) substantially change the
30 nature of or extend the life of the redevelopment project, or
31 (3) increase the number of low or very low income households
32 to be displaced from the redevelopment project area, provided
33 that measured from the time of creation of the redevelopment
34 project area the total displacement of the households will

1 exceed 10. Changes to the redevelopment plan necessary to
2 satisfy the issues set forth in the joint review board report
3 shall not require any further notice or convening of a joint
4 review board meeting, except that any changes to the
5 redevelopment plan that would add additional parcels of
6 property to the proposed redevelopment project area shall be
7 subject to the notice, public hearing, and joint review board
8 meeting requirements established for such changes by
9 subsection (a) of Section 11-74.4-5.

10 In the event that the municipality and the board are
11 unable to resolve these differences, or in the event that the
12 resubmitted plan or amendment is rejected by the board, the
13 municipality may proceed with the plan or amendment, but only
14 upon a three-fifths vote of the corporate authority
15 responsible for approval of the plan or amendment, excluding
16 positions of members that are vacant and those members that
17 are ineligible to vote because of conflicts of interest.

18 (c) After a municipality has by ordinance approved a
19 redevelopment plan and designated a redevelopment project
20 area, the plan may be amended and additional properties may
21 be added to the redevelopment project area only as herein
22 provided. Amendments which (1) add additional parcels of
23 property to the proposed redevelopment project area, (2)
24 substantially affect the general land uses proposed in the
25 redevelopment plan, (3) substantially change the nature of
26 the redevelopment project, (4) increase the total estimated
27 redevelopment project costs set out in the redevelopment plan
28 by more than 5% after adjustment for inflation from the date
29 the plan was adopted, (5) add additional redevelopment
30 project costs to the itemized list of redevelopment project
31 costs set out in the redevelopment plan, or (6) increase the
32 number of low or very low income households to be displaced
33 from the redevelopment project area, provided that measured
34 from the time of creation of the redevelopment project area

1 the total displacement of the households will exceed 10,
2 shall be made only after the municipality gives notice,
3 convenes a joint review board, and conducts a public hearing
4 pursuant to the procedures set forth in this Section and in
5 Section 11-74.4-6 of this Act. Changes which do not (1) add
6 additional parcels of property to the proposed redevelopment
7 project area, (2) substantially affect the general land uses
8 proposed in the redevelopment plan, (3) substantially change
9 the nature of the redevelopment project, (4) increase the
10 total estimated redevelopment project cost set out in the
11 redevelopment plan by more than 5% after adjustment for
12 inflation from the date the plan was adopted, (5) add
13 additional redevelopment project costs to the itemized list
14 of redevelopment project costs set out in the redevelopment
15 plan, or (6) increase the number of low or very low income
16 households to be displaced from the redevelopment project
17 area, provided that measured from the time of creation of the
18 redevelopment project area the total displacement of the
19 households will exceed 10, may be made without further
20 hearing, provided that the municipality shall give notice of
21 any such changes by mail to each affected taxing district and
22 registrant on the interested parties registry, provided for
23 under Section 11-74.4-4.2, and by publication in a newspaper
24 of general circulation within the affected taxing district.
25 Such notice by mail and by publication shall each occur not
26 later than 10 days following the adoption by ordinance of
27 such changes.

28 (d) After the effective date of this amendatory Act of
29 the 91st General Assembly, a municipality shall submit the
30 following information for each redevelopment project area (i)
31 to the State Comptroller under Section 8-8-3.5 of the
32 Illinois Municipal Code and (ii) to all taxing districts
33 overlapping the redevelopment project area no later than 180
34 days after the close of each municipal fiscal year or as soon

1 thereafter as the audited financial statements become
2 available and, in any case, shall be submitted before the
3 annual meeting of the Joint Review Board to each of the
4 taxing districts that overlap the redevelopment project area:

5 (1) Any amendments to the redevelopment plan, the
6 redevelopment project area, or the State Sales Tax
7 Boundary.

8 (1.5) A list of the redevelopment project areas
9 administered by the municipality and, if applicable, the
10 date each redevelopment project area was designated or
11 terminated by the municipality.

12 (2) Audited financial statements of the special tax
13 allocation fund once a cumulative total of \$100,000 has
14 been deposited in the fund.

15 (3) Certification of the Chief Executive Officer of
16 the municipality that the municipality has complied with
17 all of the requirements of this Act during the preceding
18 fiscal year.

19 (4) An opinion of legal counsel that the
20 municipality is in compliance with this Act.

21 (5) An analysis of the special tax allocation fund
22 which sets forth:

23 (A) the balance in the special tax allocation
24 fund at the beginning of the fiscal year;

25 (B) all amounts deposited in the special tax
26 allocation fund by source;

27 (C) an itemized list of all expenditures from
28 the special tax allocation fund by category of
29 permissible redevelopment project cost; and

30 (D) the balance in the special tax allocation
31 fund at the end of the fiscal year including a
32 breakdown of that balance by source and a breakdown
33 of that balance identifying any portion of the
34 balance that is required, pledged, earmarked, or

1 otherwise designated for payment of or securing of
 2 obligations and anticipated redevelopment project
 3 costs. Any portion of such ending balance that has
 4 not been identified or is not identified as being
 5 required, pledged, earmarked, or otherwise
 6 designated for payment of or securing of obligations
 7 or anticipated redevelopment projects costs shall be
 8 designated as surplus as set forth in Section
 9 11-74.4-7 hereof.

10 (6) A description of all property purchased by the
 11 municipality within the redevelopment project area
 12 including:

- 13 (A) Street address.
- 14 (B) Approximate size or description of
 15 property.
- 16 (C) Purchase price.
- 17 (D) Seller of property.

18 (7) A statement setting forth all activities
 19 undertaken in furtherance of the objectives of the
 20 redevelopment plan, including:

- 21 (A) Any project implemented in the preceding
 22 fiscal year.
- 23 (B) A description of the redevelopment
 24 activities undertaken.
- 25 (C) A description of any agreements entered
 26 into by the municipality with regard to the
 27 disposition or redevelopment of any property within
 28 the redevelopment project area or the area within
 29 the State Sales Tax Boundary.
- 30 (D) Additional information on the use of all
 31 funds received under this Division and steps taken
 32 by the municipality to achieve the objectives of the
 33 redevelopment plan.

34 (E) Information regarding contracts that the

1 municipality's tax increment advisors or consultants
 2 have entered into with entities or persons that have
 3 received, or are receiving, payments financed by tax
 4 increment revenues produced by the same
 5 redevelopment project area.

6 (F) Any reports submitted to the municipality
 7 by the joint review board.

8 (G) A review of public and, to the extent
 9 possible, private investment actually undertaken to
 10 date after the effective date of this amendatory Act
 11 of the 91st General Assembly and estimated to be
 12 undertaken during the following year. This review
 13 shall, on a project-by-project basis, set forth the
 14 estimated amounts of public and private investment
 15 incurred after the effective date of this amendatory
 16 Act of the 91st General Assembly and provide the
 17 ratio of private investment to public investment to
 18 the date of the report and as estimated to the
 19 completion of the redevelopment project.

20 (8) With regard to any obligations issued by the
 21 municipality:

22 (A) copies of any official statements; and

23 (B) an analysis prepared by financial advisor
 24 or underwriter setting forth: (i) nature and term of
 25 obligation; and (ii) projected debt service
 26 including required reserves and debt coverage.

27 (9) For special tax allocation funds that have
 28 experienced cumulative deposits of incremental tax
 29 revenues of \$100,000 or more, a certified audit report
 30 reviewing compliance with this Act performed by an
 31 independent public accountant certified and licensed by
 32 the authority of the State of Illinois. The financial
 33 portion of the audit must be conducted in accordance with
 34 Standards for Audits of Governmental Organizations,

1 Programs, Activities, and Functions adopted by the
2 Comptroller General of the United States (1981), as
3 amended, or the standards specified by Section 8-8-5 of
4 the Illinois Municipal Auditing Law of the Illinois
5 Municipal Code. The audit report shall contain a letter
6 from the independent certified public accountant
7 indicating compliance or noncompliance with the
8 requirements of subsection (q) of Section 11-74.4-3. For
9 redevelopment plans or projects that would result in the
10 displacement of residents from 10 or more inhabited
11 residential units or that contain 75 or more inhabited
12 residential units, notice of the availability of the
13 information, including how to obtain the report, required
14 in this subsection shall also be sent by mail to all
15 residents or organizations that operate in the
16 municipality that register with the municipality for that
17 information according to registration procedures adopted
18 under Section 11-74.4-4.2. All municipalities are
19 subject to this provision.

20 (d-1) Prior to the effective date of this amendatory Act
21 of the 91st General Assembly, municipalities with populations
22 of over 1,000,000 shall, after adoption of a redevelopment
23 plan or project, make available upon request to any taxing
24 district in which the redevelopment project area is located
25 the following information:

26 (1) Any amendments to the redevelopment plan, the
27 redevelopment project area, or the State Sales Tax
28 Boundary; and

29 (2) In connection with any redevelopment project
30 area for which the municipality has outstanding
31 obligations issued to provide for redevelopment project
32 costs pursuant to Section 11-74.4-7, audited financial
33 statements of the special tax allocation fund.

34 (e) The joint review board shall meet annually 180 days

1 after the close of the municipal fiscal year or as soon as
2 the redevelopment project audit for that fiscal year becomes
3 available to review the effectiveness and status of the
4 redevelopment project area up to that date.

5 (f) (Blank).

6 (g) In the event that a municipality has held a public
7 hearing under this Section prior to March 14, 1994 (the
8 effective date of Public Act 88-537), the requirements
9 imposed by Public Act 88-537 relating to the method of fixing
10 the time and place for public hearing, the materials and
11 information required to be made available for public
12 inspection, and the information required to be sent after
13 adoption of an ordinance or resolution fixing a time and
14 place for public hearing shall not be applicable.

15 (Source: P.A. 91-357, eff. 7-29-99; 91-478, eff. 11-1-99;
16 91-900, eff. 7-6-00.)

17 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

18 Sec. 11-74.4-7. Obligations secured by the special tax
19 allocation fund set forth in Section 11-74.4-8 for the
20 redevelopment project area may be issued to provide for
21 redevelopment project costs. Such obligations, when so
22 issued, shall be retired in the manner provided in the
23 ordinance authorizing the issuance of such obligations by the
24 receipts of taxes levied as specified in Section 11-74.4-9
25 against the taxable property included in the area, by
26 revenues as specified by Section 11-74.4-8a and other revenue
27 designated by the municipality. A municipality may in the
28 ordinance pledge all or any part of the funds in and to be
29 deposited in the special tax allocation fund created pursuant
30 to Section 11-74.4-8 to the payment of the redevelopment
31 project costs and obligations. Any pledge of funds in the
32 special tax allocation fund shall provide for distribution to
33 the taxing districts and to the Illinois Department of

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

28 Without limiting the foregoing in this Section, the
29 municipality may in addition to obligations secured by the
30 special tax allocation fund pledge for a period not greater
31 than the term of the obligations towards payment of such
32 obligations any part or any combination of the following: (a)
33 net revenues of all or part of any redevelopment project; (b)
34 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
9 such time or times not exceeding 20 years from their
10 respective dates, be in such denomination, carry such
11 registration privileges, be executed in such manner, be
12 payable in such medium of payment at such place or places,
13 contain such covenants, terms and conditions, and be subject
14 to redemption as such ordinance shall provide. Obligations
15 issued pursuant to this Act may be sold at public or private
16 sale at such price as shall be determined by the corporate
17 authorities of the municipalities. No referendum approval of
18 the electors shall be required as a condition to the issuance
19 of obligations pursuant to this Division except as provided
20 in this Section.

21 In the event the municipality authorizes issuance of
22 obligations pursuant to the authority of this Division
23 secured by the full faith and credit of the municipality,
24 which obligations are other than obligations which may be
25 issued under home rule powers provided by Article VII,
26 Section 6 of the Illinois Constitution, or pledges taxes
27 pursuant to (b) or (c) of the second paragraph of this
28 section, the ordinance authorizing the issuance of such
29 obligations or pledging such taxes shall be published within
30 10 days after such ordinance has been passed in one or more
31 newspapers, with general circulation within such
32 municipality. The publication of the ordinance shall be
33 accompanied by a notice of (1) the specific number of voters
34 required to sign a petition requesting the question of the

1 issuance of such obligations or pledging taxes to be
2 submitted to the electors; (2) the time in which such
3 petition must be filed; and (3) the date of the prospective
4 referendum. The municipal clerk shall provide a petition
5 form to any individual requesting one.

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

29 The ordinance authorizing the obligations may provide
30 that the obligations shall contain a recital that they are
31 issued pursuant to this Division, which recital shall be
32 conclusive evidence of their validity and of the regularity
33 of their issuance.

34 In the event the municipality authorizes issuance of

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

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

18 A municipality may also issue its obligations to refund
19 in whole or in part, obligations theretofore issued by such
20 municipality under the authority of this Act, whether at or
21 prior to maturity, provided however, that the last maturity
22 of the refunding obligations shall not be expressed to mature
23 later than December 31 of the year in which the payment to
24 the municipal treasurer as provided in subsection (b) of
25 Section 11-74.4-8 of this Act is to be made with respect to
26 ad valorem taxes levied in the twenty-third calendar year
27 after the year in which the ordinance approving the
28 redevelopment project area is adopted if the ordinance was
29 adopted on or after January 15, 1981, and not later than
30 December 31 of the year in which the payment to the municipal
31 treasurer as provided in subsection (b) of Section 11-74.4-8
32 of this Act is to be made with respect to ad valorem taxes
33 levied in the thirty-fifth calendar year after the year in
34 which the ordinance approving the redevelopment project area

1 is adopted (A) if the ordinance was adopted before January
2 15, 1981, or (B) if the ordinance was adopted in December
3 1983, April 1984, July 1985, or December 1989, or (C) if the
4 ordinance was adopted in December, 1987 and the redevelopment
5 project is located within one mile of Midway Airport, or (D)
6 if the ordinance was adopted before January 1, 1987 by a
7 municipality in Mason County, or (E) if the municipality is
8 subject to the Local Government Financial Planning and
9 Supervision Act or the Financially Distressed City Law, or
10 (F) if the ordinance was adopted in December 1984 by the
11 Village of Rosemont, or (G) if the ordinance was adopted on
12 December 31, 1986 by a municipality located in Clinton County
13 for which at least \$250,000 of tax increment bonds were
14 authorized on June 17, 1997, or if the ordinance was adopted
15 on December 31, 1986 by a municipality with a population in
16 1990 of less than 3,600 that is located in a county with a
17 population in 1990 of less than 34,000 and for which at least
18 \$250,000 of tax increment bonds were authorized on June 17,
19 1997, or (H) if the ordinance was adopted on October 5, 1982
20 by the City of Kankakee, or (I) if the ordinance was adopted
21 on December 29, 1986 by East St. Louis, or if the ordinance
22 was adopted on November 12, 1991 by the Village of Sauget, or
23 (J) if the ordinance was adopted on February 11, 1985 by the
24 City of Rock Island, or (K) if the ordinance was adopted
25 before December 18, 1986 by the City of Moline, or (L) if
26 the ordinance was adopted in September 1988 by Sauk Village,
27 or (M) if the ordinance was adopted in October 1993 by Sauk
28 Village, or (N) if the ordinance was adopted on December 29,
29 1986 by the City of Galva, or (O) if the ordinance was
30 adopted in March 1991 by the City of Centreville and, for
31 redevelopment project areas for which bonds were issued
32 before July 29, 1991, in connection with a redevelopment
33 project in the area within the State Sales Tax Boundary and
34 which were extended by municipal ordinance under subsection

1 (n) of Section 11-74.4-3, the last maturity of the refunding
2 obligations shall not be expressed to mature later than the
3 date on which the redevelopment project area is terminated or
4 December 31, 2013, whichever date occurs first.

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

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

17 (Source: P.A. 90-379, eff. 8-14-97; 91-261, eff. 7-23-99;
18 91-477, eff. 8-11-99; 91-478, eff. 11-1-99; 91-642, eff.
19 8-20-99; 91-763, eff. 6-9-00.)

20 (65 ILCS 5/11-74.4-8a) (from Ch. 24, par. 11-74.4-8a)
21 Sec. 11-74.4-8a. (1) Until June 1, 1988, a municipality
22 which has adopted tax increment allocation financing prior to
23 January 1, 1987, may by ordinance (1) authorize the
24 Department of Revenue, subject to appropriation, to annually
25 certify and cause to be paid from the Illinois Tax Increment
26 Fund to such municipality for deposit in the municipality's
27 special tax allocation fund an amount equal to the Net State
28 Sales Tax Increment and (2) authorize the Department of
29 Revenue to annually notify the municipality of the amount of
30 the Municipal Sales Tax Increment which shall be deposited by
31 the municipality in the municipality's special tax allocation
32 fund. Provided that for purposes of this Section no
33 amendments adding additional area to the redevelopment

1 project area which has been certified as the State Sales Tax
2 Boundary shall be taken into account if such amendments are
3 adopted by the municipality after January 1, 1987. If an
4 amendment is adopted which decreases the area of a State
5 Sales Tax Boundary, the municipality shall update the list
6 required by subsection (3)(a) of this Section. The Retailers'
7 Occupation Tax liability, Use Tax liability, Service
8 Occupation Tax liability and Service Use Tax liability for
9 retailers and servicemen located within the disconnected area
10 shall be excluded from the base from which tax increments are
11 calculated and the revenue from any such retailer or
12 serviceman shall not be included in calculating incremental
13 revenue payable to the municipality. A municipality adopting
14 an ordinance under this subsection (1) of this Section for a
15 redevelopment project area which is certified as a State
16 Sales Tax Boundary shall not be entitled to payments of State
17 taxes authorized under subsection (2) of this Section for the
18 same redevelopment project area. Nothing herein shall be
19 construed to prevent a municipality from receiving payment of
20 State taxes authorized under subsection (2) of this Section
21 for a separate redevelopment project area that does not
22 overlap in any way with the State Sales Tax Boundary
23 receiving payments of State taxes pursuant to subsection (1)
24 of this Section.

25 A certified copy of such ordinance shall be submitted by
26 the municipality to the Department of Commerce and Community
27 Affairs and the Department of Revenue not later than 30 days
28 after the effective date of the ordinance. Upon submission
29 of the ordinances, and the information required pursuant to
30 subsection 3 of this Section, the Department of Revenue shall
31 promptly determine the amount of such taxes paid under the
32 Retailers' Occupation Tax Act, Use Tax Act, Service Use Tax
33 Act, the Service Occupation Tax Act, the Municipal Retailers'
34 Occupation Tax Act and the Municipal Service Occupation Tax

1 Act by retailers and servicemen on transactions at places
2 located in the redevelopment project area during the base
3 year, and shall certify all the foregoing "initial sales tax
4 amounts" to the municipality within 60 days of submission of
5 the list required of subsection (3)(a) of this Section.

6 If a retailer or serviceman with a place of business
7 located within a redevelopment project area also has one or
8 more other places of business within the municipality but
9 outside the redevelopment project area, the retailer or
10 serviceman shall, upon request of the Department of Revenue,
11 certify to the Department of Revenue the amount of taxes paid
12 pursuant to the Retailers' Occupation Tax Act, the Municipal
13 Retailers' Occupation Tax Act, the Service Occupation Tax Act
14 and the Municipal Service Occupation Tax Act at each place of
15 business which is located within the redevelopment project
16 area in the manner and for the periods of time requested by
17 the Department of Revenue.

18 When the municipality determines that a portion of an
19 increase in the aggregate amount of taxes paid by retailers
20 and servicemen under the Retailers' Occupation Tax Act, Use
21 Tax Act, Service Use Tax Act, or the Service Occupation Tax
22 Act is the result of a retailer or serviceman initiating
23 retail or service operations in the redevelopment project
24 area by such retailer or serviceman with a resulting
25 termination of retail or service operations by such retailer
26 or serviceman at another location in Illinois in the standard
27 metropolitan statistical area of such municipality, the
28 Department of Revenue shall be notified that the retailers
29 occupation tax liability, use tax liability, service
30 occupation tax liability, or service use tax liability from
31 such retailer's or serviceman's terminated operation shall be
32 included in the base Initial Sales Tax Amounts from which the
33 State Sales Tax Increment is calculated for purposes of State
34 payments to the affected municipality; provided, however, for

1 purposes of this paragraph "termination" shall mean a closing
2 of a retail or service operation which is directly related to
3 the opening of the same retail or service operation in a
4 redevelopment project area which is included within a State
5 Sales Tax Boundary, but it shall not include retail or
6 service operations closed for reasons beyond the control of
7 the retailer or serviceman, as determined by the Department.

8 If the municipality makes the determination referred to
9 in the prior paragraph and notifies the Department and if the
10 relocation is from a location within the municipality, the
11 Department, at the request of the municipality, shall adjust
12 the certified aggregate amount of taxes that constitute the
13 Municipal Sales Tax Increment paid by retailers and
14 servicemen on transactions at places of business located
15 within the State Sales Tax Boundary during the base year
16 using the same procedures as are employed to make the
17 adjustment referred to in the prior paragraph. The adjusted
18 Municipal Sales Tax Increment calculated by the Department
19 shall be sufficient to satisfy the requirements of subsection
20 (1) of this Section.

21 When a municipality which has adopted tax increment
22 allocation financing in 1986 determines that a portion of the
23 aggregate amount of taxes paid by retailers and servicemen
24 under the Retailers Occupation Tax Act, Use Tax Act, Service
25 Use Tax Act, or Service Occupation Tax Act, the Municipal
26 Retailers' Occupation Tax Act and the Municipal Service
27 Occupation Tax Act, includes revenue of a retailer or
28 serviceman which terminated retailer or service operations in
29 1986, prior to the adoption of tax increment allocation
30 financing, the Department of Revenue shall be notified by
31 such municipality that the retailers' occupation tax
32 liability, use tax liability, service occupation tax
33 liability or service use tax liability, from such retailer's
34 or serviceman's terminated operations shall be excluded from

1 the Initial Sales Tax Amounts for such taxes. The revenue
2 from any such retailer or serviceman which is excluded from
3 the base year under this paragraph, shall not be included in
4 calculating incremental revenues if such retailer or
5 serviceman reestablishes such business in the redevelopment
6 project area.

7 For State fiscal year 1992, the Department of Revenue
8 shall budget, and the Illinois General Assembly shall
9 appropriate from the Illinois Tax Increment Fund in the State
10 treasury, an amount not to exceed \$18,000,000 to pay to each
11 eligible municipality the Net State Sales Tax Increment to
12 which such municipality is entitled.

13 Beginning on January 1, 1993, each municipality's
14 proportional share of the Illinois Tax Increment Fund shall
15 be determined by adding the annual Net State Sales Tax
16 Increment and the annual Net Utility Tax Increment to
17 determine the Annual Total Increment. The ratio of the Annual
18 Total Increment of each municipality to the Annual Total
19 Increment for all municipalities, as most recently calculated
20 by the Department, shall determine the proportional shares of
21 the Illinois Tax Increment Fund to be distributed to each
22 municipality.

23 Beginning in October, 1993, and each January, April, July
24 and October thereafter, the Department of Revenue shall
25 certify to the Treasurer and the Comptroller the amounts
26 payable quarter annually during the fiscal year to each
27 municipality under this Section. The Comptroller shall
28 promptly then draw warrants, ordering the State Treasurer to
29 pay such amounts from the Illinois Tax Increment Fund in the
30 State treasury.

31 The Department of Revenue shall utilize the same periods
32 established for determining State Sales Tax Increment to
33 determine the Municipal Sales Tax Increment for the area
34 within a State Sales Tax Boundary and certify such amounts to

1 such municipal treasurer who shall transfer such amounts to
2 the special tax allocation fund.

3 The provisions of this subsection (1) do not apply to
4 additional municipal retailers' occupation or service
5 occupation taxes imposed by municipalities using their home
6 rule powers or imposed pursuant to Sections 8-11-1.3,
7 8-11-1.4 and 8-11-1.5 of this Act. A municipality shall not
8 receive from the State any share of the Illinois Tax
9 Increment Fund unless such municipality deposits all its
10 Municipal Sales Tax Increment and the local incremental real
11 property tax revenues, as provided herein, into the
12 appropriate special tax allocation fund. If, however, a
13 municipality has extended the estimated dates of completion
14 of the redevelopment project and retirement of obligations to
15 finance redevelopment project costs by municipal ordinance to
16 December 31, 2013 under subsection (n) of Section 11-74.4-3,
17 then that municipality shall continue to receive from the
18 State a share of the Illinois Tax Increment Fund so long as
19 the municipality deposits, from any funds available,
20 excluding funds in the special tax allocation fund, an amount
21 equal to the municipal share of the real property tax
22 increment revenues into the special tax allocation fund
23 during the extension period. The amount to be deposited by
24 the municipality in each of the tax years affected by the
25 extension to December 31, 2013 shall be equal to the
26 municipal share of the property tax increment deposited into
27 the special tax allocation fund by the municipality for the
28 most recent year that the property tax increment was
29 distributed. A municipality located within an economic
30 development project area created under the County Economic
31 Development Project Area Property Tax Allocation Act which
32 has abated any portion of its property taxes which otherwise
33 would have been deposited in its special tax allocation fund
34 shall not receive from the State the Net Sales Tax Increment.

1 (2) A municipality which has adopted tax increment
2 allocation financing with regard to an industrial park or
3 industrial park conservation area, prior to January 1, 1988,
4 may by ordinance authorize the Department of Revenue to
5 annually certify and pay from the Illinois Tax Increment Fund
6 to such municipality for deposit in the municipality's
7 special tax allocation fund an amount equal to the Net State
8 Utility Tax Increment. Provided that for purposes of this
9 Section no amendments adding additional area to the
10 redevelopment project area shall be taken into account if
11 such amendments are adopted by the municipality after January
12 1, 1988. Municipalities adopting an ordinance under this
13 subsection (2) of this Section for a redevelopment project
14 area shall not be entitled to payment of State taxes
15 authorized under subsection (1) of this Section for the same
16 redevelopment project area which is within a State Sales Tax
17 Boundary. Nothing herein shall be construed to prevent a
18 municipality from receiving payment of State taxes authorized
19 under subsection (1) of this Section for a separate
20 redevelopment project area within a State Sales Tax Boundary
21 that does not overlap in any way with the redevelopment
22 project area receiving payments of State taxes pursuant to
23 subsection (2) of this Section.

24 A certified copy of such ordinance shall be submitted to
25 the Department of Commerce and Community Affairs and the
26 Department of Revenue not later than 30 days after the
27 effective date of the ordinance.

28 When a municipality determines that a portion of an
29 increase in the aggregate amount of taxes paid by industrial
30 or commercial facilities under the Public Utilities Act, is
31 the result of an industrial or commercial facility initiating
32 operations in the redevelopment project area with a resulting
33 termination of such operations by such industrial or
34 commercial facility at another location in Illinois, the

1 Department of Revenue shall be notified by such municipality
2 that such industrial or commercial facility's liability under
3 the Public Utility Tax Act shall be included in the base from
4 which tax increments are calculated for purposes of State
5 payments to the affected municipality.

6 After receipt of the calculations by the public utility
7 as required by subsection (4) of this Section, the Department
8 of Revenue shall annually budget and the Illinois General
9 Assembly shall annually appropriate from the General Revenue
10 Fund through State Fiscal Year 1989, and thereafter from the
11 Illinois Tax Increment Fund, an amount sufficient to pay to
12 each eligible municipality the amount of incremental revenue
13 attributable to State electric and gas taxes as reflected by
14 the charges imposed on persons in the project area to which
15 such municipality is entitled by comparing the preceding
16 calendar year with the base year as determined by this
17 Section. Beginning on January 1, 1993, each municipality's
18 proportional share of the Illinois Tax Increment Fund shall
19 be determined by adding the annual Net State Utility Tax
20 Increment and the annual Net Utility Tax Increment to
21 determine the Annual Total Increment. The ratio of the Annual
22 Total Increment of each municipality to the Annual Total
23 Increment for all municipalities, as most recently calculated
24 by the Department, shall determine the proportional shares of
25 the Illinois Tax Increment Fund to be distributed to each
26 municipality.

27 A municipality shall not receive any share of the
28 Illinois Tax Increment Fund from the State unless such
29 municipality imposes the maximum municipal charges authorized
30 pursuant to Section 9-221 of the Public Utilities Act and
31 deposits all municipal utility tax incremental revenues as
32 certified by the public utilities, and all local real estate
33 tax increments into such municipality's special tax
34 allocation fund.

1 (3) Within 30 days after the adoption of the ordinance
2 required by either subsection (1) or subsection (2) of this
3 Section, the municipality shall transmit to the Department of
4 Commerce and Community Affairs and the Department of Revenue
5 the following:

6 (a) if applicable, a certified copy of the
7 ordinance required by subsection (1) accompanied by a
8 complete list of street names and the range of street
9 numbers of each street located within the redevelopment
10 project area for which payments are to be made under this
11 Section in both the base year and in the year preceding
12 the payment year; and the addresses of persons registered
13 with the Department of Revenue; and, the name under which
14 each such retailer or serviceman conducts business at
15 that address, if different from the corporate name; and
16 the Illinois Business Tax Number of each such person (The
17 municipality shall update this list in the event of a
18 revision of the redevelopment project area, or the
19 opening or closing or name change of any street or part
20 thereof in the redevelopment project area, or if the
21 Department of Revenue informs the municipality of an
22 addition or deletion pursuant to the monthly updates
23 given by the Department.);

24 (b) if applicable, a certified copy of the
25 ordinance required by subsection (2) accompanied by a
26 complete list of street names and range of street numbers
27 of each street located within the redevelopment project
28 area, the utility customers in the project area, and the
29 utilities serving the redevelopment project areas;

30 (c) certified copies of the ordinances approving
31 the redevelopment plan and designating the redevelopment
32 project area;

33 (d) a copy of the redevelopment plan as approved by
34 the municipality;

1 (e) an opinion of legal counsel that the
 2 municipality had complied with the requirements of this
 3 Act; and

4 (f) a certification by the chief executive officer
 5 of the municipality that with regard to a redevelopment
 6 project area: (1) the municipality has committed all of
 7 the municipal tax increment created pursuant to this Act
 8 for deposit in the special tax allocation fund, (2) the
 9 redevelopment projects described in the redevelopment
 10 plan would not be completed without the use of State
 11 incremental revenues pursuant to this Act, (3) the
 12 municipality will pursue the implementation of the
 13 redevelopment plan in an expeditious manner, (4) the
 14 incremental revenues created pursuant to this Section
 15 will be exclusively utilized for the development of the
 16 redevelopment project area, and (5) the increased revenue
 17 created pursuant to this Section shall be used
 18 exclusively to pay redevelopment project costs as defined
 19 in this Act.

20 (4) The Department of Revenue upon receipt of the
 21 information set forth in paragraph (b) of subsection (3)
 22 shall immediately forward such information to each public
 23 utility furnishing natural gas or electricity to buildings
 24 within the redevelopment project area. Upon receipt of such
 25 information, each public utility shall promptly:

26 (a) provide to the Department of Revenue and the
 27 municipality separate lists of the names and addresses of
 28 persons within the redevelopment project area receiving
 29 natural gas or electricity from such public utility.
 30 Such list shall be updated as necessary by the public
 31 utility. Each month thereafter the public utility shall
 32 furnish the Department of Revenue and the municipality
 33 with an itemized listing of charges imposed pursuant to
 34 Sections 9-221 and 9-222 of the Public Utilities Act on

1 persons within the redevelopment project area.

2 (b) determine the amount of charges imposed
3 pursuant to Sections 9-221 and 9-222 of the Public
4 Utilities Act on persons in the redevelopment project
5 area during the base year, both as a result of municipal
6 taxes on electricity and gas and as a result of State
7 taxes on electricity and gas and certify such amounts
8 both to the municipality and the Department of Revenue;
9 and

10 (c) determine the amount of charges imposed
11 pursuant to Sections 9-221 and 9-222 of the Public
12 Utilities Act on persons in the redevelopment project
13 area on a monthly basis during the base year, both as a
14 result of State and municipal taxes on electricity and
15 gas and certify such separate amounts both to the
16 municipality and the Department of Revenue.

17 After the determinations are made in paragraphs (b) and
18 (c), the public utility shall monthly during the existence of
19 the redevelopment project area notify the Department of
20 Revenue and the municipality of any increase in charges over
21 the base year determinations made pursuant to paragraphs (b)
22 and (c).

23 (5) The payments authorized under this Section shall be
24 deposited by the municipal treasurer in the special tax
25 allocation fund of the municipality, which for accounting
26 purposes shall identify the sources of each payment as:
27 municipal receipts from the State retailers occupation,
28 service occupation, use and service use taxes; and municipal
29 public utility taxes charged to customers under the Public
30 Utilities Act and State public utility taxes charged to
31 customers under the Public Utilities Act.

32 (6) Before the effective date of this amendatory Act of
33 the 91st General Assembly, any municipality receiving
34 payments authorized under this Section for any redevelopment

1 project area or area within a State Sales Tax Boundary within
 2 the municipality shall submit to the Department of Revenue
 3 and to the taxing districts which are sent the notice
 4 required by Section 6 of this Act annually within 180 days
 5 after the close of each municipal fiscal year the following
 6 information for the immediately preceding fiscal year:

7 (a) Any amendments to the redevelopment plan, the
 8 redevelopment project area, or the State Sales Tax
 9 Boundary.

10 (b) Audited financial statements of the special tax
 11 allocation fund.

12 (c) Certification of the Chief Executive Officer of
 13 the municipality that the municipality has complied with
 14 all of the requirements of this Act during the preceding
 15 fiscal year.

16 (d) An opinion of legal counsel that the
 17 municipality is in compliance with this Act.

18 (e) An analysis of the special tax allocation fund
 19 which sets forth:

20 (1) the balance in the special tax allocation
 21 fund at the beginning of the fiscal year;

22 (2) all amounts deposited in the special tax
 23 allocation fund by source;

24 (3) all expenditures from the special tax
 25 allocation fund by category of permissible
 26 redevelopment project cost; and

27 (4) the balance in the special tax allocation
 28 fund at the end of the fiscal year including a
 29 breakdown of that balance by source. Such ending
 30 balance shall be designated as surplus if it is not
 31 required for anticipated redevelopment project costs
 32 or to pay debt service on bonds issued to finance
 33 redevelopment project costs, as set forth in Section
 34 11-74.4-7 hereof.

1 (f) A description of all property purchased by the
2 municipality within the redevelopment project area
3 including:

- 4 1. Street address
- 5 2. Approximate size or description of property
- 6 3. Purchase price
- 7 4. Seller of property.

8 (g) A statement setting forth all activities
9 undertaken in furtherance of the objectives of the
10 redevelopment plan, including:

- 11 1. Any project implemented in the preceding
12 fiscal year
- 13 2. A description of the redevelopment
14 activities undertaken
- 15 3. A description of any agreements entered
16 into by the municipality with regard to the
17 disposition or redevelopment of any property within
18 the redevelopment project area or the area within
19 the State Sales Tax Boundary.

20 (h) With regard to any obligations issued by the
21 municipality:

- 22 1. copies of bond ordinances or resolutions
- 23 2. copies of any official statements
- 24 3. an analysis prepared by financial advisor
25 or underwriter setting forth: (a) nature and term of
26 obligation; and (b) projected debt service including
27 required reserves and debt coverage.

28 (i) A certified audit report reviewing compliance
29 with this statute performed by an independent public
30 accountant certified and licensed by the authority of the
31 State of Illinois. The financial portion of the audit
32 must be conducted in accordance with Standards for Audits
33 of Governmental Organizations, Programs, Activities, and
34 Functions adopted by the Comptroller General of the

1 United States (1981), as amended. The audit report shall
2 contain a letter from the independent certified public
3 accountant indicating compliance or noncompliance with
4 the requirements of subsection (q) of Section 11-74.4-3.
5 If the audit indicates that expenditures are not in
6 compliance with the law, the Department of Revenue shall
7 withhold State sales and utility tax increment payments
8 to the municipality until compliance has been reached,
9 and an amount equal to the ineligible expenditures has
10 been returned to the Special Tax Allocation Fund.

11 (6.1) After July 29, 1988 and before the effective date
12 of this amendatory Act of the 91st General Assembly, any
13 funds which have not been designated for use in a specific
14 development project in the annual report shall be designated
15 as surplus. No funds may be held in the Special Tax
16 Allocation Fund for more than 36 months from the date of
17 receipt unless the money is required for payment of
18 contractual obligations for specific development project
19 costs. If held for more than 36 months in violation of the
20 preceding sentence, such funds shall be designated as
21 surplus. Any funds designated as surplus must first be used
22 for early redemption of any bond obligations. Any funds
23 designated as surplus which are not disposed of as otherwise
24 provided in this paragraph, shall be distributed as surplus
25 as provided in Section 11-74.4-7.

26 (7) Any appropriation made pursuant to this Section for
27 the 1987 State fiscal year shall not exceed the amount of \$7
28 million and for the 1988 State fiscal year the amount of \$10
29 million. The amount which shall be distributed to each
30 municipality shall be the incremental revenue to which each
31 municipality is entitled as calculated by the Department of
32 Revenue, unless the requests of the municipality exceed the
33 appropriation, then the amount to which each municipality
34 shall be entitled shall be prorated among the municipalities

1 in the same proportion as the increment to which the
2 municipality would be entitled bears to the total increment
3 which all municipalities would receive in the absence of this
4 limitation, provided that no municipality may receive an
5 amount in excess of 15% of the appropriation. For the 1987
6 Net State Sales Tax Increment payable in Fiscal Year 1989, no
7 municipality shall receive more than 7.5% of the total
8 appropriation; provided, however, that any of the
9 appropriation remaining after such distribution shall be
10 prorated among municipalities on the basis of their pro rata
11 share of the total increment. Beginning on January 1, 1993,
12 each municipality's proportional share of the Illinois Tax
13 Increment Fund shall be determined by adding the annual Net
14 State Sales Tax Increment and the annual Net Utility Tax
15 Increment to determine the Annual Total Increment. The ratio
16 of the Annual Total Increment of each municipality to the
17 Annual Total Increment for all municipalities, as most
18 recently calculated by the Department, shall determine the
19 proportional shares of the Illinois Tax Increment Fund to be
20 distributed to each municipality.

21 (7.1) No distribution of Net State Sales Tax Increment
22 to a municipality for an area within a State Sales Tax
23 Boundary shall exceed in any State Fiscal Year an amount
24 equal to 3 times the sum of the Municipal Sales Tax
25 Increment, the real property tax increment and deposits of
26 funds from other sources, excluding state and federal funds,
27 as certified by the city treasurer to the Department of
28 Revenue for an area within a State Sales Tax Boundary. After
29 July 29, 1988, for those municipalities which issue bonds
30 between June 1, 1988 and 3 years from July 29, 1988 to
31 finance redevelopment projects within the area in a State
32 Sales Tax Boundary, the distribution of Net State Sales Tax
33 Increment during the 16th through 20th years from the date of
34 issuance of the bonds shall not exceed in any State Fiscal

1 Year an amount equal to 2 times the sum of the Municipal
 2 Sales Tax Increment, the real property tax increment and
 3 deposits of funds from other sources, excluding State and
 4 federal funds.

5 (8) Any person who knowingly files or causes to be filed
 6 false information for the purpose of increasing the amount of
 7 any State tax incremental revenue commits a Class A
 8 misdemeanor.

9 (9) The following procedures shall be followed to
 10 determine whether municipalities have complied with the Act
 11 for the purpose of receiving distributions after July 1, 1989
 12 pursuant to subsection (1) of this Section 11-74.4-8a.

13 (a) The Department of Revenue shall conduct a
 14 preliminary review of the redevelopment project areas and
 15 redevelopment plans pertaining to those municipalities
 16 receiving payments from the State pursuant to subsection
 17 (1) of Section 8a of this Act for the purpose of
 18 determining compliance with the following standards:

19 (1) For any municipality with a population of
 20 more than 12,000 as determined by the 1980 U.S.
 21 Census: (a) the redevelopment project area, or in
 22 the case of a municipality which has more than one
 23 redevelopment project area, each such area, must be
 24 contiguous and the total of all such areas shall not
 25 comprise more than 25% of the area within the
 26 municipal boundaries nor more than 20% of the
 27 equalized assessed value of the municipality; (b)
 28 the aggregate amount of 1985 taxes in the
 29 redevelopment project area, or in the case of a
 30 municipality which has more than one redevelopment
 31 project area, the total of all such areas, shall be
 32 not more than 25% of the total base year taxes paid
 33 by retailers and servicemen on transactions at
 34 places of business located within the municipality

1 under the Retailers' Occupation Tax Act, the Use Tax
2 Act, the Service Use Tax Act, and the Service
3 Occupation Tax Act. Redevelopment project areas
4 created prior to 1986 are not subject to the above
5 standards if their boundaries were not amended in
6 1986.

7 (2) For any municipality with a population of
8 12,000 or less as determined by the 1980 U.S.
9 Census: (a) the redevelopment project area, or in
10 the case of a municipality which has more than one
11 redevelopment project area, each such area, must be
12 contiguous and the total of all such areas shall not
13 comprise more than 35% of the area within the
14 municipal boundaries nor more than 30% of the
15 equalized assessed value of the municipality; (b)
16 the aggregate amount of 1985 taxes in the
17 redevelopment project area, or in the case of a
18 municipality which has more than one redevelopment
19 project area, the total of all such areas, shall not
20 be more than 35% of the total base year taxes paid
21 by retailers and servicemen on transactions at
22 places of business located within the municipality
23 under the Retailers' Occupation Tax Act, the Use Tax
24 Act, the Service Use Tax Act, and the Service
25 Occupation Tax Act. Redevelopment project areas
26 created prior to 1986 are not subject to the above
27 standards if their boundaries were not amended in
28 1986.

29 (3) Such preliminary review of the
30 redevelopment project areas applying the above
31 standards shall be completed by November 1, 1988,
32 and on or before November 1, 1988, the Department
33 shall notify each municipality by certified mail,
34 return receipt requested that either (1) the

1 Department requires additional time in which to
 2 complete its preliminary review; or (2) the
 3 Department is issuing either (a) a Certificate of
 4 Eligibility or (b) a Notice of Review. If the
 5 Department notifies a municipality that it requires
 6 additional time to complete its preliminary
 7 investigation, it shall complete its preliminary
 8 investigation no later than February 1, 1989, and by
 9 February 1, 1989 shall issue to each municipality
 10 either (a) a Certificate of Eligibility or (b) a
 11 Notice of Review. A redevelopment project area for
 12 which a Certificate of Eligibility has been issued
 13 shall be deemed a "State Sales Tax Boundary."

14 (4) The Department of Revenue shall also issue
 15 a Notice of Review if the Department has received a
 16 request by November 1, 1988 to conduct such a review
 17 from taxpayers in the municipality, local taxing
 18 districts located in the municipality or the State
 19 of Illinois, or if the redevelopment project area
 20 has more than 5 retailers and has had growth in
 21 State sales tax revenue of more than 15% from
 22 calendar year 1985 to 1986.

23 (b) For those municipalities receiving a Notice of
 24 Review, the Department will conduct a secondary review
 25 consisting of: (i) application of the above standards
 26 contained in subsection (9)(a)(1)(a) and (b) or
 27 (9)(a)(2)(a) and (b), and (ii) the definitions of
 28 blighted and conservation area provided for in Section
 29 11-74.4-3. Such secondary review shall be completed by
 30 July 1, 1989.

31 Upon completion of the secondary review, the
 32 Department will issue (a) a Certificate of Eligibility or
 33 (b) a Preliminary Notice of Deficiency. Any municipality
 34 receiving a Preliminary Notice of Deficiency may amend

1 its redevelopment project area to meet the standards and
2 definitions set forth in this paragraph (b). This amended
3 redevelopment project area shall become the "State Sales
4 Tax Boundary" for purposes of determining the State Sales
5 Tax Increment.

6 (c) If the municipality advises the Department of
7 its intent to comply with the requirements of paragraph
8 (b) of this subsection outlined in the Preliminary Notice
9 of Deficiency, within 120 days of receiving such notice
10 from the Department, the municipality shall submit
11 documentation to the Department of the actions it has
12 taken to cure any deficiencies. Thereafter, within 30
13 days of the receipt of the documentation, the Department
14 shall either issue a Certificate of Eligibility or a
15 Final Notice of Deficiency. If the municipality fails to
16 advise the Department of its intent to comply or fails to
17 submit adequate documentation of such cure of
18 deficiencies the Department shall issue a Final Notice of
19 Deficiency that provides that the municipality is
20 ineligible for payment of the Net State Sales Tax
21 Increment.

22 (d) If the Department issues a final determination
23 of ineligibility, the municipality shall have 30 days
24 from the receipt of determination to protest and request
25 a hearing. Such hearing shall be conducted in accordance
26 with Sections 10-25, 10-35, 10-40, and 10-50 of the
27 Illinois Administrative Procedure Act. The decision
28 following the hearing shall be subject to review under
29 the Administrative Review Law.

30 (e) Any Certificate of Eligibility issued pursuant
31 to this subsection 9 shall be binding only on the State
32 for the purposes of establishing municipal eligibility to
33 receive revenue pursuant to subsection (1) of this
34 Section 11-74.4-8a.

1 (f) It is the intent of this subsection that the
2 periods of time to cure deficiencies shall be in addition
3 to all other periods of time permitted by this Section,
4 regardless of the date by which plans were originally
5 required to be adopted. To cure said deficiencies,
6 however, the municipality shall be required to follow the
7 procedures and requirements pertaining to amendments, as
8 provided in Sections 11-74.4-5 and 11-74.4-6 of this Act.

9 (10) If a municipality adopts a State Sales Tax Boundary
10 in accordance with the provisions of subsection (9) of this
11 Section, such boundaries shall subsequently be utilized to
12 determine Revised Initial Sales Tax Amounts and the Net State
13 Sales Tax Increment; provided, however, that such revised
14 State Sales Tax Boundary shall not have any effect upon the
15 boundary of the redevelopment project area established for
16 the purposes of determining the ad valorem taxes on real
17 property pursuant to Sections 11-74.4-7 and 11-74.4-8 of this
18 Act nor upon the municipality's authority to implement the
19 redevelopment plan for that redevelopment project area. For
20 any redevelopment project area with a smaller State Sales Tax
21 Boundary within its area, the municipality may annually elect
22 to deposit the Municipal Sales Tax Increment for the
23 redevelopment project area in the special tax allocation fund
24 and shall certify the amount to the Department prior to
25 receipt of the Net State Sales Tax Increment. Any
26 municipality required by subsection (9) to establish a State
27 Sales Tax Boundary for one or more of its redevelopment
28 project areas shall submit all necessary information required
29 by the Department concerning such boundary and the retailers
30 therein, by October 1, 1989, after complying with the
31 procedures for amendment set forth in Sections 11-74.4-5 and
32 11-74.4-6 of this Act. Net State Sales Tax Increment
33 produced within the State Sales Tax Boundary shall be spent
34 only within that area. However expenditures of all municipal

1 property tax increment and municipal sales tax increment in a
2 redevelopment project area are not required to be spent
3 within the smaller State Sales Tax Boundary within such
4 redevelopment project area.

5 (11) The Department of Revenue shall have the authority
6 to issue rules and regulations for purposes of this Section.
7 and regulations for purposes of this Section.

8 (12) If, under Section 5.4.1 of the Illinois Enterprise
9 Zone Act, a municipality determines that property that lies
10 within a State Sales Tax Boundary has an improvement,
11 rehabilitation, or renovation that is entitled to a property
12 tax abatement, then that property along with any
13 improvements, rehabilitation, or renovations shall be
14 immediately removed from any State Sales Tax Boundary. The
15 municipality that made the determination shall notify the
16 Department of Revenue within 30 days after the determination.
17 Once a property is removed from the State Sales Tax Boundary
18 because of the existence of a property tax abatement
19 resulting from an enterprise zone, then that property shall
20 not be permitted to be amended into a State Sales Tax
21 Boundary.

22 (Source: P.A. 90-258, eff. 7-30-97; 91-51, eff. 6-30-99;
23 91-478, eff. 11-1-99.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.