



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB4495

Introduced 2/4/2020, by Rep. Dan Ugaste

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-3
65 ILCS 5/11-74.4-3.1

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

Amends the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code. Provides that for redevelopment project areas created on and after the effective date of the amendatory Act, "blighted areas" must have a household median income of 100% or less of the area median income, as defined by the U.S. Department of Housing and Urban Development, in addition to the other requirements for "blighted areas". Effective immediately.

LRB101 17534 AWJ 66950 b

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by
5 changing Sections 11-74.4-3 and 11-74.4-3.1 as follows:

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

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

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

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

20 (1) If improved, industrial, commercial, and
21 residential buildings or improvements are detrimental to
22 the public safety, health, or welfare because of a
23 combination of 5 or more of the following factors, each of

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

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

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

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

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

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

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

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

1 preventing ingress and egress to and from all rooms and
2 units within a building.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 the vacant part of the redevelopment project area to which
2 it pertains:

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

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

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

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

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

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

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

9 In addition to the requirements of this definition, for
10 redevelopment project areas created on and after the effective
11 date of this amendatory Act of the 101st General Assembly, a
12 blighted area must have a median household income of 100% or
13 less of the area median income, as determined by the United
14 States Department of Housing and Urban Development. If the area
15 does not contain any residents, the census tracts adjoining the
16 blighted area must have a median household income of 100% or
17 less of the area median income.

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

23 On and after November 1, 1999, "conservation area" means
24 any improved area within the boundaries of a redevelopment
25 project area located within the territorial limits of the
26 municipality in which 50% or more of the structures in the area

1 have an age of 35 years or more. Such an area is not yet a
2 blighted area but because of a combination of 3 or more of the
3 following factors is detrimental to the public safety, health,
4 morals or welfare and such an area may become a blighted area:

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

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

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

25 (4) Presence of structures below minimum code
26 standards. All structures that do not meet the standards of

1 zoning, subdivision, building, fire, and other
2 governmental codes applicable to property, but not
3 including housing and property maintenance codes.

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

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

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

25 (8) Inadequate utilities. Underground and overhead
26 utilities such as storm sewers and storm drainage, sanitary

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

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

25 (10) Deleterious land use or layout. The existence of
26 incompatible land-use relationships, buildings occupied by

1 inappropriate mixed-uses, or uses considered to be
2 noxious, offensive, or unsuitable for the surrounding
3 area.

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

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

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

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

20 (d) "Industrial park conservation area" means an area
21 within the boundaries of a redevelopment project area located
22 within the territorial limits of a municipality that is a labor
23 surplus municipality or within 1 1/2 miles of the territorial
24 limits of a municipality that is a labor surplus municipality
25 if the area is annexed to the municipality; which area is zoned
26 as industrial no later than at the time the municipality by

1 ordinance designates the redevelopment project area, and which
2 area includes both vacant land suitable for use as an
3 industrial park and a blighted area or conservation area
4 contiguous to such vacant land.

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

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

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

1 Service Occupation Tax Act by retailers and servicemen on
2 transactions at places located in a State Sales Tax Boundary
3 during the calendar year 1985.

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

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

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

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

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

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

25 Municipalities that issued bonds in connection with a
26 redevelopment project in a redevelopment project area within

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

25 (j) "State Utility Tax Increment Amount" means an amount
26 equal to the aggregate increase in State electric and gas tax

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

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

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

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

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

23 (m) "Payment in lieu of taxes" means those estimated tax
24 revenues from real property in a redevelopment project area
25 derived from real property that has been acquired by a
26 municipality which according to the redevelopment project or

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

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

1 nature preserves and used for that purpose within 5 years prior
2 to the adoption of the redevelopment plan. For the purpose of
3 this subsection, "recreational activities" is limited to mean
4 camping and hunting. Each redevelopment plan shall set forth in
5 writing the program to be undertaken to accomplish the
6 objectives and shall include but not be limited to:

7 (A) an itemized list of estimated redevelopment
8 project costs;

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

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

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

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

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

26 (G) an estimate as to the equalized assessed valuation

1 after redevelopment and the general land uses to apply in
2 the redevelopment project area;

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

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

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

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

23 (1) The municipality finds that the redevelopment
24 project area on the whole has not been subject to growth
25 and development through investment by private enterprise
26 and would not reasonably be anticipated to be developed

1 without the adoption of the redevelopment plan, provided,
2 however, that such a finding shall not be required with
3 respect to any redevelopment project area located within a
4 transit facility improvement area established pursuant to
5 Section 11-74.4-3.3.

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

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

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

1 Act pertaining to an amendment to or the initial approval
2 of a redevelopment plan and project and designation of a
3 redevelopment project area.

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

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

20 (5) If: (a) the redevelopment plan will not result in
21 displacement of residents from 10 or more inhabited
22 residential units, and the municipality certifies in the
23 plan that such displacement will not result from the plan;
24 or (b) the redevelopment plan is for a redevelopment
25 project area located within a transit facility improvement
26 area established pursuant to Section 11-74.4-3.3, and the

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

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

25 Part II of the housing impact study shall identify the
26 inhabited residential units in the proposed redevelopment

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

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

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

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

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

17 (9) For redevelopment project areas designated prior
18 to November 1, 1999, the redevelopment plan may be amended
19 without further joint review board meeting or hearing,
20 provided that the municipality shall give notice of any
21 such changes by mail to each affected taxing district and
22 registrant on the interested party registry, to authorize
23 the municipality to expend tax increment revenues for
24 redevelopment project costs defined by paragraphs (5) and
25 (7.5), subparagraphs (E) and (F) of paragraph (11), and
26 paragraph (11.5) of subsection (q) of Section 11-74.4-3, so

1 long as the changes do not increase the total estimated
2 redevelopment project costs set out in the redevelopment
3 plan by more than 5% after adjustment for inflation from
4 the date the plan was adopted.

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

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

24 (p-1) Notwithstanding any provision of this Act to the
25 contrary, on and after August 25, 2009 (the effective date of
26 Public Act 96-680), a redevelopment project area may include

1 areas within a one-half mile radius of an existing or proposed
2 Regional Transportation Authority Suburban Transit Access
3 Route (STAR Line) station without a finding that the area is
4 classified as an industrial park conservation area, a blighted
5 area, a conservation area, or a combination thereof, but only
6 if the municipality receives unanimous consent from the joint
7 review board created to review the proposed redevelopment
8 project area.

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

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

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

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

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

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

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

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

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

1 certification;

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

1 pursuant to Section 11-74.4-3.3;

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

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

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

20 (7.5) For redevelopment project areas designated (or
21 redevelopment project areas amended to add or increase the
22 number of tax-increment-financing assisted housing units)
23 on or after November 1, 1999, an elementary, secondary, or
24 unit school district's increased costs attributable to
25 assisted housing units located within the redevelopment
26 project area for which the developer or redeveloper

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

10 (A) for foundation districts, excluding any school
11 district in a municipality with a population in excess
12 of 1,000,000, by multiplying the district's increase
13 in attendance resulting from the net increase in new
14 students enrolled in that school district who reside in
15 housing units within the redevelopment project area
16 that have received financial assistance through an
17 agreement with the municipality or because the
18 municipality incurs the cost of necessary
19 infrastructure improvements within the boundaries of
20 the housing sites necessary for the completion of that
21 housing as authorized by this Act since the designation
22 of the redevelopment project area by the most recently
23 available per capita tuition cost as defined in Section
24 10-20.12a of the School Code less any increase in
25 general State aid as defined in Section 18-8.05 of the
26 School Code or evidence-based funding as defined in

1 Section 18-8.15 of the School Code attributable to
2 these added new students subject to the following
3 annual limitations:

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

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

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

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

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

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

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

1 assistance under this Act; and

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

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

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

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

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

24 Any school district seeking payment under this
25 paragraph (7.5) shall, after July 1 and before
26 September 30 of each year, provide the municipality

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

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

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

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

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

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

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

1 redevelopment project area or projects;

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

7 (9) Payment in lieu of taxes;

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

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

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

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

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

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

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

1 to this Act;

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

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

26 The eligible costs provided under this

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

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

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

1 Urban Development.

2 (12) Costs relating to the development of urban
3 agricultural areas under Division 15.2 of the Illinois
4 Municipal Code.

5 Unless explicitly stated herein the cost of construction of
6 new privately-owned buildings shall not be an eligible
7 redevelopment project cost.

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

26 No cost shall be a redevelopment project cost in a

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

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

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

26 (q-2) For a redevelopment project area located within a

1 transit facility improvement area established pursuant to
2 Section 11-74.4-3.3, redevelopment project costs means those
3 costs described in subsection (q) that are related to the
4 construction, reconstruction, rehabilitation, remodeling, or
5 repair of any existing or proposed transit facility.

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

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

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

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

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

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

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

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

1 acknowledged, approved, and recorded or filed in accordance
2 with the Plat Act and a preliminary plat, if any, for any
3 subsequent phases of the proposed Redevelopment Project Area or
4 relevant portion thereof has been properly approved and filed
5 in accordance with the applicable ordinance of the
6 municipality.

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

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

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

22 (Source: P.A. 99-792, eff. 8-12-16; 100-201, eff. 8-18-17;
23 100-465, eff. 8-31-17; 100-1133, eff. 1-1-19.)

24 (65 ILCS 5/11-74.4-3.1)

25 Sec. 11-74.4-3.1. Redevelopment project area within an

1 intermodal terminal facility area.

2 (a) Notwithstanding any other provision of law to the
3 contrary, if a municipality designates an area within the
4 territorial limits of the municipality as an intermodal
5 terminal facility area, then that municipality may establish a
6 redevelopment project area within the intermodal terminal
7 facility area for the purpose of developing new intermodal
8 terminal facilities, rehabilitating obsolete intermodal
9 terminal facilities, or both. If there is no existing
10 intermodal terminal facility within the redevelopment project
11 area, then the municipality must establish a new intermodal
12 terminal facility within the redevelopment project area. If
13 there is an obsolete intermodal terminal facility within the
14 redevelopment project area, then the municipality may
15 establish a new intermodal terminal facility, rehabilitate the
16 existing intermodal terminal facility for use as an intermodal
17 terminal facility or for any other commercial purpose, or both.

18 (b) For purposes of this Division, an intermodal terminal
19 facility area is deemed to be a blighted area and no proof of
20 blight other than the median household income requirement of
21 Section 11-74.4-3 need be shown in establishing a redevelopment
22 project area in accordance with this Section.

23 (c) As used in this Section:

24 "Intermodal terminal facility area" means an area that: (i)
25 does not include any existing intermodal terminal facility or
26 includes an obsolete intermodal terminal facility; (ii)

1 comprises a minimum of 150 acres and not more than 2 square
2 miles in total area, exclusive of lakes and waterways; (iii)
3 has at least one Class 1 railroad right-of-way located within
4 it or within one quarter mile of it; and (iv) has no boundary
5 limit further than 3 miles from the right-of-way.

6 "Intermodal terminal facility" means land, improvements to
7 land, equipment, and appliances necessary for the receipt and
8 transfer of goods between one mode of transportation and
9 another, at least one of which must be transportation by rail.
10 (Source: P.A. 94-546, eff. 1-1-06.)

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.