



Sen. Don Harmon

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LRB096 10876 RCE 24566 a

1 AMENDMENT TO SENATE BILL 1601

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1601 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 (Text of Section before amendment by P.A. 95-1028)

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

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

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

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

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

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

24           (C) Deterioration. With respect to buildings,  
25 defects including, but not limited to, major defects in  
26 the secondary building components such as doors,

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

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

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

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

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

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

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

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

1           improperly situated on parcels or located on parcels of  
2           inadequate size and shape in relation to present-day  
3           standards of development for health and safety and (ii)  
4           the presence of multiple buildings on a single parcel.  
5           For there to be a finding of excessive land coverage,  
6           these parcels must exhibit one or more of the following  
7           conditions: insufficient provision for light and air  
8           within or around buildings, increased threat of spread  
9           of fire due to the close proximity of buildings, lack  
10          of adequate or proper access to a public right-of-way,  
11          lack of reasonably required off-street parking, or  
12          inadequate provision 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 must  
11 be documented by evidence of adverse or incompatible  
12 land-use relationships, inadequate street layout,  
13 improper subdivision, parcels of inadequate shape and  
14 size to meet contemporary development standards, or  
15 other evidence demonstrating an absence of effective  
16 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 is  
24 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 clearly  
9           present within the intent of the Act and (ii) reasonably  
10          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 waste,  
11 hazardous substances, or underground storage tanks  
12 required by State or federal law, provided that the  
13 remediation costs constitute a material impediment to  
14 the development or redevelopment of the redevelopment  
15 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 is  
23 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 the  
21                 same watershed, but only if the redevelopment project  
22                 provides for facilities or improvements to contribute  
23                 to the alleviation of all or part of the flooding.

24                 (D) The area consists of an unused or illegal  
25                 disposal site containing earth, stone, building  
26                 debris, or similar materials that were removed from

1 construction, demolition, excavation, or dredge sites.

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

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

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

22 On and after November 1, 1999, "conservation area" means  
23 any improved area within the boundaries of a redevelopment  
24 project area located within the territorial limits of the  
25 municipality in which 50% or more of the structures in the area  
26 have an age of 35 years or more. Such an area is not yet a

1 blighted area but because of a combination of 3 or more of the  
2 following factors is detrimental to the public safety, health,  
3 morals or welfare and such an area may become a blighted area:

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

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

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

24 (4) Presence of structures below minimum code  
25 standards. All structures that do not meet the standards of  
26 zoning, subdivision, building, fire, and other

1 governmental codes applicable to property, but not  
2 including housing and property maintenance codes.

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

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

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

24 (8) Inadequate utilities. Underground and overhead  
25 utilities such as storm sewers and storm drainage, sanitary  
26 sewers, water lines, and gas, telephone, and electrical

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

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

24 (10) Deleterious land use or layout. The existence of  
25 incompatible land-use relationships, buildings occupied by  
26 inappropriate mixed-uses, or uses considered to be

1 noxious, offensive, or unsuitable for the surrounding  
2 area.

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

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

26 (13) The total equalized assessed value of the proposed

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

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

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

1 area includes both vacant land suitable for use as an  
2 industrial park and a blighted area or conservation area  
3 contiguous to such vacant land.

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

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

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



1 transactions at places located in a State Sales Tax Boundary  
2 during the calendar year 1985.

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

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

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

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

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

1 1986, to finance redevelopment project costs within a State  
2 Sales Tax Boundary, then the Net State Sales Tax Increment  
3 means, for the fiscal years beginning July 1, 1990, and July 1,  
4 1991, 100% of the State Sales Tax Increment annually generated  
5 within a State Sales Tax Boundary; and notwithstanding any  
6 other provision of this Act, for those fiscal years the  
7 Department of Revenue shall distribute to those municipalities  
8 100% of their Net State Sales Tax Increment before any  
9 distribution to any other municipality and regardless of  
10 whether or not those other municipalities will receive 100% of  
11 their Net State Sales Tax Increment. For Fiscal Year 1999, and  
12 every year thereafter until the year 2007, for any municipality  
13 that has not entered into a contract or has not issued bonds  
14 prior to June 1, 1988 to finance redevelopment project costs  
15 within a State Sales Tax Boundary, the Net State Sales Tax  
16 Increment shall be calculated as follows: By multiplying the  
17 Net State Sales Tax Increment by 90% in the State Fiscal Year  
18 1999; 80% in the State Fiscal Year 2000; 70% in the State  
19 Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the  
20 State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30%  
21 in the State Fiscal Year 2005; 20% in the State Fiscal Year  
22 2006; and 10% in the State Fiscal Year 2007. No payment shall  
23 be made for State 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. If,  
6 however, a municipality that issued bonds in connection with a  
7 redevelopment project in a redevelopment project area within  
8 the State Sales Tax Boundary prior to July 29, 1991 retires the  
9 bonds prior to June 30, 2007 or a municipality that entered  
10 into contracts in connection with a redevelopment project in a  
11 redevelopment project area before June 1, 1988 completes the  
12 contracts prior to June 30, 2007, then so long as the  
13 redevelopment project is not completed or is not terminated,  
14 the Net State Sales Tax Increment shall be calculated,  
15 beginning on the date on which the bonds are retired or the  
16 contracts are completed, as follows: By multiplying the Net  
17 State Sales Tax Increment by 60% in the State Fiscal Year 2002;  
18 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year  
19 2004; 30% in the State Fiscal Year 2005; 20% in the State  
20 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No  
21 payment shall be made for State Fiscal Year 2008 and  
22 thereafter. Refunding of any bonds issued prior to July 29,  
23 1991, shall not alter the Net State Sales Tax Increment.

24 (j) "State Utility Tax Increment Amount" means an amount  
25 equal to the aggregate increase in State electric and gas tax  
26 charges imposed on owners and tenants, other than residential

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

10 (k) "Net State Utility Tax Increment" means the sum of the  
11 following: (a) 80% of the first \$100,000 of State Utility Tax  
12 Increment annually generated by a redevelopment project area;  
13 (b) 60% of the amount in excess of \$100,000 but not exceeding  
14 \$500,000 of the State Utility Tax Increment annually generated  
15 by a redevelopment project area; and (c) 40% of all amounts in  
16 excess of \$500,000 of State Utility Tax Increment annually  
17 generated by a redevelopment project area. For the State Fiscal  
18 Year 1999, and every year thereafter until the year 2007, for  
19 any municipality that has not entered into a contract or has  
20 not issued bonds prior to June 1, 1988 to finance redevelopment  
21 project costs within a redevelopment project area, the Net  
22 State Utility Tax Increment shall be calculated as follows: By  
23 multiplying the Net State Utility Tax Increment by 90% in the  
24 State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70%  
25 in the State Fiscal Year 2001; 60% in the State Fiscal Year  
26 2002; 50% in the State Fiscal Year 2003; 40% in the State

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

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

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

22 (m) "Payment in lieu of taxes" means those estimated tax  
23 revenues from real property in a redevelopment project area  
24 derived from real property that has been acquired by a  
25 municipality which according to the redevelopment project or  
26 plan is to be used for a private use which taxing districts

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

8 (n) "Redevelopment plan" means the comprehensive program  
9 of the municipality for development or redevelopment intended  
10 by the payment of redevelopment project costs to reduce or  
11 eliminate those conditions the existence of which qualified the  
12 redevelopment project area as a "blighted area" or  
13 "conservation area" or combination thereof or "industrial park  
14 conservation area," and thereby to enhance the tax bases of the  
15 taxing districts which extend into the redevelopment project  
16 area. On and after November 1, 1999 (the effective date of  
17 Public Act 91-478), no redevelopment plan may be approved or  
18 amended that includes the development of vacant land (i) with a  
19 golf course and related clubhouse and other facilities or (ii)  
20 designated by federal, State, county, or municipal government  
21 as public land for outdoor recreational activities or for  
22 nature preserves and used for that purpose within 5 years prior  
23 to the adoption of the redevelopment plan. For the purpose of  
24 this subsection, "recreational activities" is limited to mean  
25 camping and hunting. Each redevelopment plan shall set forth in  
26 writing the program to be undertaken to accomplish the



1 objectives and shall include but not be limited to:

2 (A) an itemized list of estimated redevelopment  
3 project costs;

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

7 (C) an assessment of any financial impact of the  
8 redevelopment project area on or any increased demand for  
9 services from any taxing district affected by the plan and  
10 any program to address such financial impact or increased  
11 demand;

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

13 (E) the nature and term of the obligations to be  
14 issued;

15 (F) the most recent equalized assessed valuation of the  
16 redevelopment project area;

17 (G) an estimate as to the equalized assessed valuation  
18 after redevelopment and the general land uses to apply in  
19 the redevelopment project area;

20 (H) a commitment to fair employment practices and an  
21 affirmative action plan;

22 (I) if it concerns an industrial park conservation  
23 area, the plan shall also include a general description of  
24 any proposed developer, user and tenant of any property, a  
25 description of the type, structure and general character of  
26 the facilities to be developed, a description of the type,

1 class and number of new employees to be employed in the  
2 operation of the facilities to be developed; and

3 (J) if property is to be annexed to the municipality,  
4 the plan shall include the terms of the annexation  
5 agreement.

6 The provisions of items (B) and (C) of this subsection (n)  
7 shall not apply to a municipality that before March 14, 1994  
8 (the effective date of Public Act 88-537) had fixed, either by  
9 its corporate authorities or by a commission designated under  
10 subsection (k) of Section 11-74.4-4, a time and place for a  
11 public hearing as required by subsection (a) of Section  
12 11-74.4-5. No redevelopment plan shall be adopted unless a  
13 municipality complies with all of the following requirements:

14 (1) The municipality finds that the redevelopment  
15 project area on the whole has not been subject to growth  
16 and development through investment by private enterprise  
17 and would not reasonably be anticipated to be developed  
18 without the adoption of the redevelopment plan.

19 (2) The municipality finds that the redevelopment plan  
20 and project conform to the comprehensive plan for the  
21 development of the municipality as a whole, or, for  
22 municipalities with a population of 100,000 or more,  
23 regardless of when the redevelopment plan and project was  
24 adopted, the redevelopment plan and project either: (i)  
25 conforms to the strategic economic development or  
26 redevelopment plan issued by the designated planning

1 authority of the municipality, or (ii) includes land uses  
2 that have been approved by the planning commission of the  
3 municipality.

4 (3) The redevelopment plan establishes the estimated  
5 dates of completion of the redevelopment project and  
6 retirement of obligations issued to finance redevelopment  
7 project costs. Those dates may not be later than the dates  
8 set forth under Section 11-74.4-3.5., ~~or (DDD) (EEE), or~~  
9 ~~(FFF), or (GGG), or (HHH), or (III), or (JJJ), (KKK), (LLL)~~  
10 ~~(MMM), or (NNN) if the ordinance was adopted on December~~  
11 ~~23, 1986 by the Village of Libertyville.~~

12 A municipality may by municipal ordinance amend an  
13 existing redevelopment plan to conform to this paragraph  
14 (3) as amended by Public Act 91-478, which municipal  
15 ordinance may be adopted without further hearing or notice  
16 and without complying with the procedures provided in this  
17 Act pertaining to an amendment to or the initial approval  
18 of a redevelopment plan and project and designation of a  
19 redevelopment project area.

20 (3.5) The municipality finds, in the case of an  
21 industrial park conservation area, also that the  
22 municipality is a labor surplus municipality and that the  
23 implementation of the redevelopment plan will reduce  
24 unemployment, create new jobs and by the provision of new  
25 facilities enhance the tax base of the taxing districts  
26 that extend into the redevelopment project area.

1           (4) If any incremental revenues are being utilized  
2 under Section 8(a)(1) or 8(a)(2) of this Act in  
3 redevelopment project areas approved by ordinance after  
4 January 1, 1986, the municipality finds: (a) that the  
5 redevelopment project area would not reasonably be  
6 developed without the use of such incremental revenues, and  
7 (b) that such incremental revenues will be exclusively  
8 utilized for the development of the redevelopment project  
9 area.

10           (5) If the redevelopment plan will not result in  
11 displacement of residents from 10 or more inhabited  
12 residential units, and the municipality certifies in the  
13 plan that such displacement will not result from the plan,  
14 a housing impact study need not be performed. If, however,  
15 the redevelopment plan would result in the displacement of  
16 residents from 10 or more inhabited residential units, or  
17 if the redevelopment project area contains 75 or more  
18 inhabited residential units and no certification is made,  
19 then the municipality shall prepare, as part of the  
20 separate feasibility report required by subsection (a) of  
21 Section 11-74.4-5, a housing impact study.

22           Part I of the housing impact study shall include (i)  
23 data as to whether the residential units are single family  
24 or multi-family units, (ii) the number and type of rooms  
25 within the units, if that information is available, (iii)  
26 whether the units are inhabited or uninhabited, as

1       determined not less than 45 days before the date that the  
2       ordinance or resolution required by subsection (a) of  
3       Section 11-74.4-5 is passed, and (iv) data as to the racial  
4       and ethnic composition of the residents in the inhabited  
5       residential units. The data requirement as to the racial  
6       and ethnic composition of the residents in the inhabited  
7       residential units shall be deemed to be fully satisfied by  
8       data from the most recent federal census.

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

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

25      (7) On and after November 1, 1999, no redevelopment  
26      plan shall be adopted, nor an existing plan amended, nor

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

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

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

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

1           (p) "Redevelopment project area" means an area designated  
2 by the municipality, which is not less in the aggregate than 1  
3 1/2 acres and in respect to which the municipality has made a  
4 finding that there exist conditions which cause the area to be  
5 classified as an industrial park conservation area or a  
6 blighted area or a conservation area, or a combination of both  
7 blighted areas and conservation areas.

8           (q) "Redevelopment project costs" mean and include the sum  
9 total of all reasonable or necessary costs incurred or  
10 estimated to be incurred, and any such costs incidental to a  
11 redevelopment plan and a redevelopment project. Such costs  
12 include, without limitation, the following:

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



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

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

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

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

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

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

15 (4) Costs of the construction of public works or  
16 improvements, including any direct or indirect costs  
17 relating to LEED certified construction elements, except  
18 that on and after November 1, 1999, redevelopment project  
19 costs shall not include the cost of constructing a new  
20 municipal public building principally used to provide  
21 offices, storage space, or conference facilities or  
22 vehicle storage, maintenance, or repair for  
23 administrative, public safety, or public works personnel  
24 and that is not intended to replace an existing public  
25 building as provided under paragraph (3) of subsection (q)  
26 of Section 11-74.4-3 unless either (i) the construction of

1 the new municipal building implements a redevelopment  
2 project that was included in a redevelopment plan that was  
3 adopted by the municipality prior to November 1, 1999 or  
4 (ii) the municipality makes a reasonable determination in  
5 the redevelopment plan, supported by information that  
6 provides the basis for that determination, that the new  
7 municipal building is required to meet an increase in the  
8 need for public safety purposes anticipated to result from  
9 the implementation of the redevelopment plan;

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 on  
17 any obligations issued hereunder including interest  
18 accruing during the estimated period of construction of any  
19 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 agreement  
23 accepts and approves the same, all or a portion of a taxing  
24 district's capital costs resulting from the redevelopment  
25 project necessarily incurred or to be incurred within a  
26 taxing district in furtherance of the objectives of the

1 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 in  
23 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 designation  
4 of the redevelopment project area by the most recently  
5 available per capita tuition cost as defined in Section  
6 10-20.12a of the School Code less any increase in  
7 general State aid as defined in Section 18-8.05 of the  
8 School Code attributable to these added new students  
9 subject to the following annual limitations:

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

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

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

1           increment finance assistance under this Act.

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

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

1           this Act;

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

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

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

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

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

25           (iii) the amount reimbursed may not affect  
26           amounts otherwise obligated by the terms of any

1           bonds, notes, or other funding instruments, or the  
2           terms of any redevelopment agreement.

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

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



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

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

1 the per-patron cost of providing library services so long  
2 as it does not exceed \$120. The per-patron cost shall be  
3 the Total Operating Expenditures Per Capita as stated in  
4 the most recent Illinois Public Library Statistics  
5 produced by the Library Research Center at the University  
6 of Illinois. The municipality may deduct from the amount  
7 that it must pay to a library district under this paragraph  
8 any amount that it has voluntarily paid to the library  
9 district from the tax increment revenue. The amount paid to  
10 a library district under this paragraph (7.7) shall be no  
11 more than 2% of the amount produced by the assisted housing  
12 units and deposited into the Special Tax Allocation Fund.

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

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

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

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

13 (9) Payment in lieu of taxes;

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

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

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

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

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

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

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

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

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

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

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

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

17          (11.5) If the redevelopment project area is located  
18          within a municipality with a population of more than  
19          100,000, the cost of day care services for children of  
20          employees from low-income families working for businesses  
21          located within the redevelopment project area and all or a  
22          portion of the cost of operation of day care centers  
23          established by redevelopment project area businesses to  
24          serve employees from low-income families working in  
25          businesses located in the redevelopment project area. For  
26          the purposes of this paragraph, "low-income families"

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

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

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



1 location contained inadequate space, had become  
2 economically obsolete, or was no longer a viable location  
3 for the retailer or serviceman.

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

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

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

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

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

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

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

24 (u) "Taxing districts' capital costs" means those costs of  
25 taxing districts for capital improvements that are found by the  
26 municipal corporate authorities to be necessary and directly

1 result from the redevelopment project.

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

1 municipality.

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

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

14 (Source: P.A. 94-260, eff. 7-19-05; 94-268, eff. 7-19-05;  
15 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff.  
16 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.  
17 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,  
18 eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07;  
19 94-1092, eff. 1-26-07; 95-15, eff. 7-16-07; 95-164, eff.  
20 1-1-08; 95-331, eff. 8-21-07; 95-346, eff. 8-21-07; 95-459,  
21 eff. 8-27-07; 95-653, eff. 1-1-08; 95-662, eff. 10-11-07;  
22 95-683, eff. 10-19-07; 95-709, eff. 1-29-08; 95-876, eff.  
23 8-21-08; 95-932, eff. 8-26-08; 95-934, eff. 8-26-08; 95-964,  
24 eff. 9-23-08; 95-977, eff. 9-22-08; revised 10-16-08.)

25 (Text of Section after amendment by P.A. 95-1028)

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

5           (a) For any redevelopment project area that has been  
6 designated pursuant to this Section by an ordinance adopted  
7 prior to November 1, 1999 (the effective date of Public Act  
8 91-478), "blighted area" shall have the meaning set forth in  
9 this Section prior to that date.

10           On and after November 1, 1999, "blighted area" means any  
11 improved or vacant area within the boundaries of a  
12 redevelopment project area located within the territorial  
13 limits of the municipality where:

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

23           (A) Dilapidation. An advanced state of disrepair  
24 or neglect of necessary repairs to the primary  
25 structural components of buildings or improvements in  
26 such a combination that a documented building

1 condition analysis determines that major repair is  
2 required or the defects are so serious and so extensive  
3 that the buildings must be removed.

4 (B) Obsolescence. The condition or process of  
5 falling into disuse. Structures have become ill-suited  
6 for the original use.

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

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

23 (E) Illegal use of individual structures. The use  
24 of structures in violation of applicable federal,  
25 State, or local laws, exclusive of those applicable to  
26 the presence of structures below minimum code



1 standards.

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

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

20 (H) 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,

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

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

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

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

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

26           (M) The total equalized assessed value of the

1 proposed redevelopment project area has declined for 3  
2 of the last 5 calendar years prior to the year in which  
3 the redevelopment project area is designated or is  
4 increasing at an annual rate that is less than the  
5 balance of the municipality for 3 of the last 5  
6 calendar years for which information is available or is  
7 increasing at an annual rate that is less than the  
8 Consumer Price Index for All Urban Consumers published  
9 by the United States Department of Labor or successor  
10 agency for 3 of the last 5 calendar years prior to the  
11 year in which the redevelopment project area is  
12 designated.

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

21 (A) Obsolete platting of vacant land that results  
22 in parcels of limited or narrow size or configurations  
23 of parcels of irregular size or shape that would be  
24 difficult to develop on a planned basis and in a manner  
25 compatible with contemporary standards and  
26 requirements, or platting that failed to create

1 rights-of-ways for streets or alleys or that created  
2 inadequate right-of-way widths for streets, alleys, or  
3 other public rights-of-way or that omitted easements  
4 for public utilities.

5 (B) Diversity of ownership of parcels of vacant  
6 land sufficient in number to retard or impede the  
7 ability to assemble the land for development.

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

11 (D) Deterioration of structures or site  
12 improvements in neighboring areas adjacent to the  
13 vacant land.

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

25 (F) The total equalized assessed value of the  
26 proposed redevelopment project area has declined for 3

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

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

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

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

24 (C) The area, prior to its designation, is subject  
25 to (i) chronic flooding that adversely impacts on real  
26 property in the area as certified by a registered

1 professional engineer or appropriate regulatory agency  
2 or (ii) surface water that discharges from all or a  
3 part of the area and contributes to flooding within the  
4 same watershed, but only if the redevelopment project  
5 provides for facilities or improvements to contribute  
6 to the alleviation of all or part of the flooding.

7 (D) The area consists of an unused or illegal  
8 disposal site containing earth, stone, building  
9 debris, or similar materials that were removed from  
10 construction, demolition, excavation, or dredge sites.

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

22 (F) The area qualified as a blighted improved area  
23 immediately prior to becoming vacant, unless there has  
24 been substantial private investment in the immediately  
25 surrounding area.

26 (b) For any redevelopment project area that has been

1 designated pursuant to this Section by an ordinance adopted  
2 prior to November 1, 1999 (the effective date of Public Act  
3 91-478), "conservation area" shall have the meaning set forth  
4 in this Section prior to that date.

5 On and after November 1, 1999, "conservation area" means  
6 any improved area within the boundaries of a redevelopment  
7 project area located within the territorial limits of the  
8 municipality in which 50% or more of the structures in the area  
9 have an age of 35 years or more. Such an area is not yet a  
10 blighted area but because of a combination of 3 or more of the  
11 following factors is detrimental to the public safety, health,  
12 morals or welfare and such an area may become a blighted area:

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

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

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



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

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

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

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

20 (7) Lack of ventilation, light, or sanitary  
21 facilities. The absence of adequate ventilation for light  
22 or air circulation in spaces or rooms without windows, or  
23 that require the removal of dust, odor, gas, smoke, or  
24 other noxious airborne materials. Inadequate natural light  
25 and ventilation means the absence or inadequacy of  
26 skylights or windows for interior spaces or rooms and

1       improper window sizes and amounts by room area to window  
2       area ratios. Inadequate sanitary facilities refers to the  
3       absence or inadequacy of garbage storage and enclosure,  
4       bathroom facilities, hot water and kitchens, and  
5       structural inadequacies preventing ingress and egress to  
6       and from all rooms and units within a building.

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

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

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

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

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

24 (12) The area has incurred Illinois Environmental  
25 Protection Agency or United States Environmental  
26 Protection Agency remediation costs for, or a study

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

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

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

1 facilities.

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

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

26 (f) "Municipality" shall mean a city, village,

1 incorporated town, or a township that is located in the  
2 unincorporated portion of a county with 3 million or more  
3 inhabitants, if the county adopted an ordinance that approved  
4 the township's redevelopment plan.

5 (g) "Initial Sales Tax Amounts" means the amount of taxes  
6 paid under the Retailers' Occupation Tax Act, Use Tax Act,  
7 Service Use Tax Act, the Service Occupation Tax Act, the  
8 Municipal Retailers' Occupation Tax Act, and the Municipal  
9 Service Occupation Tax Act by retailers and servicemen on  
10 transactions at places located in a State Sales Tax Boundary  
11 during the calendar year 1985.

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

19 (h) "Municipal Sales Tax Increment" means an amount equal  
20 to the increase in the aggregate amount of taxes paid to a  
21 municipality from the Local Government Tax Fund arising from  
22 sales by retailers and servicemen within the redevelopment  
23 project area or State Sales Tax Boundary, as the case may be,  
24 for as long as the redevelopment project area or State Sales  
25 Tax Boundary, as the case may be, exist over and above the  
26 aggregate amount of taxes as certified by the Illinois

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

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

24 (i) "Net State Sales Tax Increment" means the sum of the  
25 following: (a) 80% of the first \$100,000 of State Sales Tax  
26 Increment annually generated within a State Sales Tax Boundary;



1 (b) 60% of the amount in excess of \$100,000 but not exceeding  
2 \$500,000 of State Sales Tax Increment annually generated within  
3 a State Sales Tax Boundary; and (c) 40% of all amounts in  
4 excess of \$500,000 of State Sales Tax Increment annually  
5 generated within a State Sales Tax Boundary. If, however, a  
6 municipality established a tax increment financing district in  
7 a county with a population in excess of 3,000,000 before  
8 January 1, 1986, and the municipality entered into a contract  
9 or issued bonds after January 1, 1986, but before December 31,  
10 1986, to finance redevelopment project costs within a State  
11 Sales Tax Boundary, then the Net State Sales Tax Increment  
12 means, for the fiscal years beginning July 1, 1990, and July 1,  
13 1991, 100% of the State Sales Tax Increment annually generated  
14 within a State Sales Tax Boundary; and notwithstanding any  
15 other provision of this Act, for those fiscal years the  
16 Department of Revenue shall distribute to those municipalities  
17 100% of their Net State Sales Tax Increment before any  
18 distribution to any other municipality and regardless of  
19 whether or not those other municipalities will receive 100% of  
20 their Net State Sales Tax Increment. For Fiscal Year 1999, and  
21 every year thereafter until the year 2007, for any municipality  
22 that has not entered into a contract or has not issued bonds  
23 prior to June 1, 1988 to finance redevelopment project costs  
24 within a State Sales Tax Boundary, the Net State Sales Tax  
25 Increment shall be calculated as follows: By multiplying the  
26 Net State Sales Tax Increment by 90% in the State Fiscal Year

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

7 Municipalities that issued bonds in connection with a  
8 redevelopment project in a redevelopment project area within  
9 the State Sales Tax Boundary prior to July 29, 1991, or that  
10 entered into contracts in connection with a redevelopment  
11 project in a redevelopment project area before June 1, 1988,  
12 shall continue to receive their proportional share of the  
13 Illinois Tax Increment Fund distribution until the date on  
14 which the redevelopment project is completed or terminated. If,  
15 however, a municipality that issued bonds in connection with a  
16 redevelopment project in a redevelopment project area within  
17 the State Sales Tax Boundary prior to July 29, 1991 retires the  
18 bonds prior to June 30, 2007 or a municipality that entered  
19 into contracts in connection with a redevelopment project in a  
20 redevelopment project area before June 1, 1988 completes the  
21 contracts prior to June 30, 2007, then so long as the  
22 redevelopment project is not completed or is not terminated,  
23 the Net State Sales Tax Increment shall be calculated,  
24 beginning on the date on which the bonds are retired or the  
25 contracts are completed, as follows: By multiplying the Net  
26 State Sales Tax Increment by 60% in the State Fiscal Year 2002;

1 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year  
2 2004; 30% in the State Fiscal Year 2005; 20% in the State  
3 Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No  
4 payment shall be made for State Fiscal Year 2008 and  
5 thereafter. Refunding of any bonds issued prior to July 29,  
6 1991, shall not alter the Net State Sales Tax Increment.

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

19 (k) "Net State Utility Tax Increment" means the sum of the  
20 following: (a) 80% of the first \$100,000 of State Utility Tax  
21 Increment annually generated by a redevelopment project area;  
22 (b) 60% of the amount in excess of \$100,000 but not exceeding  
23 \$500,000 of the State Utility Tax Increment annually generated  
24 by a redevelopment project area; and (c) 40% of all amounts in  
25 excess of \$500,000 of State Utility Tax Increment annually  
26 generated by a redevelopment project area. For the State Fiscal

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

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

1           (1) "Obligations" mean bonds, loans, debentures, notes,  
2 special certificates or other evidence of indebtedness issued  
3 by the municipality to carry out a redevelopment project or to  
4 refund outstanding obligations.

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

17           (n) "Redevelopment plan" means the comprehensive program  
18 of the municipality for development or redevelopment intended  
19 by the payment of redevelopment project costs to reduce or  
20 eliminate those conditions the existence of which qualified the  
21 redevelopment project area as a "blighted area" or  
22 "conservation area" or combination thereof or "industrial park  
23 conservation area," and thereby to enhance the tax bases of the  
24 taxing districts which extend into the redevelopment project  
25 area. On and after November 1, 1999 (the effective date of  
26 Public Act 91-478), no redevelopment plan may be approved or

1 amended that includes the development of vacant land (i) with a  
2 golf course and related clubhouse and other facilities or (ii)  
3 designated by federal, State, county, or municipal government  
4 as public land for outdoor recreational activities or for  
5 nature preserves and used for that purpose within 5 years prior  
6 to the adoption of the redevelopment plan. For the purpose of  
7 this subsection, "recreational activities" is limited to mean  
8 camping and hunting. Each redevelopment plan shall set forth in  
9 writing the program to be undertaken to accomplish the  
10 objectives and shall include but not be limited to:

11 (A) an itemized list of estimated redevelopment  
12 project costs;

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

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

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

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

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

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

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

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

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

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

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

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

1 without the adoption of the redevelopment plan.

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

13 (3) The redevelopment plan establishes the estimated  
14 dates of completion of the redevelopment project and  
15 retirement of obligations issued to finance redevelopment  
16 project costs. Those dates may not be later than the dates  
17 set forth under Section 11-74.4-3.5., ~~or (DDD) (EEE), or~~  
18 ~~(FFF), or (GGG), or (HHH), or (III), or (JJJ), (KKK), (LLL)~~  
19 ~~(MMM), or (NNN) if the ordinance was adopted on December~~  
20 ~~23, 1986 by the Village of Libertyville. (NNN) if the~~  
21 ~~ordinance was adopted on December 22, 1986 by the Village~~  
22 ~~of Hoffman Estates.~~

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, and  
18 (b) that such incremental revenues will be exclusively  
19 utilized for the development of the redevelopment project  
20 area.

21 (5) If 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 a housing impact study need not be performed. If, however,  
26 the redevelopment plan would result in the displacement of

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

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

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

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

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

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

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

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

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

26 (o) "Redevelopment project" means any public and private

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

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

19 (q) "Redevelopment project costs" mean and include the sum  
20 total of all reasonable or necessary costs incurred or  
21 estimated to be incurred, and any such costs incidental to a  
22 redevelopment plan and a redevelopment project. Such costs  
23 include, without limitation, the following:

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

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

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

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

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

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

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

26 (4) Costs of the construction of public works or

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

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

25 (6) Financing costs, including but not limited to all  
26 necessary and incidental expenses related to the issuance



1 of obligations and which may include payment of interest on  
2 any obligations issued hereunder including interest  
3 accruing during the estimated period of construction of any  
4 redevelopment project for which such obligations are  
5 issued and for not exceeding 36 months thereafter and  
6 including reasonable reserves related thereto;

7 (7) To the extent the municipality by written agreement  
8 accepts and approves the same, all or a portion of a taxing  
9 district's capital costs resulting from the redevelopment  
10 project necessarily incurred or to be incurred within a  
11 taxing district in furtherance of the objectives of the  
12 redevelopment plan and project.

13 (7.5) For redevelopment project areas designated (or  
14 redevelopment project areas amended to add or increase the  
15 number of tax-increment-financing assisted housing units)  
16 on or after November 1, 1999, an elementary, secondary, or  
17 unit school district's increased costs attributable to  
18 assisted housing units located within the redevelopment  
19 project area for which the developer or redeveloper  
20 receives financial assistance through an agreement with  
21 the municipality or because the municipality incurs the  
22 cost of necessary infrastructure improvements within the  
23 boundaries of the assisted housing sites necessary for the  
24 completion of that housing as authorized by this Act, and  
25 which costs shall be paid by the municipality from the  
26 Special Tax Allocation Fund when the tax increment revenue

1 is received as a result of the assisted housing units and  
2 shall be calculated annually as follows:

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

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

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

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

13          (B) For alternate method districts, flat grant  
14          districts, and foundation districts with a district  
15          average 1995-96 Per Capita Tuition Charge equal to or  
16          more than \$5,900, excluding any school district with a  
17          population in excess of 1,000,000, by multiplying the  
18          district's increase in attendance resulting from the  
19          net increase in new students enrolled in that school  
20          district who reside in housing units within the  
21          redevelopment project area that have received  
22          financial assistance through an agreement with the  
23          municipality or because the municipality incurs the  
24          cost of necessary infrastructure improvements within  
25          the boundaries of the housing sites necessary for the  
26          completion of that housing as authorized by this Act

1           since the designation of the redevelopment project  
2           area by the most recently available per capita tuition  
3           cost as defined in Section 10-20.12a of the School Code  
4           less any increase in general state aid as defined in  
5           Section 18-8.05 of the School Code attributable to  
6           these added new students subject to the following  
7           annual limitations:

8                   (i) for unit school districts, no more than 40%  
9                   of the total amount of property tax increment  
10                  revenue produced by those housing units that have  
11                  received tax increment finance assistance under  
12                  this Act;

13                  (ii) for elementary school districts, no more  
14                  than 27% of the total amount of property tax  
15                  increment revenue produced by those housing units  
16                  that have received tax increment finance  
17                  assistance under this Act; and

18                  (iii) for secondary school districts, no more  
19                  than 13% of the total amount of property tax  
20                  increment revenue produced by those housing units  
21                  that have received tax increment finance  
22                  assistance under this Act.

23           (C) For any school district in a municipality with  
24           a population in excess of 1,000,000, the following  
25           restrictions shall apply to the reimbursement of  
26           increased costs under this paragraph (7.5):

1           (i) no increased costs shall be reimbursed  
2 unless the school district certifies that each of  
3 the schools affected by the assisted housing  
4 project is at or over its student capacity;

5           (ii) the amount reimbursable shall be reduced  
6 by the value of any land donated to the school  
7 district by the municipality or developer, and by  
8 the value of any physical improvements made to the  
9 schools by the municipality or developer; and

10           (iii) the amount reimbursed may not affect  
11 amounts otherwise obligated by the terms of any  
12 bonds, notes, or other funding instruments, or the  
13 terms of any redevelopment agreement.

14 Any school district seeking payment under this  
15 paragraph (7.5) shall, after July 1 and before  
16 September 30 of each year, provide the municipality  
17 with reasonable evidence to support its claim for  
18 reimbursement before the municipality shall be  
19 required to approve or make the payment to the school  
20 district. If the school district fails to provide the  
21 information during this period in any year, it shall  
22 forfeit any claim to reimbursement for that year.  
23 School districts may adopt a resolution waiving the  
24 right to all or a portion of the reimbursement  
25 otherwise required by this paragraph (7.5). By  
26 acceptance of this reimbursement the school district

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

4           (7.7) For redevelopment project areas designated (or  
5           redevelopment project areas amended to add or increase the  
6           number of tax-increment-financing assisted housing units)  
7           on or after January 1, 2005 (the effective date of Public  
8           Act 93-961), a public library district's increased costs  
9           attributable to assisted housing units located within the  
10          redevelopment project area for which the developer or  
11          redeveloper receives financial assistance through an  
12          agreement with the municipality or because the  
13          municipality incurs the cost of necessary infrastructure  
14          improvements within the boundaries of the assisted housing  
15          sites necessary for the completion of that housing as  
16          authorized by this Act shall be paid to the library  
17          district by the municipality from the Special Tax  
18          Allocation Fund when the tax increment revenue is received  
19          as a result of the assisted housing units. This paragraph  
20          (7.7) applies only if (i) the library district is located  
21          in a county that is subject to the Property Tax Extension  
22          Limitation Law or (ii) the library district is not located  
23          in a county that is subject to the Property Tax Extension  
24          Limitation Law but the district is prohibited by any other  
25          law from increasing its tax levy rate without a prior voter  
26          referendum.

1           The amount paid to a library district under this  
2 paragraph (7.7) shall be calculated by multiplying (i) the  
3 net increase in the number of persons eligible to obtain a  
4 library card in that district who reside in housing units  
5 within the redevelopment project area that have received  
6 financial assistance through an agreement with the  
7 municipality or because the municipality incurs the cost of  
8 necessary infrastructure improvements within the  
9 boundaries of the housing sites necessary for the  
10 completion of that housing as authorized by this Act since  
11 the designation of the redevelopment project area by (ii)  
12 the per-patron cost of providing library services so long  
13 as it does not exceed \$120. The per-patron cost shall be  
14 the Total Operating Expenditures Per Capita as stated in  
15 the most recent Illinois Public Library Statistics  
16 produced by the Library Research Center at the University  
17 of Illinois. The municipality may deduct from the amount  
18 that it must pay to a library district under this paragraph  
19 any amount that it has voluntarily paid to the library  
20 district from the tax increment revenue. The amount paid to  
21 a library district under this paragraph (7.7) shall be no  
22 more than 2% of the amount produced by the assisted housing  
23 units and deposited into the Special Tax Allocation Fund.

24           A library district is not eligible for any payment  
25 under this paragraph (7.7) unless the library district has  
26 experienced an increase in the number of patrons from the

1 municipality that created the tax-increment-financing  
2 district since the designation of the redevelopment  
3 project area.

4 Any library district seeking payment under this  
5 paragraph (7.7) shall, after July 1 and before September 30  
6 of each year, provide the municipality with convincing  
7 evidence to support its claim for reimbursement before the  
8 municipality shall be required to approve or make the  
9 payment to the library district. If the library district  
10 fails to provide the information during this period in any  
11 year, it shall forfeit any claim to reimbursement for that  
12 year. Library districts may adopt a resolution waiving the  
13 right to all or a portion of the reimbursement otherwise  
14 required by this paragraph (7.7). By acceptance of such  
15 reimbursement, the library district shall forfeit any  
16 right to directly or indirectly set aside, modify, or  
17 contest in any manner whatsoever the establishment of the  
18 redevelopment project area or projects;

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

24 (9) Payment in lieu of taxes;

25 (10) Costs of job training, retraining, advanced  
26 vocational education or career education, including but



1 not limited to courses in occupational, semi-technical or  
2 technical fields leading directly to employment, incurred  
3 by one or more taxing districts, provided that such costs  
4 (i) are related to the establishment and maintenance of  
5 additional job training, advanced vocational education or  
6 career education programs for persons employed or to be  
7 employed by employers located in a redevelopment project  
8 area; and (ii) when incurred by a taxing district or taxing  
9 districts other than the municipality, are set forth in a  
10 written agreement by or among the municipality and the  
11 taxing district or taxing districts, which agreement  
12 describes the program to be undertaken, including but not  
13 limited to the number of employees to be trained, a  
14 description of the training and services to be provided,  
15 the number and type of positions available or to be  
16 available, itemized costs of the program and sources of  
17 funds to pay for the same, and the term of the agreement.  
18 Such costs include, specifically, the payment by community  
19 college districts of costs pursuant to Sections 3-37, 3-38,  
20 3-40 and 3-40.1 of the Public Community College Act and by  
21 school districts of costs pursuant to Sections 10-22.20a  
22 and 10-23.3a of The School Code;

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

26 (A) such costs are to be paid directly from the

1 special tax allocation fund established pursuant to  
2 this Act;

3 (B) such payments in any one year may not exceed  
4 30% of the annual interest costs incurred by the  
5 redeveloper with regard to the redevelopment project  
6 during that year;

7 (C) if there are not sufficient funds available in  
8 the special tax allocation fund to make the payment  
9 pursuant to this paragraph (11) then the amounts so due  
10 shall accrue and be payable when sufficient funds are  
11 available in the special tax allocation fund;

12 (D) the total of such interest payments paid  
13 pursuant to this Act may not exceed 30% of the total  
14 (i) cost paid or incurred by the redeveloper for the  
15 redevelopment project plus (ii) redevelopment project  
16 costs excluding any property assembly costs and any  
17 relocation costs incurred by a municipality pursuant  
18 to this Act; and

19 (E) the cost limits set forth in subparagraphs (B)  
20 and (D) of paragraph (11) shall be modified for the  
21 financing of rehabilitated or new housing units for  
22 low-income households and very low-income households,  
23 as defined in Section 3 of the Illinois Affordable  
24 Housing Act. The percentage of 75% shall be substituted  
25 for 30% in subparagraphs (B) and (D) of paragraph (11).

26 (F) Instead of the eligible costs provided by

1           subparagraphs (B) and (D) of paragraph (11), as  
2           modified by this subparagraph, and notwithstanding any  
3           other provisions of this Act to the contrary, the  
4           municipality may pay from tax increment revenues up to  
5           50% of the cost of construction of new housing units to  
6           be occupied by low-income households and very  
7           low-income households as defined in Section 3 of the  
8           Illinois Affordable Housing Act. The cost of  
9           construction of those units may be derived from the  
10          proceeds of bonds issued by the municipality under this  
11          Act or other constitutional or statutory authority or  
12          from other sources of municipal revenue that may be  
13          reimbursed from tax increment revenues or the proceeds  
14          of bonds issued to finance the construction of that  
15          housing.

16           The eligible costs provided under this  
17          subparagraph (F) of paragraph (11) shall be an eligible  
18          cost for the construction, renovation, and  
19          rehabilitation of all low and very low-income housing  
20          units, as defined in Section 3 of the Illinois  
21          Affordable Housing Act, within the redevelopment  
22          project area. If the low and very low-income units are  
23          part of a residential redevelopment project that  
24          includes units not affordable to low and very  
25          low-income households, only the low and very  
26          low-income units shall be eligible for benefits under

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

1 is later.

2 (11.5) If the redevelopment project area is located  
3 within a municipality with a population of more than  
4 100,000, the cost of day care services for children of  
5 employees from low-income families working for businesses  
6 located within the redevelopment project area and all or a  
7 portion of the cost of operation of day care centers  
8 established by redevelopment project area businesses to  
9 serve employees from low-income families working in  
10 businesses located in the redevelopment project area. For  
11 the purposes of this paragraph, "low-income families"  
12 means families whose annual income does not exceed 80% of  
13 the municipal, county, or regional median income, adjusted  
14 for family size, as the annual income and municipal,  
15 county, or regional median income are determined from time  
16 to time by the United States Department of Housing and  
17 Urban Development.

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

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

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

15 (14) No cost shall be a redevelopment project cost in a  
16 redevelopment project area if used to demolish, remove, or  
17 substantially modify a historic resource, after August 26,  
18 2008 (the effective date of Public Act 95-934) ~~this~~  
19 ~~amendatory Act of the 95th General Assembly~~, unless no  
20 prudent and feasible alternative exists. "Historic  
21 resource" for the purpose of this item (14) means (i) a  
22 place or structure that is included or eligible for  
23 inclusion on the National Register of Historic Places or  
24 (ii) a contributing structure in a district on the National  
25 Register of Historic Places. This item (14) does not apply  
26 to a place or structure for which demolition, removal, or

1 modification is subject to review by the preservation  
2 agency of a Certified Local Government designated as such  
3 by the National Park Service of the United States  
4 Department of the Interior.

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

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

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

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



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

1 of retailers to the Department of Revenue by October 31, 1988  
2 and by July 31, of each year thereafter.

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

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

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

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

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

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

25 (Source: P.A. 94-260, eff. 7-19-05; 94-268, eff. 7-19-05;  
26 94-297, eff. 7-21-05; 94-302, eff. 7-21-05; 94-702, eff.

1 6-1-06; 94-704, eff. 12-5-05; 94-711, eff. 6-1-06; 94-778, eff.  
2 5-19-06; 94-782, eff. 5-19-06; 94-783, eff. 5-19-06; 94-810,  
3 eff. 5-26-06; 94-903, eff. 6-22-06; 94-1091, eff. 1-26-07;  
4 94-1092, eff. 1-26-07; 95-15, eff. 7-16-07; 95-164, eff.  
5 1-1-08; 95-331, eff. 8-21-07; 95-346, eff. 8-21-07; 95-459,  
6 eff. 8-27-07; 95-653, eff. 1-1-08; 95-662, eff. 10-11-07;  
7 95-683, eff. 10-19-07; 95-709, eff. 1-29-08; 95-876, eff.  
8 8-21-08; 95-932, eff. 8-26-08; 95-934, eff. 8-26-08; 95-964,  
9 eff. 9-23-08; 95-977, eff. 9-22-08; 95-1028, eff. 1-1-10;  
10 revised 1-27-09.)

11 Section 95. No acceleration or delay. Where this Act makes  
12 changes in a statute that is represented in this Act by text  
13 that is not yet or no longer in effect (for example, a Section  
14 represented by multiple versions), the use of that text does  
15 not accelerate or delay the taking effect of (i) the changes  
16 made by this Act or (ii) provisions derived from any other  
17 Public Act."