



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB2556

Introduced 2/20/2009, by Rep. John E. Bradley

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-3

from Ch. 24, par. 11-74.4-3

Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. Adds that the term "municipality" includes a river conservancy district or a county in which the redevelopment project is "tourism-related" and approved by a specified regional tourism development office. Defines "tourism-related". Includes revisory changes. Contains a non-acceleration clause. Effective immediately.

LRB096 07940 RLJ 18044 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by  
5 changing Section 11-74.4-3 as follows:

6 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

7 (Text of Section before amendment by P.A. 95-1028)

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

12 (a) For any redevelopment project area that has been  
13 designated pursuant to this Section by an ordinance adopted  
14 prior to November 1, 1999 (the effective date of Public Act  
15 91-478), "blighted area" shall have the meaning set forth in  
16 this Section prior to that date.

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

21 (1) If improved, industrial, commercial, and  
22 residential buildings or improvements are detrimental to  
23 the public safety, health, or welfare because of a

1 combination of 5 or more of the following factors, each of  
2 which is (i) present, with that presence documented, to a  
3 meaningful extent so that a municipality may reasonably  
4 find that the factor is clearly present within the intent  
5 of the Act and (ii) reasonably distributed throughout the  
6 improved part of the redevelopment project area:

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

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

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

1 protruding through paved surfaces.

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

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

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

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

1 hot water and kitchens, and structural inadequacies  
2 preventing ingress and egress to and from all rooms and  
3 units within a building.

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

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

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

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

23 (L) Lack of community planning. The proposed  
24 redevelopment project area was developed prior to or  
25 without the benefit or guidance of a community plan.  
26 This means that the development occurred prior to the

1 adoption by the municipality of a comprehensive or  
2 other community plan or that the plan was not followed  
3 at the time of the area's development. This factor must  
4 be documented by evidence of adverse or incompatible  
5 land-use relationships, inadequate street layout,  
6 improper subdivision, parcels of inadequate shape and  
7 size to meet contemporary development standards, or  
8 other evidence demonstrating an absence of effective  
9 community planning.

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

23 (2) If vacant, the sound growth of the redevelopment  
24 project area is impaired by a combination of 2 or more of  
25 the following factors, each of which is (i) present, with  
26 that presence documented, to a meaningful extent so that a

1 municipality may reasonably find that the factor is clearly  
2 present within the intent of the Act and (ii) reasonably  
3 distributed throughout the vacant part of the  
4 redevelopment project area to which it pertains:

5 (A) Obsolete platting of vacant land that results  
6 in parcels of limited or narrow size or configurations  
7 of parcels of irregular size or shape that would be  
8 difficult to develop on a planned basis and in a manner  
9 compatible with contemporary standards and  
10 requirements, or platting that failed to create  
11 rights-of-ways for streets or alleys or that created  
12 inadequate right-of-way widths for streets, alleys, or  
13 other public rights-of-way or that omitted easements  
14 for public utilities.

15 (B) Diversity of ownership of parcels of vacant  
16 land sufficient in number to retard or impede the  
17 ability to assemble the land for development.

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

21 (D) Deterioration of structures or site  
22 improvements in neighboring areas adjacent to the  
23 vacant land.

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



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

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

22 (3) If vacant, the sound growth of the redevelopment  
23 project area is impaired by one of the following factors  
24 that (i) is present, with that presence documented, to a  
25 meaningful extent so that a municipality may reasonably  
26 find that the factor is clearly present within the intent

1 of the Act and (ii) is reasonably distributed throughout  
2 the vacant part of the redevelopment project area to which  
3 it pertains:

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

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

8 (C) The area, prior to its designation, is subject  
9 to (i) chronic flooding that adversely impacts on real  
10 property in the area as certified by a registered  
11 professional engineer or appropriate regulatory agency  
12 or (ii) surface water that discharges from all or a  
13 part of the area and contributes to flooding within the  
14 same watershed, but only if the redevelopment project  
15 provides for facilities or improvements to contribute  
16 to the alleviation of all or part of the flooding.

17 (D) The area consists of an unused or illegal  
18 disposal site containing earth, stone, building  
19 debris, or similar materials that were removed from  
20 construction, demolition, excavation, or dredge sites.

21 (E) Prior to November 1, 1999, the area is not less  
22 than 50 nor more than 100 acres and 75% of which is  
23 vacant (notwithstanding that the area has been used for  
24 commercial agricultural purposes within 5 years prior  
25 to the designation of the redevelopment project area),  
26 and the area meets at least one of the factors itemized

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

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

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

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

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

1 determines that major repair is required or the defects are  
2 so serious and so extensive that the buildings must be  
3 removed.

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

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

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

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

26 (6) Excessive vacancies. The presence of buildings

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

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

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

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

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

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

22 (11) Lack of community planning. The proposed  
23 redevelopment project area was developed prior to or  
24 without the benefit or guidance of a community plan. This  
25 means that the development occurred prior to the adoption  
26 by the municipality of a comprehensive or other community

1 plan or that the plan was not followed at the time of the  
2 area's development. This factor must be documented by  
3 evidence of adverse or incompatible land-use  
4 relationships, inadequate street layout, improper  
5 subdivision, parcels of inadequate shape and size to meet  
6 contemporary development standards, or other evidence  
7 demonstrating an absence of effective community planning.

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

19 (13) The total equalized assessed value of the proposed  
20 redevelopment project area has declined for 3 of the last 5  
21 calendar years for which information is available or is  
22 increasing at an annual rate that is less than the balance  
23 of the municipality for 3 of the last 5 calendar years for  
24 which information is available or is increasing at an  
25 annual rate that is less than the Consumer Price Index for  
26 All Urban Consumers published by the United States

1 Department of Labor or successor agency for 3 of the last 5  
2 calendar years for which information is available.

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

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

23 (e) "Labor surplus municipality" means a municipality in  
24 which, at any time during the 6 months before the municipality  
25 by ordinance designates an industrial park conservation area,  
26 the unemployment rate was over 6% and was also 100% or more of



1 the national average unemployment rate for that same time as  
2 published in the United States Department of Labor Bureau of  
3 Labor Statistics publication entitled "The Employment  
4 Situation" or its successor publication. For the purpose of  
5 this subsection, if unemployment rate statistics for the  
6 municipality are not available, the unemployment rate in the  
7 municipality shall be deemed to be the same as the unemployment  
8 rate in the principal county in which the municipality is  
9 located.

10 (f) "Municipality" shall mean a city~~;~~ village~~;~~  
11 incorporated town~~;~~~~or~~ a township that is located in the  
12 unincorporated portion of a county with 3 million or more  
13 inhabitants, if the county adopted an ordinance that approved  
14 the township's redevelopment plan; a river conservancy  
15 district; or a county in which the redevelopment project is  
16 tourism-related and approved by the regional tourism  
17 development office as recognized by the Illinois Bureau of  
18 Tourism for the region in which the county is located.

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

26 (g-1) "Revised Initial Sales Tax Amounts" means the amount

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

7 (h) "Municipal Sales Tax Increment" means an amount equal  
8 to the increase in the aggregate amount of taxes paid to a  
9 municipality from the Local Government Tax Fund arising from  
10 sales by retailers and servicemen within the redevelopment  
11 project area or State Sales Tax Boundary, as the case may be,  
12 for as long as the redevelopment project area or State Sales  
13 Tax Boundary, as the case may be, exist over and above the  
14 aggregate amount of taxes as certified by the Illinois  
15 Department of Revenue and paid under the Municipal Retailers'  
16 Occupation Tax Act and the Municipal Service Occupation Tax Act  
17 by retailers and servicemen, on transactions at places of  
18 business located in the redevelopment project area or State  
19 Sales Tax Boundary, as the case may be, during the base year  
20 which shall be the calendar year immediately prior to the year  
21 in which the municipality adopted tax increment allocation  
22 financing. For purposes of computing the aggregate amount of  
23 such taxes for base years occurring prior to 1985, the  
24 Department of Revenue shall determine the Initial Sales Tax  
25 Amounts for such taxes and deduct therefrom an amount equal to  
26 4% of the aggregate amount of taxes per year for each year the

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

1 Municipal Retailers' Occupation Tax and the Municipal Service  
2 Occupation Tax Act which shall have deducted therefrom  
3 nine-twelfths of the certified Initial Sales Tax Amounts,  
4 Adjusted Initial Sales Tax Amounts or the Revised Initial Sales  
5 Tax Amounts as appropriate. For every State Fiscal Year  
6 thereafter, the applicable period shall be the 12 months  
7 beginning July 1 and ending June 30 to determine the tax  
8 amounts received which shall have deducted therefrom the  
9 certified Initial Sales Tax Amounts, the Adjusted Initial Sales  
10 Tax Amounts or the Revised Initial Sales Tax Amounts, as the  
11 case may be.

12 (i) "Net State Sales Tax Increment" means the sum of the  
13 following: (a) 80% of the first \$100,000 of State Sales Tax  
14 Increment annually generated within a State Sales Tax Boundary;  
15 (b) 60% of the amount in excess of \$100,000 but not exceeding  
16 \$500,000 of State Sales Tax Increment annually generated within  
17 a State Sales Tax Boundary; and (c) 40% of all amounts in  
18 excess of \$500,000 of State Sales Tax Increment annually  
19 generated within a State Sales Tax Boundary. If, however, a  
20 municipality established a tax increment financing district in  
21 a county with a population in excess of 3,000,000 before  
22 January 1, 1986, and the municipality entered into a contract  
23 or issued bonds after January 1, 1986, but before December 31,  
24 1986, to finance redevelopment project costs within a State  
25 Sales Tax Boundary, then the Net State Sales Tax Increment  
26 means, for the fiscal years beginning July 1, 1990, and July 1,

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

21 Municipalities that issued bonds in connection with a  
22 redevelopment project in a redevelopment project area within  
23 the State Sales Tax Boundary prior to July 29, 1991, or that  
24 entered into contracts in connection with a redevelopment  
25 project in a redevelopment project area before June 1, 1988,  
26 shall continue to receive their proportional share of the

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

21 (j) "State Utility Tax Increment Amount" means an amount  
22 equal to the aggregate increase in State electric and gas tax  
23 charges imposed on owners and tenants, other than residential  
24 customers, of properties located within the redevelopment  
25 project area under Section 9-222 of the Public Utilities Act,  
26 over and above the aggregate of such charges as certified by

1 the Department of Revenue and paid by owners and tenants, other  
2 than residential customers, of properties within the  
3 redevelopment project area during the base year, which shall be  
4 the calendar year immediately prior to the year of the adoption  
5 of the ordinance authorizing tax increment allocation  
6 financing.

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

1 thereafter.

2 Municipalities that issue bonds in connection with the  
3 redevelopment project during the period from June 1, 1988 until  
4 3 years after the effective date of this Amendatory Act of 1988  
5 shall receive the Net State Utility Tax Increment, subject to  
6 appropriation, for 15 State Fiscal Years after the issuance of  
7 such bonds. For the 16th through the 20th State Fiscal Years  
8 after issuance of the bonds, the Net State Utility Tax  
9 Increment shall be calculated as follows: By multiplying the  
10 Net State Utility Tax Increment by 90% in year 16; 80% in year  
11 17; 70% in year 18; 60% in year 19; and 50% in year 20.  
12 Refunding of any bonds issued prior to June 1, 1988, shall not  
13 alter the revised Net State Utility Tax Increment payments set  
14 forth above.

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

19 (m) "Payment in lieu of taxes" means those estimated tax  
20 revenues from real property in a redevelopment project area  
21 derived from real property that has been acquired by a  
22 municipality which according to the redevelopment project or  
23 plan is to be used for a private use which taxing districts  
24 would have received had a municipality not acquired the real  
25 property and adopted tax increment allocation financing and  
26 which would result from levies made after the time of the



1 adoption of tax increment allocation financing to the time the  
2 current equalized value of real property in the redevelopment  
3 project area exceeds the total initial equalized value of real  
4 property in said area.

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

25 (A) an itemized list of estimated redevelopment  
26 project costs;

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

4 (C) an assessment of any financial impact of the  
5 redevelopment project area on or any increased demand for  
6 services from any taxing district affected by the plan and  
7 any program to address such financial impact or increased  
8 demand;

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

10 (E) the nature and term of the obligations to be  
11 issued;

12 (F) the most recent equalized assessed valuation of the  
13 redevelopment project area;

14 (G) an estimate as to the equalized assessed valuation  
15 after redevelopment and the general land uses to apply in  
16 the redevelopment project area;

17 (H) a commitment to fair employment practices and an  
18 affirmative action plan;

19 (I) if it concerns an industrial park conservation  
20 area, the plan shall also include a general description of  
21 any proposed developer, user and tenant of any property, a  
22 description of the type, structure and general character of  
23 the facilities to be developed, a description of the type,  
24 class and number of new employees to be employed in the  
25 operation of the facilities to be developed; and

26 (J) if property is to be annexed to the municipality,

1 the plan shall include the terms of the annexation  
2 agreement.

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

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

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

1           (3) The redevelopment plan establishes the estimated  
2           dates of completion of the redevelopment project and  
3           retirement of obligations issued to finance redevelopment  
4           project costs. Those dates may not be later than the dates  
5           set forth under Section 11-74.4-3.5., ~~or (DDD) (EEE), or~~  
6           ~~(FFF), or (GGG), or (HHH), or (III), or (JJJ), (KKK), (LLL)~~  
7           ~~(MMM), or (NNN) if the ordinance was adopted on December~~  
8           ~~23, 1986 by the Village of Libertyville.~~

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

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

24          (4) If any incremental revenues are being utilized  
25          under Section 8(a)(1) or 8(a)(2) of this Act in  
26          redevelopment project areas approved by ordinance after

1           January 1, 1986, the municipality finds: (a) that the  
2           redevelopment project area would not reasonably be  
3           developed without the use of such incremental revenues, and  
4           (b) that such incremental revenues will be exclusively  
5           utilized for the development of the redevelopment project  
6           area.

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

19          Part I of the housing impact study shall include (i)  
20          data as to whether the residential units are single family  
21          or multi-family units, (ii) the number and type of rooms  
22          within the units, if that information is available, (iii)  
23          whether the units are inhabited or uninhabited, as  
24          determined not less than 45 days before the date that the  
25          ordinance or resolution required by subsection (a) of  
26          Section 11-74.4-5 is passed, and (iv) data as to the racial

1 and ethnic composition of the residents in the inhabited  
2 residential units. The data requirement as to the racial  
3 and ethnic composition of the residents in the inhabited  
4 residential units shall be deemed to be fully satisfied by  
5 data from the most recent federal census.

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

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

22 (7) On and after November 1, 1999, no redevelopment  
23 plan shall be adopted, nor an existing plan amended, nor  
24 shall residential housing that is occupied by households of  
25 low-income and very low-income persons in currently  
26 existing redevelopment project areas be removed after

1 November 1, 1999 unless the redevelopment plan provides,  
2 with respect to inhabited housing units that are to be  
3 removed for households of low-income and very low-income  
4 persons, affordable housing and relocation assistance not  
5 less than that which would be provided under the federal  
6 Uniform Relocation Assistance and Real Property  
7 Acquisition Policies Act of 1970 and the regulations under  
8 that Act, including the eligibility criteria. Affordable  
9 housing may be either existing or newly constructed  
10 housing. For purposes of this paragraph (7), "low-income  
11 households", "very low-income households", and "affordable  
12 housing" have the meanings set forth in the Illinois  
13 Affordable Housing Act. The municipality shall make a good  
14 faith effort to ensure that this affordable housing is  
15 located in or near the redevelopment project area within  
16 the municipality.

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

24 (9) For redevelopment project areas designated prior  
25 to November 1, 1999, the redevelopment plan may be amended  
26 without further joint review board meeting or hearing,

1 provided that the municipality shall give notice of any  
2 such changes by mail to each affected taxing district and  
3 registrant on the interested party registry, to authorize  
4 the municipality to expend tax increment revenues for  
5 redevelopment project costs defined by paragraphs (5) and  
6 (7.5), subparagraphs (E) and (F) of paragraph (11), and  
7 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so  
8 long as the changes do not increase the total estimated  
9 redevelopment project costs set out in the redevelopment  
10 plan by more than 5% after adjustment for inflation from  
11 the date the plan was adopted.

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

24 (p) "Redevelopment project area" means an area designated  
25 by the municipality, which is not less in the aggregate than 1  
26 1/2 acres and in respect to which the municipality has made a



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

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

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

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

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

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

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

1 limited to parking lots and other concrete or asphalt  
2 barriers, and the clearing and grading of land;

3 (3) Costs of rehabilitation, reconstruction or repair  
4 or remodeling of existing public or private buildings,  
5 fixtures, and leasehold improvements; and the cost of  
6 replacing an existing public building if pursuant to the  
7 implementation of a redevelopment project the existing  
8 public building is to be demolished to use the site for  
9 private investment or devoted to a different use requiring  
10 private investment;

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

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

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

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

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

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

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

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

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

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

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

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

22 (B) For alternate method districts, flat grant  
23 districts, and foundation districts with a district  
24 average 1995-96 Per Capita Tuition Charge equal to or  
25 more than \$5,900, excluding any school district with a  
26 population in excess of 1,000,000, by multiplying the

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

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

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

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

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

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

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

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

23           Any school district seeking payment under this  
24           paragraph (7.5) shall, after July 1 and before  
25           September 30 of each year, provide the municipality  
26           with reasonable evidence to support its claim for



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

13 (7.7) For redevelopment project areas designated (or  
14 redevelopment project areas amended to add or increase the  
15 number of tax-increment-financing assisted housing units)  
16 on or after January 1, 2005 (the effective date of Public  
17 Act 93-961), a public library district's increased costs  
18 attributable to assisted housing units located within the  
19 redevelopment project area for which the developer or  
20 redeveloper receives financial assistance through an  
21 agreement with the municipality or because the  
22 municipality incurs the cost of necessary infrastructure  
23 improvements within the boundaries of the assisted housing  
24 sites necessary for the completion of that housing as  
25 authorized by this Act shall be paid to the library  
26 district by the municipality from the Special Tax

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

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

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

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

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

1 redevelopment project area or projects;

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

7 (9) Payment in lieu of taxes;

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

1       Such costs include, specifically, the payment by community  
2 college districts of costs pursuant to Sections 3-37, 3-38,  
3 3-40 and 3-40.1 of the Public Community College Act and by  
4 school districts of costs pursuant to Sections 10-22.20a  
5 and 10-23.3a of The School Code;

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

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

12           (B) such payments in any one year may not exceed  
13 30% of the annual interest costs incurred by the  
14 redeveloper with regard to the redevelopment project  
15 during that year;

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

21           (D) the total of such interest payments paid  
22 pursuant to this Act may not exceed 30% of the total  
23 (i) cost paid or incurred by the redeveloper for the  
24 redevelopment project plus (ii) redevelopment project  
25 costs excluding any property assembly costs and any  
26 relocation costs incurred by a municipality pursuant

1 to this Act; and

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

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

25 The eligible costs provided under this  
26 subparagraph (F) of paragraph (11) shall be an eligible

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

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

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



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

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

24           (14) No cost shall be a redevelopment project cost in a  
25 redevelopment project area if used to demolish, remove, or  
26 substantially modify a historic resource, after August 26,

1        2008 (the effective date of Public Act 95-934) ~~this~~  
2        ~~amendatory Act of the 95th General Assembly~~, unless no  
3        prudent and feasible alternative exists. "Historic  
4        resource" for the purpose of this item (14) means (i) a  
5        place or structure that is included or eligible for  
6        inclusion on the National Register of Historic Places or  
7        (ii) a contributing structure in a district on the National  
8        Register of Historic Places. This item (14) does not apply  
9        to a place or structure for which demolition, removal, or  
10       modification is subject to review by the preservation  
11       agency of a Certified Local Government designated as such  
12       by the National Park Service of the United States  
13       Department of the Interior.

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

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

1 Sales Tax Increment.

2 (s) "State Sales Tax Increment" means an amount equal to  
3 the increase in the aggregate amount of taxes paid by retailers  
4 and servicemen, other than retailers and servicemen subject to  
5 the Public Utilities Act, on transactions at places of business  
6 located within a State Sales Tax Boundary pursuant to the  
7 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use  
8 Tax Act, and the Service Occupation Tax Act, except such  
9 portion of such increase that is paid into the State and Local  
10 Sales Tax Reform Fund, the Local Government Distributive Fund,  
11 the Local Government Tax Fund and the County and Mass Transit  
12 District Fund, for as long as State participation exists, over  
13 and above the Initial Sales Tax Amounts, Adjusted Initial Sales  
14 Tax Amounts or the Revised Initial Sales Tax Amounts for such  
15 taxes as certified by the Department of Revenue and paid under  
16 those Acts by retailers and servicemen on transactions at  
17 places of business located within the State Sales Tax Boundary  
18 during the base year which shall be the calendar year  
19 immediately prior to the year in which the municipality adopted  
20 tax increment allocation financing, less 3.0% of such amounts  
21 generated under the Retailers' Occupation Tax Act, Use Tax Act  
22 and Service Use Tax Act and the Service Occupation Tax Act,  
23 which sum shall be appropriated to the Department of Revenue to  
24 cover its costs of administering and enforcing this Section.  
25 For purposes of computing the aggregate amount of such taxes  
26 for base years occurring prior to 1985, the Department of

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

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

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

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

22 (v) As used in subsection (a) of Section 11-74.4-3 of this  
23 Act, "vacant land" means any parcel or combination of parcels  
24 of real property without industrial, commercial, and  
25 residential buildings which has not been used for commercial  
26 agricultural purposes within 5 years prior to the designation

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

22 (w) "Annual Total Increment" means the sum of each  
23 municipality's annual Net Sales Tax Increment and each  
24 municipality's annual Net Utility Tax Increment. The ratio of  
25 the Annual Total Increment of each municipality to the Annual  
26 Total Increment for all municipalities, as most recently

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

4 (x) "Tourism-related" means a redevelopment plan that  
5 focuses on renovating existing facilities or developing new  
6 facilities with the primary purpose of providing amusement or  
7 historical, cultural, or leisure activities and services to the  
8 public including without limitation short-term overnight  
9 accommodations, lodging, and campgrounds to travelers and  
10 visitors who reside outside the county in which the  
11 redevelopment project area is located.

12 (Source: P.A. 94-260, eff. 7-19-05; 94-268, eff. 7-19-05;  
13 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff.  
14 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.  
15 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,  
16 eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07;  
17 94-1092, eff. 1-26-07; 95-15, eff. 7-16-07; 95-164, eff.  
18 1-1-08; 95-331, eff. 8-21-07; 95-346, eff. 8-21-07; 95-459,  
19 eff. 8-27-07; 95-653, eff. 1-1-08; 95-662, eff. 10-11-07;  
20 95-683, eff. 10-19-07; 95-709, eff. 1-29-08; 95-876, eff.  
21 8-21-08; 95-932, eff. 8-26-08; 95-934, eff. 8-26-08; 95-964,  
22 eff. 9-23-08; 95-977, eff. 9-22-08; revised 10-16-08.)

23 (Text of Section after amendment by P.A. 95-1028)

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

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

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

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

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

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



1 that the buildings must be removed.

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

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

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

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

26 (F) Excessive vacancies. The presence of buildings

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (b) For any redevelopment project area that has been  
25 designated pursuant to this Section by an ordinance adopted  
26 prior to November 1, 1999 (the effective date of Public Act



1 91-478), "conservation area" shall have the meaning set forth  
2 in this Section prior to that date.

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

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

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

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

1 surface storage areas evidence deterioration, including,  
2 but not limited to, surface cracking, crumbling, potholes,  
3 depressions, loose paving material, and weeds protruding  
4 through paved surfaces.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26          (d) "Industrial park conservation area" means an area

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

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

24 (f) "Municipality" shall mean a city~~;~~ village~~;~~  
25 incorporated town~~;~~~~or~~ a township that is located in the  
26 unincorporated portion of a county with 3 million or more

1 inhabitants, if the county adopted an ordinance that approved  
2 the township's redevelopment plan; a river conservancy  
3 district; or a county in which the redevelopment project is  
4 tourism-related and approved by the regional tourism  
5 development office as recognized by the Illinois Bureau of  
6 Tourism for the region in which the county is located.

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

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

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

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



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

26 (i) "Net State Sales Tax Increment" means the sum of the

1 following: (a) 80% of the first \$100,000 of State Sales Tax  
2 Increment annually generated within a State Sales Tax Boundary;  
3 (b) 60% of the amount in excess of \$100,000 but not exceeding  
4 \$500,000 of State Sales Tax Increment annually generated within  
5 a State Sales Tax Boundary; and (c) 40% of all amounts in  
6 excess of \$500,000 of State Sales Tax Increment annually  
7 generated within a State Sales Tax Boundary. If, however, a  
8 municipality established a tax increment financing district in  
9 a county with a population in excess of 3,000,000 before  
10 January 1, 1986, and the municipality entered into a contract  
11 or issued bonds after January 1, 1986, but before December 31,  
12 1986, to finance redevelopment project costs within a State  
13 Sales Tax Boundary, then the Net State Sales Tax Increment  
14 means, for the fiscal years beginning July 1, 1990, and July 1,  
15 1991, 100% of the State Sales Tax Increment annually generated  
16 within a State Sales Tax Boundary; and notwithstanding any  
17 other provision of this Act, for those fiscal years the  
18 Department of Revenue shall distribute to those municipalities  
19 100% of their Net State Sales Tax Increment before any  
20 distribution to any other municipality and regardless of  
21 whether or not those other municipalities will receive 100% of  
22 their Net State Sales Tax Increment. For Fiscal Year 1999, and  
23 every year thereafter until the year 2007, for any municipality  
24 that has not entered into a contract or has not issued bonds  
25 prior to June 1, 1988 to finance redevelopment project costs  
26 within a State Sales Tax Boundary, the Net State Sales Tax

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

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

1 contracts are completed, as follows: By multiplying the Net  
2 State Sales Tax Increment by 60% in the State Fiscal Year 2002;  
3 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year  
4 2004; 30% in the State Fiscal Year 2005; 20% in the State  
5 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No  
6 payment shall be made for State Fiscal Year 2008 and  
7 thereafter. Refunding of any bonds issued prior to July 29,  
8 1991, shall not alter the Net State Sales Tax Increment.

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

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

1 excess of \$500,000 of State Utility Tax Increment annually  
2 generated by a redevelopment project area. For the State Fiscal  
3 Year 1999, and every year thereafter until the year 2007, for  
4 any municipality that has not entered into a contract or has  
5 not issued bonds prior to June 1, 1988 to finance redevelopment  
6 project costs within a redevelopment project area, the Net  
7 State Utility Tax Increment shall be calculated as follows: By  
8 multiplying the Net State Utility Tax Increment by 90% in the  
9 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%  
10 in the State Fiscal Year 2001; 60% in the State Fiscal Year  
11 2002; 50% in the State Fiscal Year 2003; 40% in the State  
12 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the  
13 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.  
14 No payment shall be made for the State Fiscal Year 2008 and  
15 thereafter.

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

1 alter the revised Net State Utility Tax Increment payments set  
2 forth above.

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

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

19 (n) "Redevelopment plan" means the comprehensive program  
20 of the municipality for development or redevelopment intended  
21 by the payment of redevelopment project costs to reduce or  
22 eliminate those conditions the existence of which qualified the  
23 redevelopment project area as a "blighted area" or  
24 "conservation area" or combination thereof or "industrial park  
25 conservation area," and thereby to enhance the tax bases of the  
26 taxing districts which extend into the redevelopment project

1 area. On and after November 1, 1999 (the effective date of  
2 Public Act 91-478), no redevelopment plan may be approved or  
3 amended that includes the development of vacant land (i) with a  
4 golf course and related clubhouse and other facilities or (ii)  
5 designated by federal, State, county, or municipal government  
6 as public land for outdoor recreational activities or for  
7 nature preserves and used for that purpose within 5 years prior  
8 to the adoption of the redevelopment plan. For the purpose of  
9 this subsection, "recreational activities" is limited to mean  
10 camping and hunting. Each redevelopment plan shall set forth in  
11 writing the program to be undertaken to accomplish the  
12 objectives and shall include but not be limited to:

13 (A) an itemized list of estimated redevelopment  
14 project costs;

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

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

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

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

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

1 redevelopment project area;

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

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

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

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

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

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



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

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

15 (3) The redevelopment plan establishes the estimated  
16 dates of completion of the redevelopment project and  
17 retirement of obligations issued to finance redevelopment  
18 project costs. Those dates may not be later than the dates  
19 set forth under Section 11-74.4-3.5., ~~or (DDD) (EEE), or~~  
20 ~~(FFF), or (GGG), or (HHH), or (III), or (JJJ), (KKK), (LLL)~~  
21 ~~(MMM), or (NNN) if the ordinance was adopted on December~~  
22 ~~23, 1986 by the Village of Libertyville. (NNN) if the~~  
23 ~~ordinance was adopted on December 22, 1986 by the Village~~  
24 ~~of Hoffman Estates.~~

25 A municipality may by municipal ordinance amend an  
26 existing redevelopment plan to conform to this paragraph

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

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

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

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

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

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

22 Part II of the housing impact study shall identify the  
23 inhabited residential units in the proposed redevelopment  
24 project area that are to be or may be removed. If inhabited  
25 residential units are to be removed, then the housing  
26 impact study shall identify (i) the number and location of

1 those units that will or may be removed, (ii) the  
2 municipality's plans for relocation assistance for those  
3 residents in the proposed redevelopment project area whose  
4 residences are to be removed, (iii) the availability of  
5 replacement housing for those residents whose residences  
6 are to be removed, and shall identify the type, location,  
7 and cost of the housing, and (iv) the type and extent of  
8 relocation assistance to be provided.

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

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

1 households", "very low-income households", and "affordable  
2 housing" have the meanings set forth in the Illinois  
3 Affordable Housing Act. The municipality shall make a good  
4 faith effort to ensure that this affordable housing is  
5 located in or near the redevelopment project area within  
6 the municipality.

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

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

1 the date the plan was adopted.

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

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

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

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

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

1 by the consultant or advisor;

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

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

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

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



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

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

24           (6) Financing costs, including but not limited to all  
25 necessary and incidental expenses related to the issuance  
26 of obligations and which may include payment of interest on

1 any obligations issued hereunder including interest  
2 accruing during the estimated period of construction of any  
3 redevelopment project for which such obligations are  
4 issued and for not exceeding 36 months thereafter and  
5 including reasonable reserves related thereto;

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

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

1 shall be calculated annually as follows:

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

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

26 (ii) for elementary school districts with a

1 district average 1995-96 Per Capita Tuition Charge  
2 of less than \$5,900, no more than 17% of the total  
3 amount of property tax increment revenue produced  
4 by those housing units that have received tax  
5 increment finance assistance under this Act; and

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

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

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

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

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

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

22 (C) For any school district in a municipality with  
23 a population in excess of 1,000,000, the following  
24 restrictions shall apply to the reimbursement of  
25 increased costs under this paragraph (7.5):

26 (i) no increased costs shall be reimbursed

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

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

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

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

1           modify, or contest in any manner the establishment of  
2           the redevelopment project area or projects;

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

26          The amount paid to a library district under this

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

23 A library district is not eligible for any payment  
24 under this paragraph (7.7) unless the library district has  
25 experienced an increase in the number of patrons from the  
26 municipality that created the tax-increment-financing



1 district since the designation of the redevelopment  
2 project area.

3 Any library district seeking payment under this  
4 paragraph (7.7) shall, after July 1 and before September 30  
5 of each year, provide the municipality with convincing  
6 evidence to support its claim for reimbursement before the  
7 municipality shall be required to approve or make the  
8 payment to the library district. If the library district  
9 fails to provide the information during this period in any  
10 year, it shall forfeit any claim to reimbursement for that  
11 year. Library districts may adopt a resolution waiving the  
12 right to all or a portion of the reimbursement otherwise  
13 required by this paragraph (7.7). By acceptance of such  
14 reimbursement, the library district shall forfeit any  
15 right to directly or indirectly set aside, modify, or  
16 contest in any manner whatsoever the establishment of the  
17 redevelopment project area or projects;

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

23 (9) Payment in lieu of taxes;

24 (10) Costs of job training, retraining, advanced  
25 vocational education or career education, including but  
26 not limited to courses in occupational, semi-technical or

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

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

25 (A) such costs are to be paid directly from the  
26 special tax allocation fund established pursuant to

1           this Act;

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

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

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

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

25          (F) Instead of the eligible costs provided by  
26          subparagraphs (B) and (D) of paragraph (11), as

1 modified by this subparagraph, and notwithstanding any  
2 other provisions of this Act to the contrary, the  
3 municipality may pay from tax increment revenues up to  
4 50% of the cost of construction of new housing units to  
5 be occupied by low-income households and very  
6 low-income households as defined in Section 3 of the  
7 Illinois Affordable Housing Act. The cost of  
8 construction of those units may be derived from the  
9 proceeds of bonds issued by the municipality under this  
10 Act or other constitutional or statutory authority or  
11 from other sources of municipal revenue that may be  
12 reimbursed from tax increment revenues or the proceeds  
13 of bonds issued to finance the construction of that  
14 housing.

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

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

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

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

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

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

14 (14) No cost shall be a redevelopment project cost in a  
15 redevelopment project area if used to demolish, remove, or  
16 substantially modify a historic resource, after August 26,  
17 2008 (the effective date of Public Act 95-934) ~~this~~  
18 ~~amendatory Act of the 95th General Assembly~~, unless no  
19 prudent and feasible alternative exists. "Historic  
20 resource" for the purpose of this item (14) means (i) a  
21 place or structure that is included or eligible for  
22 inclusion on the National Register of Historic Places or  
23 (ii) a contributing structure in a district on the National  
24 Register of Historic Places. This item (14) does not apply  
25 to a place or structure for which demolition, removal, or  
26 modification is subject to review by the preservation

1 agency of a Certified Local Government designated as such  
2 by the National Park Service of the United States  
3 Department of the Interior.

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

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

18 (s) "State Sales Tax Increment" means an amount equal to  
19 the increase in the aggregate amount of taxes paid by retailers  
20 and servicemen, other than retailers and servicemen subject to  
21 the Public Utilities Act, on transactions at places of business  
22 located within a State Sales Tax Boundary pursuant to the  
23 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use  
24 Tax Act, and the Service Occupation Tax Act, except such  
25 portion of such increase that is paid into the State and Local  
26 Sales Tax Reform Fund, the Local Government Distributive Fund,



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

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

1 and by July 31, of each year thereafter.

2 (t) "Taxing districts" means counties, townships, cities  
3 and incorporated towns and villages, school, road, park,  
4 sanitary, mosquito abatement, forest preserve, public health,  
5 fire protection, river conservancy, tuberculosis sanitarium  
6 and any other municipal corporations or districts with the  
7 power to levy taxes.

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

12 (v) As used in subsection (a) of Section 11-74.4-3 of this  
13 Act, "vacant land" means any parcel or combination of parcels  
14 of real property without industrial, commercial, and  
15 residential buildings which has not been used for commercial  
16 agricultural purposes within 5 years prior to the designation  
17 of the redevelopment project area, unless the parcel is  
18 included in an industrial park conservation area or the parcel  
19 has been subdivided; provided that if the parcel was part of a  
20 larger tract that has been divided into 3 or more smaller  
21 tracts that were accepted for recording during the period from  
22 1950 to 1990, then the parcel shall be deemed to have been  
23 subdivided, and all proceedings and actions of the municipality  
24 taken in that connection with respect to any previously  
25 approved or designated redevelopment project area or amended  
26 redevelopment project area are hereby validated and hereby

1 declared to be legally sufficient for all purposes of this Act.  
2 For purposes of this Section and only for land subject to the  
3 subdivision requirements of the Plat Act, land is subdivided  
4 when the original plat of the proposed Redevelopment Project  
5 Area or relevant portion thereof has been properly certified,  
6 acknowledged, approved, and recorded or filed in accordance  
7 with the Plat Act and a preliminary plat, if any, for any  
8 subsequent phases of the proposed Redevelopment Project Area or  
9 relevant portion thereof has been properly approved and filed  
10 in accordance with the applicable ordinance of the  
11 municipality.

12 (w) "Annual Total Increment" means the sum of each  
13 municipality's annual Net Sales Tax Increment and each  
14 municipality's annual Net Utility Tax Increment. The ratio of  
15 the Annual Total Increment of each municipality to the Annual  
16 Total Increment for all municipalities, as most recently  
17 calculated by the Department, shall determine the proportional  
18 shares of the Illinois Tax Increment Fund to be distributed to  
19 each municipality.

20 (x) "Tourism-related" means a redevelopment plan that  
21 focuses on renovating existing facilities or developing new  
22 facilities with the primary purpose of providing amusement or  
23 historical, cultural, or leisure activities and services to the  
24 public including without limitation short-term overnight  
25 accommodations, lodging, and campgrounds to travelers and  
26 visitors who reside outside the county in which the

1 redevelopment project area is located.

2 (Source: P.A. 94-260, eff. 7-19-05; 94-268, eff. 7-19-05;  
3 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff.  
4 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.  
5 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,  
6 eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07;  
7 94-1092, eff. 1-26-07; 95-15, eff. 7-16-07; 95-164, eff.  
8 1-1-08; 95-331, eff. 8-21-07; 95-346, eff. 8-21-07; 95-459,  
9 eff. 8-27-07; 95-653, eff. 1-1-08; 95-662, eff. 10-11-07;  
10 95-683, eff. 10-19-07; 95-709, eff. 1-29-08; 95-876, eff.  
11 8-21-08; 95-932, eff. 8-26-08; 95-934, eff. 8-26-08; 95-964,  
12 eff. 9-23-08; 95-977, eff. 9-22-08; 95-1028, eff. 1-1-10;  
13 revised 1-27-09.)

14 Section 95. No acceleration or delay. Where this Act makes  
15 changes in a statute that is represented in this Act by text  
16 that is not yet or no longer in effect (for example, a Section  
17 represented by multiple versions), the use of that text does  
18 not accelerate or delay the taking effect of (i) the changes  
19 made by this Act or (ii) provisions derived from any other  
20 Public Act.

21 Section 99. Effective date. This Act takes effect upon  
22 becoming law.