



Sen. Ram Villivalam

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10200SB1139sam001

LRB102 04943 AWJ 25213 a

1 AMENDMENT TO SENATE BILL 1139

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1139 by replacing  
3 everything after the enacting clause with the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 provided that the remediation costs constitute a  
2 material impediment to the development or  
3 redevelopment of the redevelopment project area.

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

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

1 agency for 3 of the last 5 calendar years prior to the  
2 year in which the redevelopment project area is  
3 designated.

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

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

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

25 (C) Tax and special assessment delinquencies exist  
26 or the property has been the subject of tax sales under

1 the Property Tax Code within the last 5 years.

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

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

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



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

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

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

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

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

25                   (D) The area consists of an unused or illegal  
26                   disposal site containing earth, stone, building

1 debris, or similar materials that were removed from  
2 construction, demolition, excavation, or dredge sites.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (10) Deleterious land use or layout. The existence of

1 incompatible land-use relationships, buildings occupied by  
2 inappropriate mixed-uses, or uses considered to be  
3 noxious, offensive, or unsuitable for the surrounding  
4 area.

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

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

1 area.

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

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

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

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

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

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

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



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

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

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

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

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

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

1 however, a municipality established a tax increment financing  
2 district in a county with a population in excess of 3,000,000  
3 before January 1, 1986, and the municipality entered into a  
4 contract or issued bonds after January 1, 1986, but before  
5 December 31, 1986, to finance redevelopment project costs  
6 within a State Sales Tax Boundary, then the Net State Sales Tax  
7 Increment means, for the fiscal years beginning July 1, 1990,  
8 and July 1, 1991, 100% of the State Sales Tax Increment  
9 annually generated within a State Sales Tax Boundary; and  
10 notwithstanding any other provision of this Act, for those  
11 fiscal years the Department of Revenue shall distribute to  
12 those municipalities 100% of their Net State Sales Tax  
13 Increment before any distribution to any other municipality  
14 and regardless of whether or not those other municipalities  
15 will receive 100% of their Net State Sales Tax Increment. For  
16 Fiscal Year 1999, and every year thereafter until the year  
17 2007, for any municipality that has not entered into a  
18 contract or has not issued bonds prior to June 1, 1988 to  
19 finance redevelopment project costs within a State Sales Tax  
20 Boundary, the Net State Sales Tax Increment shall be  
21 calculated as follows: By multiplying the Net State Sales Tax  
22 Increment by 90% in the State Fiscal Year 1999; 80% in the  
23 State Fiscal Year 2000; 70% in the State Fiscal Year 2001; 60%  
24 in the State Fiscal Year 2002; 50% in the State Fiscal Year  
25 2003; 40% in the State Fiscal Year 2004; 30% in the State  
26 Fiscal Year 2005; 20% in the State Fiscal Year 2006; and 10% in

1 the State Fiscal Year 2007. No payment shall be made for State  
2 Fiscal Year 2008 and thereafter.

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

1 Year 2008 and thereafter. Refunding of any bonds issued prior  
2 to July 29, 1991, shall not alter the Net State Sales Tax  
3 Increment.

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

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

1 finance redevelopment project costs within a redevelopment  
2 project area, the Net State Utility Tax Increment shall be  
3 calculated as follows: By multiplying the Net State Utility  
4 Tax Increment by 90% in the State Fiscal Year 1999; 80% in the  
5 State Fiscal Year 2000; 70% in the State Fiscal Year 2001; 60%  
6 in the State Fiscal Year 2002; 50% in the State Fiscal Year  
7 2003; 40% in the State Fiscal Year 2004; 30% in the State  
8 Fiscal Year 2005; 20% in the State Fiscal Year 2006; and 10% in  
9 the State Fiscal Year 2007. No payment shall be made for the  
10 State Fiscal Year 2008 and thereafter.

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

24 (1) "Obligations" mean bonds, loans, debentures, notes,  
25 special certificates or other evidence of indebtedness issued  
26 by the municipality to carry out a redevelopment project or to

1 refund outstanding obligations.

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

14 (n) "Redevelopment plan" means the comprehensive program  
15 of the municipality for development or redevelopment intended  
16 by the payment of redevelopment project costs to reduce or  
17 eliminate those conditions the existence of which qualified  
18 the redevelopment project area as a "blighted area" or  
19 "conservation area" or combination thereof or "industrial park  
20 conservation area," and thereby to enhance the tax bases of  
21 the taxing districts which extend into the redevelopment  
22 project area, provided that, with respect to redevelopment  
23 project areas described in subsections (p-1) and (p-2),  
24 "redemption plan" means the comprehensive program of the  
25 affected municipality for the development of qualifying  
26 transit facilities. On and after November 1, 1999 (the



1 effective date of Public Act 91-478), no redevelopment plan  
2 may be approved or amended that includes the development of  
3 vacant land (i) with a golf course and related clubhouse and  
4 other facilities or (ii) designated by federal, State, county,  
5 or municipal government as public land for outdoor  
6 recreational activities or for nature preserves and used for  
7 that purpose within 5 years prior to the adoption of the  
8 redevelopment plan. For the purpose of this subsection,  
9 "recreational activities" is limited to mean camping and  
10 hunting. Each redevelopment plan shall set forth in writing  
11 the program to be undertaken to accomplish the objectives and  
12 shall include but not be limited to:

13 (A) an itemized list of estimated redevelopment  
14 project costs;

15 (B) evidence indicating that the redevelopment project  
16 area on the whole has not been subject to growth and  
17 development through investment by private enterprise,  
18 provided that such evidence shall not be required for any  
19 redevelopment project area located within a transit  
20 facility improvement area established pursuant to Section  
21 11-74.4-3.3;

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

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

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

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

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

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

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

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

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

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

3 (1) The municipality finds that the redevelopment  
4 project area on the whole has not been subject to growth  
5 and development through investment by private enterprise  
6 and would not reasonably be anticipated to be developed  
7 without the adoption of the redevelopment plan, provided,  
8 however, that such a finding shall not be required with  
9 respect to any redevelopment project area located within a  
10 transit facility improvement area established pursuant to  
11 Section 11-74.4-3.3.

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

23 (3) The redevelopment plan establishes the estimated  
24 dates of completion of the redevelopment project and  
25 retirement of obligations issued to finance redevelopment  
26 project costs. Those dates may not be later than the dates

1 set forth under Section 11-74.4-3.5.

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

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

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

26 (5) If: (a) the redevelopment plan will not result in

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

19 Part I of the housing impact study shall include (i)  
20 data as to whether the residential units are single family  
21 or multi-family units, (ii) the number and type of rooms  
22 within the units, if that information is available, (iii)  
23 whether the units are inhabited or uninhabited, as  
24 determined not less than 45 days before the date that the  
25 ordinance or resolution required by subsection (a) of  
26 Section 11-74.4-5 is passed, and (iv) data as to the

1 racial and ethnic composition of the residents in the  
2 inhabited residential units. The data requirement as to  
3 the racial and ethnic composition of the residents in the  
4 inhabited residential units shall be deemed to be fully  
5 satisfied by data from the most recent federal census.

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

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

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

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

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

24 (9) For redevelopment project areas designated prior  
25 to November 1, 1999, the redevelopment plan may be amended  
26 without further joint review board meeting or hearing,

1 provided that the municipality shall give notice of any  
2 such changes by mail to each affected taxing district and  
3 registrant on the interested party registry, to authorize  
4 the municipality to expend tax increment revenues for  
5 redevelopment project costs defined by paragraphs (5) and  
6 (7.5), subparagraphs (E) and (F) of paragraph (11), and  
7 paragraph (11.5) of subsection (q) of Section 11-74.4-3,  
8 so long as the changes do not increase the total estimated  
9 redevelopment project costs set out in the redevelopment  
10 plan by more than 5% after adjustment for inflation from  
11 the date the plan was adopted.

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

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



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

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

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

25 (q) "Redevelopment project costs", except for  
26 redevelopment project areas created pursuant to subsection

1 (p-1) or (p-2), means and includes the sum total of all  
2 reasonable or necessary costs incurred or estimated to be  
3 incurred, and any such costs incidental to a redevelopment  
4 plan and a redevelopment project. Such costs include, without  
5 limitation, the following:

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

1 area with respect to which the consultant or advisor has  
2 performed, or will be performing, service for the  
3 municipality. This requirement shall be satisfied by the  
4 consultant or advisor before the commencement of services  
5 for the municipality and thereafter whenever any other  
6 contracts with those individuals or entities are executed  
7 by the consultant or advisor;

8 (1.5) After July 1, 1999, annual administrative costs  
9 shall not include general overhead or administrative costs  
10 of the municipality that would still have been incurred by  
11 the municipality if the municipality had not designated a  
12 redevelopment project area or approved a redevelopment  
13 plan;

14 (1.6) The cost of marketing sites within the  
15 redevelopment project area to prospective businesses,  
16 developers, and investors;

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

25 (3) Costs of rehabilitation, reconstruction or repair  
26 or remodeling of existing public or private buildings,

1 fixtures, and leasehold improvements; and the cost of  
2 replacing an existing public building if pursuant to the  
3 implementation of a redevelopment project the existing  
4 public building is to be demolished to use the site for  
5 private investment or devoted to a different use requiring  
6 private investment; 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;

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

1 the redevelopment plan, supported by information that  
2 provides the basis for that determination, that the new  
3 municipal building is required to meet an increase in the  
4 need for public safety purposes anticipated to result from  
5 the implementation of the redevelopment plan, or (iii) the  
6 new municipal public building is for the storage,  
7 maintenance, or repair of transit vehicles and is located  
8 in a transit facility improvement area that has been  
9 established pursuant to Section 11-74.4-3.3;

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

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

22 (7) To the extent the municipality by written  
23 agreement accepts and approves the same, all or a portion  
24 of a taxing district's capital costs resulting from the  
25 redevelopment project necessarily incurred or to be  
26 incurred within a taxing district in furtherance of the

1 objectives of the redevelopment plan and project;

2 (7.5) For redevelopment project areas designated (or  
3 redevelopment project areas amended to add or increase the  
4 number of tax-increment-financing assisted housing units)  
5 on or after November 1, 1999, an elementary, secondary, or  
6 unit school district's increased costs attributable to  
7 assisted housing units located within the redevelopment  
8 project area for which the developer or redeveloper  
9 receives financial assistance through an agreement with  
10 the municipality or because the municipality incurs the  
11 cost of necessary infrastructure improvements within the  
12 boundaries of the assisted housing sites necessary for the  
13 completion of that housing as authorized by this Act, and  
14 which costs shall be paid by the municipality from the  
15 Special Tax Allocation Fund when the tax increment revenue  
16 is received as a result of the assisted housing units and  
17 shall be calculated annually as follows:

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

1 infrastructure improvements within the boundaries of  
2 the housing sites necessary for the completion of that  
3 housing as authorized by this Act since the  
4 designation of the redevelopment project area by the  
5 most recently available per capita tuition cost as  
6 defined in Section 10-20.12a of the School Code less  
7 any increase in general State aid as defined in  
8 Section 18-8.05 of the School Code or evidence-based  
9 funding as defined in Section 18-8.15 of the School  
10 Code attributable to these added new students subject  
11 to the following annual limitations:

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

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

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

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

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

26 (i) for unit school districts, no more than



1           40% of the total amount of property tax increment  
2           revenue produced by those housing units that have  
3           received tax increment finance assistance under  
4           this Act;

5           (ii) for elementary school districts, no more  
6           than 27% 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; and

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

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

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

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

1 schools by the municipality or developer; and

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

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

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

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

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

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

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

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

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

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

15 (9) Payment in lieu of taxes;

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

1       forth in a written agreement by or among the municipality  
2       and the taxing district or taxing districts, which  
3       agreement describes the program to be undertaken,  
4       including but not limited to the number of employees to be  
5       trained, a description of the training and services to be  
6       provided, the number and type of positions available or to  
7       be available, itemized costs of the program and sources of  
8       funds to pay for the same, and the term of the agreement.  
9       Such costs include, specifically, the payment by community  
10      college districts of costs pursuant to Sections 3-37,  
11      3-38, 3-40 and 3-40.1 of the Public Community College Act  
12      and by school districts of costs pursuant to Sections  
13      10-22.20a and 10-23.3a of the School Code;

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

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

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

24           (C) if there are not sufficient funds available in  
25      the special tax allocation fund to make the payment  
26      pursuant to this paragraph (11) then the amounts so

1 due shall accrue and be payable when sufficient funds  
2 are available in the special tax allocation fund;

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

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

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

1 construction of those units may be derived from the  
2 proceeds of bonds issued by the municipality under  
3 this Act or other constitutional or statutory  
4 authority or from other sources of municipal revenue  
5 that may be reimbursed from tax increment revenues or  
6 the proceeds of bonds issued to finance the  
7 construction of that housing.

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



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

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

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

10       (12) Costs relating to the development of urban  
11       agricultural areas under Division 15.2 of the Illinois  
12       Municipal Code.

13       (13) Costs of real or personal property and  
14       improvements to accommodate public health and safety  
15       concerns resulting from the COVID-19 public health  
16       emergency, including, but not limited to, equipment  
17       purchases and construction costs.

18       Unless explicitly stated herein the cost of construction  
19       of new privately-owned buildings shall not be an eligible  
20       redevelopment project cost.

21       After November 1, 1999 (the effective date of Public Act  
22       91-478), none of the redevelopment project costs enumerated in  
23       this subsection shall be eligible redevelopment project costs  
24       if those costs would provide direct financial support to a  
25       retail entity initiating operations in the redevelopment  
26       project area while terminating operations at another Illinois

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

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

1 the United States Department of the Interior.

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

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

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

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

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

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

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

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

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

23 (v) As used in subsection (a) of Section 11-74.4-3 of this  
24 Act, "vacant land" means any parcel or combination of parcels  
25 of real property without industrial, commercial, and  
26 residential buildings which has not been used for commercial

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

23 (w) "Annual Total Increment" means the sum of each  
24 municipality's annual Net Sales Tax Increment and each  
25 municipality's annual Net Utility Tax Increment. The ratio of  
26 the Annual Total Increment of each municipality to the Annual



1 Total Increment for all municipalities, as most recently  
2 calculated by the Department, shall determine the proportional  
3 shares of the Illinois Tax Increment Fund to be distributed to  
4 each municipality.

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

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

12 (Source: P.A. 99-792, eff. 8-12-16; 100-201, eff. 8-18-17;  
13 100-465, eff. 8-31-17; 100-1133, eff. 1-1-19.)".