

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

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

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

7 (2) If the property subject to the agreement is
8 currently developed:

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

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

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

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

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

20 (6) That the developer meets high standards of
21 creditworthiness and financial strength as demonstrated by
22 one or more of the following:

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

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

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

31 (7) That the project will strengthen the commercial
32 sector of the municipality;

33 (8) That the project will enhance the tax base of the
34 municipality; and

1 (9) That the agreement is made in the best interest of
2 the municipality.

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

4 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

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

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

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

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

28 (A) Dilapidation. An advanced state of
29 disrepair or neglect of necessary repairs to the
30 primary structural components of buildings or
31 improvements in such a combination that a documented
32 building condition analysis determines that major
33 repair is required or the defects are so serious and

1 so extensive that the buildings must be removed.

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

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

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

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

27 (F) Excessive vacancies. The presence of
28 buildings that are unoccupied or under-utilized and
29 that represent an adverse influence on the area
30 because of the frequency, extent, or duration of the
31 vacancies.

32 (G) Lack of ventilation, light, or sanitary
33 facilities. The absence of adequate ventilation for
34 light or air circulation in spaces or rooms without

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

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

23 (I) Excessive land coverage and overcrowding
24 of structures and community facilities. The
25 over-intensive use of property and the crowding of
26 buildings and accessory facilities onto a site.
27 Examples of problem conditions warranting the
28 designation of an area as one exhibiting excessive
29 land coverage are: (i) the presence of buildings
30 either improperly situated on parcels or located on
31 parcels of inadequate size and shape in relation to
32 present-day standards of development for health and
33 safety and (ii) the presence of multiple buildings
34 on a single parcel. For there to be a finding of

1 excessive land coverage, these parcels must exhibit
2 one or more of the following conditions:
3 insufficient provision for light and air within or
4 around buildings, increased threat of spread of fire
5 due to the close proximity of buildings, lack of
6 adequate or proper access to a public right-of-way,
7 lack of reasonably required off-street parking, or
8 inadequate provision for loading and service.

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

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

27 (L) Lack of community planning. The proposed
28 redevelopment project area was developed prior to or
29 without the benefit or guidance of a community plan.
30 This means that the development occurred prior to
31 the adoption by the municipality of a comprehensive
32 or other community plan or that the plan was not
33 followed at the time of the area's development.
34 This factor must be documented by evidence of

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

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

20 (2) If vacant, the sound growth of the
21 redevelopment project area is impaired by a combination
22 of 2 or more of the following factors, each of which is
23 (i) present, with that presence documented, to a
24 meaningful extent so that a municipality may reasonably
25 find that the factor is clearly present within the intent
26 of the Act and (ii) reasonably distributed throughout the
27 vacant part of the redevelopment project area to which it
28 pertains:

29 (A) Obsolete platting of vacant land that
30 results in parcels of limited or narrow size or
31 configurations of parcels of irregular size or shape
32 that would be difficult to develop on a planned
33 basis and in a manner compatible with contemporary
34 standards and requirements, or platting that failed

1 to create rights-of-ways for streets or alleys or
2 that created inadequate right-of-way widths for
3 streets, alleys, or other public rights-of-way or
4 that omitted easements for public utilities.

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

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

12 (D) Deterioration of structures or site
13 improvements in neighboring areas adjacent to the
14 vacant land.

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

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

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

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

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

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

18 (C) The area, prior to its designation, is
19 subject to chronic flooding that adversely impacts
20 on real property in the area as certified by a
21 registered professional engineer or appropriate
22 regulatory agency.

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

28 (E) Prior to November 1, 1999, the area is not
29 less than 50 nor more than 100 acres and 75% of
30 which is vacant (notwithstanding that the area has
31 been used for commercial agricultural purposes
32 within 5 years prior to the designation of the
33 redevelopment project area), and the area meets at
34 least one of the factors itemized in paragraph (1)

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

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

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

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

24 (1) Dilapidation. An advanced state of disrepair
25 or neglect of necessary repairs to the primary structural
26 components of buildings or improvements in such a
27 combination that a documented building condition analysis
28 determines that major repair is required or the defects
29 are so serious and so extensive that the buildings must
30 be removed.

31 (2) Obsolescence. The condition or process of
32 falling into disuse. Structures have become ill-suited
33 for the original use.

34 (3) Deterioration. With respect to buildings,

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

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

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

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

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

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

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

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

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

1 surrounding area.

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

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

25 (13) The total equalized assessed value of the
26 proposed redevelopment project area has declined for 3 of
27 the last 5 calendar years for which information is
28 available or is increasing at an annual rate that is less
29 than the balance of the municipality for 3 of the last 5
30 calendar years for which information is available or is
31 increasing at an annual rate that is less than the
32 Consumer Price Index for All Urban Consumers published by
33 the United States Department of Labor or successor agency
34 for 3 of the last 5 calendar years for which information

1 is available.

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

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

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

1 (f) "Municipality" shall mean a city, village or
2 incorporated town.

3 (g) "Initial Sales Tax Amounts" means the amount of
4 taxes paid under the Retailers' Occupation Tax Act, Use Tax
5 Act, Service Use Tax Act, the Service Occupation Tax Act, the
6 Municipal Retailers' Occupation Tax Act, and the Municipal
7 Service Occupation Tax Act by retailers and servicemen on
8 transactions at places located in a State Sales Tax Boundary
9 during the calendar year 1985.

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

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

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

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

8 (i) "Net State Sales Tax Increment" means the sum of the
9 following: (a) 80% of the first \$100,000 of State Sales Tax
10 Increment annually generated within a State Sales Tax
11 Boundary; (b) 60% of the amount in excess of \$100,000 but not
12 exceeding \$500,000 of State Sales Tax Increment annually
13 generated within a State Sales Tax Boundary; and (c) 40% of
14 all amounts in excess of \$500,000 of State Sales Tax
15 Increment annually generated within a State Sales Tax
16 Boundary. If, however, a municipality established a tax
17 increment financing district in a county with a population in
18 excess of 3,000,000 before January 1, 1986, and the
19 municipality entered into a contract or issued bonds after
20 January 1, 1986, but before December 31, 1986, to finance
21 redevelopment project costs within a State Sales Tax
22 Boundary, then the Net State Sales Tax Increment means, for
23 the fiscal years beginning July 1, 1990, and July 1, 1991,
24 100% of the State Sales Tax Increment annually generated
25 within a State Sales Tax Boundary; and notwithstanding any
26 other provision of this Act, for those fiscal years the
27 Department of Revenue shall distribute to those
28 municipalities 100% of their Net State Sales Tax Increment
29 before any distribution to any other municipality and
30 regardless of whether or not those other municipalities will
31 receive 100% of their Net State Sales Tax Increment. For
32 Fiscal Year 1999, and every year thereafter until the year
33 2007, for any municipality that has not entered into a
34 contract or has not issued bonds prior to June 1, 1988 to

1 finance redevelopment project costs within a State Sales Tax
 2 Boundary, the Net State Sales Tax Increment shall be
 3 calculated as follows: By multiplying the Net State Sales Tax
 4 Increment by 90% in the State Fiscal Year 1999; 80% in the
 5 State Fiscal Year 2000; 70% in the State Fiscal Year 2001;
 6 60% in the State Fiscal Year 2002; 50% in the State Fiscal
 7 Year 2003; 40% in the State Fiscal Year 2004; 30% in the
 8 State Fiscal Year 2005; 20% in the State Fiscal Year 2006;
 9 and 10% in the State Fiscal Year 2007. No payment shall be
 10 made for State Fiscal Year 2008 and thereafter.

11 Municipalities that issued bonds in connection with a
 12 redevelopment project in a redevelopment project area within
 13 the State Sales Tax Boundary prior to July 29, 1991, or that
 14 entered into contracts in connection with a redevelopment
 15 project in a redevelopment project area before June 1, 1988,
 16 shall continue to receive their proportional share of the
 17 Illinois Tax Increment Fund distribution until the date on
 18 which the redevelopment project is completed or terminated,
 19 ~~or the date on which the bonds are retired or the contracts~~
 20 ~~are completed, whichever date occurs first.~~ If, however, a
 21 municipality that issued bonds in connection with a
 22 redevelopment project in a redevelopment project area within
 23 the State Sales Tax Boundary prior to July 29, 1991 retires
 24 the bonds prior to June 30, 2007 or a municipality that
 25 entered into contracts in connection with a redevelopment
 26 project in a redevelopment project area before June 1, 1988
 27 completes the contracts prior to June 30, 2007, then so long
 28 as the redevelopment project is not completed or is not
 29 terminated, the Net State Sales Tax Increment shall be
 30 calculated, beginning on the date on which the bonds are
 31 retired or the contracts are completed, as follows: By
 32 multiplying the Net State Sales Tax Increment by 60% in the
 33 State Fiscal Year 2002; 50% in the State Fiscal Year 2003;
 34 40% in the State Fiscal Year 2004; 30% in the State Fiscal

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

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

18 (k) "Net State Utility Tax Increment" means the sum of
19 the following: (a) 80% of the first \$100,000 of State Utility
20 Tax Increment annually generated by a redevelopment project
21 area; (b) 60% of the amount in excess of \$100,000 but not
22 exceeding \$500,000 of the State Utility Tax Increment
23 annually generated by a redevelopment project area; and (c)
24 40% of all amounts in excess of \$500,000 of State Utility Tax
25 Increment annually generated by a redevelopment project area.
26 For the State Fiscal Year 1999, and every year thereafter
27 until the year 2007, for any municipality that has not
28 entered into a contract or has not issued bonds prior to June
29 1, 1988 to finance redevelopment project costs within a
30 redevelopment project area, the Net State Utility Tax
31 Increment shall be calculated as follows: By multiplying the
32 Net State Utility Tax Increment by 90% in the State Fiscal
33 Year 1999; 80% in the State Fiscal Year 2000; 70% in the
34 State Fiscal Year 2001; 60% in the State Fiscal Year 2002;

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

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

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

23 (m) "Payment in lieu of taxes" means those estimated tax
24 revenues from real property in a redevelopment project area
25 derived from real property that has been acquired by a
26 municipality which according to the redevelopment project or
27 plan is to be used for a private use which taxing districts
28 would have received had a municipality not acquired the real
29 property and adopted tax increment allocation financing and
30 which would result from levies made after the time of the
31 adoption of tax increment allocation financing to the time
32 the current equalized value of real property in the
33 redevelopment project area exceeds the total initial
34 equalized value of real property in said area.

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

22 (A) an itemized list of estimated redevelopment
23 project costs;

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

27 (C) an assessment of any financial impact of the
28 redevelopment project area on or any increased demand for
29 services from any taxing district affected by the plan
30 and any program to address such financial impact or
31 increased demand;

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

33 (E) the nature and term of the obligations to be
34 issued;

1 (F) the most recent equalized assessed valuation of
2 the redevelopment project area;

3 (G) an estimate as to the equalized assessed
4 valuation after redevelopment and the general land uses
5 to apply in the redevelopment project area;

6 (H) a commitment to fair employment practices and
7 an affirmative action plan;

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

16 (J) if property is to be annexed to the
17 municipality, the plan shall include the terms of the
18 annexation agreement.

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

28 (1) The municipality finds that the redevelopment
29 project area on the whole has not been subject to growth
30 and development through investment by private enterprise
31 and would not reasonably be anticipated to be developed
32 without the adoption of the redevelopment plan.

33 (2) The municipality finds that the redevelopment
34 plan and project conform to the comprehensive plan for

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

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

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

30 (B) if the ordinance was adopted in December
31 1983, April 1984, July 1985, or December 1989, or

32 (C) if the ordinance was adopted in December
33 1987 and the redevelopment project is located within
34 one mile of Midway Airport, or

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

4 (E) if the municipality is subject to the
5 Local Government Financial Planning and Supervision
6 Act or the Financially Distressed City Law, or

7 (F) if the ordinance was adopted in December
8 1984 by the Village of Rosemont, or

9 (G) if the ordinance was adopted on December
10 31, 1986 by a municipality located in Clinton County
11 for which at least \$250,000 of tax increment bonds
12 were authorized on June 17, 1997, or if the
13 ordinance was adopted on December 31, 1986 by a
14 municipality with a population in 1990 of less than
15 3,600 that is located in a county with a population
16 in 1990 of less than 34,000 and for which at least
17 \$250,000 of tax increment bonds were authorized on
18 June 17, 1997, or

19 (H) if the ordinance was adopted on October 5,
20 1982 by the City of Kankakee, or if the ordinance
21 was adopted on December 29, 1986 by East St. Louis,
22 or

23 (I) if the ordinance was adopted on November
24 12, 1991 by the Village of Sauget, or

25 (J) if the ordinance was adopted on February
26 11, 1985 by the City of Rock Island, or

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

29 (L) if the ordinance was adopted in September
30 1988 by Sauk Village, or

31 (M) if the ordinance was adopted in October
32 1993 by Sauk Village, or

33 (N) if the ordinance was adopted on December
34 29, 1986 by the City of Galva, or

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

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

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

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 adopted on or after
26 December 16, 1986 and for which at least \$8 million worth
27 of municipal bonds were authorized on or after December
28 19, 1989 but before January 1, 1990; provided that the
29 municipality elects to extend the life of the
30 redevelopment project area to 35 years by the adoption of
31 an ordinance after at least 14 but not more than 30 days'
32 written notice to the taxing bodies, that would otherwise
33 constitute the joint review board for the redevelopment
34 project area, before the adoption of the ordinance.

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

15 (3.5) The municipality finds, in the case of an
16 industrial park conservation area, also that the
17 municipality is a labor surplus municipality and that the
18 implementation of the redevelopment plan will reduce
19 unemployment, create new jobs and by the provision of new
20 facilities enhance the tax base of the taxing districts
21 that extend into the redevelopment project area.

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

31 (5) On and after November 1, 1999, if the
32 redevelopment plan will not result in displacement of 10
33 or more residents from inhabited units, and the
34 municipality certifies in the plan that such displacement

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

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

23 Part II of the housing impact study shall identify
24 the inhabited residential units in the proposed
25 redevelopment project area that are to be or may be
26 removed. If inhabited residential units are to be
27 removed, then the housing impact study shall identify (i)
28 the number and location of those units that will or may
29 be removed, (ii) the municipality's plans for relocation
30 assistance for those residents in the proposed
31 redevelopment project area whose residences are to be
32 removed, (iii) the availability of replacement housing
33 for those residents whose residences are to be removed,
34 and shall identify the type, location, and cost of the

1 housing, and (iv) the type and extent of relocation
2 assistance to be provided.

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

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

28 (8) On and after November 1, 1999, if, after the
29 adoption of the redevelopment plan for the redevelopment
30 project area, any municipality desires to amend its
31 redevelopment plan to remove more inhabited residential
32 units than specified in its original redevelopment plan,
33 that increase in the number of units to be removed shall
34 be deemed to be a change in the nature of the

1 redevelopment plan as to require compliance with the
2 procedures in this Act pertaining to the initial approval
3 of a redevelopment plan.

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

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

32 (p) "Redevelopment project area" means an area
33 designated by the municipality, which is not less in the
34 aggregate than 1 1/2 acres and in respect to which the

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

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

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

1 requirement shall be satisfied by the consultant or
2 advisor before the commencement of services for the
3 municipality and thereafter whenever any other contracts
4 with those individuals or entities are executed by the
5 consultant or advisor;

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

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

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

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

31 (4) Costs of the construction of public works or
32 improvements, except that on and after November 1, 1999,
33 redevelopment project costs shall not include the cost of
34 constructing a new municipal public building principally

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

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

21 (6) Financing costs, including but not limited to
22 all necessary and incidental expenses related to the
23 issuance of obligations and which may include payment of
24 interest on any obligations issued hereunder including
25 interest accruing during the estimated period of
26 construction of any redevelopment project for which such
27 obligations are issued and for not exceeding 36 months
28 thereafter and including reasonable reserves related
29 thereto;

30 (7) To the extent the municipality by written
31 agreement accepts and approves the same, all or a portion
32 of a taxing district's capital costs resulting from the
33 redevelopment project necessarily incurred or to be
34 incurred within a taxing district in furtherance of the

1 objectives of the redevelopment plan and project.

2 (7.5) For redevelopment project areas designated
3 (or redevelopment project areas amended to add or
4 increase the number of tax-increment-financing assisted
5 housing units) on or after November 1, 1999, an
6 elementary, secondary, or unit school district's
7 increased costs attributable to assisted housing units
8 located within the redevelopment project area for which
9 the developer or redeveloper receives financial
10 assistance through an agreement with the municipality or
11 because the municipality incurs the cost of necessary
12 infrastructure improvements within the boundaries of the
13 assisted housing sites necessary for the completion of
14 that housing as authorized by this Act, and which costs
15 shall be paid by the municipality from the Special Tax
16 Allocation Fund when the tax increment revenue is
17 received as a result of the assisted housing units and
18 shall be calculated annually as follows:

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

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

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

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

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

25 (B) For alternate method districts, flat grant
26 districts, and foundation districts with a district
27 average 1995-96 Per Capita Tuition Charge equal to
28 or more than \$5,900, excluding any school district
29 with a population in excess of 1,000,000, by
30 multiplying the district's increase in attendance
31 resulting from the net increase in new students
32 enrolled in that school district who reside in
33 housing units within the redevelopment project area
34 that have received financial assistance through an

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

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

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

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

28 (C) For any school district in a municipality
29 with a population in excess of 1,000,000, the
30 following restrictions shall apply to the
31 reimbursement of increased costs under this
32 paragraph (7.5):

33 (i) no increased costs shall be
34 reimbursed unless the school district certifies

1 that each of the schools affected by the
2 assisted housing project is at or over its
3 student capacity;

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

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

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

32 (8) Relocation costs to the extent that a
33 municipality determines that relocation costs shall be
34 paid or is required to make payment of relocation costs

1 by federal or State law or in order to satisfy
2 subparagraph (7) of subsection (n);

3 (9) Payment in lieu of taxes;

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

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

32 (A) such costs are to be paid directly from
33 the special tax allocation fund established pursuant
34 to this Act;

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

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

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

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

26 (F) Instead of the eligible costs provided by
27 subparagraphs (B) and (D) of paragraph (11), as
28 modified by this subparagraph, and notwithstanding
29 any other provisions of this Act to the contrary,
30 the municipality may pay from tax increment revenues
31 up to 50% of the cost of construction of new housing
32 units to be occupied by low-income households and
33 very low-income households as defined in Section 3
34 of the Illinois Affordable Housing Act. The cost of

1 construction of those units may be derived from the
2 proceeds of bonds issued by the municipality under
3 this Act or other constitutional or statutory
4 authority or from other sources of municipal revenue
5 that may be reimbursed from tax increment revenues
6 or the proceeds of bonds issued to finance the
7 construction of that housing.

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

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

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

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

33 (13) After November 1, 1999 (the effective date of
34 Public Act 91-478), none of the redevelopment project

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

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

27 (r) "State Sales Tax Boundary" means the redevelopment
28 project area or the amended redevelopment project area
29 boundaries which are determined pursuant to subsection (9) of
30 Section 11-74.4-8a of this Act. The Department of Revenue
31 shall certify pursuant to subsection (9) of Section
32 11-74.4-8a the appropriate boundaries eligible for the
33 determination of State Sales Tax Increment.

34 (s) "State Sales Tax Increment" means an amount equal to

1 the increase in the aggregate amount of taxes paid by
2 retailers and servicemen, other than retailers and servicemen
3 subject to the Public Utilities Act, on transactions at
4 places of business located within a State Sales Tax Boundary
5 pursuant to the Retailers' Occupation Tax Act, the Use Tax
6 Act, the Service Use Tax Act, and the Service Occupation Tax
7 Act, except such portion of such increase that is paid into
8 the State and Local Sales Tax Reform Fund, the Local
9 Government Distributive Fund, the Local Government Tax
10 Fund and the County and Mass Transit District Fund, for as
11 long as State participation exists, over and above the
12 Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts
13 or the Revised Initial Sales Tax Amounts for such taxes as
14 certified by the Department of Revenue and paid under those
15 Acts by retailers and servicemen on transactions at places of
16 business located within the State Sales Tax Boundary during
17 the base year which shall be the calendar year immediately
18 prior to the year in which the municipality adopted tax
19 increment allocation financing, less 3.0% of such amounts
20 generated under the Retailers' Occupation Tax Act, Use Tax
21 Act and Service Use Tax Act and the Service Occupation Tax
22 Act, which sum shall be appropriated to the Department of
23 Revenue to cover its costs of administering and enforcing
24 this Section. For purposes of computing the aggregate amount
25 of such taxes for base years occurring prior to 1985, the
26 Department of Revenue shall compute the Initial Sales Tax
27 Amount for such taxes and deduct therefrom an amount equal to
28 4% of the aggregate amount of taxes per year for each year
29 the base year is prior to 1985, but not to exceed a total
30 deduction of 12%. The amount so determined shall be known as
31 the "Adjusted Initial Sales Tax Amount". For purposes of
32 determining the State Sales Tax Increment the Department of
33 Revenue shall for each period subtract from the tax amounts
34 received from retailers and servicemen on transactions

1 located in the State Sales Tax Boundary, the certified
2 Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts
3 or Revised Initial Sales Tax Amounts for the Retailers'
4 Occupation Tax Act, the Use Tax Act, the Service Use Tax Act
5 and the Service Occupation Tax Act. For the State Fiscal
6 Year 1989 this calculation shall be made by utilizing the
7 calendar year 1987 to determine the tax amounts received. For
8 the State Fiscal Year 1990, this calculation shall be made by
9 utilizing the period from January 1, 1988, until September
10 30, 1988, to determine the tax amounts received from
11 retailers and servicemen, which shall have deducted therefrom
12 nine-twelfths of the certified Initial Sales Tax Amounts,
13 Adjusted Initial Sales Tax Amounts or the Revised Initial
14 Sales Tax Amounts as appropriate. For the State Fiscal Year
15 1991, this calculation shall be made by utilizing the period
16 from October 1, 1988, until June 30, 1989, to determine the
17 tax amounts received from retailers and servicemen, which
18 shall have deducted therefrom nine-twelfths of the certified
19 Initial State Sales Tax Amounts, Adjusted Initial Sales Tax
20 Amounts or the Revised Initial Sales Tax Amounts as
21 appropriate. For every State Fiscal Year thereafter, the
22 applicable period shall be the 12 months beginning July 1 and
23 ending on June 30, to determine the tax amounts received
24 which shall have deducted therefrom the certified Initial
25 Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the
26 Revised Initial Sales Tax Amounts. Municipalities intending
27 to receive a distribution of State Sales Tax Increment must
28 report a list of retailers to the Department of Revenue by
29 October 31, 1988 and by July 31, of each year thereafter.

30 (t) "Taxing districts" means counties, townships, cities
31 and incorporated towns and villages, school, road, park,
32 sanitary, mosquito abatement, forest preserve, public health,
33 fire protection, river conservancy, tuberculosis sanitarium
34 and any other municipal corporations or districts with the

1 power to levy taxes.

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

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

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

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

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

9 (65 ILCS 5/11-74.4-4.1)

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

11 (a) If a municipality by its corporate authorities, or
12 as it may determine by any commission designated under
13 subsection (k) of Section 11-74.4-4, adopts an ordinance or
14 resolution providing for a feasibility study on the
15 designation of an area as a redevelopment project area, a
16 copy of the ordinance or resolution shall immediately be sent
17 to all taxing districts that would be affected by the
18 designation.

19 On and after the effective date of this amendatory Act of
20 the 91st General Assembly, the ordinance or resolution shall
21 include:

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

24 (2) The purpose or purposes of the proposed
25 redevelopment plan and project.

26 (3) A general description of tax increment
27 allocation financing under this Act.

28 (4) The name, phone number, and address of the
29 municipal officer who can be contacted for additional
30 information about the proposed redevelopment project area
31 and who should receive all comments and suggestions
32 regarding the redevelopment of the area to be studied.

33 (b) If one of the purposes of the planned redevelopment

1 project area should reasonably be expected to result in the
2 displacement of residents from 10 or more inhabited
3 residential units, the municipality shall adopt a resolution
4 or ordinance providing for the feasibility study described in
5 subsection (a). The ordinance or resolution shall also
6 require that the feasibility study include the preparation of
7 the housing impact study set forth in paragraph (5) of
8 subsection (n) of Section 11-74.4-3. If the redevelopment
9 plan will not result in displacement of 10 or more residents
10 from inhabited units, and the municipality certifies in the
11 plan that such displacement will not result from the plan,
12 then a resolution or ordinance need not be adopted.

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

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

1 Prior to the adoption of an ordinance proposing the
2 designation of a redevelopment project area, or approving a
3 redevelopment plan or redevelopment project, the municipality
4 by its corporate authorities, or as it may determine by any
5 commission designated under subsection (k) of Section
6 11-74.4-4 shall adopt an ordinance or resolution fixing a
7 time and place for public hearing. At least 10 days prior to
8 the adoption of the ordinance or resolution establishing the
9 time and place for the public hearing, the municipality shall
10 make available for public inspection a redevelopment plan or
11 a separate report that provides in reasonable detail the
12 basis for the eligibility of the redevelopment project area.
13 The report along with the name of a person to contact for
14 further information shall be sent within a reasonable time
15 after the adoption of such ordinance or resolution to the
16 affected taxing districts by certified mail. On and after the
17 effective date of this amendatory Act of the 91st General
18 Assembly, the municipality shall print in a newspaper of
19 general circulation within the municipality a notice that
20 interested persons may register with the municipality in
21 order to receive information on the proposed designation of a
22 redevelopment project area or the approval of a redevelopment
23 plan. The notice shall state the place of registration and
24 the operating hours of that place. The municipality shall
25 have adopted reasonable rules to implement this registration
26 process under Section 11-74.4-4.2. The municipality shall
27 provide notice of the availability of the redevelopment plan
28 and eligibility report, including how to obtain this
29 information, by mail within a reasonable time after the
30 adoption of the ordinance or resolution, to all residential
31 addresses that, after a good faith effort, the municipality
32 determines are located within 750 feet of the boundaries of
33 the proposed redevelopment project area. This requirement is
34 subject to the limitation that in a municipality with a

1 population of over 100,000, if the total number of
2 residential addresses within 750 feet of the boundaries of
3 the proposed redevelopment project area exceeds 750, the
4 municipality shall be required to provide the notice to only
5 the 750 residential addresses that, after a good faith
6 effort, the municipality determines are closest to the
7 boundaries of the proposed redevelopment project area. The
8 notice shall also be provided by the municipality, regardless
9 of its population, to those organizations and residents that
10 have registered with the municipality for that information in
11 accordance with the registration guidelines established by
12 the municipality under Section 11-74.4-4.2. Notice--of--the
13 availability---of--the--redevelopment--plan--and--eligibility
14 report,-including-how-to-obtain-this-information,-shall--also
15 be--sent--by-mail-within-a-reasonable-time-after-the-adoption
16 of-the-ordinance-or-resolution-to-all--residents--within--the
17 postal--zip--code-area-or-areas-contained-in-whole-or-in-part
18 within---the---proposed---redevelopment---project---area---or
19 organizations-that-operate--in--the--municipality--that--have
20 registered--with--the--municipality--for--that-information-in
21 accordance-with-the-registration--guidelines--established--by
22 the-municipality-under-Section-11-74.4-4.2.

23 At the public hearing any interested person or affected
24 taxing district may file with the municipal clerk written
25 objections to and may be heard orally in respect to any
26 issues embodied in the notice. The municipality shall hear
27 and--determine all protests and objections at the hearing and
28 the hearing may be adjourned to another date without further
29 notice other than a motion to be entered upon the minutes
30 fixing the time and place of the subsequent hearing. At the
31 public hearing or at any time prior to the adoption by the
32 municipality of an ordinance approving a redevelopment plan,
33 the municipality may make changes in the redevelopment plan.
34 Changes which (1) add additional parcels of property to the

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

31 (b) Prior to holding a public hearing to approve or
32 amend a redevelopment plan or to designate or add additional
33 parcels of property to a redevelopment project area, the
34 municipality shall convene a joint review board. The board

1 shall consist of a representative selected by each community
2 college district, local elementary school district and high
3 school district or each local community unit school district,
4 park district, library district, township, fire protection
5 district, and county that will have the authority to directly
6 levy taxes on the property within the proposed redevelopment
7 project area at the time that the proposed redevelopment
8 project area is approved, a representative selected by the
9 municipality and a public member. The public member shall
10 first be selected and then the board's chairperson shall be
11 selected by a majority of the board members present and
12 voting.

13 For redevelopment project areas with redevelopment plans
14 or proposed redevelopment plans that would result in the
15 displacement of residents from 10 or more inhabited
16 residential units or that include 75 or more inhabited
17 residential units, the public member shall be a person who
18 resides in the redevelopment project area. If, as determined
19 by the housing impact study provided for in paragraph (5) of
20 subsection (n) of Section 11-74.4-3, or if no housing impact
21 study is required then based on other reasonable data, the
22 majority of residential units are occupied by very low, low,
23 or moderate income households, as defined in Section 3 of the
24 Illinois Affordable Housing Act, the public member shall be a
25 person who resides in very low, low, or moderate income
26 housing within the redevelopment project area.
27 Municipalities with fewer than 15,000 residents shall not be
28 required to select a person who lives in very low, low, or
29 moderate income housing within the redevelopment project
30 area, provided that the redevelopment plan or project will
31 not result in displacement of residents from 10 or more
32 inhabited units, and the municipality so certifies in the
33 plan. If no person satisfying these requirements is
34 available or if no qualified person will serve as the public

1 member, then the joint review board is relieved of this
2 paragraph's selection requirements for the public member.

3 Within 90 days of the effective date of this amendatory
4 Act of the 91st General Assembly, each municipality that
5 designated a redevelopment project area for which it was not
6 required to convene a joint review board under this Section
7 shall convene a joint review board to perform the duties
8 specified under paragraph (e) of this Section.

9 All board members shall be appointed and the first board
10 meeting shall be held following at least 14 days but not more
11 than 28 days after the mailing of notice by the municipality
12 to all the taxing districts as required by Section
13 11-74.4-6(c). Notwithstanding the preceding sentence, a
14 municipality that adopted either a public hearing resolution
15 or a feasibility resolution between July 1, 1999 and July 1,
16 2000 that called for the meeting of the joint review board
17 within 14 days of notice of public hearing to affected taxing
18 districts is deemed to be in compliance with the notice,
19 meeting, and public hearing provisions of the Act. Such
20 notice shall also advise the taxing bodies represented on the
21 joint review board of the time and place of the first meeting
22 of the board. Additional meetings of the board shall be held
23 upon the call of any member. The municipality seeking
24 designation of the redevelopment project area shall provide
25 administrative support to the board.

26 The board shall review (i) the public record, planning
27 documents and proposed ordinances approving the redevelopment
28 plan and project and (ii) proposed amendments to the
29 redevelopment plan or additions of parcels of property to the
30 redevelopment project area to be adopted by the municipality.
31 As part of its deliberations, the board may hold additional
32 hearings on the proposal. A board's recommendation shall be
33 an advisory, non-binding recommendation. The recommendation
34 shall be adopted by a majority of those members present and

1 voting. The recommendations shall be submitted to the
2 municipality within 30 days after convening of the board.
3 Failure of the board to submit its report on a timely basis
4 shall not be cause to delay the public hearing or any other
5 step in the process of designating or amending the
6 redevelopment project area but shall be deemed to constitute
7 approval by the joint review board of the matters before it.

8 The board shall base its recommendation to approve or
9 disapprove the redevelopment plan and the designation of the
10 redevelopment project area or the amendment of the
11 redevelopment plan or addition of parcels of property to the
12 redevelopment project area on the basis of the redevelopment
13 project area and redevelopment plan satisfying the plan
14 requirements, the eligibility criteria defined in Section
15 11-74.4-3, and the objectives of this Act.

16 The board shall issue a written report describing why the
17 redevelopment plan and project area or the amendment thereof
18 meets or fails to meet one or more of the objectives of this
19 Act and both the plan requirements and the eligibility
20 criteria defined in Section 11-74.4-3. In the event the Board
21 does not file a report it shall be presumed that these taxing
22 bodies find the redevelopment project area and redevelopment
23 plan satisfy the objectives of this Act and the plan
24 requirements and eligibility criteria.

25 If the board recommends rejection of the matters before
26 it, the municipality will have 30 days within which to
27 resubmit the plan or amendment. During this period, the
28 municipality will meet and confer with the board and attempt
29 to resolve those issues set forth in the board's written
30 report that led lead to the rejection of the plan or
31 amendment.

32 Notwithstanding the resubmission set fort above, the
33 municipality may commence the scheduled public hearing and
34 either adjourn the public hearing or continue the public

1 hearing until a date certain. Prior to continuing any public
2 hearing to a date certain, the municipality shall announce
3 during the public hearing the time, date, and location for
4 the reconvening of the public hearing. Any changes to the
5 redevelopment plan necessary to satisfy the issues set forth
6 in the joint review board report shall be the subject of a
7 public hearing before the hearing is adjourned if the changes
8 would (1) substantially affect the general land uses proposed
9 in the redevelopment plan, (2) substantially change the
10 nature of or extend the life of the redevelopment project, or
11 (3) increase the number of low or very low income households
12 to be displaced from the redevelopment project area, provided
13 that measured from the time of creation of the redevelopment
14 project area the total displacement of the households will
15 exceed 10. Changes to the redevelopment plan necessary to
16 satisfy the issues set forth in the joint review board report
17 shall not require any further notice or convening of a joint
18 review board meeting, except that any changes to the
19 redevelopment plan that would add additional parcels of
20 property to the proposed redevelopment project area shall be
21 subject to the notice, public hearing, and joint review board
22 meeting requirements established for such changes by
23 subsection (a) of Section 11-74.4-5.

24 In the event that the municipality and the board are
25 unable to resolve these differences, or in the event that the
26 resubmitted plan or amendment is rejected by the board, the
27 municipality may proceed with the plan or amendment, but only
28 upon a three-fifths vote of the corporate authority
29 responsible for approval of the plan or amendment, excluding
30 positions of members that are vacant and those members that
31 are ineligible to vote because of conflicts of interest.

32 (c) After a municipality has by ordinance approved a
33 redevelopment plan and designated a redevelopment project
34 area, the plan may be amended and additional properties may

1 be added to the redevelopment project area only as herein
2 provided. Amendments which (1) add additional parcels of
3 property to the proposed redevelopment project area, (2)
4 substantially affect the general land uses proposed in the
5 redevelopment plan, (3) substantially change the nature of
6 the redevelopment project, (4) increase the total estimated
7 redevelopment project costs set out in the redevelopment plan
8 by more than 5% after adjustment for inflation from the date
9 the plan was adopted, (5) add additional redevelopment
10 project costs to the itemized list of redevelopment project
11 costs set out in the redevelopment plan, or (6) increase the
12 number of low or very low income households to be displaced
13 from the redevelopment project area, provided that measured
14 from the time of creation of the redevelopment project area
15 the total displacement of the households will exceed 10,
16 shall be made only after the municipality gives notice,
17 convenes a joint review board, and conducts a public hearing
18 pursuant to the procedures set forth in this Section and in
19 Section 11-74.4-6 of this Act. Changes which do not (1) add
20 additional parcels of property to the proposed redevelopment
21 project area, (2) substantially affect the general land uses
22 proposed in the redevelopment plan, (3) substantially change
23 the nature of the redevelopment project, (4) increase the
24 total estimated redevelopment project cost set out in the
25 redevelopment plan by more than 5% after adjustment for
26 inflation from the date the plan was adopted, (5) add
27 additional redevelopment project costs to the itemized list
28 of redevelopment project costs set out in the redevelopment
29 plan, or (6) increase the number of low or very low income
30 households to be displaced from the redevelopment project
31 area, provided that measured from the time of creation of the
32 redevelopment project area the total displacement of the
33 households will exceed 10, may be made without further
34 hearing, provided that the municipality shall give notice of

1 any such changes by mail to each affected taxing district and
2 registrant on the interested parties registry, provided for
3 under Section 11-74.4-4.2, and by publication in a newspaper
4 of general circulation within the affected taxing district.
5 Such notice by mail and by publication shall each occur not
6 later than 10 days following the adoption by ordinance of
7 such changes.

8 (d) After the effective date of this amendatory Act of
9 the 91st General Assembly, a municipality shall submit the
10 following information for each redevelopment project area (i)
11 to the State Comptroller under Section 8-8-3.5 of the
12 Illinois Municipal Code and (ii) to all taxing districts
13 overlapping the redevelopment project area no later than 180
14 days after the close of each municipal fiscal year or as soon
15 thereafter as the audited financial statements become
16 available and, in any case, shall be submitted before the
17 annual meeting of the Joint Review Board to each of the
18 taxing districts that overlap the redevelopment project area:

19 (1) Any amendments to the redevelopment plan, the
20 redevelopment project area, or the State Sales Tax
21 Boundary.

22 (1.5) A list of the redevelopment project areas
23 administered by the municipality and, if applicable, the
24 date each redevelopment project area was designated or
25 terminated by the municipality.

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

29 (3) Certification of the Chief Executive Officer of
30 the municipality that the municipality has complied with
31 all of the requirements of this Act during the preceding
32 fiscal year.

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

1 (5) An analysis of the special tax allocation fund
2 which sets forth:

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

5 (B) all amounts deposited in the special tax
6 allocation fund by source;

7 (C) an itemized list of all expenditures from
8 the special tax allocation fund by category of
9 permissible redevelopment project cost; and

10 (D) the balance in the special tax allocation
11 fund at the end of the fiscal year including a
12 breakdown of that balance by source and a breakdown
13 of that balance identifying any portion of the
14 balance that is required, pledged, earmarked, or
15 otherwise designated for payment of or securing of
16 obligations and anticipated redevelopment project
17 costs. Any portion of such ending balance that has
18 not been identified or is not identified as being
19 required, pledged, earmarked, or otherwise
20 designated for payment of or securing of obligations
21 or anticipated redevelopment projects costs shall be
22 designated as surplus as set forth in Section
23 11-74.4-7 hereof.

24 (6) A description of all property purchased by the
25 municipality within the redevelopment project area
26 including:

27 (A) Street address.

28 (B) Approximate size or description of
29 property.

30 (C) Purchase price.

31 (D) Seller of property.

32 (7) A statement setting forth all activities
33 undertaken in furtherance of the objectives of the
34 redevelopment plan, including:

1 (A) Any project implemented in the preceding
2 fiscal year.

3 (B) A description of the redevelopment
4 activities undertaken.

5 (C) A description of any agreements entered
6 into by the municipality with regard to the
7 disposition or redevelopment of any property within
8 the redevelopment project area or the area within
9 the State Sales Tax Boundary.

10 (D) Additional information on the use of all
11 funds received under this Division and steps taken
12 by the municipality to achieve the objectives of the
13 redevelopment plan.

14 (E) Information regarding contracts that the
15 municipality's tax increment advisors or consultants
16 have entered into with entities or persons that have
17 received, or are receiving, payments financed by tax
18 increment revenues produced by the same
19 redevelopment project area.

20 (F) Any reports submitted to the municipality
21 by the joint review board.

22 (G) A review of public and, to the extent
23 possible, private investment actually undertaken to
24 date after the effective date of this amendatory Act
25 of the 91st General Assembly and estimated to be
26 undertaken during the following year. This review
27 shall, on a project-by-project basis, set forth the
28 estimated amounts of public and private investment
29 incurred after the effective date of this amendatory
30 Act of the 91st General Assembly and provide the
31 ratio of private investment to public investment to
32 the date of the report and as estimated to the
33 completion of the redevelopment project.

34 (8) With regard to any obligations issued by the

1 municipality:

2 (A) copies of any official statements; and

3 (B) an analysis prepared by financial advisor
4 or underwriter setting forth: (i) nature and term of
5 obligation; and (ii) projected debt service
6 including required reserves and debt coverage.

7 (9) For special tax allocation funds that have
8 experienced cumulative deposits of incremental tax
9 revenues of \$100,000 or more, a certified audit report
10 reviewing compliance with this Act performed by an
11 independent public accountant certified and licensed by
12 the authority of the State of Illinois. The financial
13 portion of the audit must be conducted in accordance with
14 Standards for Audits of Governmental Organizations,
15 Programs, Activities, and Functions adopted by the
16 Comptroller General of the United States (1981), as
17 amended, or the standards specified by Section 8-8-5 of
18 the Illinois Municipal Auditing Law of the Illinois
19 Municipal Code. The audit report shall contain a letter
20 from the independent certified public accountant
21 indicating compliance or noncompliance with the
22 requirements of subsection (q) of Section 11-74.4-3. For
23 redevelopment plans or projects that would result in the
24 displacement of residents from 10 or more inhabited
25 residential units or that contain 75 or more inhabited
26 residential units, notice of the availability of the
27 information, including how to obtain the report, required
28 in this subsection shall also be sent by mail to all
29 residents or organizations that operate in the
30 municipality that register with the municipality for that
31 information according to registration procedures adopted
32 under Section 11-74.4-4.2. All municipalities are
33 subject to this provision.

34 (d-1) Prior to the effective date of this amendatory Act

1 of the 91st General Assembly, municipalities with populations
2 of over 1,000,000 shall, after adoption of a redevelopment
3 plan or project, make available upon request to any taxing
4 district in which the redevelopment project area is located
5 the following information:

6 (1) Any amendments to the redevelopment plan, the
7 redevelopment project area, or the State Sales Tax
8 Boundary; and

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

14 (e) The joint review board shall meet annually 180 days
15 after the close of the municipal fiscal year or as soon as
16 the redevelopment project audit for that fiscal year becomes
17 available to review the effectiveness and status of the
18 redevelopment project area up to that date.

19 (f) (Blank).

20 (g) In the event that a municipality has held a public
21 hearing under this Section prior to March 14, 1994 (the
22 effective date of Public Act 88-537), the requirements
23 imposed by Public Act 88-537 relating to the method of fixing
24 the time and place for public hearing, the materials and
25 information required to be made available for public
26 inspection, and the information required to be sent after
27 adoption of an ordinance or resolution fixing a time and
28 place for public hearing shall not be applicable.

29 (Source: P.A. 91-357, eff. 7-29-99; 91-478, eff. 11-1-99;
30 91-900, eff. 7-6-00.)

31 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

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

1 redevelopment project area may be issued to provide for
2 redevelopment project costs. Such obligations, when so
3 issued, shall be retired in the manner provided in the
4 ordinance authorizing the issuance of such obligations by the
5 receipts of taxes levied as specified in Section 11-74.4-9
6 against the taxable property included in the area, by
7 revenues as specified by Section 11-74.4-8a and other revenue
8 designated by the municipality. A municipality may in the
9 ordinance pledge all or any part of the funds in and to be
10 deposited in the special tax allocation fund created pursuant
11 to Section 11-74.4-8 to the payment of the redevelopment
12 project costs and obligations. Any pledge of funds in the
13 special tax allocation fund shall provide for distribution to
14 the taxing districts and to the Illinois Department of
15 Revenue of moneys not required, pledged, earmarked, or
16 otherwise designated for payment and securing of the
17 obligations and anticipated redevelopment project costs and
18 such excess funds shall be calculated annually and deemed to
19 be "surplus" funds. In the event a municipality only applies
20 or pledges a portion of the funds in the special tax
21 allocation fund for the payment or securing of anticipated
22 redevelopment project costs or of obligations, any such funds
23 remaining in the special tax allocation fund after complying
24 with the requirements of the application or pledge, shall
25 also be calculated annually and deemed "surplus" funds. All
26 surplus funds in the special tax allocation fund shall be
27 distributed annually within 180 days after the close of the
28 municipality's fiscal year by being paid by the municipal
29 treasurer to the County Collector, to the Department of
30 Revenue and to the municipality in direct proportion to the
31 tax incremental revenue received as a result of an increase
32 in the equalized assessed value of property in the
33 redevelopment project area, tax incremental revenue received
34 from the State and tax incremental revenue received from the

1 municipality, but not to exceed as to each such source the
2 total incremental revenue received from that source. The
3 County Collector shall thereafter make distribution to the
4 respective taxing districts in the same manner and proportion
5 as the most recent distribution by the county collector to
6 the affected districts of real property taxes from real
7 property in the redevelopment project area.

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

19 Such obligations may be issued in one or more series
20 bearing interest at such rate or rates as the corporate
21 authorities of the municipality shall determine by ordinance.
22 Such obligations shall bear such date or dates, mature at
23 such time or times not exceeding 20 years from their
24 respective dates, be in such denomination, carry such
25 registration privileges, be executed in such manner, be
26 payable in such medium of payment at such place or places,
27 contain such covenants, terms and conditions, and be subject
28 to redemption as such ordinance shall provide. Obligations
29 issued pursuant to this Act may be sold at public or private
30 sale at such price as shall be determined by the corporate
31 authorities of the municipalities. No referendum approval of
32 the electors shall be required as a condition to the issuance
33 of obligations pursuant to this Division except as provided
34 in this Section.

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

20 If no petition is filed with the municipal clerk, as
21 hereinafter provided in this Section, within 30 days after
22 the publication of the ordinance, the ordinance shall be in
23 effect. But, if within that 30 day period a petition is
24 filed with the municipal clerk, signed by electors in the
25 municipality numbering 10% or more of the number of
26 registered voters in the municipality, asking that the
27 question of issuing obligations using full faith and credit
28 of the municipality as security for the cost of paying for
29 redevelopment project costs, or of pledging taxes for the
30 payment of such obligations, or both, be submitted to the
31 electors of the municipality, the corporate authorities of
32 the municipality shall call a special election in the manner
33 provided by law to vote upon that question, or, if a general,
34 State or municipal election is to be held within a period of

1 not less than 30 or more than 90 days from the date such
2 petition is filed, shall submit the question at the next
3 general, State or municipal election. If it appears upon the
4 canvass of the election by the corporate authorities that a
5 majority of electors voting upon the question voted in favor
6 thereof, the ordinance shall be in effect, but if a majority
7 of the electors voting upon the question are not in favor
8 thereof, the ordinance shall not take effect.

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

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

27 A certified copy of such ordinance shall be filed with
28 the county clerk of each county in which any portion of the
29 municipality is situated, and shall constitute the authority
30 for the extension and collection of the taxes to be deposited
31 in the special tax allocation fund.

32 A municipality may also issue its obligations to refund
33 in whole or in part, obligations theretofore issued by such
34 municipality under the authority of this Act, whether at or

1 prior to maturity, provided however, that the last maturity
2 of the refunding obligations shall not be expressed to mature
3 later than December 31 of the year in which the payment to
4 the municipal treasurer as provided in subsection (b) of
5 Section 11-74.4-8 of this Act is to be made with respect to
6 ad valorem taxes levied in the twenty-third calendar year
7 after the year in which the ordinance approving the
8 redevelopment project area is adopted if the ordinance was
9 adopted on or after January 15, 1981, and not later than
10 December 31 of the year in which the payment to the municipal
11 treasurer as provided in subsection (b) of Section 11-74.4-8
12 of this Act is to be made with respect to ad valorem taxes
13 levied in the thirty-fifth calendar year after the year in
14 which the ordinance approving the redevelopment project area
15 is adopted (A) if the ordinance was adopted before January
16 15, 1981, or (B) if the ordinance was adopted in December
17 1983, April 1984, July 1985, or December 1989, or (C) if the
18 ordinance was adopted in December, 1987 and the redevelopment
19 project is located within one mile of Midway Airport, or (D)
20 if the ordinance was adopted before January 1, 1987 by a
21 municipality in Mason County, or (E) if the municipality is
22 subject to the Local Government Financial Planning and
23 Supervision Act or the Financially Distressed City Law, or
24 (F) if the ordinance was adopted in December 1984 by the
25 Village of Rosemont, or (G) if the ordinance was adopted on
26 December 31, 1986 by a municipality located in Clinton County
27 for which at least \$250,000 of tax increment bonds were
28 authorized on June 17, 1997, or if the ordinance was adopted
29 on December 31, 1986 by a municipality with a population in
30 1990 of less than 3,600 that is located in a county with a
31 population in 1990 of less than 34,000 and for which at least
32 \$250,000 of tax increment bonds were authorized on June 17,
33 1997, or (H) if the ordinance was adopted on October 5, 1982
34 by the City of Kankakee, or (I) if the ordinance was adopted

1 on December 29, 1986 by East St. Louis, or if the ordinance
2 was adopted on November 12, 1991 by the Village of Sauget, or
3 (J) if the ordinance was adopted on February 11, 1985 by the
4 City of Rock Island, or (K) if the ordinance was adopted
5 before December 18, 1986 by the City of Moline, or (L) if
6 the ordinance was adopted in September 1988 by Sauk Village,
7 or (M) if the ordinance was adopted in October 1993 by Sauk
8 Village, or (N) if the ordinance was adopted on December 29,
9 1986 by the City of Galva, or (O) if the ordinance was
10 adopted in March 1991 by the City of Centreville and, for
11 redevelopment project areas for which bonds were issued
12 before July 29, 1991, in connection with a redevelopment
13 project in the area within the State Sales Tax Boundary and
14 which were extended by municipal ordinance under subsection
15 (n) of Section 11-74.4-3, the last maturity of the refunding
16 obligations shall not be expressed to mature later than the
17 date on which the redevelopment project area is terminated or
18 December 31, 2013, whichever date occurs first.

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

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

31 (Source: P.A. 90-379, eff. 8-14-97; 91-261, eff. 7-23-99;
32 91-477, eff. 8-11-99; 91-478, eff. 11-1-99; 91-642, eff.
33 8-20-99; 91-763, eff. 6-9-00.)

1 (65 ILCS 5/11-74.4-8a) (from Ch. 24, par. 11-74.4-8a)
2 Sec. 11-74.4-8a. (1) Until June 1, 1988, a municipality
3 which has adopted tax increment allocation financing prior to
4 January 1, 1987, may by ordinance (1) authorize the
5 Department of Revenue, subject to appropriation, to annually
6 certify and cause to be paid from the Illinois Tax Increment
7 Fund to such municipality for deposit in the municipality's
8 special tax allocation fund an amount equal to the Net State
9 Sales Tax Increment and (2) authorize the Department of
10 Revenue to annually notify the municipality of the amount of
11 the Municipal Sales Tax Increment which shall be deposited by
12 the municipality in the municipality's special tax allocation
13 fund. Provided that for purposes of this Section no
14 amendments adding additional area to the redevelopment
15 project area which has been certified as the State Sales Tax
16 Boundary shall be taken into account if such amendments are
17 adopted by the municipality after January 1, 1987. If an
18 amendment is adopted which decreases the area of a State
19 Sales Tax Boundary, the municipality shall update the list
20 required by subsection (3)(a) of this Section. The Retailers'
21 Occupation Tax liability, Use Tax liability, Service
22 Occupation Tax liability and Service Use Tax liability for
23 retailers and servicemen located within the disconnected area
24 shall be excluded from the base from which tax increments are
25 calculated and the revenue from any such retailer or
26 serviceman shall not be included in calculating incremental
27 revenue payable to the municipality. A municipality adopting
28 an ordinance under this subsection (1) of this Section for a
29 redevelopment project area which is certified as a State
30 Sales Tax Boundary shall not be entitled to payments of State
31 taxes authorized under subsection (2) of this Section for the
32 same redevelopment project area. Nothing herein shall be
33 construed to prevent a municipality from receiving payment of
34 State taxes authorized under subsection (2) of this Section

1 for a separate redevelopment project area that does not
2 overlap in any way with the State Sales Tax Boundary
3 receiving payments of State taxes pursuant to subsection (1)
4 of this Section.

5 A certified copy of such ordinance shall be submitted by
6 the municipality to the Department of Commerce and Community
7 Affairs and the Department of Revenue not later than 30 days
8 after the effective date of the ordinance. Upon submission
9 of the ordinances, and the information required pursuant to
10 subsection 3 of this Section, the Department of Revenue shall
11 promptly determine the amount of such taxes paid under the
12 Retailers' Occupation Tax Act, Use Tax Act, Service Use Tax
13 Act, the Service Occupation Tax Act, the Municipal Retailers'
14 Occupation Tax Act and the Municipal Service Occupation Tax
15 Act by retailers and servicemen on transactions at places
16 located in the redevelopment project area during the base
17 year, and shall certify all the foregoing "initial sales tax
18 amounts" to the municipality within 60 days of submission of
19 the list required of subsection (3)(a) of this Section.

20 If a retailer or serviceman with a place of business
21 located within a redevelopment project area also has one or
22 more other places of business within the municipality but
23 outside the redevelopment project area, the retailer or
24 serviceman shall, upon request of the Department of Revenue,
25 certify to the Department of Revenue the amount of taxes paid
26 pursuant to the Retailers' Occupation Tax Act, the Municipal
27 Retailers' Occupation Tax Act, the Service Occupation Tax Act
28 and the Municipal Service Occupation Tax Act at each place of
29 business which is located within the redevelopment project
30 area in the manner and for the periods of time requested by
31 the Department of Revenue.

32 When the municipality determines that a portion of an
33 increase in the aggregate amount of taxes paid by retailers
34 and servicemen under the Retailers' Occupation Tax Act, Use

1 Tax Act, Service Use Tax Act, or the Service Occupation Tax
2 Act is the result of a retailer or serviceman initiating
3 retail or service operations in the redevelopment project
4 area by such retailer or serviceman with a resulting
5 termination of retail or service operations by such retailer
6 or serviceman at another location in Illinois in the standard
7 metropolitan statistical area of such municipality, the
8 Department of Revenue shall be notified that the retailers
9 occupation tax liability, use tax liability, service
10 occupation tax liability, or service use tax liability from
11 such retailer's or serviceman's terminated operation shall be
12 included in the base Initial Sales Tax Amounts from which the
13 State Sales Tax Increment is calculated for purposes of State
14 payments to the affected municipality; provided, however, for
15 purposes of this paragraph "termination" shall mean a closing
16 of a retail or service operation which is directly related to
17 the opening of the same retail or service operation in a
18 redevelopment project area which is included within a State
19 Sales Tax Boundary, but it shall not include retail or
20 service operations closed for reasons beyond the control of
21 the retailer or serviceman, as determined by the Department.

22 If the municipality makes the determination referred to
23 in the prior paragraph and notifies the Department and if the
24 relocation is from a location within the municipality, the
25 Department, at the request of the municipality, shall adjust
26 the certified aggregate amount of taxes that constitute the
27 Municipal Sales Tax Increment paid by retailers and
28 servicemen on transactions at places of business located
29 within the State Sales Tax Boundary during the base year
30 using the same procedures as are employed to make the
31 adjustment referred to in the prior paragraph. The adjusted
32 Municipal Sales Tax Increment calculated by the Department
33 shall be sufficient to satisfy the requirements of subsection
34 (1) of this Section.

1 When a municipality which has adopted tax increment
2 allocation financing in 1986 determines that a portion of the
3 aggregate amount of taxes paid by retailers and servicemen
4 under the Retailers Occupation Tax Act, Use Tax Act, Service
5 Use Tax Act, or Service Occupation Tax Act, the Municipal
6 Retailers' Occupation Tax Act and the Municipal Service
7 Occupation Tax Act, includes revenue of a retailer or
8 serviceman which terminated retailer or service operations in
9 1986, prior to the adoption of tax increment allocation
10 financing, the Department of Revenue shall be notified by
11 such municipality that the retailers' occupation tax
12 liability, use tax liability, service occupation tax
13 liability or service use tax liability, from such retailer's
14 or serviceman's terminated operations shall be excluded from
15 the Initial Sales Tax Amounts for such taxes. The revenue
16 from any such retailer or serviceman which is excluded from
17 the base year under this paragraph, shall not be included in
18 calculating incremental revenues if such retailer or
19 serviceman reestablishes such business in the redevelopment
20 project area.

21 For State fiscal year 1992, the Department of Revenue
22 shall budget, and the Illinois General Assembly shall
23 appropriate from the Illinois Tax Increment Fund in the State
24 treasury, an amount not to exceed \$18,000,000 to pay to each
25 eligible municipality the Net State Sales Tax Increment to
26 which such municipality is entitled.

27 Beginning on January 1, 1993, each municipality's
28 proportional share of the Illinois Tax Increment Fund shall
29 be determined by adding the annual Net State Sales Tax
30 Increment and the annual Net Utility Tax Increment to
31 determine the Annual Total Increment. The ratio of the Annual
32 Total Increment of each municipality to the Annual Total
33 Increment for all municipalities, as most recently calculated
34 by the Department, shall determine the proportional shares of

1 the Illinois Tax Increment Fund to be distributed to each
2 municipality.

3 Beginning in October, 1993, and each January, April, July
4 and October thereafter, the Department of Revenue shall
5 certify to the Treasurer and the Comptroller the amounts
6 payable quarter annually during the fiscal year to each
7 municipality under this Section. The Comptroller shall
8 promptly then draw warrants, ordering the State Treasurer to
9 pay such amounts from the Illinois Tax Increment Fund in the
10 State treasury.

11 The Department of Revenue shall utilize the same periods
12 established for determining State Sales Tax Increment to
13 determine the Municipal Sales Tax Increment for the area
14 within a State Sales Tax Boundary and certify such amounts to
15 such municipal treasurer who shall transfer such amounts to
16 the special tax allocation fund.

17 The provisions of this subsection (1) do not apply to
18 additional municipal retailers' occupation or service
19 occupation taxes imposed by municipalities using their home
20 rule powers or imposed pursuant to Sections 8-11-1.3,
21 8-11-1.4 and 8-11-1.5 of this Act. A municipality shall not
22 receive from the State any share of the Illinois Tax
23 Increment Fund unless such municipality deposits all its
24 Municipal Sales Tax Increment and the local incremental real
25 property tax revenues, as provided herein, into the
26 appropriate special tax allocation fund. If, however, a
27 municipality has extended the estimated dates of completion
28 of the redevelopment project and retirement of obligations to
29 finance redevelopment project costs by municipal ordinance to
30 December 31, 2013 under subsection (n) of Section 11-74.4-3,
31 then that municipality shall continue to receive from the
32 State a share of the Illinois Tax Increment Fund so long as
33 the municipality deposits, from any funds available,
34 excluding funds in the special tax allocation fund, an amount

1 equal to the municipal share of the real property tax
2 increment revenues into the special tax allocation fund
3 during the extension period. The amount to be deposited by
4 the municipality in each of the tax years affected by the
5 extension to December 31, 2013 shall be equal to the
6 municipal share of the property tax increment deposited into
7 the special tax allocation fund by the municipality for the
8 most recent year that the property tax increment was
9 distributed. A municipality located within an economic
10 development project area created under the County Economic
11 Development Project Area Property Tax Allocation Act which
12 has abated any portion of its property taxes which otherwise
13 would have been deposited in its special tax allocation fund
14 shall not receive from the State the Net Sales Tax Increment.

15 (2) A municipality which has adopted tax increment
16 allocation financing with regard to an industrial park or
17 industrial park conservation area, prior to January 1, 1988,
18 may by ordinance authorize the Department of Revenue to
19 annually certify and pay from the Illinois Tax Increment Fund
20 to such municipality for deposit in the municipality's
21 special tax allocation fund an amount equal to the Net State
22 Utility Tax Increment. Provided that for purposes of this
23 Section no amendments adding additional area to the
24 redevelopment project area shall be taken into account if
25 such amendments are adopted by the municipality after January
26 1, 1988. Municipalities adopting an ordinance under this
27 subsection (2) of this Section for a redevelopment project
28 area shall not be entitled to payment of State taxes
29 authorized under subsection (1) of this Section for the same
30 redevelopment project area which is within a State Sales Tax
31 Boundary. Nothing herein shall be construed to prevent a
32 municipality from receiving payment of State taxes authorized
33 under subsection (1) of this Section for a separate
34 redevelopment project area within a State Sales Tax Boundary

1 that does not overlap in any way with the redevelopment
2 project area receiving payments of State taxes pursuant to
3 subsection (2) of this Section.

4 A certified copy of such ordinance shall be submitted to
5 the Department of Commerce and Community Affairs and the
6 Department of Revenue not later than 30 days after the
7 effective date of the ordinance.

8 When a municipality determines that a portion of an
9 increase in the aggregate amount of taxes paid by industrial
10 or commercial facilities under the Public Utilities Act, is
11 the result of an industrial or commercial facility initiating
12 operations in the redevelopment project area with a resulting
13 termination of such operations by such industrial or
14 commercial facility at another location in Illinois, the
15 Department of Revenue shall be notified by such municipality
16 that such industrial or commercial facility's liability under
17 the Public Utility Tax Act shall be included in the base from
18 which tax increments are calculated for purposes of State
19 payments to the affected municipality.

20 After receipt of the calculations by the public utility
21 as required by subsection (4) of this Section, the Department
22 of Revenue shall annually budget and the Illinois General
23 Assembly shall annually appropriate from the General Revenue
24 Fund through State Fiscal Year 1989, and thereafter from the
25 Illinois Tax Increment Fund, an amount sufficient to pay to
26 each eligible municipality the amount of incremental revenue
27 attributable to State electric and gas taxes as reflected by
28 the charges imposed on persons in the project area to which
29 such municipality is entitled by comparing the preceding
30 calendar year with the base year as determined by this
31 Section. Beginning on January 1, 1993, each municipality's
32 proportional share of the Illinois Tax Increment Fund shall
33 be determined by adding the annual Net State Utility Tax
34 Increment and the annual Net Utility Tax Increment to

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

7 A municipality shall not receive any share of the
8 Illinois Tax Increment Fund from the State unless such
9 municipality imposes the maximum municipal charges authorized
10 pursuant to Section 9-221 of the Public Utilities Act and
11 deposits all municipal utility tax incremental revenues as
12 certified by the public utilities, and all local real estate
13 tax increments into such municipality's special tax
14 allocation fund.

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

20 (a) if applicable, a certified copy of the
21 ordinance required by subsection (1) accompanied by a
22 complete list of street names and the range of street
23 numbers of each street located within the redevelopment
24 project area for which payments are to be made under this
25 Section in both the base year and in the year preceding
26 the payment year; and the addresses of persons registered
27 with the Department of Revenue; and, the name under which
28 each such retailer or serviceman conducts business at
29 that address, if different from the corporate name; and
30 the Illinois Business Tax Number of each such person (The
31 municipality shall update this list in the event of a
32 revision of the redevelopment project area, or the
33 opening or closing or name change of any street or part
34 thereof in the redevelopment project area, or if the

1 Department of Revenue informs the municipality of an
2 addition or deletion pursuant to the monthly updates
3 given by the Department.);

4 (b) if applicable, a certified copy of the
5 ordinance required by subsection (2) accompanied by a
6 complete list of street names and range of street numbers
7 of each street located within the redevelopment project
8 area, the utility customers in the project area, and the
9 utilities serving the redevelopment project areas;

10 (c) certified copies of the ordinances approving
11 the redevelopment plan and designating the redevelopment
12 project area;

13 (d) a copy of the redevelopment plan as approved by
14 the municipality;

15 (e) an opinion of legal counsel that the
16 municipality had complied with the requirements of this
17 Act; and

18 (f) a certification by the chief executive officer
19 of the municipality that with regard to a redevelopment
20 project area: (1) the municipality has committed all of
21 the municipal tax increment created pursuant to this Act
22 for deposit in the special tax allocation fund, (2) the
23 redevelopment projects described in the redevelopment
24 plan would not be completed without the use of State
25 incremental revenues pursuant to this Act, (3) the
26 municipality will pursue the implementation of the
27 redevelopment plan in an expeditious manner, (4) the
28 incremental revenues created pursuant to this Section
29 will be exclusively utilized for the development of the
30 redevelopment project area, and (5) the increased revenue
31 created pursuant to this Section shall be used
32 exclusively to pay redevelopment project costs as defined
33 in this Act.

34 (4) The Department of Revenue upon receipt of the

1 information set forth in paragraph (b) of subsection (3)
2 shall immediately forward such information to each public
3 utility furnishing natural gas or electricity to buildings
4 within the redevelopment project area. Upon receipt of such
5 information, each public utility shall promptly:

6 (a) provide to the Department of Revenue and the
7 municipality separate lists of the names and addresses of
8 persons within the redevelopment project area receiving
9 natural gas or electricity from such public utility.
10 Such list shall be updated as necessary by the public
11 utility. Each month thereafter the public utility shall
12 furnish the Department of Revenue and the municipality
13 with an itemized listing of charges imposed pursuant to
14 Sections 9-221 and 9-222 of the Public Utilities Act on
15 persons within the redevelopment project area.

16 (b) determine the amount of charges imposed
17 pursuant to Sections 9-221 and 9-222 of the Public
18 Utilities Act on persons in the redevelopment project
19 area during the base year, both as a result of municipal
20 taxes on electricity and gas and as a result of State
21 taxes on electricity and gas and certify such amounts
22 both to the municipality and the Department of Revenue;
23 and

24 (c) determine the amount of charges imposed
25 pursuant to Sections 9-221 and 9-222 of the Public
26 Utilities Act on persons in the redevelopment project
27 area on a monthly basis during the base year, both as a
28 result of State and municipal taxes on electricity and
29 gas and certify such separate amounts both to the
30 municipality and the Department of Revenue.

31 After the determinations are made in paragraphs (b) and
32 (c), the public utility shall monthly during the existence of
33 the redevelopment project area notify the Department of
34 Revenue and the municipality of any increase in charges over

1 the base year determinations made pursuant to paragraphs (b)
2 and (c).

3 (5) The payments authorized under this Section shall be
4 deposited by the municipal treasurer in the special tax
5 allocation fund of the municipality, which for accounting
6 purposes shall identify the sources of each payment as:
7 municipal receipts from the State retailers occupation,
8 service occupation, use and service use taxes; and municipal
9 public utility taxes charged to customers under the Public
10 Utilities Act and State public utility taxes charged to
11 customers under the Public Utilities Act.

12 (6) Before the effective date of this amendatory Act of
13 the 91st General Assembly, any municipality receiving
14 payments authorized under this Section for any redevelopment
15 project area or area within a State Sales Tax Boundary within
16 the municipality shall submit to the Department of Revenue
17 and to the taxing districts which are sent the notice
18 required by Section 6 of this Act annually within 180 days
19 after the close of each municipal fiscal year the following
20 information for the immediately preceding fiscal year:

21 (a) Any amendments to the redevelopment plan, the
22 redevelopment project area, or the State Sales Tax
23 Boundary.

24 (b) Audited financial statements of the special tax
25 allocation fund.

26 (c) Certification of the Chief Executive Officer of
27 the municipality that the municipality has complied with
28 all of the requirements of this Act during the preceding
29 fiscal year.

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

32 (e) An analysis of the special tax allocation fund
33 which sets forth:

34 (1) the balance in the special tax allocation

1 fund at the beginning of the fiscal year;

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

4 (3) all expenditures from the special tax
5 allocation fund by category of permissible
6 redevelopment project cost; and

7 (4) the balance in the special tax allocation
8 fund at the end of the fiscal year including a
9 breakdown of that balance by source. Such ending
10 balance shall be designated as surplus if it is not
11 required for anticipated redevelopment project costs
12 or to pay debt service on bonds issued to finance
13 redevelopment project costs, as set forth in Section
14 11-74.4-7 hereof.

15 (f) A description of all property purchased by the
16 municipality within the redevelopment project area
17 including:

- 18 1. Street address
- 19 2. Approximate size or description of property
- 20 3. Purchase price
- 21 4. Seller of property.

22 (g) A statement setting forth all activities
23 undertaken in furtherance of the objectives of the
24 redevelopment plan, including:

- 25 1. Any project implemented in the preceding
26 fiscal year
- 27 2. A description of the redevelopment
28 activities undertaken
- 29 3. A description of any agreements entered
30 into by the municipality with regard to the
31 disposition or redevelopment of any property within
32 the redevelopment project area or the area within
33 the State Sales Tax Boundary.

34 (h) With regard to any obligations issued by the

1 municipality:

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

8 (i) A certified audit report reviewing compliance
9 with this statute performed by an independent public
10 accountant certified and licensed by the authority of the
11 State of Illinois. The financial portion of the audit
12 must be conducted in accordance with Standards for Audits
13 of Governmental Organizations, Programs, Activities, and
14 Functions adopted by the Comptroller General of the
15 United States (1981), as amended. The audit report shall
16 contain a letter from the independent certified public
17 accountant indicating compliance or noncompliance with
18 the requirements of subsection (q) of Section 11-74.4-3.
19 If the audit indicates that expenditures are not in
20 compliance with the law, the Department of Revenue shall
21 withhold State sales and utility tax increment payments
22 to the municipality until compliance has been reached,
23 and an amount equal to the ineligible expenditures has
24 been returned to the Special Tax Allocation Fund.

25 (6.1) After July 29, 1988 and before the effective date
26 of this amendatory Act of the 91st General Assembly, any
27 funds which have not been designated for use in a specific
28 development project in the annual report shall be designated
29 as surplus. No funds may be held in the Special Tax
30 Allocation Fund for more than 36 months from the date of
31 receipt unless the money is required for payment of
32 contractual obligations for specific development project
33 costs. If held for more than 36 months in violation of the
34 preceding sentence, such funds shall be designated as

1 surplus. Any funds designated as surplus must first be used
2 for early redemption of any bond obligations. Any funds
3 designated as surplus which are not disposed of as otherwise
4 provided in this paragraph, shall be distributed as surplus
5 as provided in Section 11-74.4-7.

6 (7) Any appropriation made pursuant to this Section for
7 the 1987 State fiscal year shall not exceed the amount of \$7
8 million and for the 1988 State fiscal year the amount of \$10
9 million. The amount which shall be distributed to each
10 municipality shall be the incremental revenue to which each
11 municipality is entitled as calculated by the Department of
12 Revenue, unless the requests of the municipality exceed the
13 appropriation, then the amount to which each municipality
14 shall be entitled shall be prorated among the municipalities
15 in the same proportion as the increment to which the
16 municipality would be entitled bears to the total increment
17 which all municipalities would receive in the absence of this
18 limitation, provided that no municipality may receive an
19 amount in excess of 15% of the appropriation. For the 1987
20 Net State Sales Tax Increment payable in Fiscal Year 1989, no
21 municipality shall receive more than 7.5% of the total
22 appropriation; provided, however, that any of the
23 appropriation remaining after such distribution shall be
24 prorated among municipalities on the basis of their pro rata
25 share of the total increment. Beginning on January 1, 1993,
26 each municipality's proportional share of the Illinois Tax
27 Increment Fund shall be determined by adding the annual Net
28 State Sales Tax Increment and the annual Net Utility Tax
29 Increment to determine the Annual Total Increment. The ratio
30 of the Annual Total Increment of each municipality to the
31 Annual Total Increment for all municipalities, as most
32 recently calculated by the Department, shall determine the
33 proportional shares of the Illinois Tax Increment Fund to be
34 distributed to each municipality.

1 (7.1) No distribution of Net State Sales Tax Increment
2 to a municipality for an area within a State Sales Tax
3 Boundary shall exceed in any State Fiscal Year an amount
4 equal to 3 times the sum of the Municipal Sales Tax
5 Increment, the real property tax increment and deposits of
6 funds from other sources, excluding state and federal funds,
7 as certified by the city treasurer to the Department of
8 Revenue for an area within a State Sales Tax Boundary. After
9 July 29, 1988, for those municipalities which issue bonds
10 between June 1, 1988 and 3 years from July 29, 1988 to
11 finance redevelopment projects within the area in a State
12 Sales Tax Boundary, the distribution of Net State Sales Tax
13 Increment during the 16th through 20th years from the date of
14 issuance of the bonds shall not exceed in any State Fiscal
15 Year an amount equal to 2 times the sum of the Municipal
16 Sales Tax Increment, the real property tax increment and
17 deposits of funds from other sources, excluding State and
18 federal funds.

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

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

27 (a) The Department of Revenue shall conduct a
28 preliminary review of the redevelopment project areas and
29 redevelopment plans pertaining to those municipalities
30 receiving payments from the State pursuant to subsection
31 (1) of Section 8a of this Act for the purpose of
32 determining compliance with the following standards:

33 (1) For any municipality with a population of
34 more than 12,000 as determined by the 1980 U.S.

1 Census: (a) the redevelopment project area, or in
2 the case of a municipality which has more than one
3 redevelopment project area, each such area, must be
4 contiguous and the total of all such areas shall not
5 comprise more than 25% of the area within the
6 municipal boundaries nor more than 20% of the
7 equalized assessed value of the municipality; (b)
8 the aggregate amount of 1985 taxes in the
9 redevelopment project area, or in the case of a
10 municipality which has more than one redevelopment
11 project area, the total of all such areas, shall be
12 not more than 25% of the total base year taxes paid
13 by retailers and servicemen on transactions at
14 places of business located within the municipality
15 under the Retailers' Occupation Tax Act, the Use Tax
16 Act, the Service Use Tax Act, and the Service
17 Occupation Tax Act. Redevelopment project areas
18 created prior to 1986 are not subject to the above
19 standards if their boundaries were not amended in
20 1986.

21 (2) For any municipality with a population of
22 12,000 or less as determined by the 1980 U.S.
23 Census: (a) the redevelopment project area, or in
24 the case of a municipality which has more than one
25 redevelopment project area, each such area, must be
26 contiguous and the total of all such areas shall not
27 comprise more than 35% of the area within the
28 municipal boundaries nor more than 30% of the
29 equalized assessed value of the municipality; (b)
30 the aggregate amount of 1985 taxes in the
31 redevelopment project area, or in the case of a
32 municipality which has more than one redevelopment
33 project area, the total of all such areas, shall not
34 be more than 35% of the total base year taxes paid

1 by retailers and servicemen on transactions at
2 places of business located within the municipality
3 under the Retailers' Occupation Tax Act, the Use Tax
4 Act, the Service Use Tax Act, and the Service
5 Occupation Tax Act. Redevelopment project areas
6 created prior to 1986 are not subject to the above
7 standards if their boundaries were not amended in
8 1986.

9 (3) Such preliminary review of the
10 redevelopment project areas applying the above
11 standards shall be completed by November 1, 1988,
12 and on or before November 1, 1988, the Department
13 shall notify each municipality by certified mail,
14 return receipt requested that either (1) the
15 Department requires additional time in which to
16 complete its preliminary review; or (2) the
17 Department is issuing either (a) a Certificate of
18 Eligibility or (b) a Notice of Review. If the
19 Department notifies a municipality that it requires
20 additional time to complete its preliminary
21 investigation, it shall complete its preliminary
22 investigation no later than February 1, 1989, and by
23 February 1, 1989 shall issue to each municipality
24 either (a) a Certificate of Eligibility or (b) a
25 Notice of Review. A redevelopment project area for
26 which a Certificate of Eligibility has been issued
27 shall be deemed a "State Sales Tax Boundary."

28 (4) The Department of Revenue shall also issue
29 a Notice of Review if the Department has received a
30 request by November 1, 1988 to conduct such a review
31 from taxpayers in the municipality, local taxing
32 districts located in the municipality or the State
33 of Illinois, or if the redevelopment project area
34 has more than 5 retailers and has had growth in

1 State sales tax revenue of more than 15% from
2 calendar year 1985 to 1986.

3 (b) For those municipalities receiving a Notice of
4 Review, the Department will conduct a secondary review
5 consisting of: (i) application of the above standards
6 contained in subsection (9)(a)(1)(a) and (b) or
7 (9)(a)(2)(a) and (b), and (ii) the definitions of
8 blighted and conservation area provided for in Section
9 11-74.4-3. Such secondary review shall be completed by
10 July 1, 1989.

11 Upon completion of the secondary review, the
12 Department will issue (a) a Certificate of Eligibility or
13 (b) a Preliminary Notice of Deficiency. Any municipality
14 receiving a Preliminary Notice of Deficiency may amend
15 its redevelopment project area to meet the standards and
16 definitions set forth in this paragraph (b). This amended
17 redevelopment project area shall become the "State Sales
18 Tax Boundary" for purposes of determining the State Sales
19 Tax Increment.

20 (c) If the municipality advises the Department of
21 its intent to comply with the requirements of paragraph
22 (b) of this subsection outlined in the Preliminary Notice
23 of Deficiency, within 120 days of receiving such notice
24 from the Department, the municipality shall submit
25 documentation to the Department of the actions it has
26 taken to cure any deficiencies. Thereafter, within 30
27 days of the receipt of the documentation, the Department
28 shall either issue a Certificate of Eligibility or a
29 Final Notice of Deficiency. If the municipality fails to
30 advise the Department of its intent to comply or fails to
31 submit adequate documentation of such cure of
32 deficiencies the Department shall issue a Final Notice of
33 Deficiency that provides that the municipality is
34 ineligible for payment of the Net State Sales Tax

1 Increment.

2 (d) If the Department issues a final determination
3 of ineligibility, the municipality shall have 30 days
4 from the receipt of determination to protest and request
5 a hearing. Such hearing shall be conducted in accordance
6 with Sections 10-25, 10-35, 10-40, and 10-50 of the
7 Illinois Administrative Procedure Act. The decision
8 following the hearing shall be subject to review under
9 the Administrative Review Law.

10 (e) Any Certificate of Eligibility issued pursuant
11 to this subsection 9 shall be binding only on the State
12 for the purposes of establishing municipal eligibility to
13 receive revenue pursuant to subsection (1) of this
14 Section 11-74.4-8a.

15 (f) It is the intent of this subsection that the
16 periods of time to cure deficiencies shall be in addition
17 to all other periods of time permitted by this Section,
18 regardless of the date by which plans were originally
19 required to be adopted. To cure said deficiencies,
20 however, the municipality shall be required to follow the
21 procedures and requirements pertaining to amendments, as
22 provided in Sections 11-74.4-5 and 11-74.4-6 of this Act.

23 (10) If a municipality adopts a State Sales Tax Boundary
24 in accordance with the provisions of subsection (9) of this
25 Section, such boundaries shall subsequently be utilized to
26 determine Revised Initial Sales Tax Amounts and the Net State
27 Sales Tax Increment; provided, however, that such revised
28 State Sales Tax Boundary shall not have any effect upon the
29 boundary of the redevelopment project area established for
30 the purposes of determining the ad valorem taxes on real
31 property pursuant to Sections 11-74.4-7 and 11-74.4-8 of this
32 Act nor upon the municipality's authority to implement the
33 redevelopment plan for that redevelopment project area. For
34 any redevelopment project area with a smaller State Sales Tax

1 Boundary within its area, the municipality may annually elect
2 to deposit the Municipal Sales Tax Increment for the
3 redevelopment project area in the special tax allocation fund
4 and shall certify the amount to the Department prior to
5 receipt of the Net State Sales Tax Increment. Any
6 municipality required by subsection (9) to establish a State
7 Sales Tax Boundary for one or more of its redevelopment
8 project areas shall submit all necessary information required
9 by the Department concerning such boundary and the retailers
10 therein, by October 1, 1989, after complying with the
11 procedures for amendment set forth in Sections 11-74.4-5 and
12 11-74.4-6 of this Act. Net State Sales Tax Increment
13 produced within the State Sales Tax Boundary shall be spent
14 only within that area. However expenditures of all municipal
15 property tax increment and municipal sales tax increment in a
16 redevelopment project area are not required to be spent
17 within the smaller State Sales Tax Boundary within such
18 redevelopment project area.

19 (11) The Department of Revenue shall have the authority
20 to issue rules and regulations for purposes of this Section.
21 and regulations for purposes of this Section.

22 (12) If, under Section 5.4.1 of the Illinois Enterprise
23 Zone Act, a municipality determines that property that lies
24 within a State Sales Tax Boundary has an improvement,
25 rehabilitation, or renovation that is entitled to a property
26 tax abatement, then that property along with any
27 improvements, rehabilitation, or renovations shall be
28 immediately removed from any State Sales Tax Boundary. The
29 municipality that made the determination shall notify the
30 Department of Revenue within 30 days after the determination.
31 Once a property is removed from the State Sales Tax Boundary
32 because of the existence of a property tax abatement
33 resulting from an enterprise zone, then that property shall
34 not be permitted to be amended into a State Sales Tax

1 Boundary.

2 (Source: P.A. 90-258, eff. 7-30-97; 91-51, eff. 6-30-99;
3 91-478, eff. 11-1-99.)

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