



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB4560

Introduced 1/27/2016, by Rep. Barbara Flynn Currie

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-3	from Ch. 24, par. 11-74.4-3
65 ILCS 5/11-74.4-5	from Ch. 24, par. 11-74.4-5
65 ILCS 5/11-74.4-7	from Ch. 24, par. 11-74.4-7
105 ILCS 5/34-21.9 new	

Amends the Illinois Municipal Code. Provides that municipalities which contain a financially distressed school district with a population in its district of greater than 1,000,000 must annually calculate and distribute their distressed surplus funds. Further provides that municipalities with a financially distressed school district shall also submit to the State Comptroller and taxing districts in a tax increment financing redevelopment project area calculation of reporting year a calculation of contractual obligations and distressed surplus funds. Defines terms. Amends the School Code. Provides that a financially distressed school district must notify the municipalities within the school district's boundaries of its status as a financially distressed school district. Effective immediately.

LRB099 19500 AWJ 43893 b

1 AN ACT concerning local government.

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

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

7 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

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 (b-1) "Distressed Surplus Funds" means moneys in the  
4 Special Tax Allocation Fund not required, pledged, earmarked,  
5 or otherwise designated for payment and securing of TIF  
6 Contractual Obligations.

7 (b-2) "Financially distressed school district" means a  
8 public school district, which has a population greater than  
9 1,000,000 in its district, experiencing one or more of the  
10 following:

11 (1) A bond rating below investment grade assigned to  
12 one of the most recent 5 bond issues.

13 (2) A credit review by a major rating agency which  
14 indicates that a future bond issues would be rated below  
15 investment grade.

16 (3) Total operating expenses exceeding total operating  
17 revenues by 5% or more in the school district's General  
18 Operating Fund in its most recently completed fiscal year,  
19 as reported in the most recent Comprehensive Annual  
20 Financial Report under Section 19.5 of the State  
21 Comptroller Act.

22 (4) A funded ratio for its teacher's pension fund of  
23 75% or less as reported in the school district's most  
24 recent actuarial valuation report.

25 (c) "Industrial park" means an area in a blighted or  
26 conservation area suitable for use by any manufacturing,

1 industrial, research or transportation enterprise, of  
2 facilities to include but not be limited to factories, mills,  
3 processing plants, assembly plants, packing plants,  
4 fabricating plants, industrial distribution centers,  
5 warehouses, repair overhaul or service facilities, freight  
6 terminals, research facilities, test facilities or railroad  
7 facilities.

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

19 (e) "Labor surplus municipality" means a municipality in  
20 which, at any time during the 6 months before the municipality  
21 by ordinance designates an industrial park conservation area,  
22 the unemployment rate was over 6% and was also 100% or more of  
23 the national average unemployment rate for that same time as  
24 published in the United States Department of Labor Bureau of  
25 Labor Statistics publication entitled "The Employment  
26 Situation" or its successor publication. For the purpose of

1 this subsection, if unemployment rate statistics for the  
2 municipality are not available, the unemployment rate in the  
3 municipality shall be deemed to be the same as the unemployment  
4 rate in the principal county in which the municipality is  
5 located.

6 (f) "Municipality" means ~~shall mean~~ a city, village,  
7 incorporated town, or a township that is located in the  
8 unincorporated portion of a county with 3 million or more  
9 inhabitants, if the county adopted an ordinance that approved  
10 the township's redevelopment plan.

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

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

25 (h) "Municipal Sales Tax Increment" means an amount equal  
26 to the increase in the aggregate amount of taxes paid to a

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

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

1 certified Initial Sales Tax Amounts, the Adjusted Initial Sales  
2 Tax Amounts or the Revised Initial Sales Tax Amounts, as the  
3 case may be.

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

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

13 Municipalities that issued bonds in connection with a  
14 redevelopment project in a redevelopment project area within  
15 the State Sales Tax Boundary prior to July 29, 1991, or that  
16 entered into contracts in connection with a redevelopment  
17 project in a redevelopment project area before June 1, 1988,  
18 shall continue to receive their proportional share of the  
19 Illinois Tax Increment Fund distribution until the date on  
20 which the redevelopment project is completed or terminated. If,  
21 however, a municipality that issued bonds in connection with a  
22 redevelopment project in a redevelopment project area within  
23 the State Sales Tax Boundary prior to July 29, 1991 retires the  
24 bonds prior to June 30, 2007 or a municipality that entered  
25 into contracts in connection with a redevelopment project in a  
26 redevelopment project area before June 1, 1988 completes the

1 contracts prior to June 30, 2007, then so long as the  
2 redevelopment project is not completed or is not terminated,  
3 the Net State Sales Tax Increment shall be calculated,  
4 beginning on the date on which the bonds are retired or the  
5 contracts are completed, as follows: By multiplying the Net  
6 State Sales Tax Increment by 60% in the State Fiscal Year 2002;  
7 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year  
8 2004; 30% in the State Fiscal Year 2005; 20% in the State  
9 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No  
10 payment shall be made for State Fiscal Year 2008 and  
11 thereafter. Refunding of any bonds issued prior to July 29,  
12 1991, shall not alter the Net State Sales Tax Increment.

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

25 (k) "Net State Utility Tax Increment" means the sum of the  
26 following: (a) 80% of the first \$100,000 of State Utility Tax

1 Increment annually generated by a redevelopment project area;  
2 (b) 60% of the amount in excess of \$100,000 but not exceeding  
3 \$500,000 of the State Utility Tax Increment annually generated  
4 by a redevelopment project area; and (c) 40% of all amounts in  
5 excess of \$500,000 of State Utility Tax Increment annually  
6 generated by a redevelopment project area. For the State Fiscal  
7 Year 1999, and every year thereafter until the year 2007, for  
8 any municipality that has not entered into a contract or has  
9 not issued bonds prior to June 1, 1988 to finance redevelopment  
10 project costs within a redevelopment project area, the Net  
11 State Utility Tax Increment shall be calculated as follows: By  
12 multiplying the Net State Utility Tax Increment by 90% in the  
13 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%  
14 in the State Fiscal Year 2001; 60% in the State Fiscal Year  
15 2002; 50% in the State Fiscal Year 2003; 40% in the State  
16 Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the  
17 State Fiscal Year 2006; and 10% in the State Fiscal Year 2007.  
18 No payment shall be made for the State Fiscal Year 2008 and  
19 thereafter.

20 Municipalities that issue bonds in connection with the  
21 redevelopment project during the period from June 1, 1988 until  
22 3 years after the effective date of this Amendatory Act of 1988  
23 shall receive the Net State Utility Tax Increment, subject to  
24 appropriation, for 15 State Fiscal Years after the issuance of  
25 such bonds. For the 16th through the 20th State Fiscal Years  
26 after issuance of the bonds, the Net State Utility Tax

1 Increment shall be calculated as follows: By multiplying the  
2 Net State Utility Tax Increment by 90% in year 16; 80% in year  
3 17; 70% in year 18; 60% in year 19; and 50% in year 20.  
4 Refunding of any bonds issued prior to June 1, 1988, shall not  
5 alter the revised Net State Utility Tax Increment payments set  
6 forth above.

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

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

23 (n) "Redevelopment plan" means the comprehensive program  
24 of the municipality for development or redevelopment intended  
25 by the payment of redevelopment project costs to reduce or  
26 eliminate those conditions the existence of which qualified the

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

17 (A) an itemized list of estimated redevelopment  
18 project costs;

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

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

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

2 (E) the nature and term of the obligations to be  
3 issued;

4 (F) the most recent equalized assessed valuation of the  
5 redevelopment project area;

6 (G) an estimate as to the equalized assessed valuation  
7 after redevelopment and the general land uses to apply in  
8 the redevelopment project area;

9 (H) a commitment to fair employment practices and an  
10 affirmative action plan;

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

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

21 The provisions of items (B) and (C) of this subsection (n)  
22 shall not apply to a municipality that before March 14, 1994  
23 (the effective date of Public Act 88-537) had fixed, either by  
24 its corporate authorities or by a commission designated under  
25 subsection (k) of Section 11-74.4-4, a time and place for a  
26 public hearing as required by subsection (a) of Section

1 11-74.4-5. No redevelopment plan shall be adopted unless a  
2 municipality complies with all of the following requirements:

3 (1) The municipality finds that the redevelopment  
4 project area on the whole has not been subject to growth  
5 and development through investment by private enterprise  
6 and would not reasonably be anticipated to be developed  
7 without the adoption of the redevelopment plan.

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

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

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

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

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

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

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

1 the redevelopment plan would result in the displacement of  
2 residents from 10 or more inhabited residential units, or  
3 if the redevelopment project area contains 75 or more  
4 inhabited residential units and no certification is made,  
5 then the municipality shall prepare, as part of the  
6 separate feasibility report required by subsection (a) of  
7 Section 11-74.4-5, a housing impact study.

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

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

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

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

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

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

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

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

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

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

20           (p-1) Notwithstanding any provision of this Act to the  
21 contrary, on and after August 25, 2009 (the effective date of  
22 Public Act 96-680), a redevelopment project area may include  
23 areas within a one-half mile radius of an existing or proposed  
24 Regional Transportation Authority Suburban Transit Access  
25 Route (STAR Line) station without a finding that the area is  
26 classified as an industrial park conservation area, a blighted

1 area, a conservation area, or a combination thereof, but only  
2 if the municipality receives unanimous consent from the joint  
3 review board created to review the proposed redevelopment  
4 project area.

5 (q) "Redevelopment project costs", except for  
6 redevelopment project areas created pursuant to subsection  
7 (p-1), means and includes the sum total of all reasonable or  
8 necessary costs incurred or estimated to be incurred, and any  
9 such costs incidental to a redevelopment plan and a  
10 redevelopment project. Such costs include, without limitation,  
11 the following:

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

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

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

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

23 (2) Property assembly costs, including but not limited  
24 to acquisition of land and other property, real or  
25 personal, or rights or interests therein, demolition of  
26 buildings, site preparation, site improvements that serve

1 as an engineered barrier addressing ground level or below  
2 ground environmental contamination, including, but not  
3 limited to parking lots and other concrete or asphalt  
4 barriers, and the clearing and grading of land;

5 (3) Costs of rehabilitation, reconstruction or repair  
6 or remodeling of existing public or private buildings,  
7 fixtures, and leasehold improvements; and the cost of  
8 replacing an existing public building if pursuant to the  
9 implementation of a redevelopment project the existing  
10 public building is to be demolished to use the site for  
11 private investment or devoted to a different use requiring  
12 private investment; including any direct or indirect costs  
13 relating to Green Globes or LEED certified construction  
14 elements or construction elements with an equivalent  
15 certification;

16 (4) Costs of the construction of public works or  
17 improvements, including any direct or indirect costs  
18 relating to Green Globes or LEED certified construction  
19 elements or construction elements with an equivalent  
20 certification, except that on and after November 1, 1999,  
21 redevelopment project costs shall not include the cost of  
22 constructing a new municipal public building principally  
23 used to provide offices, storage space, or conference  
24 facilities or vehicle storage, maintenance, or repair for  
25 administrative, public safety, or public works personnel  
26 and that is not intended to replace an existing public

1 building as provided under paragraph (3) of subsection (q)  
2 of Section 11-74.4-3 unless either (i) the construction of  
3 the new municipal building implements a redevelopment  
4 project that was included in a redevelopment plan that was  
5 adopted by the municipality prior to November 1, 1999 or  
6 (ii) the municipality makes a reasonable determination in  
7 the redevelopment plan, supported by information that  
8 provides the basis for that determination, that the new  
9 municipal building is required to meet an increase in the  
10 need for public safety purposes anticipated to result from  
11 the implementation of the redevelopment plan;

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

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

24 (7) To the extent the municipality by written agreement  
25 accepts and approves the same, all or a portion of a taxing  
26 district's capital costs resulting from the redevelopment

1 project necessarily incurred or to be incurred within a  
2 taxing district in furtherance of the objectives of the  
3 redevelopment plan and project.

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

20 (A) for foundation districts, excluding any school  
21 district in a municipality with a population in excess  
22 of 1,000,000, by multiplying the district's increase  
23 in attendance resulting from the net increase in new  
24 students enrolled in that school district who reside in  
25 housing units within the redevelopment project area  
26 that have received financial assistance through an

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

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

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

24 (iii) for secondary school districts with a  
25 district average 1995-96 Per Capita Tuition Charge  
26 of less than \$5,900, no more than 8% of the total

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

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

25 (i) for unit school districts, no more than 40%  
26 of the total amount of property tax increment

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

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

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

14 (C) For any school district in a municipality with  
15 a population in excess of 1,000,000, the following  
16 restrictions shall apply to the reimbursement of  
17 increased costs under this paragraph (7.5):

18 (i) no increased costs shall be reimbursed  
19 unless the school district certifies that each of  
20 the schools affected by the assisted housing  
21 project is at or over its student capacity;

22 (ii) the amount reimbursable shall be reduced  
23 by the value of any land donated to the school  
24 district by the municipality or developer, and by  
25 the value of any physical improvements made to the  
26 schools by the municipality or developer; and

1                   (iii) the amount reimbursed may not affect  
2                   amounts otherwise obligated by the terms of any  
3                   bonds, notes, or other funding instruments, or the  
4                   terms of any redevelopment agreement.

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

21                  (7.7) For redevelopment project areas designated (or  
22                  redevelopment project areas amended to add or increase the  
23                  number of tax-increment-financing assisted housing units)  
24                  on or after January 1, 2005 (the effective date of Public  
25                  Act 93-961), a public library district's increased costs  
26                  attributable to assisted housing units located within the

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

18 The amount paid to a library district under this  
19 paragraph (7.7) shall be calculated by multiplying (i) the  
20 net increase in the number of persons eligible to obtain a  
21 library card in that district who reside in housing units  
22 within the redevelopment project area that have received  
23 financial assistance through an agreement with the  
24 municipality or because the municipality incurs the cost of  
25 necessary infrastructure improvements within the  
26 boundaries of the housing sites necessary for the

1 completion of that housing as authorized by this Act since  
2 the designation of the redevelopment project area by (ii)  
3 the per-patron cost of providing library services so long  
4 as it does not exceed \$120. The per-patron cost shall be  
5 the Total Operating Expenditures Per Capita for the library  
6 in the previous fiscal year. The municipality may deduct  
7 from the amount that it must pay to a library district  
8 under this paragraph any amount that it has voluntarily  
9 paid to the library district from the tax increment  
10 revenue. The amount paid to a library district under this  
11 paragraph (7.7) shall be no more than 2% of the amount  
12 produced by the assisted housing units and deposited into  
13 the Special Tax Allocation Fund.

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

20 Any library district seeking payment under this  
21 paragraph (7.7) shall, after July 1 and before September 30  
22 of each year, provide the municipality with convincing  
23 evidence to support its claim for reimbursement before the  
24 municipality shall be required to approve or make the  
25 payment to the library district. If the library district  
26 fails to provide the information during this period in any

1 year, it shall forfeit any claim to reimbursement for that  
2 year. Library districts may adopt a resolution waiving the  
3 right to all or a portion of the reimbursement otherwise  
4 required by this paragraph (7.7). By acceptance of such  
5 reimbursement, the library district shall forfeit any  
6 right to directly or indirectly set aside, modify, or  
7 contest in any manner whatsoever the establishment of the  
8 redevelopment project area or projects;

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

14 (9) Payment in lieu of taxes;

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

1 taxing district or taxing districts, which agreement  
2 describes the program to be undertaken, including but not  
3 limited to the number of employees to be trained, a  
4 description of the training and services to be provided,  
5 the number and type of positions available or to be  
6 available, itemized costs of the program and sources of  
7 funds to pay for the same, and the term of the agreement.  
8 Such costs include, specifically, the payment by community  
9 college districts of costs pursuant to Sections 3-37, 3-38,  
10 3-40 and 3-40.1 of the Public Community College Act and by  
11 school districts of costs pursuant to Sections 10-22.20a  
12 and 10-23.3a of The School Code;

13 (11) Interest cost incurred by a redeveloper related to  
14 the construction, renovation or rehabilitation of a  
15 redevelopment project provided that:

16 (A) such costs are to be paid directly from the  
17 special tax allocation fund established pursuant to  
18 this Act;

19 (B) such payments in any one year may not exceed  
20 30% of the annual interest costs incurred by the  
21 redeveloper with regard to the redevelopment project  
22 during that year;

23 (C) if there are not sufficient funds available in  
24 the special tax allocation fund to make the payment  
25 pursuant to this paragraph (11) then the amounts so due  
26 shall accrue and be payable when sufficient funds are

1 available in the special tax allocation fund;

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

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

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

1 Act or other constitutional or statutory authority or  
2 from other sources of municipal revenue that may be  
3 reimbursed from tax increment revenues or the proceeds  
4 of bonds issued to finance the construction of that  
5 housing.

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

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

18 (11.5) If the redevelopment project area is located  
19 within a municipality with a population of more than  
20 100,000, the cost of day care services for children of  
21 employees from low-income families working for businesses  
22 located within the redevelopment project area and all or a  
23 portion of the cost of operation of day care centers  
24 established by redevelopment project area businesses to  
25 serve employees from low-income families working in  
26 businesses located in the redevelopment project area. For

1 the purposes of this paragraph, "low-income families"  
2 means families whose annual income does not exceed 80% of  
3 the municipal, county, or regional median income, adjusted  
4 for family size, as the annual income and municipal,  
5 county, or regional median income are determined from time  
6 to time by the United States Department of Housing and  
7 Urban Development.

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

11 (13) After November 1, 1999 (the effective date of  
12 Public Act 91-478), none of the redevelopment project costs  
13 enumerated in this subsection shall be eligible  
14 redevelopment project costs if those costs would provide  
15 direct financial support to a retail entity initiating  
16 operations in the redevelopment project area while  
17 terminating operations at another Illinois location within  
18 10 miles of the redevelopment project area but outside the  
19 boundaries of the redevelopment project area municipality.  
20 For purposes of this paragraph, termination means a closing  
21 of a retail operation that is directly related to the  
22 opening of the same operation or like retail entity owned  
23 or operated by more than 50% of the original ownership in a  
24 redevelopment project area, but it does not mean closing an  
25 operation for reasons beyond the control of the retail  
26 entity, as documented by the retail entity, subject to a

1 reasonable finding by the municipality that the current  
2 location contained inadequate space, had become  
3 economically obsolete, or was no longer a viable location  
4 for the retailer or serviceman.

5 (14) No cost shall be a redevelopment project cost in a  
6 redevelopment project area if used to demolish, remove, or  
7 substantially modify a historic resource, after August 26,  
8 2008 (the effective date of Public Act 95-934), unless no  
9 prudent and feasible alternative exists. "Historic  
10 resource" for the purpose of this item (14) means (i) a  
11 place or structure that is included or eligible for  
12 inclusion on the National Register of Historic Places or  
13 (ii) a contributing structure in a district on the National  
14 Register of Historic Places. This item (14) does not apply  
15 to a place or structure for which demolition, removal, or  
16 modification is subject to review by the preservation  
17 agency of a Certified Local Government designated as such  
18 by the National Park Service of the United States  
19 Department of the Interior.

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

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

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

13           (s) "State Sales Tax Increment" means an amount equal to  
14 the increase in the aggregate amount of taxes paid by retailers  
15 and servicemen, other than retailers and servicemen subject to  
16 the Public Utilities Act, on transactions at places of business  
17 located within a State Sales Tax Boundary pursuant to the  
18 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use  
19 Tax Act, and the Service Occupation Tax Act, except such  
20 portion of such increase that is paid into the State and Local  
21 Sales Tax Reform Fund, the Local Government Distributive Fund,  
22 the Local Government Tax Fund and the County and Mass Transit  
23 District Fund, for as long as State participation exists, over  
24 and above the Initial Sales Tax Amounts, Adjusted Initial Sales  
25 Tax Amounts or the Revised Initial Sales Tax Amounts for such  
26 taxes as certified by the Department of Revenue and paid under

1 those Acts by retailers and servicemen on transactions at  
2 places of business located within the State Sales Tax Boundary  
3 during the base year which shall be the calendar year  
4 immediately prior to the year in which the municipality adopted  
5 tax increment allocation financing, less 3.0% of such amounts  
6 generated under the Retailers' Occupation Tax Act, Use Tax Act  
7 and Service Use Tax Act and the Service Occupation Tax Act,  
8 which sum shall be appropriated to the Department of Revenue to  
9 cover its costs of administering and enforcing this Section.  
10 For purposes of computing the aggregate amount of such taxes  
11 for base years occurring prior to 1985, the Department of  
12 Revenue shall compute the Initial Sales Tax Amount for such  
13 taxes and deduct therefrom an amount equal to 4% of the  
14 aggregate amount of taxes per year for each year the base year  
15 is prior to 1985, but not to exceed a total deduction of 12%.  
16 The amount so determined shall be known as the "Adjusted  
17 Initial Sales Tax Amount". For purposes of determining the  
18 State Sales Tax Increment the Department of Revenue shall for  
19 each period subtract from the tax amounts received from  
20 retailers and servicemen on transactions located in the State  
21 Sales Tax Boundary, the certified Initial Sales Tax Amounts,  
22 Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax  
23 Amounts for the Retailers' Occupation Tax Act, the Use Tax Act,  
24 the Service Use Tax Act and the Service Occupation Tax Act. For  
25 the State Fiscal Year 1989 this calculation shall be made by  
26 utilizing the calendar year 1987 to determine the tax amounts

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

23 (t) "Taxing districts" means counties, townships, cities  
24 and incorporated towns and villages, school, road, park,  
25 sanitary, mosquito abatement, forest preserve, public health,  
26 fire protection, river conservancy, tuberculosis sanitarium

1 and any other municipal corporations or districts with the  
2 power to levy taxes.

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

7 (u-5) "TIF Contractual Obligations" means bonds, loans,  
8 debentures, notes, special certificates, or other evidence of  
9 indebtedness issued by the municipality to carry out a  
10 redevelopment project or to refund outstanding obligations and  
11 payments associated with a redevelopment agreement or other  
12 binding contract which has been approved by the corporate  
13 authorities of the municipality. "TIF Contractual Obligations"  
14 do not include anticipated redevelopment project costs,  
15 multi-year capital plans, or other potential future payments  
16 not required to be made under to a legally binding written  
17 document approved by the corporate authorities of the  
18 municipality.

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 (Source: P.A. 96-328, eff. 8-11-09; 96-630, eff. 1-1-10;  
9 96-680, eff. 8-25-09; 96-1000, eff. 7-2-10; 97-101, eff.  
10 1-1-12.)

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

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

13 (a) The changes made by this amendatory Act of the 91st  
14 General Assembly do not apply to a municipality that, (i)  
15 before November 1, 1999 (the effective date of Public Act  
16 91-478) ~~this amendatory Act of the 91st General Assembly~~, has  
17 adopted an ordinance or resolution fixing a time and place for  
18 a public hearing under this Section or (ii) before July 1,  
19 1999, has adopted an ordinance or resolution providing for a  
20 feasibility study under Section 11-74.4-4.1, but has not yet  
21 adopted an ordinance approving redevelopment plans and  
22 redevelopment projects or designating redevelopment project  
23 areas under Section 11-74.4-4, until after that municipality  
24 adopts an ordinance approving redevelopment plans and  
25 redevelopment projects or designating redevelopment project

1 areas under Section 11-74.4-4; thereafter the changes made by  
2 Public Act 91-478 ~~this amendatory Act of the 91st General~~  
3 ~~Assembly~~ apply to the same extent that they apply to  
4 redevelopment plans and redevelopment projects that were  
5 approved and redevelopment projects that were designated  
6 before November 1, 1999 (the effective date of Public Act  
7 91-478) ~~this amendatory Act of the 91st General Assembly~~.

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

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

1 Assembly to residential addresses within 750 feet of the  
2 boundaries of a proposed redevelopment project area shall be  
3 deemed to have been sufficiently given in compliance with this  
4 Act if given only to residents outside the boundaries of the  
5 proposed redevelopment project area. The notice shall also be  
6 provided by the municipality, regardless of its population, to  
7 those organizations and residents that have registered with the  
8 municipality for that information in accordance with the  
9 registration guidelines established by the municipality under  
10 Section 11-74.4-4.2.

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

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

25 (b) Prior to holding a public hearing to approve or amend a  
26 redevelopment plan or to designate or add additional parcels of

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

14 For redevelopment project areas with redevelopment plans  
15 or proposed redevelopment plans that would result in the  
16 displacement of residents from 10 or more inhabited residential  
17 units or that include 75 or more inhabited residential units,  
18 the public member shall be a person who resides in the  
19 redevelopment project area. If, as determined by the housing  
20 impact study provided for in paragraph (5) of subsection (n) of  
21 Section 11-74.4-3, or if no housing impact study is required  
22 then based on other reasonable data, the majority of  
23 residential units are occupied by very low, low, or moderate  
24 income households, as defined in Section 3 of the Illinois  
25 Affordable Housing Act, the public member shall be a person who  
26 resides in very low, low, or moderate income housing within the

1 redevelopment project area. Municipalities with fewer than  
2 15,000 residents shall not be required to select a person who  
3 lives in very low, low, or moderate income housing within the  
4 redevelopment project area, provided that the redevelopment  
5 plan or project will not result in displacement of residents  
6 from 10 or more inhabited units, and the municipality so  
7 certifies in the plan. If no person satisfying these  
8 requirements is available or if no qualified person will serve  
9 as the public member, then the joint review board is relieved  
10 of this paragraph's selection requirements for the public  
11 member.

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

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

1 to be in compliance with the notice, meeting, and public  
2 hearing provisions of the Act. Such notice shall also advise  
3 the taxing bodies represented on the joint review board of the  
4 time and place of the first meeting of the board. Additional  
5 meetings of the board shall be held upon the call of any  
6 member. The municipality seeking designation of the  
7 redevelopment project area shall provide administrative  
8 support to the board.

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

25 The board shall base its recommendation to approve or  
26 disapprove the redevelopment plan and the designation of the

1 redevelopment project area or the amendment of the  
2 redevelopment plan or addition of parcels of property to the  
3 redevelopment project area on the basis of the redevelopment  
4 project area and redevelopment plan satisfying the plan  
5 requirements, the eligibility criteria defined in Section  
6 11-74.4-3, and the objectives of this Act.

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

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

22 Notwithstanding the resubmission set forth above, the  
23 municipality may commence the scheduled public hearing and  
24 either adjourn the public hearing or continue the public  
25 hearing until a date certain. Prior to continuing any public  
26 hearing to a date certain, the municipality shall announce

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

21 In the event that the municipality and the board are unable  
22 to resolve these differences, or in the event that the  
23 resubmitted plan or amendment is rejected by the board, the  
24 municipality may proceed with the plan or amendment, but only  
25 upon a three-fifths vote of the corporate authority responsible  
26 for approval of the plan or amendment, excluding positions of

1 members that are vacant and those members that are ineligible  
2 to vote because of conflicts of interest.

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

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

21 (d) After November 1, 1999 (the effective date of Public  
22 Act 91-478) ~~this amendatory Act of the 91st General Assembly~~, a  
23 municipality shall submit in an electronic format the following  
24 information for each redevelopment project area (i) to the  
25 State Comptroller under Section 8-8-3.5 of the Illinois  
26 Municipal Code, subject to any extensions or exemptions

1 provided at the Comptroller's discretion under that Section,  
2 and (ii) to all taxing districts overlapping the redevelopment  
3 project area no later than 180 days after the close of each  
4 municipal fiscal year or as soon thereafter as the audited  
5 financial statements become available and, in any case, shall  
6 be submitted before the annual meeting of the Joint Review  
7 Board to each of the taxing districts that overlap the  
8 redevelopment project area:

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

12 (1.5) A list of the redevelopment project areas  
13 administered by the municipality and, if applicable, the  
14 date each redevelopment project area was designated or  
15 terminated by the municipality.

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

19 (3) Certification of the Chief Executive Officer of the  
20 municipality that the municipality has complied with all of  
21 the requirements of this Act during the preceding fiscal  
22 year.

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

25 (5) An analysis of the special tax allocation fund  
26 which sets forth:

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

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

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

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

21 (6) A description of all property purchased by the  
22 municipality within the redevelopment project area  
23 including:

24 (A) Street address.

25 (B) Approximate size or description of property.

26 (C) Purchase price.

1 (D) Seller of property.

2 (7) A statement setting forth all activities  
3 undertaken in furtherance of the objectives of the  
4 redevelopment plan, including:

5 (A) Any project implemented in the preceding  
6 fiscal year.

7 (B) A description of the redevelopment activities  
8 undertaken.

9 (C) A description of any agreements entered into by  
10 the municipality with regard to the disposition or  
11 redevelopment of any property within the redevelopment  
12 project area or the area within the State Sales Tax  
13 Boundary.

14 (D) Additional information on the use of all funds  
15 received under this Division and steps taken by the  
16 municipality to achieve the objectives of the  
17 redevelopment plan.

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

24 (F) Any reports submitted to the municipality by  
25 the joint review board.

26 (G) A review of public and, to the extent possible,

1 private investment actually undertaken to date after  
2 November 1, 1999 (the effective date of Public Act  
3 91-478) ~~this amendatory Act of the 91st General~~  
4 ~~Assembly~~ and estimated to be undertaken during the  
5 following year. This review shall, on a  
6 project-by-project basis, set forth the estimated  
7 amounts of public and private investment incurred  
8 after the effective date of this amendatory Act of the  
9 91st General Assembly and provide the ratio of private  
10 investment to public investment to the date of the  
11 report and as estimated to the completion of the  
12 redevelopment project.

13 (H) For municipalities with a financially  
14 distressed school district, a calculation of reporting  
15 year TIF Contractual Obligations and distressed  
16 surplus funds.

17 (8) With regard to any obligations issued by the  
18 municipality:

19 (A) copies of any official statements; and

20 (B) an analysis prepared by financial advisor or  
21 underwriter setting forth: (i) nature and term of  
22 obligation; and (ii) projected debt service including  
23 required reserves and debt coverage.

24 (9) For special tax allocation funds that have  
25 experienced cumulative deposits of incremental tax  
26 revenues of \$100,000 or more, a certified audit report

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

24 (10) A list of all intergovernmental agreements in  
25 effect during the fiscal year to which the municipality is  
26 a party and an accounting of any moneys transferred or

1 received by the municipality during that fiscal year  
2 pursuant to those intergovernmental agreements.

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

9 (1) Any amendments to the redevelopment plan, the  
10 redevelopment project area, or the State Sales Tax  
11 Boundary; and

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

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

22 (f) (Blank).

23 (g) In the event that a municipality has held a public  
24 hearing under this Section prior to March 14, 1994 (the  
25 effective date of Public Act 88-537), the requirements imposed  
26 by Public Act 88-537 relating to the method of fixing the time

1 and place for public hearing, the materials and information  
2 required to be made available for public inspection, and the  
3 information required to be sent after adoption of an ordinance  
4 or resolution fixing a time and place for public hearing shall  
5 not be applicable.

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

15 (i) No later than 10 years after the corporate authorities  
16 of a municipality adopt an ordinance to establish a  
17 redevelopment project area, the municipality must compile a  
18 status report concerning the redevelopment project area. The  
19 status report must detail without limitation the following: (i)  
20 the amount of revenue generated within the redevelopment  
21 project area, (ii) any expenditures made by the municipality  
22 for the redevelopment project area including without  
23 limitation expenditures from the special tax allocation fund,  
24 (iii) the status of planned activities, goals, and objectives  
25 set forth in the redevelopment plan including details on new or  
26 planned construction within the redevelopment project area,

1 (iv) the amount of private and public investment within the  
2 redevelopment project area, and (v) any other relevant  
3 evaluation or performance data. Within 30 days after the  
4 municipality compiles the status report, the municipality must  
5 hold at least one public hearing concerning the report. The  
6 municipality must provide 20 days' public notice of the  
7 hearing.

8 (j) Beginning in fiscal year 2011 and in each fiscal year  
9 thereafter, a municipality must detail in its annual budget (i)  
10 the revenues generated from redevelopment project areas by  
11 source and (ii) the expenditures made by the municipality for  
12 redevelopment project areas.

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

14 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

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

1 allocation fund created pursuant to Section 11-74.4-8 to the  
2 payment of the redevelopment project costs and obligations. Any  
3 pledge of funds in the special tax allocation fund shall  
4 provide for distribution to the taxing districts and to the  
5 Illinois Department of Revenue of moneys not required, pledged,  
6 earmarked, or otherwise designated for payment and securing of  
7 the obligations and anticipated redevelopment project costs  
8 and such excess funds shall be calculated annually and deemed  
9 to be "surplus" funds. In the event a municipality only applies  
10 or pledges a portion of the funds in the special tax allocation  
11 fund for the payment or securing of anticipated redevelopment  
12 project costs or of obligations, any such funds remaining in  
13 the special tax allocation fund after complying with the  
14 requirements of the application or pledge, shall also be  
15 calculated annually and deemed "surplus" funds. However,  
16 municipalities whose boundaries contain all or a portion of a  
17 financially distressed school district must annually calculate  
18 their Distressed Surplus Funds. Within 180 days of the end of  
19 its fiscal year, the municipality will distribute all  
20 Distressed Surplus Funds to the financially distressed school  
21 district and this distribution is in place of any distribution  
22 of surplus funds to the taxing districts. Once the school  
23 district no longer qualifies as a financially distressed school  
24 district, the municipality will no longer calculate Distressed  
25 Surplus Funds and will calculate surplus funds as provided in  
26 this Section. All surplus funds in the special tax allocation

1 fund shall be distributed annually within 180 days after the  
2 close of the municipality's fiscal year by being paid by the  
3 municipal treasurer to the County Collector, to the Department  
4 of Revenue and to the municipality in direct proportion to the  
5 tax incremental revenue received as a result of an increase in  
6 the equalized assessed value of property in the redevelopment  
7 project area, tax incremental revenue received from the State  
8 and tax incremental revenue received from the municipality, but  
9 not to exceed as to each such source the total incremental  
10 revenue received from that source. The County Collector shall  
11 thereafter make distribution to the respective taxing  
12 districts in the same manner and proportion as the most recent  
13 distribution by the county collector to the affected districts  
14 of real property taxes from real property in the redevelopment  
15 project area.

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

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

16           In the event the municipality authorizes issuance of  
17 obligations pursuant to the authority of this Division secured  
18 by the full faith and credit of the municipality, which  
19 obligations are other than obligations which may be issued  
20 under home rule powers provided by Article VII, Section 6 of  
21 the Illinois Constitution, or pledges taxes pursuant to (b) or  
22 (c) of the second paragraph of this section, the ordinance  
23 authorizing the issuance of such obligations or pledging such  
24 taxes shall be published within 10 days after such ordinance  
25 has been passed in one or more newspapers, with general  
26 circulation within such municipality. The publication of the

1 ordinance shall be accompanied by a notice of (1) the specific  
2 number of voters required to sign a petition requesting the  
3 question of the issuance of such obligations or pledging taxes  
4 to be submitted to the electors; (2) the time in which such  
5 petition must be filed; and (3) the date of the prospective  
6 referendum. The municipal clerk shall provide a petition form  
7 to any individual requesting one.

8 If no petition is filed with the municipal clerk, as  
9 hereinafter provided in this Section, within 30 days after the  
10 publication of the ordinance, the ordinance shall be in effect.  
11 But, if within that 30 day period a petition is filed with the  
12 municipal clerk, signed by electors in the municipality  
13 numbering 10% or more of the number of registered voters in the  
14 municipality, asking that the question of issuing obligations  
15 using full faith and credit of the municipality as security for  
16 the cost of paying for redevelopment project costs, or of  
17 pledging taxes for the payment of such obligations, or both, be  
18 submitted to the electors of the municipality, the corporate  
19 authorities of the municipality shall call a special election  
20 in the manner provided by law to vote upon that question, or,  
21 if a general, State or municipal election is to be held within  
22 a period of not less than 30 or more than 90 days from the date  
23 such petition is filed, shall submit the question at the next  
24 general, State or municipal election. If it appears upon the  
25 canvass of the election by the corporate authorities that a  
26 majority of electors voting upon the question voted in favor

1       thereof, the ordinance shall be in effect, but if a majority of  
2       the electors voting upon the question are not in favor thereof,  
3       the ordinance shall not take effect.

4             The ordinance authorizing the obligations may provide that  
5       the obligations shall contain a recital that they are issued  
6       pursuant to this Division, which recital shall be conclusive  
7       evidence of their validity and of the regularity of their  
8       issuance.

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

21             A certified copy of such ordinance shall be filed with the  
22       county clerk of each county in which any portion of the  
23       municipality is situated, and shall constitute the authority  
24       for the extension and collection of the taxes to be deposited  
25       in the special tax allocation fund.

26             A municipality may also issue its obligations to refund in

1 whole or in part, obligations theretofore issued by such  
2 municipality under the authority of this Act, whether at or  
3 prior to maturity, provided however, that the last maturity of  
4 the refunding obligations may not be later than the dates set  
5 forth under Section 11-74.4-3.5.

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

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

18 (Source: P.A. 95-15, eff. 7-16-07; 95-164, eff. 1-1-08; 95-331,  
19 eff. 8-21-07; 95-346, eff. 8-21-07; 95-459, eff. 8-27-07;  
20 95-653, eff. 1-1-08; 95-662, eff. 10-11-07; 95-683, eff.  
21 10-19-07; 95-709, eff. 1-29-08; 95-876, eff. 8-21-08; 95-932,  
22 eff. 8-26-08; 95-964, eff. 9-23-08; 95-977, eff. 9-22-08;  
23 95-1028, eff. 8-25-09 (see Section 5 of P.A. 96-717 for the  
24 effective date of changes made by P.A. 95-1028); 96-328, eff.  
25 8-11-09; 96-1000, eff. 7-2-10.)

1 Section 10. The School Code is amended by adding Section  
2 34-21.9 as follows:

3 (105 ILCS 5/34-21.9 new)

4 Sec. 34-21.9. Finally distressed school districts. Within  
5 30 days after becoming a financially distressed school  
6 district, the Board or designee of the Board must notify, in  
7 writing, all municipalities within the school district's  
8 boundaries of its status as a financially distressed school  
9 district. Within 30 days after a school district no longer  
10 meets the definition of a financially distressed school  
11 district, it must notify, in writing, all municipalities within  
12 the school district's boundaries of its change in status. As  
13 used in this Section, "financially distressed school district"  
14 has the meaning as defined under subsection (b-2) of Section  
15 11-74.4-3 of the Illinois Municipal Code.

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