



Rep. Michael J. Zalewski

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1 AMENDMENT TO SENATE BILL 217

2 AMENDMENT NO. _____. Amend Senate Bill 217 by replacing
3 everything after the enacting clause with the following:

4 "Section 3. The Illinois Power Agency Act is amended by
5 changing Section 1-130 as follows:

6 (20 ILCS 3855/1-130)

7 (Section scheduled to be repealed on January 1, 2022)

8 Sec. 1-130. Home rule preemption.

9 (a) The authorization to impose any new taxes or fees
10 specifically related to the generation of electricity by, the
11 capacity to generate electricity by, or the emissions into the
12 atmosphere by electric generating facilities after the
13 effective date of this Act is an exclusive power and function
14 of the State. A home rule unit may not levy any new taxes or
15 fees specifically related to the generation of electricity by,
16 the capacity to generate electricity by, or the emissions into

1 the atmosphere by electric generating facilities after the
2 effective date of this Act. This Section is a denial and
3 limitation on home rule powers and functions under subsection
4 (g) of Section 6 of Article VII of the Illinois Constitution.

5 (b) This Section is repealed on January 1, 2023 ~~January 1,~~
6 ~~2022~~.

7 (Source: P.A. 100-1157, eff. 12-19-18; 101-639, eff. 6-12-20.)

8 Section 5. The Property Tax Code is amended by changing
9 Sections 15-37 and 21-260 as follows:

10 (35 ILCS 200/15-37)

11 Sec. 15-37. Educational trade schools. Property that is
12 owned or leased by a non-profit trust fund and used
13 exclusively for the purposes of educating and training
14 individuals for occupational, trade, and technical careers and
15 is certified by the United States Department of Labor as
16 registered with the Office of Apprenticeship is exempt.

17 (Source: P.A. 102-16, eff. 6-17-21.)

18 (35 ILCS 200/21-260)

19 Sec. 21-260. Collector's scavenger sale. Upon the county
20 collector's application under Section 21-145, to be known as
21 the Scavenger Sale Application, the Court shall enter judgment
22 for the general taxes, special taxes, special assessments,
23 interest, penalties and costs as are included in the

1 advertisement and appear to be due thereon after allowing an
2 opportunity to object and a hearing upon the objections as
3 provided in Section 21-175, and order those properties sold by
4 the County Collector at public sale, or by electronic
5 automated sale if the collector chooses to conduct an
6 electronic automated sale pursuant to Section 21-261, to the
7 highest bidder for cash, notwithstanding the bid may be less
8 than the full amount of taxes, special taxes, special
9 assessments, interest, penalties and costs for which judgment
10 has been entered.

11 (a) Conducting the sale; bidding sale ~~sale~~ ~~Bidding~~. All
12 properties shall be offered for sale in consecutive order as
13 they appear in the delinquent list. The minimum bid for any
14 property shall be \$250 or one-half of the tax if the total
15 liability is less than \$500. For in-person scavenger sales,
16 the successful bidder shall pay the amount of the minimum bid
17 to the County Collector by the end of the business day on which
18 the bid was placed. That amount shall be paid in cash, by
19 certified or cashier's check, by money order, or, if the
20 successful bidder is a governmental unit, by a check issued by
21 that governmental unit. For electronic automated scavenger
22 sales, the successful bidder shall pay the minimum bid amount
23 by the close of the business day on which the bid was placed.
24 That amount shall be paid online via ACH debit or by the
25 electronic payment method required by the county collector.
26 For in-person scavenger sales, if the bid exceeds the minimum

1 bid, the successful bidder shall pay the balance of the bid to
2 the county collector in cash, by certified or cashier's check,
3 by money order, or, if the successful bidder is a governmental
4 unit, by a check issued by that governmental unit by the close
5 of the next business day. For electronic automated scavenger
6 sales, the successful bidder shall pay, by the close of the
7 next business day, the balance of the bid online via ACH debit
8 or by the electronic payment method required by the county
9 collector. If the minimum bid is not paid at the time of sale
10 or if the balance is not paid by the close of the next business
11 day, then the sale is void and the minimum bid, if paid, is
12 forfeited to the county general fund. In that event, the
13 property shall be reoffered for sale within 30 days of the last
14 offering of property in regular order. The collector shall
15 make available to the public a list of all properties to be
16 included in any reoffering due to the voiding of the original
17 sale. The collector is not required to serve or publish any
18 other notice of the reoffering of those properties. In the
19 event that any of the properties are not sold upon reoffering,
20 or are sold for less than the amount of the original voided
21 sale, the original bidder who failed to pay the bid amount
22 shall remain liable for the unpaid balance of the bid in an
23 action under Section 21-240. Liability shall not be reduced
24 where the bidder upon reoffering also fails to pay the bid
25 amount, and in that event both bidders shall remain liable for
26 the unpaid balance of their respective bids. A sale of

1 properties under this Section shall not be final until
2 confirmed by the court.

3 (b) Confirmation of sales. The county collector shall file
4 his or her report of sale in the court within 30 days of the
5 date of sale of each property. No notice of the county
6 collector's application to confirm the sales shall be required
7 except as prescribed by rule of the court. Upon confirmation,
8 except in cases where the sale becomes void under Section
9 22-85, or in cases where the order of confirmation is vacated
10 by the court, a sale under this Section shall extinguish the in
11 rem lien of the general taxes, special taxes and special
12 assessments for which judgment has been entered and a
13 redemption shall not revive the lien. Confirmation of the sale
14 shall in no event affect the owner's personal liability to pay
15 the taxes, interest and penalties as provided in this Code or
16 prevent institution of a proceeding under Section 21-440 to
17 collect any amount that may remain due after the sale.

18 (c) Issuance of tax sale certificates. Upon confirmation
19 of the sale, the County Clerk and the County Collector shall
20 issue to the purchaser a certificate of purchase in the form
21 prescribed by Section 21-250 as near as may be. A certificate
22 of purchase shall not be issued to any person who is ineligible
23 to bid at the sale or to receive a certificate of purchase
24 under Section 21-265.

25 (d) Scavenger Tax Judgment, Sale and Redemption Record;
26 sale Record — Sale of parcels not sold. The county collector

1 shall prepare a Scavenger Tax Judgment, Sale and Redemption
2 Record. The county clerk shall write or stamp on the scavenger
3 tax judgment, sale, forfeiture and redemption record opposite
4 the description of any property offered for sale and not sold,
5 or not confirmed for any reason, the words "offered but not
6 sold". The properties which are offered for sale under this
7 Section and not sold or not confirmed shall be offered for sale
8 annually thereafter in the manner provided in this Section
9 until sold, except in the case of mineral rights, which after
10 10 consecutive years of being offered for sale under this
11 Section and not sold or confirmed shall no longer be required
12 to be offered for sale. At any time between annual sales the
13 County Collector may advertise for sale any properties subject
14 to sale under judgments for sale previously entered under this
15 Section and not executed for any reason. The advertisement and
16 sale shall be regulated by the provisions of this Code as far
17 as applicable.

18 (e) Proceeding to tax deed. The owner of the certificate
19 of purchase shall give notice as required by Sections 22-5
20 through 22-30, and may extend the period of redemption as
21 provided by Section 21-385. At any time within 6 months prior
22 to expiration of the period of redemption from a sale under
23 this Code, the owner of a certificate of purchase may file a
24 petition and may obtain a tax deed under Sections 22-30
25 through 22-55. Within 30 days from filing of the petition, the
26 owner of a certificate must file with the clerk of the circuit

1 court ~~county clerk~~ the names and addresses of the owners of the
2 property and those persons entitled to service of notice at
3 their last known addresses. The clerk shall mail notice within
4 30 days from the date of the filing of addresses with the
5 clerk. All proceedings for the issuance of a tax deed and all
6 tax deeds for properties sold under this Section shall be
7 subject to Sections 22-30 through 22-55. Deeds issued under
8 this Section are subject to Section 22-70. This Section shall
9 be liberally construed so that the deeds provided for in this
10 Section convey merchantable title.

11 (f) Redemptions from scavenger sales. Redemptions may be
12 made from sales under this Section in the same manner and upon
13 the same terms and conditions as redemptions from sales made
14 under the County Collector's annual application for judgment
15 and order of sale, except that in lieu of penalty the person
16 redeeming shall pay interest as follows if the sale occurs
17 before September 9, 1993:

18 (1) If redeemed within the first 2 months from the
19 date of the sale, 3% per month or portion thereof upon the
20 amount for which the property was sold;

21 (2) If redeemed between 2 and 6 months from the date of
22 the sale, 12% of the amount for which the property was
23 sold;

24 (3) If redeemed between 6 and 12 months from the date
25 of the sale, 24% of the amount for which the property was
26 sold;

1 (4) If redeemed between 12 and 18 months from the date
2 of the sale, 36% of the amount for which the property was
3 sold;

4 (5) If redeemed between 18 and 24 months from the date
5 of the sale, 48% of the amount for which the property was
6 sold;

7 (6) If redeemed after 24 months from the date of sale,
8 the 48% herein provided together with interest at 6% per
9 year thereafter.

10 If the sale occurs on or after September 9, 1993, the
11 person redeeming shall pay interest on that part of the amount
12 for which the property was sold equal to or less than the full
13 amount of delinquent taxes, special assessments, penalties,
14 interest, and costs, included in the judgment and order of
15 sale as follows:

16 (1) If redeemed within the first 2 months from the
17 date of the sale, 3% per month upon the amount of taxes,
18 special assessments, penalties, interest, and costs due
19 for each of the first 2 months, or fraction thereof.

20 (2) If redeemed at any time between 2 and 6 months from
21 the date of the sale, 12% of the amount of taxes, special
22 assessments, penalties, interest, and costs due.

23 (3) If redeemed at any time between 6 and 12 months
24 from the date of the sale, 24% of the amount of taxes,
25 special assessments, penalties, interest, and costs due.

26 (4) If redeemed at any time between 12 and 18 months

1 from the date of the sale, 36% of the amount of taxes,
2 special assessments, penalties, interest, and costs due.

3 (5) If redeemed at any time between 18 and 24 months
4 from the date of the sale, 48% of the amount of taxes,
5 special assessments, penalties, interest, and costs due.

6 (6) If redeemed after 24 months from the date of sale,
7 the 48% provided for the 24 months together with interest
8 at 6% per annum thereafter on the amount of taxes, special
9 assessments, penalties, interest, and costs due.

10 The person redeeming shall not be required to pay any
11 interest on any part of the amount for which the property was
12 sold that exceeds the full amount of delinquent taxes, special
13 assessments, penalties, interest, and costs included in the
14 judgment and order of sale.

15 Notwithstanding any other provision of this Section,
16 except for owner-occupied single family residential units
17 which are condominium units, cooperative units or dwellings,
18 the amount required to be paid for redemption shall also
19 include an amount equal to all delinquent taxes on the
20 property which taxes were delinquent at the time of sale. The
21 delinquent taxes shall be apportioned by the county collector
22 among the taxing districts in which the property is situated
23 in accordance with law. In the event that all moneys received
24 from any sale held under this Section exceed an amount equal to
25 all delinquent taxes on the property sold, which taxes were
26 delinquent at the time of sale, together with all publication

1 and other costs associated with the sale, then, upon
2 redemption, the County Collector and the County Clerk shall
3 apply the excess amount to the cost of redemption.

4 (g) Bidding by county or other taxing districts. Any
5 taxing district may bid at a scavenger sale. The county board
6 of the county in which properties offered for sale under this
7 Section are located may bid as trustee for all taxing
8 districts having an interest in the taxes for the nonpayment
9 of which the parcels are offered. The County shall apply on the
10 bid the unpaid taxes due upon the property and no cash need be
11 paid. The County or other taxing district acquiring a tax sale
12 certificate shall take all steps necessary to acquire title to
13 the property and may manage and operate the property so
14 acquired.

15 When a county, or other taxing district within the county,
16 is a petitioner for a tax deed, no filing fee shall be required
17 on the petition. The county as a tax creditor and as trustee
18 for other tax creditors, or other taxing district within the
19 county shall not be required to allege and prove that all taxes
20 and special assessments which become due and payable after the
21 sale to the county have been paid. The county shall not be
22 required to pay the subsequently accruing taxes or special
23 assessments at any time. Upon the written request of the
24 county board or its designee, the county collector shall not
25 offer the property for sale at any tax sale subsequent to the
26 sale of the property to the county under this Section. The lien

1 of taxes and special assessments which become due and payable
2 after a sale to a county shall merge in the fee title of the
3 county, or other taxing district, on the issuance of a deed.
4 The County may sell the properties so acquired, or the
5 certificate of purchase thereto, and the proceeds of the sale
6 shall be distributed to the taxing districts in proportion to
7 their respective interests therein. The presiding officer of
8 the county board, with the advice and consent of the County
9 Board, may appoint some officer or person to attend scavenger
10 sales and bid on its behalf.

11 (h) Miscellaneous provisions. In the event that the tract
12 of land or lot sold at any such sale is not redeemed within the
13 time permitted by law and a tax deed is issued, all moneys that
14 may be received from the sale of properties in excess of the
15 delinquent taxes, together with all publication and other
16 costs associated with the sale, shall, upon petition of any
17 interested party to the court that issued the tax deed, be
18 distributed by the County Collector pursuant to order of the
19 court among the persons having legal or equitable interests in
20 the property according to the fair value of their interests in
21 the tract or lot. Section 21-415 does not apply to properties
22 sold under this Section. Appeals may be taken from the orders
23 and judgments entered under this Section as in other civil
24 cases. The remedy herein provided is in addition to other
25 remedies for the collection of delinquent taxes.

26 (i) The changes to this Section made by Public Act 95-477

1 ~~this amendatory Act of the 95th General Assembly~~ apply only to
2 matters in which a petition for tax deed is filed on or after
3 June 1, 2008 (the effective date of Public Act 95-477) ~~this~~
4 ~~amendatory Act of the 95th General Assembly.~~

5 (Source: P.A. 102-519, eff. 8-20-21; 102-528, eff. 1-1-22;
6 revised 10-18-21.)

7 Section 10. The Illinois Municipal Code is amended by
8 changing Section 11-74.4-3 as follows:

9 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

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

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

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

23 (1) If improved, industrial, commercial, and
24 residential buildings or improvements are detrimental to

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

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

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

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

1 depressions, loose paving material, and weeds
2 protruding through paved surfaces.

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

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

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

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

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

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

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

1 of the following conditions: insufficient provision
2 for light and air within or around buildings,
3 increased threat of spread of fire due to the close
4 proximity of buildings, lack of adequate or proper
5 access to a public right-of-way, lack of reasonably
6 required off-street parking, or inadequate provision
7 for loading and service.

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

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

25 (L) Lack of community planning. The proposed
26 redevelopment project area was developed prior to or

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

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

25 (2) If vacant, the sound growth of the redevelopment
26 project area is impaired by a combination of 2 or more of

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

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

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

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

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

26 (E) The area has incurred Illinois Environmental

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

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

24 (3) If vacant, the sound growth of the redevelopment
25 project area is impaired by one of the following factors
26 that (i) is present, with that presence documented, to a

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

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

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

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

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

24 (E) Prior to November 1, 1999, the area is not less
25 than 50 nor more than 100 acres and 75% of which is
26 vacant (notwithstanding that the area has been used

1 for commercial agricultural purposes within 5 years
2 prior to the designation of the redevelopment project
3 area), and the area meets at least one of the factors
4 itemized in paragraph (1) of this subsection, the area
5 has been designated as a town or village center by
6 ordinance or comprehensive plan adopted prior to
7 January 1, 1982, and the area has not been developed
8 for that designated purpose.

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

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

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

26 (1) Dilapidation. An advanced state of disrepair or

1 neglect of necessary repairs to the primary structural
2 components of buildings or improvements in such a
3 combination that a documented building condition analysis
4 determines that major repair is required or the defects
5 are so serious and so extensive that the buildings must be
6 removed.

7 (2) Obsolescence. The condition or process of falling
8 into disuse. Structures have become ill-suited for the
9 original use.

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

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

25 (5) Illegal use of individual structures. The use of
26 structures in violation of applicable federal, State, or

1 local laws, exclusive of those applicable to the presence
2 of structures below minimum code standards.

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

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

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

1 obsolete, or in disrepair, or (iii) lacking within the
2 redevelopment project area.

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

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

26 (11) Lack of community planning. The proposed

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

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

23 (13) The total equalized assessed value of the
24 proposed redevelopment project area has declined for 3 of
25 the last 5 calendar years for which information is
26 available or is increasing at an annual rate that is less

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

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

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

1 area contiguous to such vacant land.

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

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

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

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

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

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

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

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

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

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

1 entered into contracts in connection with a redevelopment
2 project in a redevelopment project area before June 1, 1988,
3 shall continue to receive their proportional share of the
4 Illinois Tax Increment Fund distribution until the date on
5 which the redevelopment project is completed or terminated.
6 If, however, a municipality that issued bonds in connection
7 with a redevelopment project in a redevelopment project area
8 within the State Sales Tax Boundary prior to July 29, 1991
9 retires the bonds prior to June 30, 2007 or a municipality that
10 entered into contracts in connection with a redevelopment
11 project in a redevelopment project area before June 1, 1988
12 completes the contracts prior to June 30, 2007, then so long as
13 the redevelopment project is not completed or is not
14 terminated, the Net State Sales Tax Increment shall be
15 calculated, beginning on the date on which the bonds are
16 retired or the contracts are completed, as follows: By
17 multiplying the Net State Sales Tax Increment by 60% in the
18 State Fiscal Year 2002; 50% in the State Fiscal Year 2003; 40%
19 in the State Fiscal Year 2004; 30% in the State Fiscal Year
20 2005; 20% in the State Fiscal Year 2006; and 10% in the State
21 Fiscal Year 2007. No payment shall be made for State Fiscal
22 Year 2008 and thereafter. Refunding of any bonds issued prior
23 to July 29, 1991, shall not alter the Net State Sales Tax
24 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,
6 other than residential customers, of properties within the
7 redevelopment project area during the base year, which shall
8 be the calendar year immediately prior to the year of the
9 adoption 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
19 Fiscal Year 1999, and every year thereafter until the year
20 2007, for any municipality that has not entered into a
21 contract or has not issued bonds prior to June 1, 1988 to
22 finance redevelopment project costs within a redevelopment
23 project area, the Net State Utility Tax Increment shall be
24 calculated as follows: By multiplying the Net State Utility
25 Tax Increment by 90% in the State Fiscal Year 1999; 80% in the
26 State Fiscal Year 2000; 70% in the State Fiscal Year 2001; 60%

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

6 Municipalities that issue bonds in connection with the
7 redevelopment project during the period from June 1, 1988
8 until 3 years after the effective date of this Amendatory Act
9 of 1988 shall receive the Net State Utility Tax Increment,
10 subject to appropriation, for 15 State Fiscal Years after the
11 issuance of such bonds. For the 16th through the 20th State
12 Fiscal Years after issuance of the bonds, the Net State
13 Utility Tax Increment shall be calculated as follows: By
14 multiplying the Net State Utility Tax Increment by 90% in year
15 16; 80% in year 17; 70% in year 18; 60% in year 19; and 50% in
16 year 20. Refunding of any bonds issued prior to June 1, 1988,
17 shall not alter the revised Net State Utility Tax Increment
18 payments set 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
13 the 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
16 the taxing districts which extend into the redevelopment
17 project area, provided that, with respect to redevelopment
18 project areas described in subsections (p-1) and (p-2),
19 "redevelopment plan" means the comprehensive program of the
20 affected municipality for the development of qualifying
21 transit facilities. On and after November 1, 1999 (the
22 effective date of Public Act 91-478), no redevelopment plan
23 may be approved or amended that includes the development of
24 vacant land (i) with a golf course and related clubhouse and
25 other facilities or (ii) designated by federal, State, county,
26 or municipal government as public land for outdoor

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 and without complying with the procedures provided in this
2 Act pertaining to an amendment to or the initial approval
3 of a redevelopment plan and project and designation of a
4 redevelopment project area.

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

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

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

1 within a transit facility improvement area established
2 pursuant to Section 11-74.4-3.3, and the applicable
3 project is subject to the process for evaluation of
4 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
22 racial and ethnic composition of the residents in the
23 inhabited residential units. The data requirement as to
24 the racial and ethnic composition of the residents in the
25 inhabited residential units shall be deemed to be fully
26 satisfied by 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
20 of 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
18 procedures 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,
3 so 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
11 may be approved or amended that includes the development of
12 vacant land (i) with a golf course and related clubhouse and
13 other facilities or (ii) designated by federal, State, county,
14 or municipal government as public land for outdoor
15 recreational activities or for nature preserves and used for
16 that purpose within 5 years prior to the adoption of the
17 redevelopment plan. For the purpose of this subsection,
18 "recreational activities" is limited to mean camping and
19 hunting.

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

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

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

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

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

1 contracts with those individuals or entities are executed
2 by the consultant or advisor;

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

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

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

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

1 private investment; including any direct or indirect costs
2 relating to Green Globes or LEED certified construction
3 elements or construction elements with an equivalent
4 certification;

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

1 new municipal public building is for the storage,
2 maintenance, or repair of transit vehicles and is located
3 in a transit facility improvement area that has been
4 established pursuant to Section 11-74.4-3.3;

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

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

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

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

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

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

1 defined in Section 10-20.12a of the School Code less
2 any increase in general State aid as defined in
3 Section 18-8.05 of the School Code or evidence-based
4 funding as defined in Section 18-8.15 of the School
5 Code attributable to these added new students subject
6 to the following annual limitations:

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

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

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

25 (B) For alternate method districts, flat grant
26 districts, and foundation districts with a district

1 average 1995-96 Per Capita Tuition Charge equal to or
2 more than \$5,900, excluding any school district with a
3 population in excess of 1,000,000, by multiplying the
4 district's increase in attendance resulting from the
5 net increase in new students enrolled in that school
6 district who reside in housing units within the
7 redevelopment project area that have received
8 financial assistance through an agreement with the
9 municipality or because the municipality incurs the
10 cost of necessary infrastructure improvements within
11 the boundaries of the housing sites necessary for the
12 completion of that housing as authorized by this Act
13 since the designation of the redevelopment project
14 area by the most recently available per capita tuition
15 cost as defined in Section 10-20.12a of the School
16 Code less any increase in general state aid as defined
17 in Section 18-8.05 of the School Code or
18 evidence-based funding as defined in Section 18-8.15
19 of the School Code attributable to these added new
20 students subject to the following annual limitations:

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

26 (ii) for elementary school districts, no more

1 than 27% of the total amount of property tax
2 increment revenue produced by those housing units
3 that have received tax increment finance
4 assistance under this Act; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 (9) Payment in lieu of taxes;

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

1 provided, the number and type of positions available or to
2 be available, itemized costs of the program and sources of
3 funds to pay for the same, and the term of the agreement.
4 Such costs include, specifically, the payment by community
5 college districts of costs pursuant to Sections 3-37,
6 3-38, 3-40 and 3-40.1 of the Public Community College Act
7 and by school districts of costs pursuant to Sections
8 10-22.20a and 10-23.3a of the School Code;

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

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

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

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

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

1 redevelopment project plus (ii) redevelopment project
2 costs excluding any property assembly costs and any
3 relocation costs incurred by a municipality pursuant
4 to this Act;

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

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

1 the proceeds of bonds issued to finance the
2 construction of that housing.

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

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

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

1 for family size, as the annual income and municipal,
2 county, or regional median income are determined from time
3 to time by the United States Department of Housing and
4 Urban Development.

5 (12) Costs relating to the development of urban
6 agricultural areas under Division 15.2 of the Illinois
7 Municipal Code.

8 (13) Costs of business interruption or closures. Such
9 costs are payable to businesses located within the
10 redevelopment area that have experienced business
11 interruption or other adverse conditions directly or
12 indirectly attributable to the COVID-19 public health
13 emergency and experienced during a statewide disaster
14 declaration regarding COVID-19. These costs may be
15 reimbursed in the form of grants, subsidies, or loans
16 distributed prior to December 31, 2022.

17 The municipality may establish, by ordinance or
18 resolution, procedures for the payment of such costs,
19 including application procedures, grant or loan
20 agreements, certifications, payment methodologies, and
21 other accountability measures that may be imposed upon
22 participating businesses.

23 As used in this subsection, "costs of business
24 interruption" means either of the following: decreases in
25 revenue caused by closing or limiting access to the
26 business establishment to comply with COVID-19 public

1 health emergency prevention directives or to otherwise
2 prevent the spread of COVID-19 within the business
3 establishment; or decreases in revenue caused by decreased
4 customer demand as a result of the COVID-19 public health
5 emergency.

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

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

1 serviceman.

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

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

23 (q-1) For redevelopment project areas created pursuant to
24 subsection (p-1), redevelopment project costs are limited to
25 those costs in paragraph (q) that are related to the existing
26 or proposed Regional Transportation Authority Suburban Transit

1 Access Route (STAR Line) station.

2 (q-2) For a transit facility improvement area established
3 prior to, on, or after the effective date of this amendatory
4 Act of the 102nd General Assembly: (i) "redevelopment project
5 costs" means those costs described in subsection (q) that are
6 related to the construction, reconstruction, rehabilitation,
7 remodeling, or repair of any existing or proposed transit
8 facility, whether that facility is located within or outside
9 the boundaries of a redevelopment project area established
10 within that transit facility improvement area (and, to the
11 extent a redevelopment project cost is described in subsection
12 (q) as incurred or estimated to be incurred with respect to a
13 redevelopment project area, then it shall apply with respect
14 to such transit facility improvement area); and (ii) the
15 provisions of Section 11-74.4-8 regarding tax increment
16 allocation financing for a redevelopment project area located
17 in a transit facility improvement area shall apply only to the
18 lots, blocks, tracts and parcels of real property that are
19 located within the boundaries of that redevelopment project
20 area and not to the lots, blocks, tracts, and parcels of real
21 property that are located outside the boundaries of that
22 redevelopment project area.

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

1 shall certify pursuant to subsection (9) of Section 11-74.4-8a
2 the appropriate boundaries eligible for the determination of
3 State Sales Tax Increment.

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

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

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

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

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

26 (v) As used in subsection (a) of Section 11-74.4-3 of this

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

26 (w) "Annual Total Increment" means the sum of each

1 municipality's annual Net Sales Tax Increment and each
2 municipality's annual Net Utility Tax Increment. The ratio of
3 the Annual Total Increment of each municipality to the Annual
4 Total Increment for all municipalities, as most recently
5 calculated by the Department, shall determine the proportional
6 shares of the Illinois Tax Increment Fund to be distributed to
7 each municipality.

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

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

15 (Source: P.A. 102-627, eff. 8-27-21.)

16 Section 15. The Illinois Banking Act is amended by
17 changing Sections 2 and 30 as follows:

18 (205 ILCS 5/2) (from Ch. 17, par. 302)

19 Sec. 2. General definitions. In this Act, unless the
20 context otherwise requires, the following words and phrases
21 shall have the following meanings:

22 "Accommodation party" shall have the meaning ascribed to
23 that term in Section 3-419 of the Uniform Commercial Code.

24 "Action" in the sense of a judicial proceeding includes

1 recoupments, counterclaims, set-off, and any other proceeding
2 in which rights are determined.

3 "Affiliate facility" of a bank means a main banking
4 premises or branch of another commonly owned bank. The main
5 banking premises or any branch of a bank may be an "affiliate
6 facility" with respect to one or more other commonly owned
7 banks.

8 "Appropriate federal banking agency" means the Federal
9 Deposit Insurance Corporation, the Federal Reserve Bank of
10 Chicago, or the Federal Reserve Bank of St. Louis, as
11 determined by federal law.

12 "Bank" means any person doing a banking business whether
13 subject to the laws of this or any other jurisdiction.

14 A "banking house", "branch", "branch bank" or "branch
15 office" shall mean any place of business of a bank at which
16 deposits are received, checks paid, or loans made, but shall
17 not include any place at which only records thereof are made,
18 posted, or kept. A place of business at which deposits are
19 received, checks paid, or loans made shall not be deemed to be
20 a branch, branch bank, or branch office if the place of
21 business is adjacent to and connected with the main banking
22 premises, or if it is separated from the main banking premises
23 by not more than an alley; provided always that (i) if the
24 place of business is separated by an alley from the main
25 banking premises there is a connection between the two by
26 public or private way or by subterranean or overhead passage,

1 and (ii) if the place of business is in a building not wholly
2 occupied by the bank, the place of business shall not be within
3 any office or room in which any other business or service of
4 any kind or nature other than the business of the bank is
5 conducted or carried on. A place of business at which deposits
6 are received, checks paid, or loans made shall not be deemed to
7 be a branch, branch bank, or branch office (i) of any bank if
8 the place is a terminal established and maintained in
9 accordance with paragraph (17) of Section 5 of this Act, or
10 (ii) of a commonly owned bank by virtue of transactions
11 conducted at that place on behalf of the other commonly owned
12 bank under paragraph (23) of Section 5 of this Act if the place
13 is an affiliate facility with respect to the other bank.

14 "Branch of an out-of-state bank" means a branch
15 established or maintained in Illinois by an out-of-state bank
16 as a result of a merger between an Illinois bank and the
17 out-of-state bank that occurs on or after May 31, 1997, or any
18 branch established by the out-of-state bank following the
19 merger.

20 "Bylaws" means the bylaws of a bank that are adopted by the
21 bank's board of directors or shareholders for the regulation
22 and management of the bank's affairs. If the bank operates as a
23 limited liability company, however, "bylaws" means the
24 operating agreement of the bank.

25 "Call report fee" means the fee to be paid to the
26 Commissioner by each State bank pursuant to paragraph (a) of

1 subsection (3) of Section 48 of this Act.

2 "Capital" includes the aggregate of outstanding capital
3 stock and preferred stock.

4 "Cash flow reserve account" means the account within the
5 books and records of the Commissioner of Banks and Real Estate
6 used to record funds designated to maintain a reasonable Bank
7 and Trust Company Fund operating balance to meet agency
8 obligations on a timely basis.

9 "Charter" includes the original charter and all amendments
10 thereto and articles of merger or consolidation.

11 "Commissioner" means the Commissioner of Banks and Real
12 Estate, except that beginning on April 6, 2009 (the effective
13 date of Public Act 95-1047), all references in this Act to the
14 Commissioner of Banks and Real Estate are deemed, in
15 appropriate contexts, to be references to the Secretary of
16 Financial and Professional Regulation.

17 "Commonly owned banks" means 2 or more banks that each
18 qualify as a bank subsidiary of the same bank holding company
19 pursuant to Section 18 of the Federal Deposit Insurance Act;
20 "commonly owned bank" refers to one of a group of commonly
21 owned banks but only with respect to one or more of the other
22 banks in the same group.

23 "Community" means a city, village, or incorporated town
24 and also includes the area served by the banking offices of a
25 bank, but need not be limited or expanded to conform to the
26 geographic boundaries of units of local government.

1 "Company" means a corporation, limited liability company,
2 partnership, business trust, association, or similar
3 organization and, unless specifically excluded, includes a
4 "State bank" and a "bank".

5 "Consolidating bank" means a party to a consolidation.

6 "Consolidation" takes place when 2 or more banks, or a
7 trust company and a bank, are extinguished and by the same
8 process a new bank is created, taking over the assets and
9 assuming the liabilities of the banks or trust company passing
10 out of existence.

11 "Continuing bank" means a merging bank, the charter of
12 which becomes the charter of the resulting bank.

13 "Converting bank" means a State bank converting to become
14 a national bank, or a national bank converting to become a
15 State bank.

16 "Converting trust company" means a trust company
17 converting to become a State bank.

18 "Court" means a court of competent jurisdiction.

19 "Director" means a member of the board of directors of a
20 bank. In the case of a manager-managed limited liability
21 company, however, "director" means a manager of the bank and,
22 in the case of a member-managed limited liability company,
23 "director" means a member of the bank. The term "director"
24 does not include an advisory director, honorary director,
25 director emeritus, or similar person, unless the person is
26 otherwise performing functions similar to those of a member of

1 the board of directors.

2 "Director of Banking" means the Director of the Division
3 of Banking of the Department of Financial and Professional
4 Regulation.

5 "Eligible depository institution" means an insured savings
6 association that is in default, an insured savings association
7 that is in danger of default, a State or national bank that is
8 in default or a State or national bank that is in danger of
9 default, as those terms are defined in this Section, or a new
10 bank as that term defined in Section 11(m) of the Federal
11 Deposit Insurance Act or a bridge bank as that term is defined
12 in Section 11(n) of the Federal Deposit Insurance Act or a new
13 federal savings association authorized under Section
14 11(d) (2) (f) of the Federal Deposit Insurance Act.

15 "Fiduciary" means trustee, agent, executor, administrator,
16 committee, guardian for a minor or for a person under legal
17 disability, receiver, trustee in bankruptcy, assignee for
18 creditors, or any holder of similar position of trust.

19 "Financial institution" means a bank, savings bank,
20 savings and loan association, credit union, or any licensee
21 under the Consumer Installment Loan Act or the Sales Finance
22 Agency Act and, for purposes of Section 48.3, any proprietary
23 network, funds transfer corporation, or other entity providing
24 electronic funds transfer services, or any corporate
25 fiduciary, its subsidiaries, affiliates, parent company, or
26 contractual service provider that is examined by the

1 Commissioner. For purposes of Section 5c and subsection (b) of
2 Section 13 of this Act, "financial institution" includes any
3 proprietary network, funds transfer corporation, or other
4 entity providing electronic funds transfer services, and any
5 corporate fiduciary.

6 "Foundation" means the Illinois Bank Examiners' Education
7 Foundation.

8 "General obligation" means a bond, note, debenture,
9 security, or other instrument evidencing an obligation of the
10 government entity that is the issuer that is supported by the
11 full available resources of the issuer, the principal and
12 interest of which is payable in whole or in part by taxation.

13 "Guarantee" means an undertaking or promise to answer for
14 payment of another's debt or performance of another's duty,
15 liability, or obligation whether "payment guaranteed" or
16 "collection guaranteed".

17 "In danger of default" means a State or national bank, a
18 federally chartered insured savings association or an Illinois
19 state chartered insured savings association with respect to
20 which the Commissioner or the appropriate federal banking
21 agency has advised the Federal Deposit Insurance Corporation
22 that:

23 (1) in the opinion of the Commissioner or the
24 appropriate federal banking agency,

25 (A) the State or national bank or insured savings
26 association is not likely to be able to meet the

1 demands of the State or national bank's or savings
2 association's obligations in the normal course of
3 business; and

4 (B) there is no reasonable prospect that the State
5 or national bank or insured savings association will
6 be able to meet those demands or pay those obligations
7 without federal assistance; or

8 (2) in the opinion of the Commissioner or the
9 appropriate federal banking agency,

10 (A) the State or national bank or insured savings
11 association has incurred or is likely to incur losses
12 that will deplete all or substantially all of its
13 capital; and

14 (B) there is no reasonable prospect that the
15 capital of the State or national bank or insured
16 savings association will be replenished without
17 federal assistance.

18 "In default" means, with respect to a State or national
19 bank or an insured savings association, any adjudication or
20 other official determination by any court of competent
21 jurisdiction, the Commissioner, the appropriate federal
22 banking agency, or other public authority pursuant to which a
23 conservator, receiver, or other legal custodian is appointed
24 for a State or national bank or an insured savings
25 association.

26 "Insured savings association" means any federal savings

1 association chartered under Section 5 of the federal Home
2 Owners' Loan Act and any State savings association chartered
3 under the Illinois Savings and Loan Act of 1985 or a
4 predecessor Illinois statute, the deposits of which are
5 insured by the Federal Deposit Insurance Corporation. The term
6 also includes a savings bank organized or operating under the
7 Savings Bank Act.

8 "Insured savings association in recovery" means an insured
9 savings association that is not an eligible depository
10 institution and that does not meet the minimum capital
11 requirements applicable with respect to the insured savings
12 association.

13 "Issuer" means for purposes of Section 33 every person who
14 shall have issued or proposed to issue any security; except
15 that (1) with respect to certificates of deposit, voting trust
16 certificates, collateral-trust certificates, and certificates
17 of interest or shares in an unincorporated investment trust
18 not having a board of directors (or persons performing similar
19 functions), "issuer" means the person or persons performing
20 the acts and assuming the duties of depositor or manager
21 pursuant to the provisions of the trust, agreement, or
22 instrument under which the securities are issued; (2) with
23 respect to trusts other than those specified in clause (1)
24 above, where the trustee is a corporation authorized to accept
25 and execute trusts, "issuer" means the entrusters, depositors,
26 or creators of the trust and any manager or committee charged

1 with the general direction of the affairs of the trust
2 pursuant to the provisions of the agreement or instrument
3 creating the trust; and (3) with respect to equipment trust
4 certificates or like securities, "issuer" means the person to
5 whom the equipment or property is or is to be leased or
6 conditionally sold.

7 "Letter of credit" and "customer" shall have the meanings
8 ascribed to those terms in Section 5-102 of the Uniform
9 Commercial Code.

10 "Main banking premises" means the location that is
11 designated in a bank's charter as its main office.

12 "Maker or obligor" means for purposes of Section 33 the
13 issuer of a security, the promisor in a debenture or other debt
14 security, or the mortgagor or grantor of a trust deed or
15 similar conveyance of a security interest in real or personal
16 property.

17 "Merged bank" means a merging bank that is not the
18 continuing, resulting, or surviving bank in a consolidation or
19 merger.

20 "Merger" includes consolidation.

21 "Merging bank" means a party to a bank merger.

22 "Merging trust company" means a trust company party to a
23 merger with a State bank.

24 "Mid-tier bank holding company" means a corporation that
25 (a) owns 100% of the issued and outstanding shares of each
26 class of stock of a State bank, (b) has no other subsidiaries,

1 and (c) 100% of the issued and outstanding shares of the
2 corporation are owned by a parent bank holding company.

3 "Municipality" means any municipality, political
4 subdivision, school district, taxing district, or agency.

5 "National bank" means a national banking association
6 located in this State and after May 31, 1997, means a national
7 banking association without regard to its location.

8 "Out-of-state bank" means a bank chartered under the laws
9 of a state other than Illinois, a territory of the United
10 States, or the District of Columbia.

11 "Parent bank holding company" means a corporation that is
12 a bank holding company as that term is defined in the Illinois
13 Bank Holding Company Act of 1957 and owns 100% of the issued
14 and outstanding shares of a mid-tier bank holding company.

15 "Person" means an individual, corporation, limited
16 liability company, partnership, joint venture, trust, estate,
17 or unincorporated association.

18 "Public agency" means the State of Illinois, the various
19 counties, townships, cities, towns, villages, school
20 districts, educational service regions, special road
21 districts, public water supply districts, fire protection
22 districts, drainage districts, levee districts, sewer
23 districts, housing authorities, the Illinois Bank Examiners'
24 Education Foundation, the Chicago Park District, and all other
25 political corporations or subdivisions of the State of
26 Illinois, whether now or hereafter created, whether herein

1 specifically mentioned or not, and shall also include any
2 other state or any political corporation or subdivision of
3 another state.

4 "Public funds" or "public money" means current operating
5 funds, special funds, interest and sinking funds, and funds of
6 any kind or character belonging to, in the custody of, or
7 subject to the control or regulation of the United States or a
8 public agency. "Public funds" or "public money" shall include
9 funds held by any of the officers, agents, or employees of the
10 United States or of a public agency in the course of their
11 official duties and, with respect to public money of the
12 United States, shall include Postal Savings funds.

13 "Published" means, unless the context requires otherwise,
14 the publishing of the notice or instrument referred to in some
15 newspaper of general circulation in the community in which the
16 bank is located at least once each week for 3 successive weeks.
17 Publishing shall be accomplished by, and at the expense of,
18 the bank required to publish. Where publishing is required,
19 the bank shall submit to the Commissioner that evidence of the
20 publication as the Commissioner shall deem appropriate.

21 "Qualified financial contract" means any security
22 contract, commodity contract, forward contract, including spot
23 and forward foreign exchange contracts, repurchase agreement,
24 swap agreement, and any similar agreement, any option to enter
25 into any such agreement, including any combination of the
26 foregoing, and any master agreement for such agreements. A

1 master agreement, together with all supplements thereto, shall
2 be treated as one qualified financial contract. The contract,
3 option, agreement, or combination of contracts, options, or
4 agreements shall be reflected upon the books, accounts, or
5 records of the bank, or a party to the contract shall provide
6 documentary evidence of such agreement.

7 "Recorded" means the filing or recording of the notice or
8 instrument referred to in the office of the Recorder of the
9 county wherein the bank is located.

10 "Resulting bank" means the bank resulting from a merger or
11 conversion.

12 "Secretary" means the Secretary of Financial and
13 Professional Regulation, or a person authorized by the
14 Secretary or by this Act to act in the Secretary's stead.

15 "Securities" means stocks, bonds, debentures, notes, or
16 other similar obligations.

17 "Special purpose trust company" means a special purpose
18 trust company under Article IIA of the Corporate Fiduciary
19 Act.

20 "Stand-by letter of credit" means a letter of credit under
21 which drafts are payable upon the condition the customer has
22 defaulted in performance of a duty, liability, or obligation.

23 "State bank" means any banking corporation that has a
24 banking charter issued by the Commissioner under this Act.

25 "State Banking Board" means the State Banking Board of
26 Illinois.

1 "Subsidiary" with respect to a specified company means a
2 company that is controlled by the specified company. For
3 purposes of paragraphs (8) and (12) of Section 5 of this Act,
4 "control" means the exercise of operational or managerial
5 control of a corporation by the bank, either alone or together
6 with other affiliates of the bank.

7 "Surplus" means the aggregate of (i) amounts paid in
8 excess of the par value of capital stock and preferred stock;
9 (ii) amounts contributed other than for capital stock and
10 preferred stock and allocated to the surplus account; and
11 (iii) amounts transferred from undivided profits.

12 "Tier 1 Capital" and "Tier 2 Capital" have the meanings
13 assigned to those terms in regulations promulgated for the
14 appropriate federal banking agency of a state bank, as those
15 regulations are now or hereafter amended.

16 "Trust company" means a limited liability company or
17 corporation incorporated in this State for the purpose of
18 accepting and executing trusts.

19 "Undivided profits" means undistributed earnings less
20 discretionary transfers to surplus.

21 "Unimpaired capital and unimpaired surplus", for the
22 purposes of paragraph (21) of Section 5 and Sections 32, 33,
23 34, 35.1, 35.2, and 47 of this Act means the sum of the state
24 bank's Tier 1 Capital and Tier 2 Capital plus such other
25 shareholder equity as may be included by regulation of the
26 Commissioner. Unimpaired capital and unimpaired surplus shall

1 be calculated on the basis of the date of the last quarterly
2 call report filed with the Commissioner preceding the date of
3 the transaction for which the calculation is made, provided
4 that: (i) when a material event occurs after the date of the
5 last quarterly call report filed with the Commissioner that
6 reduces or increases the bank's unimpaired capital and
7 unimpaired surplus by 10% or more, then the unimpaired capital
8 and unimpaired surplus shall be calculated from the date of
9 the material event for a transaction conducted after the date
10 of the material event; and (ii) if the Commissioner determines
11 for safety and soundness reasons that a state bank should
12 calculate unimpaired capital and unimpaired surplus more
13 frequently than provided by this paragraph, the Commissioner
14 may by written notice direct the bank to calculate unimpaired
15 capital and unimpaired surplus at a more frequent interval. In
16 the case of a state bank newly chartered under Section 13 or a
17 state bank resulting from a merger, consolidation, or
18 conversion under Sections 21 through 26 for which no preceding
19 quarterly call report has been filed with the Commissioner,
20 unimpaired capital and unimpaired surplus shall be calculated
21 for the first calendar quarter on the basis of the effective
22 date of the charter, merger, consolidation, or conversion.

23 (Source: P.A. 95-924, eff. 8-26-08; 95-1047, eff. 4-6-09;
24 96-1000, eff. 7-2-10; 96-1163, eff. 1-1-11.)

1 Sec. 30. Conversion; merger with trust company or special
2 purpose trust company. Upon approval by the Commissioner a
3 trust company having power so to do under the law under which
4 it is organized may convert into a state bank or may merge into
5 a state bank as prescribed by this Act; except that the action
6 by a trust company shall be taken in the manner prescribed by
7 and shall be subject to limitations and requirements imposed
8 by the law under which it is organized which law shall also
9 govern the rights of its dissenting stockholders. The rights
10 of dissenting stockholders of a state bank shall be governed
11 by Section 29 of this Act. The conversion or merger procedure
12 shall be:

13 (1) In the case of a merger, the board of directors of both
14 the merging trust company and the merging bank by a majority of
15 the entire board in each case shall approve a merger agreement
16 which shall contain:

17 (a) The name and location of the merging bank and of
18 the merging trust company and a list of the stockholders
19 of each as of the date of the merger agreement;

20 (b) With respect to the resulting bank (i) its name
21 and place of business; (ii) the amount of capital, surplus
22 and reserve for operating expenses; (iii) the classes and
23 the number of shares of stock and the par value of each
24 share; (iv) the charter which is to be the charter of the
25 resulting bank, together with the amendments to the
26 continuing charter and to the continuing by-laws; and (v)

1 a detailed financial statement showing the assets and
2 liabilities after the proposed merger;

3 (c) Provisions governing the manner of converting the
4 shares of the merging bank and of the merging trust
5 company into shares of the resulting bank;

6 (d) A statement that the merger agreement is subject
7 to approval by the Commissioner and by the stockholders of
8 the merging bank and the merging trust company, and that
9 whether approved or disapproved, the parties thereto will
10 pay the Commissioner's expenses of examination;

11 (e) Provisions governing the manner of disposing of
12 the shares of the resulting bank not taken by the
13 dissenting stockholders of the merging trust company; and

14 (f) Such other provisions as the Commissioner may
15 reasonably require to enable him to discharge his duties
16 with respect to the merger.

17 (2) After approval by the board of directors of the
18 merging bank and of the merging trust company, the merger
19 agreement shall be submitted to the Commissioner for approval
20 together with the certified copies of the authorizing
21 resolution of each board of directors showing approval by a
22 majority of each board.

23 (3) After receipt by the Commissioner of the papers
24 specified in subsection (2), he shall approve or disapprove
25 the merger agreement. The Commissioner shall not approve the
26 agreement unless he shall be of the opinion and finds:

1 (a) That the resulting bank meets the requirements of
2 this Act for the formation of a new bank at the proposed
3 place of business of the resulting bank;

4 (b) That the same matters exist in respect of the
5 resulting bank which would have been required under
6 Section 10 of this Act for the organization of a new bank;
7 and

8 (c) That the merger agreement is fair to all persons
9 affected. If the Commissioner disapproves the merger
10 agreement, he shall state his objections in writing and
11 give an opportunity to the merging bank and the merging
12 trust company to obviate such objections.

13 (4) To be effective, if approved by the Commissioner, a
14 merger of a bank and a trust company where there is to be a
15 resulting bank must be approved by the affirmative vote of the
16 holders of at least two-thirds of the outstanding shares of
17 stock of the merging bank entitled to vote at a meeting called
18 to consider such action, unless holders of preferred stock are
19 entitled to vote as a class in respect thereof, in which event
20 the proposed merger shall be adopted upon receiving the
21 affirmative vote of the holders of at least two-thirds of the
22 outstanding shares of each class of shares entitled to vote as
23 a class in respect thereof and of the total outstanding shares
24 entitled to vote at such meeting and must be approved by the
25 stockholders of the merging trust company as provided by the
26 Act under which it is organized. The prescribed vote by the

1 merging bank and the merging trust company shall constitute
2 the adoption of the charter and by-laws of the continuing
3 bank, including the amendments in the merger agreement, as the
4 charter and by-laws of the resulting bank. Written or printed
5 notice of the meeting of the stockholders of the merging bank
6 shall be given to each stockholder of record entitled to vote
7 at such meeting at least thirty days before such meeting and in
8 the manner provided in this Act for the giving of notice of
9 meetings of stockholders. The notice shall state that
10 dissenting stockholders of the merging trust company will be
11 entitled to payment of the value of those shares which are
12 voted against approval of the merger, if a proper demand is
13 made on the resulting bank and the requirements of the Act
14 under which the merging trust company is organized are
15 satisfied.

16 (5) Unless a later date is specified in the merger
17 agreement, the merger shall become effective upon the filing
18 with the Commissioner of the executed merger agreement,
19 together with copies of the resolutions of the stockholders of
20 the merging bank and the merging trust company approving it,
21 certified by the president or a vice-president or, the cashier
22 and also by the secretary or other officer charged with
23 keeping the records. The charter of the merging trust company
24 shall thereupon automatically terminate. The Commissioner
25 shall thereupon issue to the continuing bank a certificate of
26 merger which shall specify the name of the merging trust

1 company, the name of the continuing bank and the amendments to
2 the charter of the continuing bank provided for by the merger
3 agreement. Such certificate shall be conclusive evidence of
4 the merger and of the correctness of all proceedings therefor
5 in all courts and places including the office of the Secretary
6 of State, and said certificate shall be recorded.

7 (6) In the case of a conversion, a trust company shall
8 apply for a charter by filing with the Commissioner:

9 (a) A certificate signed by its president, or a
10 vice-president, and by a majority of the entire board of
11 directors setting forth the corporate action taken in
12 compliance with the provisions of the Act under which it
13 is organized governing the conversion of a trust company
14 to a bank or governing the merger of a trust company into
15 another corporation;

16 (b) The plan of conversion and the proposed charter
17 approved by the stockholders for the operation of the
18 trust company as a bank. The plan of conversion shall
19 contain (i) the name and location proposed for the
20 converting trust company; (ii) a list of its stockholders
21 as of the date of the stockholders' approval of the plan of
22 conversion; (iii) the amount of its capital, surplus and
23 reserve for operating expenses; (iv) the classes and the
24 number of shares of stock and the par value of each share;
25 (v) the charter which is to be the charter of the resulting
26 bank; and (vi) a detailed financial statement showing the

1 assets and liabilities of the converting trust company;

2 (c) A statement that the plan of conversion is subject
3 to approval by the Commissioner and that, whether approved
4 or disapproved, the converting trust company will pay the
5 Commissioner's expenses of examination; and

6 (d) Such other instruments as the Commissioner may
7 reasonably require to enable him to discharge his duties
8 with respect to the conversion.

9 (7) After receipt by the Commissioner of the papers
10 specified in subsection (6), he shall approve or disapprove
11 the plan of conversion. The Commissioner shall not approve the
12 plan of conversion unless he shall be of the opinion and finds:

13 (a) That the resulting bank meets the requirements of
14 this Act for the formation of a new bank at the proposed
15 place of business of the resulting bank;

16 (b) That the same matters exist in respect of the
17 resulting bank which would have been required under
18 Section 10 of this Act for the organization of a new bank;
19 and

20 (c) That the plan of conversion is fair to all persons
21 affected.

22 If the commissioner disapproves the plan of conversion, he
23 shall state his objections in writing and give an opportunity
24 to the converting trust company to obviate such objections.

25 (8) Unless a later date is specified in the plan of
26 conversion, the conversion shall become effective upon the

1 Commissioner's approval, and the charter proposed in the plan
2 of conversion shall constitute the charter of the resulting
3 bank. The Commissioner shall issue a certificate of conversion
4 which shall specify the name of the converting trust company,
5 the name of the resulting bank and the charter provided for by
6 said plan of conversion. Such certificate shall be conclusive
7 evidence of the conversion and of the correctness of all
8 proceedings therefor in all courts and places including the
9 office of the Secretary of State, and such certificate shall
10 be recorded.

11 (8.5) A special purpose trust company under Article IIA of
12 the Corporate Fiduciary Act may merge with a State bank or
13 convert to a State bank as if the special purpose trust company
14 were a trust company under Article II of the Corporate
15 Fiduciary Act, subject to rules adopted by the Department.

16 (9) In the case of either a merger or a conversion under
17 this Section 30, the resulting bank shall be considered the
18 same business and corporate entity as each merging bank and
19 merging trust company or as the converting trust company with
20 all the property, rights, powers, duties and obligations of
21 each as specified in Section 28 of this Act.

22 (Source: P.A. 91-357, eff. 7-29-99.)

23 Section 20. The Corporate Fiduciary Act is amended by
24 adding Article IIA as follows:

1 (205 ILCS 620/Art. IIA heading new)

2 ARTICLE IIA. SPECIAL PURPOSE TRUST COMPANY

3 AUTHORITY AND ORGANIZATION

4 (205 ILCS 620/2A-1 new)

5 Sec. 2A-1. Special purpose trust company. Any corporation
6 that has been or shall be incorporated under the general
7 corporation laws of this State for the special purpose of
8 providing fiduciary custodial services or providing other like
9 or related services as specified by rule, consistent with this
10 Article, may be appointed to act as a fiduciary with respect to
11 such services and shall be designated a special purpose trust
12 company.

13 (205 ILCS 620/2A-2 new)

14 Sec. 2A-2. Certificate of authority.

15 (a) It shall not be lawful for any person to engage in the
16 activity of a special purpose trust company after the
17 effective date of this amendatory Act of the 102nd General
18 Assembly without first filing an application for and procuring
19 from the Secretary a certificate of authority stating that the
20 person has complied with the requirements of this Act and is
21 qualified to engage in the activity of a special purpose trust
22 company.

23 (b) No natural person or natural persons, firm, or
24 partnership, or corporation not having been authorized under

1 this Act shall transact in the activity of a special purpose
2 trust company. A person who violates this Section is guilty of
3 a Class A misdemeanor and the Attorney General or State's
4 Attorney of the county in which the violation occurs may
5 restrain the violation by a complaint for injunctive relief.

6 (c) Any entity that holds a certificate of authority under
7 Article II of this Act may engage in the activity of a special
8 purpose trust company without applying for or receiving a
9 certificate of authority under this Article IIA.

10 (205 ILCS 620/2A-3 new)

11 Sec. 2A-3. Rulemaking and organization.

12 (a) The Department shall adopt rules for the
13 administration of this Article, including, but not limited to:
14 rules for defining statutory terms; applying for a certificate
15 of authority; review, investigation, and approval of
16 application for certificate of authority; capital
17 requirements; merger, change of control, conversion, and
18 successor trustee; office location and name; collateralizing
19 fiduciary assets; and general corporate powers.

20 (b) Articles V, VI, VII, VIII, and IX of this Act shall
21 apply to a special purpose trust company under this Article as
22 if the special purpose trust company were a trust company
23 authorized under Article II of this Act, subject to any rules
24 adopted by the Department.

1 Section 25. The Blockchain Business Development Act is
2 amended by adding Section 11 as follows:

3 (205 ILCS 725/11 new)

4 Sec. 11. Digital asset custody rules.

5 (a) As used in this Section, "digital asset" means a
6 representation of economic, proprietary, or access rights that
7 is stored in a computer readable format.

8 (b) The Department of Financial and Professional
9 Regulation, in addition to the authority provided under any
10 other law, shall have authority to adopt rules, opinions, or
11 interpretive letters regarding the provision of custodial
12 services for digital assets by banks chartered under the
13 Illinois Banking Act, savings banks chartered under the
14 Savings Bank Act, credit unions chartered under the Illinois
15 Credit Union Act, and corporate fiduciaries authorized under
16 Article II or IIA of the Corporate Fiduciary Act.

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

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".