



Rep. Mike Fortner

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LRB098 17604 JLK 56029 a

1 AMENDMENT TO HOUSE BILL 5620

2 AMENDMENT NO. _____. Amend House Bill 5620 by replacing
3 everything after the enacting clause with the following:

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

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

16 On and after November 1, 1999, "blighted area" means any

1 improved or vacant area within the boundaries of a
2 redevelopment project area located within the territorial
3 limits of the municipality where:

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

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

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

23 (C) Deterioration. With respect to buildings,
24 defects including, but not limited to, major defects in
25 the secondary building components such as doors,
26 windows, porches, gutters and downspouts, and fascia.

1 With respect to surface improvements, that the
2 condition of roadways, alleys, curbs, gutters,
3 sidewalks, off-street parking, and surface storage
4 areas evidence deterioration, including, but not
5 limited to, surface cracking, crumbling, potholes,
6 depressions, loose paving material, and weeds
7 protruding through paved surfaces.

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

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

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

22 (G) Lack of ventilation, light, or sanitary
23 facilities. The absence of adequate ventilation for
24 light or air circulation in spaces or rooms without
25 windows, or that require the removal of dust, odor,
26 gas, smoke, or other noxious airborne materials.

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

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

19 (I) Excessive land coverage and overcrowding of
20 structures and community facilities. The
21 over-intensive use of property and the crowding of
22 buildings and accessory facilities onto a site.
23 Examples of problem conditions warranting the
24 designation of an area as one exhibiting excessive land
25 coverage are: (i) the presence of buildings either
26 improperly situated on parcels or located on parcels of

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

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

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

1 material impediment to the development or
2 redevelopment of the redevelopment project area.

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

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

1 year in which the redevelopment project area is
2 designated.

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

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

21 (B) Diversity of ownership of parcels of vacant
22 land sufficient in number to retard or impede the
23 ability to assemble the land for development.

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

1 (D) Deterioration of structures or site
2 improvements in neighboring areas adjacent to the
3 vacant land.

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

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

1 designated.

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

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

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

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

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

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

12 (F) The area qualified as a blighted improved area
13 immediately prior to becoming vacant, unless there has
14 been substantial private investment in the immediately
15 surrounding area.

16 (b) For any redevelopment project area that has been
17 designated pursuant to this Section by an ordinance adopted
18 prior to November 1, 1999 (the effective date of Public Act
19 91-478), "conservation area" shall have the meaning set forth
20 in this Section prior to that date.

21 On and after November 1, 1999, "conservation area" means
22 any improved area within the boundaries of a redevelopment
23 project area located within the territorial limits of the
24 municipality in which 50% or more of the structures in the area
25 have an age of 35 years or more. Such an area is not yet a
26 blighted area but because of a combination of 3 or more of the

1 following factors is detrimental to the public safety, health,
2 morals or welfare and such an area may become a blighted area:

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

10 (2) Obsolescence. The condition or process of falling
11 into disuse. Structures have become ill-suited for the
12 original use.

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

23 (4) Presence of structures below minimum code
24 standards. All structures that do not meet the standards of
25 zoning, subdivision, building, fire, and other
26 governmental codes applicable to property, but not

1 including housing and property maintenance codes.

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

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

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

23 (8) Inadequate utilities. Underground and overhead
24 utilities such as storm sewers and storm drainage, sanitary
25 sewers, water lines, and gas, telephone, and electrical
26 services that are shown to be inadequate. Inadequate

1 utilities are those that are: (i) of insufficient capacity
2 to serve the uses in the redevelopment project area, (ii)
3 deteriorated, antiquated, obsolete, or in disrepair, or
4 (iii) lacking within the redevelopment project area.

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

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

1 area.

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

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

25 (13) The total equalized assessed value of the proposed
26 redevelopment project area has declined for 3 of the last 5

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

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

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

1 industrial park and a blighted area or conservation area
2 contiguous to such vacant land.

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

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

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

1 during the calendar year 1985.

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

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

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

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

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

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

23 Municipalities that issued bonds in connection with a
24 redevelopment project in a redevelopment project area within
25 the State Sales Tax Boundary prior to July 29, 1991, or that
26 entered into contracts in connection with a redevelopment

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

23 (j) "State Utility Tax Increment Amount" means an amount
24 equal to the aggregate increase in State electric and gas tax
25 charges imposed on owners and tenants, other than residential
26 customers, of properties located within the redevelopment

1 project area under Section 9-222 of the Public Utilities Act,
2 over and above the aggregate of such charges as certified by
3 the Department of Revenue and paid by owners and tenants, other
4 than residential customers, of properties within the
5 redevelopment project area during the base year, which shall be
6 the calendar year immediately prior to the year of the adoption
7 of the ordinance authorizing tax increment allocation
8 financing.

9 (k) "Net State Utility Tax Increment" means the sum of the
10 following: (a) 80% of the first \$100,000 of State Utility Tax
11 Increment annually generated by a redevelopment project area;
12 (b) 60% of the amount in excess of \$100,000 but not exceeding
13 \$500,000 of the State Utility Tax Increment annually generated
14 by a redevelopment project area; and (c) 40% of all amounts in
15 excess of \$500,000 of State Utility Tax Increment annually
16 generated by a redevelopment project area. For the State Fiscal
17 Year 1999, and every year thereafter until the year 2007, for
18 any municipality that has not entered into a contract or has
19 not issued bonds prior to June 1, 1988 to finance redevelopment
20 project costs within a redevelopment project area, the Net
21 State Utility Tax Increment shall be calculated as follows: By
22 multiplying the Net State Utility Tax Increment by 90% in the
23 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%
24 in the State Fiscal Year 2001; 60% in the State Fiscal Year
25 2002; 50% in the State Fiscal Year 2003; 40% in the State
26 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the

1 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.
2 No payment shall be made for the State Fiscal Year 2008 and
3 thereafter.

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

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

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

1 property and adopted tax increment allocation financing and
2 which would result from levies made after the time of the
3 adoption of tax increment allocation financing to the time the
4 current equalized value of real property in the redevelopment
5 project area exceeds the total initial equalized value of real
6 property in said area.

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

1 (A) an itemized list of estimated redevelopment
2 project costs;

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

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

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

12 (E) the nature and term of the obligations to be
13 issued;

14 (F) the most recent equalized assessed valuation of the
15 redevelopment project area;

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

19 (H) a commitment to fair employment practices and an
20 affirmative action plan;

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

1 operation of the facilities to be developed; and

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

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

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

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

1 that have been approved by the planning commission of the
2 municipality.

3 (3) The redevelopment plan establishes the estimated
4 dates of completion of the redevelopment project and
5 retirement of obligations issued to finance redevelopment
6 project costs. Those dates may not be later than the dates
7 set forth under Section 11-74.4-3.5.

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

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

23 (4) If any incremental revenues are being utilized
24 under Section 8(a)(1) or 8(a)(2) of this Act in
25 redevelopment project areas approved by ordinance after
26 January 1, 1986, the municipality finds: (a) that the

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

6 (4.1) Costs of and associated with transit-oriented
7 developments.

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

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

1 Section 11-74.4-5 is passed, and (iv) data as to the racial
2 and ethnic composition of the residents in the inhabited
3 residential units. The data requirement as to the racial
4 and ethnic composition of the residents in the inhabited
5 residential units shall be deemed to be fully satisfied by
6 data from the most recent federal census.

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

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

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

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

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

25 (9) For redevelopment project areas designated prior
26 to November 1, 1999, the redevelopment plan may be amended

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

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

25 (p) "Redevelopment project area" means an area designated
26 by the municipality, which is not less in the aggregate than 1

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

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

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

24 (1) Costs of studies, surveys, development of plans,
25 and specifications, implementation and administration of
26 the redevelopment plan including but not limited to staff

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

26 (1.5) After July 1, 1999, annual administrative costs

1 shall not include general overhead or administrative costs
2 of the municipality that would still have been incurred by
3 the municipality if the municipality had not designated a
4 redevelopment project area or approved a redevelopment
5 plan;

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

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

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

1 certification;

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

24 (5) Costs of job training and retraining projects,
25 including the cost of "welfare to work" programs
26 implemented by businesses located within the redevelopment

1 project area;

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

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

16 (7.5) For redevelopment project areas designated (or
17 redevelopment project areas amended to add or increase the
18 number of tax-increment-financing assisted housing units)
19 on or after November 1, 1999, an elementary, secondary, or
20 unit school district's increased costs attributable to
21 assisted housing units located within the redevelopment
22 project area for which the developer or redeveloper
23 receives financial assistance through an agreement with
24 the municipality or because the municipality incurs the
25 cost of necessary infrastructure improvements within the
26 boundaries of the assisted housing sites necessary for the

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

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

24 (i) for unit school districts with a district
25 average 1995-96 Per Capita Tuition Charge of less
26 than \$5,900, no more than 25% of the total amount

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

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

10 (iii) for secondary school districts with a
11 district average 1995-96 Per Capita Tuition Charge
12 of less than \$5,900, no more than 8% 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.

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

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

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

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

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

26 (C) For any school district in a municipality with

1 a population in excess of 1,000,000, the following
2 restrictions shall apply to the reimbursement of
3 increased costs under this paragraph (7.5):

4 (i) no increased costs shall be reimbursed
5 unless the school district certifies that each of
6 the schools affected by the assisted housing
7 project is at or over its student capacity;

8 (ii) the amount reimbursable shall be reduced
9 by the value of any land donated to the school
10 district by the municipality or developer, and by
11 the value of any physical improvements made to the
12 schools by the municipality or developer; and

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

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

1 right to all or a portion of the reimbursement
2 otherwise required by this paragraph (7.5). By
3 acceptance of this reimbursement the school district
4 waives the right to directly or indirectly set aside,
5 modify, or contest in any manner the establishment of
6 the redevelopment project area or projects;

7 (7.7) For redevelopment project areas designated (or
8 redevelopment project areas amended to add or increase the
9 number of tax-increment-financing assisted housing units)
10 on or after January 1, 2005 (the effective date of Public
11 Act 93-961), a public library district's increased costs
12 attributable to assisted housing units located within the
13 redevelopment project area for which the developer or
14 redeveloper receives financial assistance through an
15 agreement with the municipality or because the
16 municipality incurs the cost of necessary infrastructure
17 improvements within the boundaries of the assisted housing
18 sites necessary for the completion of that housing as
19 authorized by this Act shall be paid to the library
20 district by the municipality from the Special Tax
21 Allocation Fund when the tax increment revenue is received
22 as a result of the assisted housing units. This paragraph
23 (7.7) applies only if (i) the library district is located
24 in a county that is subject to the Property Tax Extension
25 Limitation Law or (ii) the library district is not located
26 in a county that is subject to the Property Tax Extension

1 Limitation Law but the district is prohibited by any other
2 law from increasing its tax levy rate without a prior voter
3 referendum.

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

26 A library district is not eligible for any payment

1 under this paragraph (7.7) unless the library district has
2 experienced an increase in the number of patrons from the
3 municipality that created the tax-increment-financing
4 district since the designation of the redevelopment
5 project area.

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

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

26 (9) Payment in lieu of taxes;

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

25 (11) Interest cost incurred by a redeveloper related to
26 the construction, renovation or rehabilitation of a

1 redevelopment project provided that:

2 (A) such costs are to be paid directly from the
3 special tax allocation fund established pursuant to
4 this Act;

5 (B) such payments in any one year may not exceed
6 30% of the annual interest costs incurred by the
7 redeveloper with regard to the redevelopment project
8 during that year;

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

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

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

1 for 30% in subparagraphs (B) and (D) of paragraph (11).

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

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

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

1 retirement of bonds issued to finance the units or for
2 the life of the redevelopment project area, whichever
3 is later.

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

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

23 (13) After November 1, 1999 (the effective date of
24 Public Act 91-478), none of the redevelopment project costs
25 enumerated in this subsection shall be eligible
26 redevelopment project costs if those costs would provide

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

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

1 to a place or structure for which demolition, removal, or
2 modification is subject to review by the preservation
3 agency of a Certified Local Government designated as such
4 by the National Park Service of the United States
5 Department of the Interior.

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

13 (q-1) For redevelopment project areas created pursuant to
14 subsection (p-1), redevelopment project costs are limited to
15 those costs in paragraph (q) that are related to the existing
16 or proposed Regional Transportation Authority Suburban Transit
17 Access Route (STAR Line) station.

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

25 (s) "State Sales Tax Increment" means an amount equal to
26 the increase in the aggregate amount of taxes paid by retailers

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

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

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

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

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

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

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

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

1 (x) "LEED certified" means any certification level of
2 construction elements by a qualified Leadership in Energy and
3 Environmental Design Accredited Professional as determined by
4 the U.S. Green Building Council.

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

8 (z) "Transit-oriented development" means a compact area of
9 development of not more than 250 acres, located within a
10 one-half mile radius of an existing or proposed rail or motor
11 bus station, or an inter-modal or multi-modal passenger
12 facility, that is part of a "public mass transportation system"
13 (as defined in the Local Mass Transit District Act) with
14 significant or potentially significant bus or rail passenger
15 volume, and characterized, whether the area is improved or
16 vacant, by at least 2 of the following 3 factors being present
17 to a meaningful extent and reasonably distributed throughout
18 the project area so that a municipality may reasonably find,
19 based upon a documented condition analysis, that the factors
20 are clearly present within the intent of the Act:

21 (1) Inadequate utilities or transportation or parking
22 infrastructures. At grade, underground, or overhead
23 utilities such as storm sewers, storm drainage, sanitary
24 sewers, water lines, gas lines, telephone or electrical
25 services, or transportation or parking infrastructures
26 such as roadways, streets, alleys, sidewalks, signals,

1 signage, parking facilities, or bicycle facilities that
2 are shown to be inadequate for commercial and residential
3 development within the transit-oriented development area
4 that supports the existing or proposed mass transit
5 facility because those utilities or transportation or
6 parking infrastructures are:

7 (A) of insufficient capacity to serve the uses in
8 the redevelopment project area such that major
9 improvements are required;

10 (B) deteriorated, antiquated, obsolete, or in such
11 disrepair that major repair is required; or

12 (C) lacking within the redevelopment project area.

13 (2) Deleterious land use or layout. Deleterious land
14 use or layout as a result of the existence of incompatible
15 land-use relationships, buildings occupied by
16 inappropriate mixed-uses, or uses considered to be
17 noxious, offensive, or unsuitable for the surrounding
18 area.

19 (3) Lack of transit-oriented development planning.
20 Inadequate transit-oriented development planning because
21 the proposed redevelopment project area was developed
22 prior to or without the benefit or guidance of an adequate
23 transit-oriented development plan, and which redevelopment
24 project area is now being designed to support transit
25 operations by encouraging new or increased transit
26 ridership through:

1 (A) the provision of public improvements necessary
2 to provide or improve access to an existing or proposed
3 mass transit facility, including, but not limited to,
4 roadways, streets, alleys, sidewalks, signals,
5 signage, parking facilities, bicycle facilities, and
6 necessary utilities; and

7 (B) the construction of a mix of development
8 products, including, but not limited to, commercial,
9 retail, office, and housing at a greater density than
10 would normally occur in the redevelopment project area
11 absent the presence of a mass transit facility and
12 transit-oriented development planning.

13 (Source: P.A. 96-328, eff. 8-11-09; 96-630, eff. 1-1-10;
14 96-680, eff. 8-25-09; 96-1000, eff. 7-2-10; 97-101, eff.
15 1-1-12.)

16 Section 99. Effective date. This Act takes effect upon
17 becoming law."