



Sen. William R. Haine

Filed: 7/25/2007

09500HB1664sam001

LRB095 07151 BDD 38230 a

1 AMENDMENT TO HOUSE BILL 1664

2 AMENDMENT NO. _____. Amend House Bill 1664 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Municipal Code is amended by
5 changing Sections 11-15.1-2.1, 11-74.4-3, and 11-74.4-7 as
6 follows:

7 (65 ILCS 5/11-15.1-2.1) (from Ch. 24, par. 11-15.1-2.1)

8 Sec. 11-15.1-2.1. Annexation agreement; municipal
9 jurisdiction.

10 (a) Property that is the subject of an annexation agreement
11 adopted under this Division is subject to the ordinances,
12 control, and jurisdiction of the annexing municipality in all
13 respects the same as property that lies within the annexing
14 municipality's corporate limits.

15 (b) This Section shall not apply in (i) a county with a
16 population of more than 3,000,000, (ii) a county that borders a

1 county with a population of more than 3,000,000 or (iii) a
2 county with a population of more than 246,000 according to the
3 1990 federal census and bordered by the Mississippi River,
4 unless the parties to the annexation agreement have, at the
5 time the agreement is signed, ownership or control of all
6 property that would make the property that is the subject of
7 the agreement contiguous to the annexing municipality, in which
8 case the property that is the subject of the annexation
9 agreement is subject to the ordinances, control, and
10 jurisdiction of the municipality in all respects the same as
11 property owned by the municipality that lies within its
12 corporate limits.

13 (c) The limitations of item (iii) of subsection (b) do not
14 apply to property that is the subject of an annexation
15 agreement adopted under this Division within one year after the
16 effective date of this amendatory Act of the 95th General
17 Assembly with a coterminous home rule municipality, as of June
18 1, 2007, that borders the Mississippi River, in a county with a
19 population in excess of 258,000, according to the 2000 federal
20 census, if all such agreements entered into by the municipality
21 pertain to parcels that comprise a contiguous area of not more
22 than 120 acres in the aggregate.

23 (Source: P.A. 87-1137.)

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

25 Sec. 11-74.4-3. Definitions. The following terms, wherever

1 used or referred to in this Division 74.4 shall have the
2 following respective meanings, unless in any case a different
3 meaning clearly appears from the context.

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

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

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

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

1 required or the defects are so serious and so extensive
2 that the buildings must be removed.

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

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

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

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

1 (F) Excessive vacancies. The presence of buildings
2 that are unoccupied or under-utilized and that
3 represent an adverse influence on the area because of
4 the frequency, extent, or duration of the vacancies.

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

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

1 lacking within the redevelopment project area.

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

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

26 (K) Environmental clean-up. The proposed

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

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

25 (M) The total equalized assessed value of the
26 proposed redevelopment project area has declined for 3

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 or (ii) surface water that discharges from all or a
2 part of the area and contributes to flooding within the
3 same watershed, but only if the redevelopment project
4 provides for facilities or improvements to contribute
5 to the alleviation of all or part of the flooding.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (12) The area has incurred Illinois Environmental
24 Protection Agency or United States Environmental
25 Protection Agency remediation costs for, or a study
26 conducted by an independent consultant recognized as

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

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

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

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

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

25 (f) "Municipality" shall mean a city, village,
26 incorporated town, or a township that is located in the

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

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

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

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

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

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

23 (i) "Net State Sales Tax Increment" means the sum of the
24 following: (a) 80% of the first \$100,000 of State Sales Tax
25 Increment annually generated within a State Sales Tax Boundary;
26 (b) 60% of the amount in excess of \$100,000 but not exceeding

1 \$500,000 of State Sales Tax Increment annually generated within
2 a State Sales Tax Boundary; and (c) 40% of all amounts in
3 excess of \$500,000 of State Sales Tax Increment annually
4 generated within a State Sales Tax Boundary. If, however, a
5 municipality established a tax increment financing district in
6 a county with a population in excess of 3,000,000 before
7 January 1, 1986, and the municipality entered into a contract
8 or issued bonds after January 1, 1986, but before December 31,
9 1986, to finance redevelopment project costs within a State
10 Sales Tax Boundary, then the Net State Sales Tax Increment
11 means, for the fiscal years beginning July 1, 1990, and July 1,
12 1991, 100% of the State Sales Tax Increment annually generated
13 within a State Sales Tax Boundary; and notwithstanding any
14 other provision of this Act, for those fiscal years the
15 Department of Revenue shall distribute to those municipalities
16 100% of their Net State Sales Tax Increment before any
17 distribution to any other municipality and regardless of
18 whether or not those other municipalities will receive 100% of
19 their Net State Sales Tax Increment. For Fiscal Year 1999, and
20 every year thereafter until the year 2007, for any municipality
21 that has not entered into a contract or has not issued bonds
22 prior to June 1, 1988 to finance redevelopment project costs
23 within a State Sales Tax Boundary, the Net State Sales Tax
24 Increment shall be calculated as follows: By multiplying the
25 Net State Sales Tax Increment by 90% in the State Fiscal Year
26 1999; 80% in the State Fiscal Year 2000; 70% in the State

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

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

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

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

18 (k) "Net State Utility Tax Increment" means the sum of the
19 following: (a) 80% of the first \$100,000 of State Utility Tax
20 Increment annually generated by a redevelopment project area;
21 (b) 60% of the amount in excess of \$100,000 but not exceeding
22 \$500,000 of the State Utility Tax Increment annually generated
23 by a redevelopment project area; and (c) 40% of all amounts in
24 excess of \$500,000 of State Utility Tax Increment annually
25 generated by a redevelopment project area. For the State Fiscal
26 Year 1999, and every year thereafter until the year 2007, for

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

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

26 (1) "Obligations" mean bonds, loans, debentures, notes,

1 special certificates or other evidence of indebtedness issued
2 by the municipality to carry out a redevelopment project or to
3 refund outstanding obligations.

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

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

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

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

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

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

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

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

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

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

1 the redevelopment project area;

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

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

11 (J) if property is to be annexed to the municipality,
12 the plan shall include the terms of the annexation
13 agreement.

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

22 (1) The municipality finds that the redevelopment
23 project area on the whole has not been subject to growth
24 and development through investment by private enterprise
25 and would not reasonably be anticipated to be developed
26 without the adoption of the redevelopment plan.

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

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

1 after the year in which the ordinance approving the
2 redevelopment project area if the ordinance was adopted on
3 December 31, 1986 by the Village of Milan; shall not be
4 later than December 31 of the year in which the payment to
5 the municipal treasurer as provided in subsection (b) of
6 Section 11-74.4-8 of this Act is to be made with respect to
7 ad valorem taxes levied in the thirty-third calendar year
8 after the year in which the ordinance approving the
9 redevelopment project area if the ordinance was adopted on
10 May 20, 1985 by the Village of Wheeling; and shall not be
11 later than December 31 of the year in which the payment to
12 the municipal treasurer as provided in subsection (b) of
13 Section 11-74.4-8 of this Act is to be made with respect to
14 ad valorem taxes levied in the thirty-fifth calendar year
15 after the year in which the ordinance approving the
16 redevelopment project area is adopted:

17 (A) if the ordinance was adopted before January 15,
18 1981, or

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

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

24 (D) if the ordinance was adopted before January 1,
25 1987 by a municipality in Mason County, or

26 (E) if the municipality is subject to the Local

1 Government Financial Planning and Supervision Act or
2 the Financially Distressed City Law, or

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

5 (G) if the ordinance was adopted on December 31,
6 1986 by a municipality located in Clinton County for
7 which at least \$250,000 of tax increment bonds were
8 authorized on June 17, 1997, or if the ordinance was
9 adopted on December 31, 1986 by a municipality with a
10 population in 1990 of less than 3,600 that is located
11 in a county with a population in 1990 of less than
12 34,000 and for which at least \$250,000 of tax increment
13 bonds were authorized on June 17, 1997, or

14 (H) if the ordinance was adopted on October 5, 1982
15 by the City of Kankakee, or if the ordinance was
16 adopted on December 29, 1986 by East St. Louis, or

17 (I) if the ordinance was adopted on November 12,
18 1991 by the Village of Sauget, or

19 (J) if the ordinance was adopted on February 11,
20 1985 by the City of Rock Island, or

21 (K) if the ordinance was adopted before December
22 18, 1986 by the City of Moline, or

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

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

1 (N) if the ordinance was adopted on December 29,
2 1986 by the City of Galva, or

3 (O) if the ordinance was adopted in March 1991 by
4 the City of Centreville, or

5 (P) if the ordinance was adopted on January 23,
6 1991 by the City of East St. Louis, or

7 (Q) if the ordinance was adopted on December 22,
8 1986 by the City of Aledo, or

9 (R) if the ordinance was adopted on February 5,
10 1990 by the City of Clinton, or

11 (S) if the ordinance was adopted on September 6,
12 1994 by the City of Freeport, or

13 (T) if the ordinance was adopted on December 22,
14 1986 by the City of Tuscola, or

15 (U) if the ordinance was adopted on December 23,
16 1986 by the City of Sparta, or

17 (V) if the ordinance was adopted on December 23,
18 1986 by the City of Beardstown, or

19 (W) if the ordinance was adopted on April 27, 1981,
20 October 21, 1985, or December 30, 1986 by the City of
21 Belleville, or

22 (X) if the ordinance was adopted on December 29,
23 1986 by the City of Collinsville, or

24 (Y) if the ordinance was adopted on September 14,
25 1994 by the City of Alton, or

26 (Z) if the ordinance was adopted on November 11,

1 1996 by the City of Lexington, or
2 (AA) if the ordinance was adopted on November 5,
3 1984 by the City of LeRoy, or
4 (BB) if the ordinance was adopted on April 3, 1991
5 or June 3, 1992 by the City of Markham, or
6 (CC) if the ordinance was adopted on November 11,
7 1986 by the City of Pekin, or
8 (DD) if the ordinance was adopted on December 15,
9 1981 by the City of Champaign, or
10 (EE) if the ordinance was adopted on December 15,
11 1986 by the City of Urbana, or
12 (FF) if the ordinance was adopted on December 15,
13 1986 by the Village of Heyworth, or
14 (GG) if the ordinance was adopted on February 24,
15 1992 by the Village of Heyworth, or
16 (HH) if the ordinance was adopted on March 16, 1995
17 by the Village of Heyworth, or
18 (II) if the ordinance was adopted on December 23,
19 1986 by the Town of Cicero, or
20 (JJ) if the ordinance was adopted on December 30,
21 1986 by the City of Effingham, or
22 (KK) if the ordinance was adopted on May 9, 1991 by
23 the Village of Tilton, or
24 (LL) if the ordinance was adopted on October 20,
25 1986 by the City of Elmhurst, or
26 (MM) if the ordinance was adopted on January 19,

1 1988 by the City of Waukegan, or
2 (NN) if the ordinance was adopted on September 21,
3 1998 by the City of Waukegan, or
4 (OO) if the ordinance was adopted on December 31,
5 1986 by the City of Sullivan, or
6 (PP) if the ordinance was adopted on December 23,
7 1991 by the City of Sullivan, or
8 (QQ) if the ordinance was adopted on December 31,
9 1986 by the City of Oglesby, or
10 (RR) if the ordinance was adopted on July 28, 1987
11 by the City of Marion, or
12 (SS) if the ordinance was adopted on April 23, 1990
13 by the City of Marion, or
14 (TT) if the ordinance was adopted on August 20,
15 1985 by the Village of Mount Prospect, or
16 (UU) if the ordinance was adopted on February 2,
17 1998 by the Village of Woodhull, or
18 (VV) if the ordinance was adopted on April 20, 1993
19 by the Village of Princeville, or.
20 (WW) ~~(VV)~~ if the ordinance was adopted on July 1,
21 1986 by the City of Granite City, or.
22 (XX) ~~(RR)~~ if the ordinance was adopted on February
23 2, 1989 by the Village of Lombard, or
24 (YY) ~~(VV)~~ if the ordinance was adopted on December
25 29, 1986 by the Village of Gardner, or
26 (ZZ) ~~(VV)~~ if the ordinance was adopted on July 14,

1 1999 by the Village of Paw Paw, or-

2 (AAA) ~~(VV)~~ if the ordinance was adopted on November
3 17, 1986 by the Village of Franklin Park, or-

4 (BBB) ~~(VV)~~ if the ordinance was adopted on November
5 20, 1989 by the Village of South Holland.

6 However, for redevelopment project areas for which
7 bonds were issued before July 29, 1991, or for which
8 contracts were entered into before June 1, 1988, in
9 connection with a redevelopment project in the area within
10 the State Sales Tax Boundary, the estimated dates of
11 completion of the redevelopment project and retirement of
12 obligations to finance redevelopment project costs may be
13 extended by municipal ordinance to December 31, 2013. The
14 termination procedures of subsection (b) of Section
15 11-74.4-8 are not required for these redevelopment project
16 areas in 2009 but are required in 2013. The extension
17 allowed by this amendatory Act of 1993 shall not apply to
18 real property tax increment allocation financing under
19 Section 11-74.4-8.

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

1 redevelopment project area.

2 Those dates, for purposes of real property tax
3 increment allocation financing pursuant to Section
4 11-74.4-8 only, shall be not more than 35 years for
5 redevelopment project areas that were adopted on or after
6 December 16, 1986 and for which at least \$8 million worth
7 of municipal bonds were authorized on or after December 19,
8 1989 but before January 1, 1990; provided that the
9 municipality elects to extend the life of the redevelopment
10 project area to 35 years by the adoption of an ordinance
11 after at least 14 but not more than 30 days' written notice
12 to the taxing bodies, that would otherwise constitute the
13 joint review board for the redevelopment project area,
14 before the adoption of the ordinance.

15 Those dates, for purposes of real property tax
16 increment allocation financing pursuant to Section
17 11-74.4-8 only, shall be not more than 35 years for
18 redevelopment project areas that were established on or
19 after December 1, 1981 but before January 1, 1982 and for
20 which at least \$1,500,000 worth of tax increment revenue
21 bonds were authorized on or after September 30, 1990 but
22 before July 1, 1991; provided that the municipality elects
23 to extend the life of the redevelopment project area to 35
24 years by the adoption of an ordinance after at least 14 but
25 not more than 30 days' written notice to the taxing bodies,
26 that would otherwise constitute the joint review board for

1 the redevelopment project area, before the adoption of the
2 ordinance.

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

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

19 (5) If the redevelopment plan will not result in
20 displacement of residents from 10 or more inhabited
21 residential units, and the municipality certifies in the
22 plan that such displacement will not result from the plan,
23 a housing impact study need not be performed. If, however,
24 the redevelopment plan would result in the displacement of
25 residents from 10 or more inhabited residential units, or
26 if the redevelopment project area contains 75 or more

1 inhabited residential units and no certification is made,
2 then the municipality shall prepare, as part of the
3 separate feasibility report required by subsection (a) of
4 Section 11-74.4-5, a housing impact study.

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

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

1 replacement housing for those residents whose residences
2 are to be removed, and shall identify the type, location,
3 and cost of the housing, and (iv) the type and extent of
4 relocation assistance to be provided.

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

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

1 located in or near the redevelopment project area within
2 the municipality.

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

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

24 (o) "Redevelopment project" means any public and private
25 development project in furtherance of the objectives of a
26 redevelopment plan. On and after November 1, 1999 (the

1 effective date of Public Act 91-478), no redevelopment plan may
2 be approved or amended that includes the development of vacant
3 land (i) with a golf course and related clubhouse and other
4 facilities or (ii) designated by federal, State, county, or
5 municipal government as public land for outdoor recreational
6 activities or for nature preserves and used for that purpose
7 within 5 years prior to the adoption of the redevelopment plan.
8 For the purpose of this subsection, "recreational activities"
9 is limited to mean camping and hunting.

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

17 (q) "Redevelopment project costs" mean and include the sum
18 total of all reasonable or necessary costs incurred or
19 estimated to be incurred, and any such costs incidental to a
20 redevelopment plan and a redevelopment project. Such costs
21 include, without limitation, the following:

22 (1) Costs of studies, surveys, development of plans,
23 and specifications, implementation and administration of
24 the redevelopment plan including but not limited to staff
25 and professional service costs for architectural,
26 engineering, legal, financial, planning or other services,

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

24 (1.5) After July 1, 1999, annual administrative costs
25 shall not include general overhead or administrative costs
26 of the municipality that would still have been incurred by

1 the municipality if the municipality had not designated a
2 redevelopment project area or approved a redevelopment
3 plan;

4 (1.6) The cost of marketing sites within the
5 redevelopment project area to prospective businesses,
6 developers, and investors;

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

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

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

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

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

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

1 including reasonable reserves related thereto;

2 (7) To the extent the municipality by written agreement
3 accepts and approves the same, all or a portion of a taxing
4 district's capital costs resulting from the redevelopment
5 project necessarily incurred or to be incurred within a
6 taxing district in furtherance of the objectives of the
7 redevelopment plan and project.

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

24 (A) for foundation districts, excluding any school
25 district in a municipality with a population in excess
26 of 1,000,000, by multiplying the district's increase

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

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

22 (ii) for elementary school districts with a
23 district average 1995-96 Per Capita Tuition Charge
24 of less than \$5,900, no more than 17% of the total
25 amount of property tax increment revenue produced
26 by those housing units that have received tax

1 increment finance assistance under this Act; and

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

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

1 these added new students subject to the following
2 annual limitations:

3 (i) for unit school districts, no more than 40%
4 of the total amount of property tax increment
5 revenue produced by those housing units that have
6 received tax increment finance assistance under
7 this Act;

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

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

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

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

26 (ii) the amount reimbursable shall be reduced

1 by the value of any land donated to the school
2 district by the municipality or developer, and by
3 the value of any physical improvements made to the
4 schools by the municipality or developer; and

5 (iii) the amount reimbursed may not affect
6 amounts otherwise obligated by the terms of any
7 bonds, notes, or other funding instruments, or the
8 terms of any redevelopment agreement.

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

25 (7.7) For redevelopment project areas designated (or
26 redevelopment project areas amended to add or increase the

1 number of tax-increment-financing assisted housing units)
2 on or after January 1, 2005 (the effective date of Public
3 Act 93-961), a public library district's increased costs
4 attributable to assisted housing units located within the
5 redevelopment project area for which the developer or
6 redeveloper receives financial assistance through an
7 agreement with the municipality or because the
8 municipality incurs the cost of necessary infrastructure
9 improvements within the boundaries of the assisted housing
10 sites necessary for the completion of that housing as
11 authorized by this Act shall be paid to the library
12 district by the municipality from the Special Tax
13 Allocation Fund when the tax increment revenue is received
14 as a result of the assisted housing units. This paragraph
15 (7.7) applies only if (i) the library district is located
16 in a county that is subject to the Property Tax Extension
17 Limitation Law or (ii) the library district is not located
18 in a county that is subject to the Property Tax Extension
19 Limitation Law but the district is prohibited by any other
20 law from increasing its tax levy rate without a prior voter
21 referendum.

22 The amount paid to a library district under this
23 paragraph (7.7) shall be calculated by multiplying (i) the
24 net increase in the number of persons eligible to obtain a
25 library card in that district who reside in housing units
26 within the redevelopment project area that have received

1 financial assistance through an agreement with the
2 municipality or because the municipality incurs the cost of
3 necessary infrastructure improvements within the
4 boundaries of the housing sites necessary for the
5 completion of that housing as authorized by this Act since
6 the designation of the redevelopment project area by (ii)
7 the per-patron cost of providing library services so long
8 as it does not exceed \$120. The per-patron cost shall be
9 the Total Operating Expenditures Per Capita as stated in
10 the most recent Illinois Public Library Statistics
11 produced by the Library Research Center at the University
12 of Illinois. The municipality may deduct from the amount
13 that it must pay to a library district under this paragraph
14 any amount that it has voluntarily paid to the library
15 district from the tax increment revenue. The amount paid to
16 a library district under this paragraph (7.7) shall be no
17 more than 2% of the amount produced by the assisted housing
18 units and deposited into the Special Tax Allocation Fund.

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

25 Any library district seeking payment under this
26 paragraph (7.7) shall, after July 1 and before September 30

1 of each year, provide the municipality with convincing
2 evidence to support its claim for reimbursement before the
3 municipality shall be required to approve or make the
4 payment to the library district. If the library district
5 fails to provide the information during this period in any
6 year, it shall forfeit any claim to reimbursement for that
7 year. Library districts may adopt a resolution waiving the
8 right to all or a portion of the reimbursement otherwise
9 required by this paragraph (7.7). By acceptance of such
10 reimbursement, the library district shall forfeit any
11 right to directly or indirectly set aside, modify, or
12 contest in any manner whatsoever the establishment of the
13 redevelopment project area or projects;

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

19 (9) Payment in lieu of taxes;

20 (10) Costs of job training, retraining, advanced
21 vocational education or career education, including but
22 not limited to courses in occupational, semi-technical or
23 technical fields leading directly to employment, incurred
24 by one or more taxing districts, provided that such costs
25 (i) are related to the establishment and maintenance of
26 additional job training, advanced vocational education or

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

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

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

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

1 during that year;

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

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

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

21 (F) Instead of the eligible costs provided by
22 subparagraphs (B) and (D) of paragraph (11), as
23 modified by this subparagraph, and notwithstanding any
24 other provisions of this Act to the contrary, the
25 municipality may pay from tax increment revenues up to
26 50% of the cost of construction of new housing units to

1 be occupied by low-income households and very
2 low-income households as defined in Section 3 of the
3 Illinois Affordable Housing Act. The cost of
4 construction of those units may be derived from the
5 proceeds of bonds issued by the municipality under this
6 Act or other constitutional or statutory authority or
7 from other sources of municipal revenue that may be
8 reimbursed from tax increment revenues or the proceeds
9 of bonds issued to finance the construction of that
10 housing.

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

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

23 (11.5) If the redevelopment project area is located
24 within a municipality with a population of more than
25 100,000, the cost of day care services for children of
26 employees from low-income families working for businesses

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

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

16 (13) After November 1, 1999 (the effective date of
17 Public Act 91-478), none of the redevelopment project costs
18 enumerated in this subsection shall be eligible
19 redevelopment project costs if those costs would provide
20 direct financial support to a retail entity initiating
21 operations in the redevelopment project area while
22 terminating operations at another Illinois location within
23 10 miles of the redevelopment project area but outside the
24 boundaries of the redevelopment project area municipality.
25 For purposes of this paragraph, termination means a closing
26 of a retail operation that is directly related to the

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

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

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 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;

1 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-961, eff.
2 1-1-05; 93-983, eff. 8-23-04; 93-984, eff. 8-23-04; 93-985,
3 eff. 8-23-04; 93-986, eff. 8-23-04; 93-987, eff. 8-23-04;
4 93-995, eff. 8-23-04; 93-1024, eff. 8-25-04; 93-1076, eff.
5 1-18-05; 94-260, eff. 7-19-05; 94-268, eff. 7-19-05; 94-297,
6 eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff. 6-1-06;
7 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.
8 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,
9 eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07;
10 94-1092, eff. 1-26-07; revised 1-30-07.)

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

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

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

1 of real property taxes from real property in the redevelopment
2 project area.

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

14 Such obligations may be issued in one or more series
15 bearing interest at such rate or rates as the corporate
16 authorities of the municipality shall determine by ordinance.
17 Such obligations shall bear such date or dates, mature at such
18 time or times not exceeding 20 years from their respective
19 dates, be in such denomination, carry such registration
20 privileges, be executed in such manner, be payable in such
21 medium of payment at such place or places, contain such
22 covenants, terms and conditions, and be subject to redemption
23 as such ordinance shall provide. Obligations issued pursuant to
24 this Act may be sold at public or private sale at such price as
25 shall be determined by the corporate authorities of the
26 municipalities. No referendum approval of the electors shall be

1 required as a condition to the issuance of obligations pursuant
2 to this Division except as provided in this Section.

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

21 If no petition is filed with the municipal clerk, as
22 hereinafter provided in this Section, within 30 days after the
23 publication of the ordinance, the ordinance shall be in effect.
24 But, if within that 30 day period a petition is filed with the
25 municipal clerk, signed by electors in the municipality
26 numbering 10% or more of the number of registered voters in the

1 municipality, asking that the question of issuing obligations
2 using full faith and credit of the municipality as security for
3 the cost of paying for redevelopment project costs, or of
4 pledging taxes for the payment of such obligations, or both, be
5 submitted to the electors of the municipality, the corporate
6 authorities of the municipality shall call a special election
7 in the manner provided by law to vote upon that question, or,
8 if a general, State or municipal election is to be held within
9 a period of not less than 30 or more than 90 days from the date
10 such petition is filed, shall submit the question at the next
11 general, State or municipal election. If it appears upon the
12 canvass of the election by the corporate authorities that a
13 majority of electors voting upon the question voted in favor
14 thereof, the ordinance shall be in effect, but if a majority of
15 the electors voting upon the question are not in favor thereof,
16 the ordinance shall not take effect.

17 The ordinance authorizing the obligations may provide that
18 the obligations shall contain a recital that they are issued
19 pursuant to this Division, which recital shall be conclusive
20 evidence of their validity and of the regularity of their
21 issuance.

22 In the event the municipality authorizes issuance of
23 obligations pursuant to this Section secured by the full faith
24 and credit of the municipality, the ordinance authorizing the
25 obligations may provide for the levy and collection of a direct
26 annual tax upon all taxable property within the municipality

1 sufficient to pay the principal thereof and interest thereon as
2 it matures, which levy may be in addition to and exclusive of
3 the maximum of all other taxes authorized to be levied by the
4 municipality, which levy, however, shall be abated to the
5 extent that monies from other sources are available for payment
6 of the obligations and the municipality certifies the amount of
7 said monies available to the county clerk.

8 A certified copy of such ordinance shall be filed with the
9 county clerk of each county in which any portion of the
10 municipality is situated, and shall constitute the authority
11 for the extension and collection of the taxes to be deposited
12 in the special tax allocation fund.

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

1 to ad valorem taxes levied in the thirtieth calendar year after
2 the year in which the ordinance approving the redevelopment
3 project area if the ordinance was adopted on December 31, 1986
4 by the Village of Milan, not later than December 31 of the year
5 in which the payment to the municipal treasurer as provided in
6 subsection (b) of Section 11-74.4-8 of this Act is to be made
7 with respect to ad valorem taxes levied in the thirty-third
8 calendar year after the year in which the ordinance approving
9 the redevelopment project area if the ordinance was adopted on
10 May 20, 1985 by the Village of Wheeling, and not later than
11 December 31 of the year in which the payment to the municipal
12 treasurer as provided in subsection (b) of Section 11-74.4-8 of
13 this Act is to be made with respect to ad valorem taxes levied
14 in the thirty-fifth calendar year after the year in which the
15 ordinance approving the redevelopment project area is adopted
16 (A) if the ordinance was adopted before January 15, 1981, or
17 (B) if the ordinance was adopted in December 1983, April 1984,
18 July 1985, or December 1989, or (C) if the ordinance was
19 adopted in December, 1987 and the redevelopment project is
20 located within one mile of Midway Airport, or (D) if the
21 ordinance was adopted before January 1, 1987 by a municipality
22 in Mason County, or (E) if the municipality is subject to the
23 Local Government Financial Planning and Supervision Act or the
24 Financially Distressed City Law, or (F) if the ordinance was
25 adopted in December 1984 by the Village of Rosemont, or (G) if
26 the ordinance was adopted on December 31, 1986 by a

1 municipality located in Clinton County for which at least
2 \$250,000 of tax increment bonds were authorized on June 17,
3 1997, or if the ordinance was adopted on December 31, 1986 by a
4 municipality with a population in 1990 of less than 3,600 that
5 is located in a county with a population in 1990 of less than
6 34,000 and for which at least \$250,000 of tax increment bonds
7 were authorized on June 17, 1997, or (H) if the ordinance was
8 adopted on October 5, 1982 by the City of Kankakee, or (I) if
9 the ordinance was adopted on December 29, 1986 by East St.
10 Louis, or if the ordinance was adopted on November 12, 1991 by
11 the Village of Sauget, or (J) if the ordinance was adopted on
12 February 11, 1985 by the City of Rock Island, or (K) if the
13 ordinance was adopted before December 18, 1986 by the City of
14 Moline, or (L) if the ordinance was adopted in September 1988
15 by Sauk Village, or (M) if the ordinance was adopted in October
16 1993 by Sauk Village, or (N) if the ordinance was adopted on
17 December 29, 1986 by the City of Galva, or (O) if the ordinance
18 was adopted in March 1991 by the City of Centreville, or (P) if
19 the ordinance was adopted on January 23, 1991 by the City of
20 East St. Louis, or (Q) if the ordinance was adopted on December
21 22, 1986 by the City of Aledo, or (R) if the ordinance was
22 adopted on February 5, 1990 by the City of Clinton, or (S) if
23 the ordinance was adopted on September 6, 1994 by the City of
24 Freeport, or (T) if the ordinance was adopted on December 22,
25 1986 by the City of Tuscola, or (U) if the ordinance was
26 adopted on December 23, 1986 by the City of Sparta, or (V) if

1 the ordinance was adopted on December 23, 1986 by the City of
2 Beardstown, or (W) if the ordinance was adopted on April 27,
3 1981, October 21, 1985, or December 30, 1986 by the City of
4 Belleville, or (X) if the ordinance was adopted on December 29,
5 1986 by the City of Collinsville, or (Y) if the ordinance was
6 adopted on September 14, 1994 by the City of Alton, or (Z) if
7 the ordinance was adopted on November 11, 1996 by the City of
8 Lexington, or (AA) if the ordinance was adopted on November 5,
9 1984 by the City of LeRoy, or (BB) if the ordinance was adopted
10 on April 3, 1991 or June 3, 1992 by the City of Markham, or (CC)
11 if the ordinance was adopted on November 11, 1986 by the City
12 of Pekin, or (DD) if the ordinance was adopted on December 15,
13 1981 by the City of Champaign, or (EE) if the ordinance was
14 adopted on December 15, 1986 by the City of Urbana, or (FF) if
15 the ordinance was adopted on December 15, 1986 by the Village
16 of Heyworth, or (GG) if the ordinance was adopted on February
17 24, 1992 by the Village of Heyworth, or (HH) if the ordinance
18 was adopted on March 16, 1995 by the Village of Heyworth, or
19 (II) if the ordinance was adopted on December 23, 1986 by the
20 Town of Cicero, or (JJ) if the ordinance was adopted on
21 December 30, 1986 by the City of Effingham, or (KK) if the
22 ordinance was adopted on May 9, 1991 by the Village of Tilton,
23 or (LL) if the ordinance was adopted on October 20, 1986 by the
24 City of Elmhurst, or (MM) if the ordinance was adopted on
25 January 19, 1988 by the City of Waukegan, or (NN) if the
26 ordinance was adopted on September 21, 1998 by the City of

1 Waukegan, or (OO) if the ordinance was adopted on December 31,
2 1986 by the City of Sullivan, or (PP) if the ordinance was
3 adopted on December 23, 1991 by the City of Sullivan, or (QQ)
4 if the ordinance was adopted on December 31, 1986 by the City
5 of Oglesby, or (RR) if the ordinance was adopted on July 28,
6 1987 by the City of Marion, or (SS) if the ordinance was
7 adopted on April 23, 1990 by the City of Marion, or (TT) if the
8 ordinance was adopted on August 20, 1985 by the Village of
9 Mount Prospect, or (UU) if the ordinance was adopted on
10 February 2, 1998 by the Village of Woodhull, or (VV) if the
11 ordinance was adopted on April 20, 1993 by the Village of
12 Princeville, or (WW) ~~(VV)~~ if the ordinance was adopted on July
13 1, 1986 by the City of Granite City, or (XX) ~~(RR)~~ if the
14 ordinance was adopted on February 2, 1989 by the Village of
15 Lombard, or (YY) ~~(VV)~~ if the ordinance was adopted on December
16 29, 1986 by the Village of Gardner, or (ZZ) ~~(VV)~~ if the
17 ordinance was adopted on July 14, 1999 by the Village of Paw
18 Paw, or (AAA) ~~(VV)~~ if the ordinance was adopted on November 17,
19 1986 by the Village of Franklin Park,~~r~~ or (BBB) ~~(VV)~~ if the
20 ordinance was adopted on November 20, 1989 by the Village of
21 South Holland and, for redevelopment project areas for which
22 bonds were issued before July 29, 1991, in connection with a
23 redevelopment project in the area within the State Sales Tax
24 Boundary and which were extended by municipal ordinance under
25 subsection (n) of Section 11-74.4-3, the last maturity of the
26 refunding obligations shall not be expressed to mature later

1 than the date on which the redevelopment project area is
2 terminated or December 31, 2013, whichever date occurs first.

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

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

15 (Source: P.A. 93-298, eff. 7-23-03; 93-708, eff. 1-1-05;
16 93-747, eff. 7-15-04; 93-924, eff. 8-12-04; 93-983, eff.
17 8-23-04; 93-984, eff. 8-23-04; 93-985, eff. 8-23-04; 93-986,
18 eff. 8-23-04; 93-987, eff. 8-23-04; 93-995, eff. 8-23-04;
19 93-1024, eff. 8-25-04; 93-1076, eff. 1-18-05; 94-260, eff.
20 7-19-05; 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702,
21 eff. 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778,
22 eff. 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06;
23 94-810, eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff.
24 1-26-07; 94-1092, eff. 1-26-07; revised 1-30-07.)

25 Section 99. Effective date. This Act takes effect upon

1 becoming law.".