



## 100TH GENERAL ASSEMBLY

### State of Illinois

### 2017 and 2018

### SB3130

Introduced 2/15/2018, by Sen. Omar Aquino

#### SYNOPSIS AS INTRODUCED:

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

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

LRB100 18160 AWJ 33356 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning local government.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

1 ability to assemble the land for development.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

1 development or redevelopment of the redevelopment project  
2 area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 redevelopment project area;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 by the consultant or advisor;

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 Any school district seeking payment under this

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

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

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

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

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

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

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

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

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

9 (9) Payment in lieu of taxes;

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



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

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

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

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

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

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

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

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

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

1 housing.

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

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

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

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

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

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

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

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

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

22 If a special service area has been established pursuant to  
23 the Special Service Area Tax Act or Special Service Area Tax  
24 Law, then any tax increment revenues derived from the tax  
25 imposed pursuant to the Special Service Area Tax Act or Special  
26 Service Area Tax Law may be used within the redevelopment

1 project area for the purposes permitted by that Act or Law as  
2 well as the purposes permitted by this Act.

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

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

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

21 (s) "State Sales Tax Increment" means an amount equal to  
22 the increase in the aggregate amount of taxes paid by retailers  
23 and servicemen, other than retailers and servicemen subject to  
24 the Public Utilities Act, on transactions at places of business  
25 located within a State Sales Tax Boundary pursuant to the  
26 Retailers' Occupation Tax Act, the Use Tax Act, the Service Use

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



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

1 Initial Sales Tax Amounts. Municipalities intending to receive  
2 a distribution of State Sales Tax Increment must report a list  
3 of retailers to the Department of Revenue by October 31, 1988  
4 and by July 31, of each year thereafter.

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

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

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

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

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

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

1 (y) "Green Globes certified" means any certification level  
2 of construction elements by a qualified Green Globes  
3 Professional as determined by the Green Building Initiative.  
4 (Source: P.A. 99-792, eff. 8-12-16; 100-201, eff. 8-18-17;  
5 100-465, eff. 8-31-17.)

6 (65 ILCS 5/11-74.4-5) (from Ch. 24, par. 11-74.4-5)  
7 Sec. 11-74.4-5. Public hearing; joint review board.

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

1 General Assembly.

2 Prior to the adoption of an ordinance proposing the  
3 designation of a redevelopment project area, or approving a  
4 redevelopment plan or redevelopment project, the municipality  
5 by its corporate authorities, or as it may determine by any  
6 commission designated under subsection (k) of Section  
7 11-74.4-4 shall adopt an ordinance or resolution fixing a time  
8 and place for public hearing. At least 10 days prior to the  
9 adoption of the ordinance or resolution establishing the time  
10 and place for the public hearing, the municipality shall make  
11 available for public inspection a redevelopment plan or a  
12 separate report that provides in reasonable detail the basis  
13 for the eligibility of the redevelopment project area. The  
14 report along with the name of a person to contact for further  
15 information shall be sent within a reasonable time after the  
16 adoption of such ordinance or resolution to the affected taxing  
17 districts by certified mail. On and after the effective date of  
18 this amendatory Act of the 91st General Assembly, the  
19 municipality shall print in a newspaper of general circulation  
20 within the municipality a notice that interested persons may  
21 register with the municipality in order to receive information  
22 on the proposed designation of a redevelopment project area or  
23 the approval of a redevelopment plan. The notice shall state  
24 the place of registration and the operating hours of that  
25 place. The municipality shall have adopted reasonable rules to  
26 implement this registration process under Section 11-74.4-4.2.

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

1 those organizations and residents that have registered with the  
2 municipality for that information in accordance with the  
3 registration guidelines established by the municipality under  
4 Section 11-74.4-4.2.

5 At the public hearing any interested person or affected  
6 taxing district may file with the municipal clerk written  
7 objections to and may be heard orally in respect to any issues  
8 embodied in the notice. The municipality shall hear all  
9 protests and objections at the hearing and the hearing may be  
10 adjourned to another date without further notice other than a  
11 motion to be entered upon the minutes fixing the time and place  
12 of the subsequent hearing. At the public hearing or at any time  
13 prior to the adoption by the municipality of an ordinance  
14 approving a redevelopment plan, the municipality may make  
15 changes in the redevelopment plan. Changes which (1) add  
16 additional parcels of property to the proposed redevelopment  
17 project area, (2) substantially affect the general land uses  
18 proposed in the redevelopment plan, (3) substantially change  
19 the nature of or extend the life of the redevelopment project,  
20 or (4) increase the number of inhabited residential units to be  
21 displaced from the redevelopment project area, as measured from  
22 the time of creation of the redevelopment project area, to a  
23 total of more than 10, shall be made only after the  
24 municipality gives notice, convenes a joint review board, and  
25 conducts a public hearing pursuant to the procedures set forth  
26 in this Section and in Section 11-74.4-6 of this Act. Changes

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

19 (b) Prior to holding a public hearing to approve or amend a  
20 redevelopment plan or to designate or add additional parcels of  
21 property to a redevelopment project area, the municipality  
22 shall convene a joint review board. The board shall consist of  
23 a representative selected by each community college district,  
24 local elementary school district and high school district or  
25 each local community unit school district, park district,  
26 library district, township, fire protection district, and



1 county that will have the authority to directly levy taxes on  
2 the property within the proposed redevelopment project area at  
3 the time that the proposed redevelopment project area is  
4 approved, a representative selected by the municipality and a  
5 public member. The public member shall first be selected and  
6 then the board's chairperson shall be selected by a majority of  
7 the board members present and voting.

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

1 certifies in the plan. If no person satisfying these  
2 requirements is available or if no qualified person will serve  
3 as the public member, then the joint review board is relieved  
4 of this paragraph's selection requirements for the public  
5 member.

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

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

1 redevelopment project area shall provide administrative  
2 support to the board.

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

19 The board shall base its recommendation to approve or  
20 disapprove the redevelopment plan and the designation of the  
21 redevelopment project area or the amendment of the  
22 redevelopment plan or addition of parcels of property to the  
23 redevelopment project area on the basis of the redevelopment  
24 project area and redevelopment plan satisfying the plan  
25 requirements, the eligibility criteria defined in Section  
26 11-74.4-3, and the objectives of this Act.

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

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

16          Notwithstanding the resubmission set forth above, the  
17 municipality may commence the scheduled public hearing and  
18 either adjourn the public hearing or continue the public  
19 hearing until a date certain. Prior to continuing any public  
20 hearing to a date certain, the municipality shall announce  
21 during the public hearing the time, date, and location for the  
22 reconvening of the public hearing. Any changes to the  
23 redevelopment plan necessary to satisfy the issues set forth in  
24 the joint review board report shall be the subject of a public  
25 hearing before the hearing is adjourned if the changes would  
26 (1) substantially affect the general land uses proposed in the

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

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

23 (c) After a municipality has by ordinance approved a  
24 redevelopment plan and designated a redevelopment project  
25 area, the plan may be amended and additional properties may be  
26 added to the redevelopment project area only as herein

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

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

15 (d) After the effective date of this amendatory Act of the  
16 91st General Assembly, a municipality shall submit in an  
17 electronic format the following information for each  
18 redevelopment project area (i) to the State Comptroller under  
19 Section 8-8-3.5 of the Illinois Municipal Code, subject to any  
20 extensions or exemptions provided at the Comptroller's  
21 discretion under that Section, and (ii) to all taxing districts  
22 overlapping the redevelopment project area no later than 180  
23 days after the close of each municipal fiscal year or as soon  
24 thereafter as the audited financial statements become  
25 available and, in any case, shall be submitted before the  
26 annual meeting of the Joint Review Board to each of the taxing

1 districts that overlap the redevelopment project area:

2 (1) Any amendments to the redevelopment plan, the  
3 redevelopment project area, or the State Sales Tax  
4 Boundary.

5 (1.5) A list of the redevelopment project areas  
6 administered by the municipality and, if applicable, the  
7 date each redevelopment project area was designated or  
8 terminated by the municipality.

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

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

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

18 (5) An analysis of the special tax allocation fund  
19 which sets forth:

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

22 (B) all amounts deposited in the special tax  
23 allocation fund by source;

24 (C) an itemized list of all expenditures from the  
25 special tax allocation fund by category of permissible  
26 redevelopment project cost; and



1           (D) for municipalities with a population less than  
2 1,000,000, the balance in the special tax allocation  
3 fund at the end of the fiscal year including a  
4 breakdown of that balance by source and a breakdown of  
5 that balance identifying any portion of the balance  
6 that is required, pledged, earmarked, or otherwise  
7 designated for payment of or securing of obligations  
8 ~~and anticipated redevelopment project costs.~~ Any  
9 portion of such ending balance that has not been  
10 identified or is not identified as being required,  
11 pledged, earmarked, or otherwise designated for  
12 payment of or securing of obligations ~~or anticipated~~  
13 ~~redevelopment projects costs~~ shall be designated as  
14 surplus as set forth in Section 11-74.4-7 hereof.

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

1           Section 11-74.4-7.

2           (6) A description of all property purchased by the  
3           municipality within the redevelopment project area  
4           including:

5                   (A) Street address.

6                   (B) Approximate size or description of property.

7                   (C) Purchase price.

8                   (D) Seller of property.

9           (7) A statement setting forth all activities  
10           undertaken in furtherance of the objectives of the  
11           redevelopment plan, including:

12                   (A) Any project implemented in the preceding  
13           fiscal year.

14                   (B) A description of the redevelopment activities  
15           undertaken.

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

21                   (D) Additional information on the use of all funds  
22           received under this Division and steps taken by the  
23           municipality to achieve the objectives of the  
24           redevelopment plan.

25                   (E) Information regarding contracts that the  
26           municipality's tax increment advisors or consultants

1 have entered into with entities or persons that have  
2 received, or are receiving, payments financed by tax  
3 increment revenues produced by the same redevelopment  
4 project area.

5 (F) Any reports submitted to the municipality by  
6 the joint review board.

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

19 (8) With regard to any obligations issued by the  
20 municipality:

21 (A) copies of any official statements; and

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

26 (9) For special tax allocation funds that have

1 experienced cumulative deposits of incremental tax  
2 revenues of \$100,000 or more, a certified audit report  
3 reviewing compliance with this Act performed by an  
4 independent public accountant certified and licensed by  
5 the authority of the State of Illinois. The financial  
6 portion of the audit must be conducted in accordance with  
7 Standards for Audits of Governmental Organizations,  
8 Programs, Activities, and Functions adopted by the  
9 Comptroller General of the United States (1981), as  
10 amended, or the standards specified by Section 8-8-5 of the  
11 Illinois Municipal Auditing Law of the Illinois Municipal  
12 Code. The audit report shall contain a letter from the  
13 independent certified public accountant indicating  
14 compliance or noncompliance with the requirements of  
15 subsection (q) of Section 11-74.4-3. For redevelopment  
16 plans or projects that would result in the displacement of  
17 residents from 10 or more inhabited residential units or  
18 that contain 75 or more inhabited residential units, notice  
19 of the availability of the information, including how to  
20 obtain the report, required in this subsection shall also  
21 be sent by mail to all residents or organizations that  
22 operate in the municipality that register with the  
23 municipality for that information according to  
24 registration procedures adopted under Section 11-74.4-4.2.  
25 All municipalities are subject to this provision.

26 (10) A list of all intergovernmental agreements in

1 effect during the fiscal year to which the municipality is  
2 a party and an accounting of any moneys transferred or  
3 received by the municipality during that fiscal year  
4 pursuant to those intergovernmental agreements.

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

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

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

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

24 (f) (Blank).

25 (g) In the event that a municipality has held a public  
26 hearing under this Section prior to March 14, 1994 (the

1 effective date of Public Act 88-537), the requirements imposed  
2 by Public Act 88-537 relating to the method of fixing the time  
3 and place for public hearing, the materials and information  
4 required to be made available for public inspection, and the  
5 information required to be sent after adoption of an ordinance  
6 or resolution fixing a time and place for public hearing shall  
7 not be applicable.

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

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

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

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

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

16 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

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

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



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

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; (d-5) repayment of bonds issued  
26 pursuant to subsection (p-130) of Section 19-1 of the School

1 Code; or (e) any other taxes or anticipated receipts that the  
2 municipality may lawfully pledge.

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

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

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

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

1 canvass of the election by the corporate authorities that a  
2 majority of electors voting upon the question voted in favor  
3 thereof, the ordinance shall be in effect, but if a majority of  
4 the electors voting upon the question are not in favor thereof,  
5 the ordinance shall not take effect.

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

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

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

1 in the special tax allocation fund.

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

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

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

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

21 (65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

22 Sec. 11-74.4-8. Tax increment allocation financing. A  
23 municipality may not adopt tax increment financing in a  
24 redevelopment project area after the effective date of this  
25 amendatory Act of 1997 that will encompass an area that is

1 currently included in an enterprise zone created under the  
2 Illinois Enterprise Zone Act unless that municipality,  
3 pursuant to Section 5.4 of the Illinois Enterprise Zone Act,  
4 amends the enterprise zone designating ordinance to limit the  
5 eligibility for tax abatements as provided in Section 5.4.1 of  
6 the Illinois Enterprise Zone Act. A municipality, at the time a  
7 redevelopment project area is designated, may adopt tax  
8 increment allocation financing by passing an ordinance  
9 providing that the ad valorem taxes, if any, arising from the  
10 levies upon taxable real property in such redevelopment project  
11 area by taxing districts and tax rates determined in the manner  
12 provided in paragraph (c) of Section 11-74.4-9 each year after  
13 the effective date of the ordinance until redevelopment project  
14 costs and all municipal obligations financing redevelopment  
15 project costs incurred under this Division have been paid shall  
16 be divided as follows, provided, however, that with respect to  
17 any redevelopment project area located within a transit  
18 facility improvement area established pursuant to Section  
19 11-74.4-3.3 in a municipality with a population of 1,000,000 or  
20 more, ad valorem taxes, if any, arising from the levies upon  
21 taxable real property in such redevelopment project area shall  
22 be allocated as specifically provided in this Section:

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

1 taxable lot, block, tract or parcel of real property in the  
2 redevelopment project area shall be allocated to and when  
3 collected shall be paid by the county collector to the  
4 respective affected taxing districts in the manner  
5 required by law in the absence of the adoption of tax  
6 increment allocation financing.

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

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

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

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

22 (3) The municipal clerk has certified to the county  
23 clerk that the municipality has issued its obligations  
24 to which there has been pledged the incremental  
25 property taxes of the redevelopment project area or  
26 taxes levied and collected on any or all property in



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

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

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

25          It is the intent of this Division that after the  
26          effective date of this amendatory Act of 1988 a

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

24 If a municipality has adopted tax increment allocation  
25 financing by ordinance and the County Clerk thereafter  
26 certifies the "total initial equalized assessed value as

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

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

1 increment financing was adopted, minus the total  
2 current homestead exemptions under Article 15 of the  
3 Property Tax Code in the redevelopment project area  
4 shall be allocated to and when collected shall be paid  
5 by the county collector to the respective affected  
6 taxing districts in the manner required by law in the  
7 absence of the adoption of tax increment allocation  
8 financing.

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

25 The municipality may pledge in the ordinance the funds  
26 in and to be deposited in the special tax allocation fund

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

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

1       lien on and a security interest in such funds or accounts  
2       so long as the bonds remain outstanding and unpaid. Upon  
3       retirement of the bonds, the trustee shall pay over any  
4       excess amounts held to the municipality for deposit in the  
5       special tax allocation fund.

6       For municipalities with a population less than  
7       1,000,000, when—~~When~~ such redevelopment projects costs,  
8       including without limitation all municipal obligations  
9       financing redevelopment project costs incurred under this  
10      Division, have been paid, all surplus funds then remaining  
11      in the special tax allocation fund shall be distributed by  
12      being paid by the municipal treasurer to the Department of  
13      Revenue, the municipality and the county collector; first  
14      to the Department of Revenue and the municipality in direct  
15      proportion to the tax incremental revenue received from the  
16      State and the municipality, but not to exceed the total  
17      incremental revenue received from the State or the  
18      municipality less any annual surplus distribution of  
19      incremental revenue previously made; with any remaining  
20      funds to be paid to the County Collector who shall  
21      immediately thereafter pay said funds to the taxing  
22      districts in the redevelopment project area in the same  
23      manner and proportion as the most recent distribution by  
24      the county collector to the affected districts of real  
25      property taxes from real property in the redevelopment  
26      project area. For municipalities with a population greater

1 than 1,000,000, the balance in the special tax allocation  
2 fund at the end of the fiscal year that is not required,  
3 pledged, earmarked, or otherwise designated for payment of  
4 or securing of obligations shall be entirely used to pay  
5 costs of special education, social service, and other costs  
6 of its public school district as described in paragraph  
7 (12) of subsection (g) of Section 11-74.4-3.

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

1           amendatory Act of 1993, that extension shall not extend the  
2           property tax increment allocation financing authorized by  
3           this Section. Thereafter the rates of the taxing districts  
4           shall be extended and taxes levied, collected and  
5           distributed in the manner applicable in the absence of the  
6           adoption of tax increment allocation financing.

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

19                 (1) That portion of the taxes levied upon each  
20                 taxable lot, block, tract or parcel of real property  
21                 which is attributable to the lower of (i) the current  
22                 equalized assessed value or "current equalized  
23                 assessed value as adjusted" or (ii) the initial  
24                 equalized assessed value of each such taxable lot,  
25                 block, tract, or parcel of real property existing at  
26                 the time tax increment financing was adopted, minus the



1 total current homestead exemptions under Article 15 of  
2 the Property Tax Code in the redevelopment project area  
3 shall be allocated to and when collected shall be paid  
4 by the county collector to the respective affected  
5 taxing districts in the manner required by law in the  
6 absence of the adoption of tax increment allocation  
7 financing.

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

20 (A) First, that portion which would be payable  
21 to a school district whose boundaries are  
22 coterminous with such municipality in the absence  
23 of the adoption of tax increment allocation  
24 financing, shall be paid to such school district in  
25 the manner required by law in the absence of the  
26 adoption of tax increment allocation financing;

1           then

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

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

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

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

22                   (65 ILCS 5/11-74.4-8a) (from Ch. 24, par. 11-74.4-8a)

23           Sec. 11-74.4-8a. (1) Until June 1, 1988, a municipality  
24          which has adopted tax increment allocation financing prior to  
25          January 1, 1987, may by ordinance (1) authorize the Department

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

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

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

23 If a retailer or serviceman with a place of business  
24 located within a redevelopment project area also has one or  
25 more other places of business within the municipality but  
26 outside the redevelopment project area, the retailer or

1 serviceman shall, upon request of the Department of Revenue,  
2 certify to the Department of Revenue the amount of taxes paid  
3 pursuant to the Retailers' Occupation Tax Act, the Municipal  
4 Retailers' Occupation Tax Act, the Service Occupation Tax Act  
5 and the Municipal Service Occupation Tax Act at each place of  
6 business which is located within the redevelopment project area  
7 in the manner and for the periods of time requested by the  
8 Department of Revenue.

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

1 operation which is directly related to the opening of the same  
2 retail or service operation in a redevelopment project area  
3 which is included within a State Sales Tax Boundary, but it  
4 shall not include retail or service operations closed for  
5 reasons beyond the control of the retailer or serviceman, as  
6 determined by the Department.

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

19 When a municipality which has adopted tax increment  
20 allocation financing in 1986 determines that a portion of the  
21 aggregate amount of taxes paid by retailers and servicemen  
22 under the Retailers Occupation Tax Act, Use Tax Act, Service  
23 Use Tax Act, or Service Occupation Tax Act, the Municipal  
24 Retailers' Occupation Tax Act and the Municipal Service  
25 Occupation Tax Act, includes revenue of a retailer or  
26 serviceman which terminated retailer or service operations in

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

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

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

1           Beginning in October, 1993, and each January, April, July  
2 and October thereafter, the Department of Revenue shall certify  
3 to the Treasurer and the Comptroller the amounts payable  
4 quarter annually during the fiscal year to each municipality  
5 under this Section. The Comptroller shall promptly then draw  
6 warrants, ordering the State Treasurer to pay such amounts from  
7 the Illinois Tax Increment Fund in the State treasury.

8           The Department of Revenue shall utilize the same periods  
9 established for determining State Sales Tax Increment to  
10 determine the Municipal Sales Tax Increment for the area within  
11 a State Sales Tax Boundary and certify such amounts to such  
12 municipal treasurer who shall transfer such amounts to the  
13 special tax allocation fund.

14           The provisions of this subsection (1) do not apply to  
15 additional municipal retailers' occupation or service  
16 occupation taxes imposed by municipalities using their home  
17 rule powers or imposed pursuant to Sections 8-11-1.3, 8-11-1.4  
18 and 8-11-1.5 of this Act. A municipality shall not receive from  
19 the State any share of the Illinois Tax Increment Fund unless  
20 such municipality deposits all its Municipal Sales Tax  
21 Increment and the local incremental real property tax revenues,  
22 as provided herein, into the appropriate special tax allocation  
23 fund. If, however, a municipality has extended the estimated  
24 dates of completion of the redevelopment project and retirement  
25 of obligations to finance redevelopment project costs by  
26 municipal ordinance to December 31, 2013 under subsection (n)



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

19 (2) A municipality which has adopted tax increment  
20 allocation financing with regard to an industrial park or  
21 industrial park conservation area, prior to January 1, 1988,  
22 may by ordinance authorize the Department of Revenue to  
23 annually certify and pay from the Illinois Tax Increment Fund  
24 to such municipality for deposit in the municipality's special  
25 tax allocation fund an amount equal to the Net State Utility  
26 Tax Increment. Provided that for purposes of this Section no

1 amendments adding additional area to the redevelopment project  
2 area shall be taken into account if such amendments are adopted  
3 by the municipality after January 1, 1988. Municipalities  
4 adopting an ordinance under this subsection (2) of this Section  
5 for a redevelopment project area shall not be entitled to  
6 payment of State taxes authorized under subsection (1) of this  
7 Section for the same redevelopment project area which is within  
8 a State Sales Tax Boundary. Nothing herein shall be construed  
9 to prevent a municipality from receiving payment of State taxes  
10 authorized under subsection (1) of this Section for a separate  
11 redevelopment project area within a State Sales Tax Boundary  
12 that does not overlap in any way with the redevelopment project  
13 area receiving payments of State taxes pursuant to subsection  
14 (2) of this Section.

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

19 When a municipality determines that a portion of an  
20 increase in the aggregate amount of taxes paid by industrial or  
21 commercial facilities under the Public Utilities Act, is the  
22 result of an industrial or commercial facility initiating  
23 operations in the redevelopment project area with a resulting  
24 termination of such operations by such industrial or commercial  
25 facility at another location in Illinois, the Department of  
26 Revenue shall be notified by such municipality that such

1 industrial or commercial facility's liability under the Public  
2 Utility Tax Act shall be included in the base from which tax  
3 increments are calculated for purposes of State payments to the  
4 affected municipality.

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

25 A municipality shall not receive any share of the Illinois  
26 Tax Increment Fund from the State unless such municipality

1 imposes the maximum municipal charges authorized pursuant to  
2 Section 9-221 of the Public Utilities Act and deposits all  
3 municipal utility tax incremental revenues as certified by the  
4 public utilities, and all local real estate tax increments into  
5 such municipality's special tax allocation fund.

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

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

1 monthly updates given by the Department.);

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

8 (c) certified copies of the ordinances approving the  
9 redevelopment plan and designating the redevelopment  
10 project area;

11 (d) a copy of the redevelopment plan as approved by the  
12 municipality;

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

15 (f) a certification by the chief executive officer of  
16 the municipality that with regard to a redevelopment  
17 project area: (1) the municipality has committed all of the  
18 municipal tax increment created pursuant to this Act for  
19 deposit in the special tax allocation fund, (2) the  
20 redevelopment projects described in the redevelopment plan  
21 would not be completed without the use of State incremental  
22 revenues pursuant to this Act, (3) the municipality will  
23 pursue the implementation of the redevelopment plan in an  
24 expeditious manner, (4) the incremental revenues created  
25 pursuant to this Section will be exclusively utilized for  
26 the development of the redevelopment project area, and (5)

1 the increased revenue created pursuant to this Section  
2 shall be used exclusively to pay redevelopment project  
3 costs as defined in this Act.

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

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

20 (b) determine the amount of charges imposed pursuant to  
21 Sections 9-221 and 9-222 of the Public Utilities Act on  
22 persons in the redevelopment project area during the base  
23 year, both as a result of municipal taxes on electricity  
24 and gas and as a result of State taxes on electricity and  
25 gas and certify such amounts both to the municipality and  
26 the Department of Revenue; and

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

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

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

22          (6) Before the effective date of this amendatory Act of the  
23          91st General Assembly, any municipality receiving payments  
24          authorized under this Section for any redevelopment project  
25          area or area within a State Sales Tax Boundary within the  
26          municipality shall submit to the Department of Revenue and to

1 the taxing districts which are sent the notice required by  
2 Section 6 of this Act annually within 180 days after the close  
3 of each municipal fiscal year the following information for the  
4 immediately preceding fiscal year:

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

8 (b) Audited financial statements of the special tax  
9 allocation fund.

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

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

16 (e) An analysis of the special tax allocation fund  
17 which sets forth:

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

20 (2) all amounts deposited in the special tax  
21 allocation fund by source;

22 (3) all expenditures from the special tax  
23 allocation fund by category of permissible  
24 redevelopment project cost; and

25 (4) for municipalities with a population less than  
26 1,000,000, the balance in the special tax allocation



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

8 (f) A description of all property purchased by the  
9 municipality within the redevelopment project area  
10 including:

- 11 1. Street address
- 12 2. Approximate size or description of property
- 13 3. Purchase price
- 14 4. Seller of property.

15 (g) A statement setting forth all activities  
16 undertaken in furtherance of the objectives of the  
17 redevelopment plan, including:

- 18 1. Any project implemented in the preceding fiscal  
19 year
- 20 2. A description of the redevelopment activities  
21 undertaken
- 22 3. A description of any agreements entered into by  
23 the municipality with regard to the disposition or  
24 redevelopment of any property within the redevelopment  
25 project area or the area within the State Sales Tax  
26 Boundary.

1           (h) With regard to any obligations issued by the  
2 municipality:

3                 1. copies of bond ordinances or resolutions

4                 2. copies of any official statements

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

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

26           (6.1) After July 29, 1988 and before the effective date of

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

24 (7) Any appropriation made pursuant to this Section for the  
25 1987 State fiscal year shall not exceed the amount of \$7  
26 million and for the 1988 State fiscal year the amount of \$10

1 million. The amount which shall be distributed to each  
2 municipality shall be the incremental revenue to which each  
3 municipality is entitled as calculated by the Department of  
4 Revenue, unless the requests of the municipality exceed the  
5 appropriation, then the amount to which each municipality shall  
6 be entitled shall be prorated among the municipalities in the  
7 same proportion as the increment to which the municipality  
8 would be entitled bears to the total increment which all  
9 municipalities would receive in the absence of this limitation,  
10 provided that no municipality may receive an amount in excess  
11 of 15% of the appropriation. For the 1987 Net State Sales Tax  
12 Increment payable in Fiscal Year 1989, no municipality shall  
13 receive more than 7.5% of the total appropriation; provided,  
14 however, that any of the appropriation remaining after such  
15 distribution shall be prorated among municipalities on the  
16 basis of their pro rata share of the total increment. Beginning  
17 on January 1, 1993, each municipality's proportional share of  
18 the Illinois Tax Increment Fund shall be determined by adding  
19 the annual Net State Sales Tax Increment and the annual Net  
20 Utility Tax Increment to determine the Annual Total Increment.  
21 The ratio of the Annual Total Increment of each municipality to  
22 the Annual Total Increment for all municipalities, as most  
23 recently calculated by the Department, shall determine the  
24 proportional shares of the Illinois Tax Increment Fund to be  
25 distributed to each municipality.

26 (7.1) No distribution of Net State Sales Tax Increment to a

1 municipality for an area within a State Sales Tax Boundary  
2 shall exceed in any State Fiscal Year an amount equal to 3  
3 times the sum of the Municipal Sales Tax Increment, the real  
4 property tax increment and deposits of funds from other  
5 sources, excluding state and federal funds, as certified by the  
6 city treasurer to the Department of Revenue for an area within  
7 a State Sales Tax Boundary. After July 29, 1988, for those  
8 municipalities which issue bonds between June 1, 1988 and 3  
9 years from July 29, 1988 to finance redevelopment projects  
10 within the area in a State Sales Tax Boundary, the distribution  
11 of Net State Sales Tax Increment during the 16th through 20th  
12 years from the date of issuance of the bonds shall not exceed  
13 in any State Fiscal Year an amount equal to 2 times the sum of  
14 the Municipal Sales Tax Increment, the real property tax  
15 increment and deposits of funds from other sources, excluding  
16 State and federal funds.

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

21 (9) The following procedures shall be followed to determine  
22 whether municipalities have complied with the Act for the  
23 purpose of receiving distributions after July 1, 1989 pursuant  
24 to subsection (1) of this Section 11-74.4-8a.

25 (a) The Department of Revenue shall conduct a  
26 preliminary review of the redevelopment project areas and

1 redevelopment plans pertaining to those municipalities  
2 receiving payments from the State pursuant to subsection  
3 (1) of Section 8a of this Act for the purpose of  
4 determining compliance with the following standards:

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

25 (2) For any municipality with a population of  
26 12,000 or less as determined by the 1980 U.S. Census:

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

19 (3) Such preliminary review of the redevelopment  
20 project areas applying the above standards shall be  
21 completed by November 1, 1988, and on or before  
22 November 1, 1988, the Department shall notify each  
23 municipality by certified mail, return receipt  
24 requested that either (1) the Department requires  
25 additional time in which to complete its preliminary  
26 review; or (2) the Department is issuing either (a) a

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

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

20 (b) For those municipalities receiving a Notice of  
21 Review, the Department will conduct a secondary review  
22 consisting of: (i) application of the above standards  
23 contained in subsection (9)(a)(1)(a) and (b) or  
24 (9)(a)(2)(a) and (b), and (ii) the definitions of blighted  
25 and conservation area provided for in Section 11-74.4-3.  
26 Such secondary review shall be completed by July 1, 1989.



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

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

25           (d) If the Department issues a final determination of  
26           ineligibility, the municipality shall have 30 days from the

1 receipt of determination to protest and request a hearing.  
2 Such hearing shall be conducted in accordance with Sections  
3 10-25, 10-35, 10-40, and 10-50 of the Illinois  
4 Administrative Procedure Act. The decision following the  
5 hearing shall be subject to review under the Administrative  
6 Review Law.

7 (e) Any Certificate of Eligibility issued pursuant to  
8 this subsection 9 shall be binding only on the State for  
9 the purposes of establishing municipal eligibility to  
10 receive revenue pursuant to subsection (1) of this Section  
11 11-74.4-8a.

12 (f) It is the intent of this subsection that the  
13 periods of time to cure deficiencies shall be in addition  
14 to all other periods of time permitted by this Section,  
15 regardless of the date by which plans were originally  
16 required to be adopted. To cure said deficiencies, however,  
17 the municipality shall be required to follow the procedures  
18 and requirements pertaining to amendments, as provided in  
19 Sections 11-74.4-5 and 11-74.4-6 of this Act.

20 (10) If a municipality adopts a State Sales Tax Boundary in  
21 accordance with the provisions of subsection (9) of this  
22 Section, such boundaries shall subsequently be utilized to  
23 determine Revised Initial Sales Tax Amounts and the Net State  
24 Sales Tax Increment; provided, however, that such revised State  
25 Sales Tax Boundary shall not have any effect upon the boundary  
26 of the redevelopment project area established for the purposes

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

23 (11) The Department of Revenue shall have the authority to  
24 issue rules and regulations for purposes of this Section.

25 (12) If, under Section 5.4.1 of the Illinois Enterprise  
26 Zone Act, a municipality determines that property that lies

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

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