



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB1589

by Rep. Sonya M. Harper

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-2	from Ch. 24, par. 11-74.4-2
65 ILCS 5/11-74.4-3	from Ch. 24, par. 11-74.4-3
65 ILCS 5/11-74.4-5	from Ch. 24, par. 11-74.4-5
65 ILCS 5/11-74.4-7	from Ch. 24, par. 11-74.4-7
65 ILCS 5/11-74.4-8	from Ch. 24, par. 11-74.4-8
65 ILCS 5/11-74.4-8a	from Ch. 24, par. 11-74.4-8a

Amends the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code. Provides that surplus tax revenues may be used to pay for costs of special education, social services, and other costs of a public school district. Provides that for municipalities with a population of over 1,000,000, redevelopment project costs include public school district qualified workers, costs of providing special educational facilities and services, school psychological services, and school social work services, and any surplus balance in the special tax allocation fund at the end of the fiscal year shall be used for these workers, facilities, and services. Removes provisions allowing anticipated redevelopment project costs to be deemed surplus funds.

LRB101 06664 AWJ 51691 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by
5 changing Sections 11-74.4-2, 11-74.4-3, 11-74.4-5, 11-74.4-7,
6 11-74.4-8, and 11-74.4-8a as follows:

7 (65 ILCS 5/11-74.4-2) (from Ch. 24, par. 11-74.4-2)

8 Sec. 11-74.4-2. (a) It is hereby found and declared that
9 there exist in many municipalities within this State blighted
10 conservation and industrial park conservation areas, as
11 defined herein; that the conservation areas are rapidly
12 deteriorating and declining and may soon become blighted areas
13 if their decline is not checked; that the stable economic and
14 physical development of the blighted areas, conservation areas
15 and industrial park conservation areas is endangered by the
16 presence of blighting factors as manifested by progressive and
17 advanced deterioration of structures, by the overuse of housing
18 and other facilities, by a lack of physical maintenance of
19 existing structures, by obsolete and inadequate community
20 facilities and a lack of sound community planning, by obsolete
21 platting, diversity of ownership, excessive tax and special
22 assessment delinquencies, by the growth of a large surplus of
23 workers who lack the skills to meet existing or potential

1 employment opportunities or by a combination of these factors;
2 that as a result of the existence of blighted areas and areas
3 requiring conservation, there is an excessive and
4 disproportionate expenditure of public funds, inadequate
5 public and private investment, unmarketability of property,
6 growth in delinquencies and crime, and housing and zoning law
7 violations in such areas together with an abnormal exodus of
8 families and businesses so that the decline of these areas
9 impairs the value of private investments and threatens the
10 sound growth and the tax base of taxing districts in such
11 areas, and threatens the health, safety, morals, and welfare of
12 the public and that the industrial park conservation areas
13 include under-utilized areas which, if developed as industrial
14 parks, will promote industrial and transportation activities,
15 thereby reducing the evils attendant upon involuntary
16 unemployment and enhancing the public health and welfare of
17 this State.

18 (b) It is hereby found and declared that in order to
19 promote and protect the health, safety, morals, and welfare of
20 the public, that blighted conditions need to be eradicated and
21 conservation measures instituted, and that redevelopment of
22 such areas be undertaken; that to remove and alleviate adverse
23 conditions it is necessary to encourage private investment and
24 restore and enhance the tax base of the taxing districts in
25 such areas by the development or redevelopment of project
26 areas. The eradication of blighted areas and treatment and

1 improvement of conservation areas and industrial park
2 conservation areas by redevelopment projects is hereby
3 declared to be essential to the public interest.

4 (c) It is found and declared that the use of incremental
5 tax revenues derived from the tax rates of various taxing
6 districts in redevelopment project areas for the payment of
7 redevelopment project costs is of benefit to said taxing
8 districts for the reasons that taxing districts located in
9 redevelopment project areas would not derive the benefits of an
10 increased assessment base without the benefits of tax increment
11 financing, all surplus tax revenues are turned over to the
12 taxing districts in redevelopment project areas or used to pay
13 for costs of special education, social service, and other costs
14 of its public school district, and all said districts benefit
15 from the removal of blighted conditions, the eradication of
16 conditions requiring conservation measures, and the
17 development of industrial parks.

18 (Source: P.A. 84-1090.)

19 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

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

24 (a) For any redevelopment project area that has been
25 designated pursuant to this Section by an ordinance adopted

1 prior to November 1, 1999 (the effective date of Public Act
2 91-478), "blighted area" shall have the meaning set forth in
3 this Section prior to that date.

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

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

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

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

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

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

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

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

26 (G) Lack of ventilation, light, or sanitary

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

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

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

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

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

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

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

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

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

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

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

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

25 (B) Diversity of ownership of parcels of vacant
26 land sufficient in number to retard or impede the

1 ability to assemble the land for development.

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

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

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

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

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

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

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

1 (D) The area consists of an unused or illegal
2 disposal site containing earth, stone, building
3 debris, or similar materials that were removed from
4 construction, demolition, excavation, or dredge sites.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (10) Deleterious land use or layout. The existence of
2 incompatible land-use relationships, buildings occupied by
3 inappropriate mixed-uses, or uses considered to be
4 noxious, offensive, or unsuitable for the surrounding
5 area.

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

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

1 development or redevelopment of the redevelopment project
2 area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (m) "Payment in lieu of taxes" means those estimated tax
26 revenues from real property in a redevelopment project area

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

11 (n) "Redevelopment plan" means the comprehensive program
12 of the municipality for development or redevelopment intended
13 by the payment of redevelopment project costs to reduce or
14 eliminate those conditions the existence of which qualified the
15 redevelopment project area as a "blighted area" or
16 "conservation area" or combination thereof or "industrial park
17 conservation area," and thereby to enhance the tax bases of the
18 taxing districts which extend into the redevelopment project
19 area, provided that, with respect to redevelopment project
20 areas described in subsections (p-1) and (p-2), "redevelopment
21 plan" means the comprehensive program of the affected
22 municipality for the development of qualifying transit
23 facilities. On and after November 1, 1999 (the effective date
24 of Public Act 91-478), no redevelopment plan may be approved or
25 amended that includes the development of vacant land (i) with a
26 golf course and related clubhouse and other facilities or (ii)

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

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

11 (B) evidence indicating that the redevelopment project
12 area on the whole has not been subject to growth and
13 development through investment by private enterprise,
14 provided that such evidence shall not be required for any
15 redevelopment project area located within a transit
16 facility improvement area established pursuant to Section
17 11-74.4-3.3;

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

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

24 (E) the nature and term of the obligations to be
25 issued;

26 (F) the most recent equalized assessed valuation of the

1 redevelopment project area;

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

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

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

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

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

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

1 and development through investment by private enterprise
2 and would not reasonably be anticipated to be developed
3 without the adoption of the redevelopment plan, provided,
4 however, that such a finding shall not be required with
5 respect to any redevelopment project area located within a
6 transit facility improvement area established pursuant to
7 Section 11-74.4-3.3.

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

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

24 A municipality may by municipal ordinance amend an
25 existing redevelopment plan to conform to this paragraph
26 (3) as amended by Public Act 91-478, which municipal

1 ordinance may be adopted without further hearing or notice
2 and without complying with the procedures provided in this
3 Act pertaining to an amendment to or the initial approval
4 of a redevelopment plan and project and designation of a
5 redevelopment project area.

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

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

22 (5) If: (a) the redevelopment plan will not result in
23 displacement of residents from 10 or more inhabited
24 residential units, and the municipality certifies in the
25 plan that such displacement will not result from the plan;
26 or (b) the redevelopment plan is for a redevelopment

1 project area located within a transit facility improvement
2 area established pursuant to Section 11-74.4-3.3, and the
3 applicable project is subject to the process for evaluation
4 of environmental effects under the National Environmental
5 Policy Act of 1969, 42 U.S.C. 4321 et seq., then a housing
6 impact study need not be performed. If, however, the
7 redevelopment plan would result in the displacement of
8 residents from 10 or more inhabited residential units, or
9 if the redevelopment project area contains 75 or more
10 inhabited residential units and no certification is made,
11 then the municipality shall prepare, as part of the
12 separate feasibility report required by subsection (a) of
13 Section 11-74.4-5, a housing impact study.

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

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

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

17 (7) On and after November 1, 1999, no redevelopment
18 plan shall be adopted, nor an existing plan amended, nor
19 shall residential housing that is occupied by households of
20 low-income and very low-income persons in currently
21 existing redevelopment project areas be removed after
22 November 1, 1999 unless the redevelopment plan provides,
23 with respect to inhabited housing units that are to be
24 removed for households of low-income and very low-income
25 persons, affordable housing and relocation assistance not
26 less than that which would be provided under the federal

1 Uniform Relocation Assistance and Real Property
2 Acquisition Policies Act of 1970 and the regulations under
3 that Act, including the eligibility criteria. Affordable
4 housing may be either existing or newly constructed
5 housing. For purposes of this paragraph (7), "low-income
6 households", "very low-income households", and "affordable
7 housing" have the meanings set forth in the Illinois
8 Affordable Housing Act. The municipality shall make a good
9 faith effort to ensure that this affordable housing is
10 located in or near the redevelopment project area within
11 the municipality.

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

19 (9) For redevelopment project areas designated prior
20 to November 1, 1999, the redevelopment plan may be amended
21 without further joint review board meeting or hearing,
22 provided that the municipality shall give notice of any
23 such changes by mail to each affected taxing district and
24 registrant on the interested party registry, to authorize
25 the municipality to expend tax increment revenues for
26 redevelopment project costs defined by paragraphs (5) and

1 (7.5), subparagraphs (E) and (F) of paragraph (11), and
2 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so
3 long as the changes do not increase the total estimated
4 redevelopment project costs set out in the redevelopment
5 plan by more than 5% after adjustment for inflation from
6 the date the plan was adopted.

7 (o) "Redevelopment project" means any public and private
8 development project in furtherance of the objectives of a
9 redevelopment plan. On and after November 1, 1999 (the
10 effective date of Public Act 91-478), no redevelopment plan may
11 be 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 plan.
17 For the purpose of this subsection, "recreational activities"
18 is limited to mean camping and hunting.

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

26 (p-1) Notwithstanding any provision of this Act to the

1 contrary, on and after August 25, 2009 (the effective date of
2 Public Act 96-680), a redevelopment project area may include
3 areas within a one-half mile radius of an existing or proposed
4 Regional Transportation Authority Suburban Transit Access
5 Route (STAR Line) station without a finding that the area is
6 classified as an industrial park conservation area, a blighted
7 area, a conservation area, or a combination thereof, but only
8 if the municipality receives unanimous consent from the joint
9 review board created to review the proposed redevelopment
10 project area.

11 (p-2) Notwithstanding any provision of this Act to the
12 contrary, on and after the effective date of this amendatory
13 Act of the 99th General Assembly, a redevelopment project area
14 may include areas within a transit facility improvement area
15 that has been established pursuant to Section 11-74.4-3.3
16 without a finding that the area is classified as an industrial
17 park conservation area, a blighted area, a conservation area,
18 or any combination thereof.

19 (q) "Redevelopment project costs", except for
20 redevelopment project areas created pursuant to subsection
21 (p-1) or (p-2), means and includes the sum total of all
22 reasonable or necessary costs incurred or estimated to be
23 incurred, and any such costs incidental to a redevelopment plan
24 and a redevelopment project. Such costs include, without
25 limitation, the following:

26 (1) Costs of studies, surveys, development of plans,

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

1 by the consultant or advisor;

2 (1.5) After July 1, 1999, annual administrative costs
3 shall not include general overhead or administrative costs
4 of the municipality that would still have been incurred by
5 the municipality if the municipality had not designated a
6 redevelopment project area or approved a redevelopment
7 plan;

8 (1.6) The cost of marketing sites within the
9 redevelopment project area to prospective businesses,
10 developers, and investors;

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

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

1 relating to Green Globes or LEED certified construction
2 elements or construction elements with an equivalent
3 certification;

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

1 or repair of transit vehicles and is located in a transit
2 facility improvement area that has been established
3 pursuant to Section 11-74.4-3.3;

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

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

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

22 (7.5) For redevelopment project areas designated (or
23 redevelopment project areas amended to add or increase the
24 number of tax-increment-financing assisted housing units)
25 on or after November 1, 1999, an elementary, secondary, or
26 unit school district's increased costs attributable to

1 assisted housing units located within the redevelopment
2 project area for which the developer or redeveloper
3 receives financial assistance through an agreement with
4 the municipality or because the municipality incurs the
5 cost of necessary infrastructure improvements within the
6 boundaries of the assisted housing sites necessary for the
7 completion of that housing as authorized by this Act, and
8 which costs shall be paid by the municipality from the
9 Special Tax Allocation Fund when the tax increment revenue
10 is received as a result of the assisted housing units and
11 shall be calculated annually as follows:

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

1 general State aid as defined in Section 18-8.05 of the
2 School Code or evidence-based funding as defined in
3 Section 18-8.15 of the School Code attributable to
4 these added new students subject to the following
5 annual limitations:

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

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

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

24 (B) For alternate method districts, flat grant
25 districts, and foundation districts with a district
26 average 1995-96 Per Capita Tuition Charge equal to or

1 more than \$5,900, excluding any school district with a
2 population in excess of 1,000,000, by multiplying the
3 district's increase in attendance resulting from the
4 net increase in new students enrolled in that school
5 district who reside in housing units within the
6 redevelopment project area that have received
7 financial assistance through an agreement with the
8 municipality or because the municipality incurs the
9 cost of necessary infrastructure improvements within
10 the boundaries of the housing sites necessary for the
11 completion of that housing as authorized by this Act
12 since the designation of the redevelopment project
13 area by the most recently available per capita tuition
14 cost as defined in Section 10-20.12a of the School Code
15 less any increase in general state aid as defined in
16 Section 18-8.05 of the School Code or evidence-based
17 funding as defined in Section 18-8.15 of the School
18 Code attributable to these added new students subject
19 to the following annual limitations:

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

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

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

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

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

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

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

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

26 Any school district seeking payment under this

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

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

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

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

1 in the previous fiscal year. The municipality may deduct
2 from the amount that it must pay to a library district
3 under this paragraph any amount that it has voluntarily
4 paid to the library district from the tax increment
5 revenue. The amount paid to a library district under this
6 paragraph (7.7) shall be no more than 2% of the amount
7 produced by the assisted housing units and deposited into
8 the Special Tax Allocation Fund.

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

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

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

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

9 (9) Payment in lieu of taxes;

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

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

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

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

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

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

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

1 costs excluding any property assembly costs and any
2 relocation costs incurred by a municipality pursuant
3 to this Act;

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

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

1 housing.

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

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

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

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

4 (12) Costs relating to the development of urban
5 agricultural areas under Division 15.2 of the Illinois
6 Municipal Code;~~;~~

7 (13) For any school district in a municipality with a
8 population in excess of 1,000,000, the costs associated
9 with employing qualified workers, as defined in Section
10 14-1.10 of the School Code, the costs of providing special
11 educational facilities and services, as defined in Section
12 14-1.08 of the School Code, school psychological services,
13 as defined in Section 14-1.09.1 of the School Code, or
14 school social work services, as defined in Section
15 14-1.09.2 of the School Code.

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

19 After November 1, 1999 (the effective date of Public Act
20 91-478), none of the redevelopment project costs enumerated in
21 this subsection shall be eligible redevelopment project costs
22 if those costs would provide direct financial support to a
23 retail entity initiating operations in the redevelopment
24 project area while terminating operations at another Illinois
25 location within 10 miles of the redevelopment project area but
26 outside the boundaries of the redevelopment project area

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

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

25 If a special service area has been established pursuant to
26 the Special Service Area Tax Act or Special Service Area Tax

1 Law, then any tax increment revenues derived from the tax
2 imposed pursuant to the Special Service Area Tax Act or Special
3 Service Area Tax Law may be used within the redevelopment
4 project area for the purposes permitted by that Act or Law as
5 well as the purposes permitted by this Act.

6 (q-1) For redevelopment project areas created pursuant to
7 subsection (p-1), redevelopment project costs are limited to
8 those costs in paragraph (q) that are related to the existing
9 or proposed Regional Transportation Authority Suburban Transit
10 Access Route (STAR Line) station.

11 (q-2) For a redevelopment project area located within a
12 transit facility improvement area established pursuant to
13 Section 11-74.4-3.3, redevelopment project costs means those
14 costs described in subsection (q) that are related to the
15 construction, reconstruction, rehabilitation, remodeling, or
16 repair of any existing or proposed transit facility.

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

24 (s) "State Sales Tax Increment" means an amount equal to
25 the increase in the aggregate amount of taxes paid by retailers
26 and servicemen, other than retailers and servicemen subject to

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

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

1 ending on June 30, to determine the tax amounts received which
2 shall have deducted therefrom the certified Initial Sales Tax
3 Amounts, Adjusted Initial Sales Tax Amounts or the Revised
4 Initial Sales Tax Amounts. Municipalities intending to receive
5 a distribution of State Sales Tax Increment must report a list
6 of retailers to the Department of Revenue by October 31, 1988
7 and by July 31, of each year thereafter.

8 (t) "Taxing districts" means counties, townships, cities
9 and incorporated towns and villages, school, road, park,
10 sanitary, mosquito abatement, forest preserve, public health,
11 fire protection, river conservancy, tuberculosis sanitarium
12 and any other municipal corporations or districts with the
13 power to levy taxes.

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

18 (v) As used in subsection (a) of Section 11-74.4-3 of this
19 Act, "vacant land" means any parcel or combination of parcels
20 of real property without industrial, commercial, and
21 residential buildings which has not been used for commercial
22 agricultural purposes within 5 years prior to the designation
23 of the redevelopment project area, unless the parcel is
24 included in an industrial park conservation area or the parcel
25 has been subdivided; provided that if the parcel was part of a
26 larger tract that has been divided into 3 or more smaller

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

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

26 (x) "LEED certified" means any certification level of

1 construction elements by a qualified Leadership in Energy and
2 Environmental Design Accredited Professional as determined by
3 the U.S. Green Building Council.

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

7 (Source: P.A. 99-792, eff. 8-12-16; 100-201, eff. 8-18-17;
8 100-465, eff. 8-31-17; 100-1133, eff. 1-1-19.)

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

10 Sec. 11-74.4-5. Public hearing; joint review board.

11 (a) The changes made by this amendatory Act of the 91st
12 General Assembly do not apply to a municipality that, (i)
13 before the effective date of this amendatory Act of the 91st
14 General Assembly, has adopted an ordinance or resolution fixing
15 a time and place for a public hearing under this Section or
16 (ii) before July 1, 1999, has adopted an ordinance or
17 resolution providing for a feasibility study under Section
18 11-74.4-4.1, but has not yet adopted an ordinance approving
19 redevelopment plans and redevelopment projects or designating
20 redevelopment project areas under Section 11-74.4-4, until
21 after that municipality adopts an ordinance approving
22 redevelopment plans and redevelopment projects or designating
23 redevelopment project areas under Section 11-74.4-4;
24 thereafter the changes made by this amendatory Act of the 91st
25 General Assembly apply to the same extent that they apply to

1 redevelopment plans and redevelopment projects that were
2 approved and redevelopment projects that were designated
3 before the effective date of this amendatory Act of the 91st
4 General Assembly.

5 Prior to the adoption of an ordinance proposing the
6 designation of a redevelopment project area, or approving a
7 redevelopment plan or redevelopment project, the municipality
8 by its corporate authorities, or as it may determine by any
9 commission designated under subsection (k) of Section
10 11-74.4-4 shall adopt an ordinance or resolution fixing a time
11 and place for public hearing. At least 10 days prior to the
12 adoption of the ordinance or resolution establishing the time
13 and place for the public hearing, the municipality shall make
14 available for public inspection a redevelopment plan or a
15 separate report that provides in reasonable detail the basis
16 for the eligibility of the redevelopment project area. The
17 report along with the name of a person to contact for further
18 information shall be sent within a reasonable time after the
19 adoption of such ordinance or resolution to the affected taxing
20 districts by certified mail. On and after the effective date of
21 this amendatory Act of the 91st General Assembly, the
22 municipality shall print in a newspaper of general circulation
23 within the municipality a notice that interested persons may
24 register with the municipality in order to receive information
25 on the proposed designation of a redevelopment project area or
26 the approval of a redevelopment plan. The notice shall state

1 the place of registration and the operating hours of that
2 place. The municipality shall have adopted reasonable rules to
3 implement this registration process under Section 11-74.4-4.2.
4 The municipality shall provide notice of the availability of
5 the redevelopment plan and eligibility report, including how to
6 obtain this information, by mail within a reasonable time after
7 the adoption of the ordinance or resolution, to all residential
8 addresses that, after a good faith effort, the municipality
9 determines are located outside the proposed redevelopment
10 project area and within 750 feet of the boundaries of the
11 proposed redevelopment project area. This requirement is
12 subject to the limitation that in a municipality with a
13 population of over 100,000, if the total number of residential
14 addresses outside the proposed redevelopment project area and
15 within 750 feet of the boundaries of the proposed redevelopment
16 project area exceeds 750, the municipality shall be required to
17 provide the notice to only the 750 residential addresses that,
18 after a good faith effort, the municipality determines are
19 outside the proposed redevelopment project area and closest to
20 the boundaries of the proposed redevelopment project area.
21 Notwithstanding the foregoing, notice given after August 7,
22 2001 (the effective date of Public Act 92-263) and before the
23 effective date of this amendatory Act of the 92nd General
24 Assembly to residential addresses within 750 feet of the
25 boundaries of a proposed redevelopment project area shall be
26 deemed to have been sufficiently given in compliance with this

1 Act if given only to residents outside the boundaries of the
2 proposed redevelopment project area. The notice shall also be
3 provided by the municipality, regardless of its population, to
4 those organizations and residents that have registered with the
5 municipality for that information in accordance with the
6 registration guidelines established by the municipality under
7 Section 11-74.4-4.2.

8 At the public hearing any interested person or affected
9 taxing district may file with the municipal clerk written
10 objections to and may be heard orally in respect to any issues
11 embodied in the notice. The municipality shall hear all
12 protests and objections at the hearing and the hearing may be
13 adjourned to another date without further notice other than a
14 motion to be entered upon the minutes fixing the time and place
15 of the subsequent hearing. At the public hearing or at any time
16 prior to the adoption by the municipality of an ordinance
17 approving a redevelopment plan, the municipality may make
18 changes in the redevelopment plan. Changes which (1) add
19 additional parcels of property to the proposed redevelopment
20 project area, (2) substantially affect the general land uses
21 proposed in the redevelopment plan, (3) substantially change
22 the nature of or extend the life of the redevelopment project,
23 or (4) increase the number of inhabited residential units to be
24 displaced from the redevelopment project area, as measured from
25 the time of creation of the redevelopment project area, to a
26 total of more than 10, shall be made only after the

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

22 (b) Prior to holding a public hearing to approve or amend a
23 redevelopment plan or to designate or add additional parcels of
24 property to a redevelopment project area, the municipality
25 shall convene a joint review board. The board shall consist of
26 a representative selected by each community college district,

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

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

1 redevelopment project area, provided that the redevelopment
2 plan or project will not result in displacement of residents
3 from 10 or more inhabited units, and the municipality so
4 certifies in the plan. If no person satisfying these
5 requirements is available or if no qualified person will serve
6 as the public member, then the joint review board is relieved
7 of this paragraph's selection requirements for the public
8 member.

9 Within 90 days of the effective date of this amendatory Act
10 of the 91st General Assembly, each municipality that designated
11 a redevelopment project area for which it was not required to
12 convene a joint review board under this Section shall convene a
13 joint review board to perform the duties specified under
14 paragraph (e) of this Section.

15 All board members shall be appointed and the first board
16 meeting shall be held at least 14 days but not more than 28
17 days after the mailing of notice by the municipality to the
18 taxing districts as required by Section 11-74.4-6(c).
19 Notwithstanding the preceding sentence, a municipality that
20 adopted either a public hearing resolution or a feasibility
21 resolution between July 1, 1999 and July 1, 2000 that called
22 for the meeting of the joint review board within 14 days of
23 notice of public hearing to affected taxing districts is deemed
24 to be in compliance with the notice, meeting, and public
25 hearing provisions of the Act. Such notice shall also advise
26 the taxing bodies represented on the joint review board of the

1 time and place of the first meeting of the board. Additional
2 meetings of the board shall be held upon the call of any
3 member. The municipality seeking designation of the
4 redevelopment project area shall provide administrative
5 support to the board.

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

22 The board shall base its recommendation to approve or
23 disapprove the redevelopment plan and the designation of the
24 redevelopment project area or the amendment of the
25 redevelopment plan or addition of parcels of property to the
26 redevelopment project area on the basis of the redevelopment

1 project area and redevelopment plan satisfying the plan
2 requirements, the eligibility criteria defined in Section
3 11-74.4-3, and the objectives of this Act.

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

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

19 Notwithstanding the resubmission set forth above, the
20 municipality may commence the scheduled public hearing and
21 either adjourn the public hearing or continue the public
22 hearing until a date certain. Prior to continuing any public
23 hearing to a date certain, the municipality shall announce
24 during the public hearing the time, date, and location for the
25 reconvening of the public hearing. Any changes to the
26 redevelopment plan necessary to satisfy the issues set forth in

1 the joint review board report shall be the subject of a public
2 hearing before the hearing is adjourned if the changes would
3 (1) substantially affect the general land uses proposed in the
4 redevelopment plan, (2) substantially change the nature of or
5 extend the life of the redevelopment project, or (3) increase
6 the number of inhabited residential units to be displaced from
7 the redevelopment project area, as measured from the time of
8 creation of the redevelopment project area, to a total of more
9 than 10. Changes to the redevelopment plan necessary to satisfy
10 the issues set forth in the joint review board report shall not
11 require any further notice or convening of a joint review board
12 meeting, except that any changes to the redevelopment plan that
13 would add additional parcels of property to the proposed
14 redevelopment project area shall be subject to the notice,
15 public hearing, and joint review board meeting requirements
16 established for such changes by subsection (a) of Section
17 11-74.4-5.

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

26 (c) After a municipality has by ordinance approved a

1 redevelopment plan and designated a redevelopment project
2 area, the plan may be amended and additional properties may be
3 added to the redevelopment project area only as herein
4 provided. Amendments which (1) add additional parcels of
5 property to the proposed redevelopment project area, (2)
6 substantially affect the general land uses proposed in the
7 redevelopment plan, (3) substantially change the nature of the
8 redevelopment project, (4) increase the total estimated
9 redevelopment project costs set out in the redevelopment plan
10 by more than 5% after adjustment for inflation from the date
11 the plan was adopted, (5) add additional redevelopment project
12 costs to the itemized list of redevelopment project costs set
13 out in the redevelopment plan, or (6) increase the number of
14 inhabited residential units to be displaced from the
15 redevelopment project area, as measured from the time of
16 creation of the redevelopment project area, to a total of more
17 than 10, shall be made only after the municipality gives
18 notice, convenes a joint review board, and conducts a public
19 hearing pursuant to the procedures set forth in this Section
20 and in Section 11-74.4-6 of this Act. Changes which do not (1)
21 add additional parcels of property to the proposed
22 redevelopment project area, (2) substantially affect the
23 general land uses proposed in the redevelopment plan, (3)
24 substantially change the nature of the redevelopment project,
25 (4) increase the total estimated redevelopment project cost set
26 out in the redevelopment plan by more than 5% after adjustment

1 for inflation from the date the plan was adopted, (5) add
2 additional redevelopment project costs to the itemized list of
3 redevelopment project costs set out in the redevelopment plan,
4 or (6) increase the number of inhabited residential units to be
5 displaced from the redevelopment project area, as measured from
6 the time of creation of the redevelopment project area, to a
7 total of more than 10, may be made without further public
8 hearing and related notices and procedures including the
9 convening of a joint review board as set forth in Section
10 11-74.4-6 of this Act, provided that the municipality shall
11 give notice of any such changes by mail to each affected taxing
12 district and registrant on the interested parties registry,
13 provided for under Section 11-74.4-4.2, and by publication in a
14 newspaper of general circulation within the affected taxing
15 district. Such notice by mail and by publication shall each
16 occur not later than 10 days following the adoption by
17 ordinance of such changes.

18 (d) After the effective date of this amendatory Act of the
19 91st General Assembly, a municipality shall submit in an
20 electronic format the following information for each
21 redevelopment project area (i) to the State Comptroller under
22 Section 8-8-3.5 of the Illinois Municipal Code, subject to any
23 extensions or exemptions provided at the Comptroller's
24 discretion under that Section, and (ii) to all taxing districts
25 overlapping the redevelopment project area no later than 180
26 days after the close of each municipal fiscal year or as soon

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

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

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

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

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

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

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

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

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

1 (C) an itemized list of all expenditures from the
2 special tax allocation fund by category of permissible
3 redevelopment project cost; and

4 (D) for municipalities with a population less than
5 1,000,000, the balance in the special tax allocation
6 fund at the end of the fiscal year including a
7 breakdown of that balance by source and a breakdown of
8 that balance identifying any portion of the balance
9 that is required, pledged, earmarked, or otherwise
10 designated for payment of or securing of obligations
11 ~~and anticipated redevelopment project costs.~~ Any
12 portion of such ending balance that has not been
13 identified or is not identified as being required,
14 pledged, earmarked, or otherwise designated for
15 payment of or securing of obligations ~~or anticipated~~
16 ~~redevelopment projects costs~~ shall be designated as
17 surplus as set forth in Section 11-74.4-7 hereof.

18 (E) For municipalities with a population greater
19 than 1,000,000, the balance in the special tax
20 allocation fund at the end of the fiscal year,
21 including a breakdown of that balance by source and a
22 breakdown of that balance identifying any portion of
23 the balance that is required, pledged, earmarked, or
24 otherwise designated for payment of or securing of
25 obligations. Any portion of such ending balance that
26 has not been identified or is not identified as being

1 required, pledged, earmarked, or otherwise designated
2 for payment of or securing of obligations shall be
3 designated as surplus, and used, as set forth in
4 Section 11-74.4-7.

5 (6) A description of all property purchased by the
6 municipality within the redevelopment project area
7 including:

8 (A) Street address.

9 (B) Approximate size or description of property.

10 (C) Purchase price.

11 (D) Seller of property.

12 (7) A statement setting forth all activities
13 undertaken in furtherance of the objectives of the
14 redevelopment plan, including:

15 (A) Any project implemented in the preceding
16 fiscal year.

17 (B) A description of the redevelopment activities
18 undertaken.

19 (C) A description of any agreements entered into by
20 the municipality with regard to the disposition or
21 redevelopment of any property within the redevelopment
22 project area or the area within the State Sales Tax
23 Boundary.

24 (D) Additional information on the use of all funds
25 received under this Division and steps taken by the
26 municipality to achieve the objectives of the

1 redevelopment plan.

2 (E) Information regarding contracts that the
3 municipality's tax increment advisors or consultants
4 have entered into with entities or persons that have
5 received, or are receiving, payments financed by tax
6 increment revenues produced by the same redevelopment
7 project area.

8 (F) Any reports submitted to the municipality by
9 the joint review board.

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

22 (8) With regard to any obligations issued by the
23 municipality:

24 (A) copies of any official statements; and

25 (B) an analysis prepared by financial advisor or
26 underwriter setting forth: (i) nature and term of

1 obligation; and (ii) projected debt service including
2 required reserves and debt coverage.

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

1 registration procedures adopted under Section 11-74.4-4.2.
2 All municipalities are subject to this provision.

3 (10) A list of all intergovernmental agreements in
4 effect during the fiscal year to which the municipality is
5 a party and an accounting of any moneys transferred or
6 received by the municipality during that fiscal year
7 pursuant to those intergovernmental agreements.

8 (d-1) Prior to the effective date of this amendatory Act of
9 the 91st General Assembly, municipalities with populations of
10 over 1,000,000 shall, after adoption of a redevelopment plan or
11 project, make available upon request to any taxing district in
12 which the redevelopment project area is located the following
13 information:

14 (1) Any amendments to the redevelopment plan, the
15 redevelopment project area, or the State Sales Tax
16 Boundary; and

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

22 (e) The joint review board shall meet annually 180 days
23 after the close of the municipal fiscal year or as soon as the
24 redevelopment project audit for that fiscal year becomes
25 available to review the effectiveness and status of the
26 redevelopment project area up to that date.

1 (f) (Blank).

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

11 (h) On and after the effective date of this amendatory Act
12 of the 96th General Assembly, the State Comptroller must post
13 on the State Comptroller's official website the information
14 submitted by a municipality pursuant to subsection (d) of this
15 Section. The information must be posted no later than 45 days
16 after the State Comptroller receives the information from the
17 municipality. The State Comptroller must also post a list of
18 the municipalities not in compliance with the reporting
19 requirements set forth in subsection (d) of this Section.

20 (i) No later than 10 years after the corporate authorities
21 of a municipality adopt an ordinance to establish a
22 redevelopment project area, the municipality must compile a
23 status report concerning the redevelopment project area. The
24 status report must detail without limitation the following: (i)
25 the amount of revenue generated within the redevelopment
26 project area, (ii) any expenditures made by the municipality

1 for the redevelopment project area including without
2 limitation expenditures from the special tax allocation fund,
3 (iii) the status of planned activities, goals, and objectives
4 set forth in the redevelopment plan including details on new or
5 planned construction within the redevelopment project area,
6 (iv) the amount of private and public investment within the
7 redevelopment project area, and (v) any other relevant
8 evaluation or performance data. Within 30 days after the
9 municipality compiles the status report, the municipality must
10 hold at least one public hearing concerning the report. The
11 municipality must provide 20 days' public notice of the
12 hearing.

13 (j) Beginning in fiscal year 2011 and in each fiscal year
14 thereafter, a municipality must detail in its annual budget (i)
15 the revenues generated from redevelopment project areas by
16 source and (ii) the expenditures made by the municipality for
17 redevelopment project areas.

18 (Source: P.A. 98-922, eff. 8-15-14.)

19 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

20 Sec. 11-74.4-7. Obligations secured by the special tax
21 allocation fund set forth in Section 11-74.4-8 for the
22 redevelopment project area may be issued to provide for
23 redevelopment project costs. Such obligations, when so issued,
24 shall be retired in the manner provided in the ordinance
25 authorizing the issuance of such obligations by the receipts of

1 taxes levied as specified in Section 11-74.4-9 against the
2 taxable property included in the area, by revenues as specified
3 by Section 11-74.4-8a and other revenue designated by the
4 municipality. A municipality may in the ordinance pledge all or
5 any part of the funds in and to be deposited in the special tax
6 allocation fund created pursuant to Section 11-74.4-8 to the
7 payment of the redevelopment project costs and obligations. For
8 municipalities with a population less than 1,000,000, any ~~Any~~
9 pledge of funds in the special tax allocation fund shall
10 provide for distribution to the taxing districts and to the
11 Illinois Department of Revenue of moneys not required, pledged,
12 earmarked, or otherwise designated for payment and securing of
13 the obligations ~~and anticipated redevelopment project costs~~
14 and such excess funds shall be calculated annually and deemed
15 to be "surplus" funds. In the event a municipality, with a
16 population less than 1,000,000, only applies or pledges a
17 portion of the funds in the special tax allocation fund for the
18 payment ~~or securing of anticipated redevelopment project costs~~
19 ~~or~~ of obligations, any such funds remaining in the special tax
20 allocation fund after complying with the requirements of the
21 application or pledge, shall also be calculated annually and
22 deemed "surplus" funds. All surplus funds in the special tax
23 allocation fund shall be distributed annually within 180 days
24 after the close of the municipality's fiscal year by being paid
25 by the municipal treasurer to the County Collector, to the
26 Department of Revenue and to the municipality in direct

1 proportion to the tax incremental revenue received as a result
2 of an increase in the equalized assessed value of property in
3 the redevelopment project area, tax incremental revenue
4 received from the State and tax incremental revenue received
5 from the municipality, but not to exceed as to each such source
6 the total incremental revenue received from that source. The
7 County Collector shall thereafter make distribution to the
8 respective taxing districts in the same manner and proportion
9 as the most recent distribution by the county collector to the
10 affected districts of real property taxes from real property in
11 the redevelopment project area. For municipalities with a
12 population greater than 1,000,000, the balance in the special
13 tax allocation fund at the end of the fiscal year that is not
14 required, pledged, earmarked, or otherwise designated for
15 payment of or securing of obligations shall be entirely used to
16 pay costs of special education, social service, and other costs
17 of its public school district as described in paragraph (12) of
18 subsection (q) of Section 11-74.4-3.

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

1 municipality; (d) a mortgage on part or all of the
2 redevelopment project; (d-5) repayment of bonds issued
3 pursuant to subsection (p-130) of Section 19-1 of the School
4 Code; or (e) any other taxes or anticipated receipts that the
5 municipality may lawfully pledge.

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

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

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

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

1 a period of not less than 30 or more than 90 days from the date
2 such 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 of
7 the electors voting upon the question are not in favor thereof,
8 the ordinance shall not take effect.

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

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

26 A certified copy of such ordinance shall be filed with the

1 county clerk of each county in which any portion of the
2 municipality is situated, and shall constitute the authority
3 for the extension and collection of the taxes to be deposited
4 in the special tax allocation fund.

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

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

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

23 (Source: P.A. 100-531, eff. 9-22-17.)

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

25 Sec. 11-74.4-8. Tax increment allocation financing. A

1 municipality may not adopt tax increment financing in a
2 redevelopment project area after the effective date of this
3 amendatory Act of 1997 that will encompass an area that is
4 currently included in an enterprise zone created under the
5 Illinois Enterprise Zone Act unless that municipality,
6 pursuant to Section 5.4 of the Illinois Enterprise Zone Act,
7 amends the enterprise zone designating ordinance to limit the
8 eligibility for tax abatements as provided in Section 5.4.1 of
9 the Illinois Enterprise Zone Act. A municipality, at the time a
10 redevelopment project area is designated, may adopt tax
11 increment allocation financing by passing an ordinance
12 providing that the ad valorem taxes, if any, arising from the
13 levies upon taxable real property in such redevelopment project
14 area by taxing districts and tax rates determined in the manner
15 provided in paragraph (c) of Section 11-74.4-9 each year after
16 the effective date of the ordinance until redevelopment project
17 costs and all municipal obligations financing redevelopment
18 project costs incurred under this Division have been paid shall
19 be divided as follows, provided, however, that with respect to
20 any redevelopment project area located within a transit
21 facility improvement area established pursuant to Section
22 11-74.4-3.3 in a municipality with a population of 1,000,000 or
23 more, ad valorem taxes, if any, arising from the levies upon
24 taxable real property in such redevelopment project area shall
25 be allocated as specifically provided in this Section:

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

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

10 (b) Except from a tax levied by a township to retire
11 bonds issued to satisfy court-ordered damages, that
12 portion, if any, of such taxes which is attributable to the
13 increase in the current equalized assessed valuation of
14 each taxable lot, block, tract or parcel of real property
15 in the redevelopment project area over and above the
16 initial equalized assessed value of each property in the
17 project area shall be allocated to and when collected shall
18 be paid to the municipal treasurer who shall deposit said
19 taxes into a special fund called the special tax allocation
20 fund of the municipality for the purpose of paying
21 redevelopment project costs and obligations incurred in
22 the payment thereof. In any county with a population of
23 3,000,000 or more that has adopted a procedure for
24 collecting taxes that provides for one or more of the
25 installments of the taxes to be billed and collected on an
26 estimated basis, the municipal treasurer shall be paid for

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

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

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

25 (3) The municipal clerk has certified to the county
26 clerk that the municipality has issued its obligations

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

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

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

1 refund shall be limited to the amount of the overpayment.

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

1 If a municipality has adopted tax increment allocation
2 financing by ordinance and the County Clerk thereafter
3 certifies the "total initial equalized assessed value as
4 adjusted" of the taxable real property within such
5 redevelopment project area in the manner provided in
6 paragraph (b) of Section 11-74.4-9, each year after the
7 date of the certification of the total initial equalized
8 assessed value as adjusted until redevelopment project
9 costs and all municipal obligations financing
10 redevelopment project costs have been paid the ad valorem
11 taxes, if any, arising from the levies upon the taxable
12 real property in such redevelopment project area by taxing
13 districts and tax rates determined in the manner provided
14 in paragraph (c) of Section 11-74.4-9 shall be divided as
15 follows, provided, however, that with respect to any
16 redevelopment project area located within a transit
17 facility improvement area established pursuant to Section
18 11-74.4-3.3 in a municipality with a population of
19 1,000,000 or more, ad valorem taxes, if any, arising from
20 the levies upon the taxable real property in such
21 redevelopment project area shall be allocated as
22 specifically provided in this Section:

23 (1) That portion of the taxes levied upon each
24 taxable lot, block, tract or parcel of real property
25 which is attributable to the lower of the current
26 equalized assessed value or "current equalized

1 assessed value as adjusted" or the initial equalized
2 assessed value of each such taxable lot, block, tract,
3 or parcel of real property existing at the time tax
4 increment financing was adopted, minus the total
5 current homestead exemptions under Article 15 of the
6 Property Tax Code in the redevelopment project area
7 shall be allocated to and when collected shall be paid
8 by the county collector to the respective affected
9 taxing districts in the manner required by law in the
10 absence of the adoption of tax increment allocation
11 financing.

12 (2) That portion, if any, of such taxes which is
13 attributable to the increase in the current equalized
14 assessed valuation of each taxable lot, block, tract,
15 or parcel of real property in the redevelopment project
16 area, over and above the initial equalized assessed
17 value of each property existing at the time tax
18 increment financing was adopted, minus the total
19 current homestead exemptions pertaining to each piece
20 of property provided by Article 15 of the Property Tax
21 Code in the redevelopment project area, shall be
22 allocated to and when collected shall be paid to the
23 municipal Treasurer, who shall deposit said taxes into
24 a special fund called the special tax allocation fund
25 of the municipality for the purpose of paying
26 redevelopment project costs and obligations incurred

1 in the payment thereof.

2 The municipality may pledge in the ordinance the funds
3 in and to be deposited in the special tax allocation fund
4 for the payment of such costs and obligations. No part of
5 the current equalized assessed valuation of each property
6 in the redevelopment project area attributable to any
7 increase above the total initial equalized assessed value,
8 or the total initial equalized assessed value as adjusted,
9 of such properties shall be used in calculating the general
10 State aid formula, provided for in Section 18-8 of the
11 School Code, or the evidence-based funding formula,
12 provided for in Section 18-8.15 of the School Code, until
13 such time as all redevelopment project costs have been paid
14 as provided for in this Section.

15 Whenever a municipality issues bonds for the purpose of
16 financing redevelopment project costs, such municipality
17 may provide by ordinance for the appointment of a trustee,
18 which may be any trust company within the State, and for
19 the establishment of such funds or accounts to be
20 maintained by such trustee as the municipality shall deem
21 necessary to provide for the security and payment of the
22 bonds. If such municipality provides for the appointment of
23 a trustee, such trustee shall be considered the assignee of
24 any payments assigned by the municipality pursuant to such
25 ordinance and this Section. Any amounts paid to such
26 trustee as assignee shall be deposited in the funds or

1 accounts established pursuant to such trust agreement, and
2 shall be held by such trustee in trust for the benefit of
3 the holders of the bonds, and such holders shall have a
4 lien on and a security interest in such funds or accounts
5 so long as the bonds remain outstanding and unpaid. Upon
6 retirement of the bonds, the trustee shall pay over any
7 excess amounts held to the municipality for deposit in the
8 special tax allocation fund.

9 For municipalities with a population less than
10 1,000,000, when ~~when~~ such redevelopment projects costs,
11 including without limitation all municipal obligations
12 financing redevelopment project costs incurred under this
13 Division, have been paid, all surplus funds then remaining
14 in the special tax allocation fund shall be distributed by
15 being paid by the municipal treasurer to the Department of
16 Revenue, the municipality and the county collector; first
17 to the Department of Revenue and the municipality in direct
18 proportion to the tax incremental revenue received from the
19 State and the municipality, but not to exceed the total
20 incremental revenue received from the State or the
21 municipality less any annual surplus distribution of
22 incremental revenue previously made; with any remaining
23 funds to be paid to the County Collector who shall
24 immediately thereafter pay said funds to the taxing
25 districts in the redevelopment project area in the same
26 manner and proportion as the most recent distribution by

1 the county collector to the affected districts of real
2 property taxes from real property in the redevelopment
3 project area. For municipalities with a population greater
4 than 1,000,000, the balance in the special tax allocation
5 fund at the end of the fiscal year that is not required,
6 pledged, earmarked, or otherwise designated for payment of
7 or securing of obligations shall be entirely used to pay
8 costs of special education, social service, and other costs
9 of its public school district as described in paragraph
10 (12) of subsection (g) of Section 11-74.4-3.

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

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

10 If a municipality with a population of 1,000,000 or
11 more has adopted by ordinance tax increment allocation
12 financing for a redevelopment project area located in a
13 transit facility improvement area established pursuant to
14 Section 11-74.4-3.3, for each year after the effective date
15 of the ordinance until redevelopment project costs and all
16 municipal obligations financing redevelopment project
17 costs have been paid, the ad valorem taxes, if any, arising
18 from the levies upon the taxable real property in that
19 redevelopment project area by taxing districts and tax
20 rates determined in the manner provided in paragraph (c) of
21 Section 11-74.4-9 shall be divided as follows:

22 (1) That portion of the taxes levied upon each
23 taxable lot, block, tract or parcel of real property
24 which is attributable to the lower of (i) the current
25 equalized assessed value or "current equalized
26 assessed value as adjusted" or (ii) the initial

1 equalized assessed value of each such taxable lot,
2 block, tract, or parcel of real property existing at
3 the time tax increment financing was adopted, minus the
4 total current homestead exemptions under Article 15 of
5 the Property Tax Code in the redevelopment project area
6 shall be allocated to and when collected shall be paid
7 by the county collector to the respective affected
8 taxing districts in the manner required by law in the
9 absence of the adoption of tax increment allocation
10 financing.

11 (2) That portion, if any, of such taxes which is
12 attributable to the increase in the current equalized
13 assessed valuation of each taxable lot, block, tract,
14 or parcel of real property in the redevelopment project
15 area, over and above the initial equalized assessed
16 value of each property existing at the time tax
17 increment financing was adopted, minus the total
18 current homestead exemptions pertaining to each piece
19 of property provided by Article 15 of the Property Tax
20 Code in the redevelopment project area, shall be
21 allocated to and when collected shall be paid by the
22 county collector as follows:

23 (A) First, that portion which would be payable
24 to a school district whose boundaries are
25 coterminous with such municipality in the absence
26 of the adoption of tax increment allocation

1 financing, shall be paid to such school district in
2 the manner required by law in the absence of the
3 adoption of tax increment allocation financing;
4 then

5 (B) 80% of the remaining portion shall be paid
6 to the municipal Treasurer, who shall deposit said
7 taxes into a special fund called the special tax
8 allocation fund of the municipality for the
9 purpose of paying redevelopment project costs and
10 obligations incurred in the payment thereof; and
11 then

12 (C) 20% of the remaining portion shall be paid
13 to the respective affected taxing districts, other
14 than the school district described in clause (a)
15 above, in the manner required by law in the absence
16 of the adoption of tax increment allocation
17 financing.

18 Nothing in this Section shall be construed as relieving
19 property in such redevelopment project areas from being
20 assessed as provided in the Property Tax Code or as relieving
21 owners of such property from paying a uniform rate of taxes, as
22 required by Section 4 of Article IX of the Illinois
23 Constitution.

24 (Source: P.A. 99-792, eff. 8-12-16; 100-465, eff. 8-31-17.)

25 (65 ILCS 5/11-74.4-8a) (from Ch. 24, par. 11-74.4-8a)

1 Sec. 11-74.4-8a. (1) Until June 1, 1988, a municipality
2 which has adopted tax increment allocation financing prior to
3 January 1, 1987, may by ordinance (1) authorize the Department
4 of Revenue, subject to appropriation, to annually certify and
5 cause to be paid from the Illinois Tax Increment Fund to such
6 municipality for deposit in the municipality's special tax
7 allocation fund an amount equal to the Net State Sales Tax
8 Increment and (2) authorize the Department of Revenue to
9 annually notify the municipality of the amount of the Municipal
10 Sales Tax Increment which shall be deposited by the
11 municipality in the municipality's special tax allocation
12 fund. Provided that for purposes of this Section no amendments
13 adding additional area to the redevelopment project area which
14 has been certified as the State Sales Tax Boundary shall be
15 taken into account if such amendments are adopted by the
16 municipality after January 1, 1987. If an amendment is adopted
17 which decreases the area of a State Sales Tax Boundary, the
18 municipality shall update the list required by subsection
19 (3)(a) of this Section. The Retailers' Occupation Tax
20 liability, Use Tax liability, Service Occupation Tax liability
21 and Service Use Tax liability for retailers and servicemen
22 located within the disconnected area shall be excluded from the
23 base from which tax increments are calculated and the revenue
24 from any such retailer or serviceman shall not be included in
25 calculating incremental revenue payable to the municipality. A
26 municipality adopting an ordinance under this subsection (1) of

1 this Section for a redevelopment project area which is
2 certified as a State Sales Tax Boundary shall not be entitled
3 to payments of State taxes authorized under subsection (2) of
4 this Section for the same redevelopment project area. Nothing
5 herein shall be construed to prevent a municipality from
6 receiving payment of State taxes authorized under subsection
7 (2) of this Section for a separate redevelopment project area
8 that does not overlap in any way with the State Sales Tax
9 Boundary receiving payments of State taxes pursuant to
10 subsection (1) of this Section.

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

26 If a retailer or serviceman with a place of business

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

12 When the municipality determines that a portion of an
13 increase in the aggregate amount of taxes paid by retailers and
14 servicemen under the Retailers' Occupation Tax Act, Use Tax
15 Act, Service Use Tax Act, or the Service Occupation Tax Act is
16 the result of a retailer or serviceman initiating retail or
17 service operations in the redevelopment project area by such
18 retailer or serviceman with a resulting termination of retail
19 or service operations by such retailer or serviceman at another
20 location in Illinois in the standard metropolitan statistical
21 area of such municipality, the Department of Revenue shall be
22 notified that the retailers occupation tax liability, use tax
23 liability, service occupation tax liability, or service use tax
24 liability from such retailer's or serviceman's terminated
25 operation shall be included in the base Initial Sales Tax
26 Amounts from which the State Sales Tax Increment is calculated

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

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

22 When a municipality which has adopted tax increment
23 allocation financing in 1986 determines that a portion of the
24 aggregate amount of taxes paid by retailers and servicemen
25 under the Retailers Occupation Tax Act, Use Tax Act, Service
26 Use Tax Act, or Service Occupation Tax Act, the Municipal

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

15 For State fiscal year 1992, the Department of Revenue shall
16 budget, and the Illinois General Assembly shall appropriate
17 from the Illinois Tax Increment Fund in the State treasury, an
18 amount not to exceed \$18,000,000 to pay to each eligible
19 municipality the Net State Sales Tax Increment to which such
20 municipality is entitled.

21 Beginning on January 1, 1993, each municipality's
22 proportional share of the Illinois Tax Increment Fund shall be
23 determined by adding the annual Net State Sales Tax Increment
24 and the annual Net Utility Tax Increment to determine the
25 Annual Total Increment. The ratio of the Annual Total Increment
26 of each municipality to the Annual Total Increment for all

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

4 Beginning in October, 1993, and each January, April, July
5 and October thereafter, the Department of Revenue shall certify
6 to the Treasurer and the Comptroller the amounts payable
7 quarter annually during the fiscal year to each municipality
8 under this Section. The Comptroller shall promptly then draw
9 warrants, ordering the State Treasurer to pay such amounts from
10 the Illinois Tax Increment Fund in the 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 within
14 a State Sales Tax Boundary and certify such amounts to such
15 municipal treasurer who shall transfer such amounts to the
16 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, 8-11-1.4
21 and 8-11-1.5 of this Act. A municipality shall not receive from
22 the State any share of the Illinois Tax Increment Fund unless
23 such municipality deposits all its Municipal Sales Tax
24 Increment and the local incremental real property tax revenues,
25 as provided herein, into the appropriate special tax allocation
26 fund. If, however, a municipality has extended the estimated

1 dates of completion of the redevelopment project and retirement
2 of obligations to finance redevelopment project costs by
3 municipal ordinance to December 31, 2013 under subsection (n)
4 of Section 11-74.4-3, then that municipality shall continue to
5 receive from the State a share of the Illinois Tax Increment
6 Fund so long as the municipality deposits, from any funds
7 available, excluding funds in the special tax allocation fund,
8 an amount equal to the municipal share of the real property tax
9 increment revenues into the special tax allocation fund during
10 the extension period. The amount to be deposited by the
11 municipality in each of the tax years affected by the extension
12 to December 31, 2013 shall be equal to the municipal share of
13 the property tax increment deposited into the special tax
14 allocation fund by the municipality for the most recent year
15 that the property tax increment was distributed. A municipality
16 located within an economic development project area created
17 under the County Economic Development Project Area Property Tax
18 Allocation Act which has abated any portion of its property
19 taxes which otherwise would have been deposited in its special
20 tax allocation fund shall not receive from the State the Net
21 Sales Tax Increment.

22 (2) A municipality which has adopted tax increment
23 allocation financing with regard to an industrial park or
24 industrial park conservation area, prior to January 1, 1988,
25 may by ordinance authorize the Department of Revenue to
26 annually certify and pay from the Illinois Tax Increment Fund

1 to such municipality for deposit in the municipality's special
2 tax allocation fund an amount equal to the Net State Utility
3 Tax Increment. Provided that for purposes of this Section no
4 amendments adding additional area to the redevelopment project
5 area shall be taken into account if such amendments are adopted
6 by the municipality after January 1, 1988. Municipalities
7 adopting an ordinance under this subsection (2) of this Section
8 for a redevelopment project area shall not be entitled to
9 payment of State taxes authorized under subsection (1) of this
10 Section for the same redevelopment project area which is within
11 a State Sales Tax Boundary. Nothing herein shall be construed
12 to prevent a municipality from receiving payment of State taxes
13 authorized under subsection (1) of this Section for a separate
14 redevelopment project area within a State Sales Tax Boundary
15 that does not overlap in any way with the redevelopment project
16 area receiving payments of State taxes pursuant to subsection
17 (2) of this Section.

18 A certified copy of such ordinance shall be submitted to
19 the Department of Commerce and Economic Opportunity and the
20 Department of Revenue not later than 30 days after the
21 effective date of the ordinance.

22 When a municipality determines that a portion of an
23 increase in the aggregate amount of taxes paid by industrial or
24 commercial facilities under the Public Utilities Act, is the
25 result of an industrial or commercial facility initiating
26 operations in the redevelopment project area with a resulting

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

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

1 Increment Fund to be distributed to each municipality.

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

9 (3) Within 30 days after the adoption of the ordinance
10 required by either subsection (1) or subsection (2) of this
11 Section, the municipality shall transmit to the Department of
12 Commerce and Economic Opportunity and the Department of Revenue
13 the following:

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

1 any street or part thereof in the redevelopment project
2 area, or if the Department of Revenue informs the
3 municipality of an addition or deletion pursuant to the
4 monthly updates given by the Department.);

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

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

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

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

18 (f) a certification by the chief executive officer of
19 the municipality that with regard to a redevelopment
20 project area: (1) the municipality has committed all of the
21 municipal tax increment created pursuant to this Act for
22 deposit in the special tax allocation fund, (2) the
23 redevelopment projects described in the redevelopment plan
24 would not be completed without the use of State incremental
25 revenues pursuant to this Act, (3) the municipality will
26 pursue the implementation of the redevelopment plan in an

1 expeditious manner, (4) the incremental revenues created
2 pursuant to this Section will be exclusively utilized for
3 the development of the redevelopment project area, and (5)
4 the increased revenue created pursuant to this Section
5 shall be used exclusively to pay redevelopment project
6 costs as defined in this Act.

7 (4) The Department of Revenue upon receipt of the
8 information set forth in paragraph (b) of subsection (3) shall
9 immediately forward such information to each public utility
10 furnishing natural gas or electricity to buildings within the
11 redevelopment project area. Upon receipt of such information,
12 each public utility shall promptly:

13 (a) provide to the Department of Revenue and the
14 municipality separate lists of the names and addresses of
15 persons within the redevelopment project area receiving
16 natural gas or electricity from such public utility. Such
17 list shall be updated as necessary by the public utility.
18 Each month thereafter the public utility shall furnish the
19 Department of Revenue and the municipality with an itemized
20 listing of charges imposed pursuant to Sections 9-221 and
21 9-222 of the Public Utilities Act on persons within the
22 redevelopment project area.

23 (b) determine the amount of charges imposed pursuant to
24 Sections 9-221 and 9-222 of the Public Utilities Act on
25 persons in the redevelopment project area during the base
26 year, both as a result of municipal taxes on electricity

1 and gas and as a result of State taxes on electricity and
2 gas and certify such amounts both to the municipality and
3 the Department of Revenue; and

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

11 After the determinations are made in paragraphs (b) and
12 (c), the public utility shall monthly during the existence of
13 the redevelopment project area notify the Department of Revenue
14 and the municipality of any increase in charges over the base
15 year determinations made pursuant to paragraphs (b) and (c).

16 (5) The payments authorized under this Section shall be
17 deposited by the municipal treasurer in the special tax
18 allocation fund of the municipality, which for accounting
19 purposes shall identify the sources of each payment as:
20 municipal receipts from the State retailers occupation,
21 service occupation, use and service use taxes; and municipal
22 public utility taxes charged to customers under the Public
23 Utilities Act and State public utility taxes charged to
24 customers under the Public Utilities Act.

25 (6) Before the effective date of this amendatory Act of the
26 91st General Assembly, any municipality receiving payments

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

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

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

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

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

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

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

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

25 (3) all expenditures from the special tax
26 allocation fund by category of permissible

1 redevelopment project cost; and

2 (4) for municipalities with a population less than
3 1,000,000, the balance in the special tax allocation
4 fund at the end of the fiscal year including a
5 breakdown of that balance by source. Such ending
6 balance shall be designated as surplus if it is not
7 required ~~for anticipated redevelopment project costs~~
8 ~~or~~ to pay debt service on bonds issued to finance
9 redevelopment project costs, as set forth in Section
10 11-74.4-7 hereof.

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

- 14 1. Street address
- 15 2. Approximate size or description of property
- 16 3. Purchase price
- 17 4. Seller of property.

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

- 21 1. Any project implemented in the preceding fiscal
22 year
- 23 2. A description of the redevelopment activities
24 undertaken
- 25 3. A description of any agreements entered into by
26 the municipality with regard to the disposition or

1 redevelopment of any property within the redevelopment
2 project area or the area within the State Sales Tax
3 Boundary.

4 (h) With regard to any obligations issued by the
5 municipality:

6 1. copies of bond ordinances or resolutions

7 2. copies of any official statements

8 3. an analysis prepared by financial advisor or
9 underwriter setting forth: (a) nature and term of
10 obligation; and (b) projected debt service including
11 required reserves and debt coverage.

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

1 amount equal to the ineligible expenditures has been
2 returned to the Special Tax Allocation Fund.

3 (6.1) After July 29, 1988 and before the effective date of
4 this amendatory Act of the 91st General Assembly, any funds
5 which have not been designated for use in a specific
6 development project in the annual report shall be designated as
7 surplus by municipalities with population of less than
8 1,000,000. No funds may be held in the Special Tax Allocation
9 Fund for more than 36 months from the date of receipt unless
10 the money is required for payment of contractual obligations
11 for specific development project costs. If held for more than
12 36 months in violation of the preceding sentence, such funds
13 shall be designated as surplus. Any funds designated as surplus
14 must first be used for early redemption of any bond
15 obligations. Any funds designated as surplus which are not
16 disposed of as otherwise provided in this paragraph, shall be
17 distributed as surplus as provided in Section 11-74.4-7. For
18 municipalities with a population greater than 1,000,000, when
19 such redevelopment projects costs, including without
20 limitation all municipal obligations financing redevelopment
21 project costs incurred under this Division, have been paid, all
22 surplus funds then remaining in the special tax allocation fund
23 shall be entirely used to pay costs of special education,
24 social service, and other costs of its public school district
25 as described in paragraph (12) of subsection (q) of Section
26 11-74.4-3.

1 (7) Any appropriation made pursuant to this Section for the
2 1987 State fiscal year shall not exceed the amount of \$7
3 million and for the 1988 State fiscal year the amount of \$10
4 million. The amount which shall be distributed to each
5 municipality shall be the incremental revenue to which each
6 municipality is entitled as calculated by the Department of
7 Revenue, unless the requests of the municipality exceed the
8 appropriation, then the amount to which each municipality shall
9 be entitled shall be prorated among the municipalities in the
10 same proportion as the increment to which the municipality
11 would be entitled bears to the total increment which all
12 municipalities would receive in the absence of this limitation,
13 provided that no municipality may receive an amount in excess
14 of 15% of the appropriation. For the 1987 Net State Sales Tax
15 Increment payable in Fiscal Year 1989, no municipality shall
16 receive more than 7.5% of the total appropriation; provided,
17 however, that any of the appropriation remaining after such
18 distribution shall be prorated among municipalities on the
19 basis of their pro rata share of the total increment. Beginning
20 on January 1, 1993, each municipality's proportional share of
21 the Illinois Tax Increment Fund shall be determined by adding
22 the annual Net State Sales Tax Increment and the annual Net
23 Utility Tax Increment to determine the Annual Total Increment.
24 The ratio of the Annual Total Increment of each municipality to
25 the Annual Total Increment for all municipalities, as most
26 recently calculated by the Department, shall determine the

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

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

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

24 (9) The following procedures shall be followed to determine
25 whether municipalities have complied with the Act for the
26 purpose of receiving distributions after July 1, 1989 pursuant

1 to subsection (1) of this Section 11-74.4-8a.

2 (a) The Department of Revenue shall conduct a
3 preliminary review of the redevelopment project areas and
4 redevelopment plans pertaining to those municipalities
5 receiving payments from the State pursuant to subsection
6 (1) of Section 8a of this Act for the purpose of
7 determining compliance with the following standards:

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

1 boundaries were not amended in 1986.

2 (2) For any municipality with a population of
3 12,000 or less as determined by the 1980 U.S. Census:

4 (a) the redevelopment project area, or in the case of a
5 municipality which has more than one redevelopment
6 project area, each such area, must be contiguous and
7 the total of all such areas shall not comprise more
8 than 35% of the area within the municipal boundaries
9 nor more than 30% of the equalized assessed value of
10 the municipality; (b) the aggregate amount of 1985
11 taxes in the redevelopment project area, or in the case
12 of a municipality which has more than one redevelopment
13 project area, the total of all such areas, shall not be
14 more than 35% of the total base year taxes paid by
15 retailers and servicemen on transactions at places of
16 business located within the municipality under the
17 Retailers' Occupation Tax Act, the Use Tax Act, the
18 Service Use Tax Act, and the Service Occupation Tax
19 Act. Redevelopment project areas created prior to 1986
20 are not subject to the above standards if their
21 boundaries were not amended in 1986.

22 (3) Such preliminary review of the redevelopment
23 project areas applying the above standards shall be
24 completed by November 1, 1988, and on or before
25 November 1, 1988, the Department shall notify each
26 municipality by certified mail, return receipt

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

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

23 (b) For those municipalities receiving a Notice of
24 Review, the Department will conduct a secondary review
25 consisting of: (i) application of the above standards
26 contained in subsection (9)(a)(1)(a) and (b) or

1 (9) (a) (2) (a) and (b), and (ii) the definitions of blighted
2 and conservation area provided for in Section 11-74.4-3.
3 Such secondary review shall be completed by July 1, 1989.

4 Upon completion of the secondary review, the
5 Department will issue (a) a Certificate of Eligibility or
6 (b) a Preliminary Notice of Deficiency. Any municipality
7 receiving a Preliminary Notice of Deficiency may amend its
8 redevelopment project area to meet the standards and
9 definitions set forth in this paragraph (b). This amended
10 redevelopment project area shall become the "State Sales
11 Tax Boundary" for purposes of determining the State Sales
12 Tax Increment.

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

1 the Net State Sales Tax Increment.

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

10 (e) Any Certificate of Eligibility issued pursuant to
11 this subsection 9 shall be binding only on the State for
12 the purposes of establishing municipal eligibility to
13 receive revenue pursuant to subsection (1) of this Section
14 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, however,
20 the municipality shall be required to follow the procedures
21 and requirements pertaining to amendments, as provided in
22 Sections 11-74.4-5 and 11-74.4-6 of this Act.

23 (10) If a municipality adopts a State Sales Tax Boundary in
24 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

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

26 (11) The Department of Revenue shall have the authority to

1 issue rules and regulations for purposes of this Section.

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

15 (Source: P.A. 100-201, eff. 8-18-17.)