

1 AN ACT concerning economic development.

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

4 Section 5. The Economic Development Project Area Tax
5 Increment Allocation Act of 1995 is amended by changing
6 Section 10 as follows:

7 (65 ILCS 110/10)

8 Sec. 10. Definitions. In this Act, ~~words or terms have~~
9 ~~the following meanings:~~

10 (a) "Closed military installation" means a former base,
11 camp, post, station, yard, center, homeport facility for any
12 ship, or other activity under the jurisdiction of the United
13 States Department of the Defense which is not less in the
14 aggregate than 500 acres and which is closed or in the
15 process of being closed by the Secretary of Defense under and
16 pursuant to Title II of the Defense Base Closure and
17 Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note),
18 The Defense Base Closure and Realignment Act of 1990 (part A
19 of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note),
20 Section 2687 of Title 10 of the United States Code (10 U.S.C.
21 2687), or an installation, described in subsection (b) of
22 Section 15 of the Joliet Arsenal Development Authority Act,
23 that has been transferred or is in the process of being
24 transferred by the Secretary of the Army pursuant to the
25 Illinois Land Conservation Act (Title XXIX of Public Law
26 104-106; 16 U.S.C. 1609), as each may be further
27 supplemented or amended.

28 (b) "Economic development plan" means the written plan
29 of a municipality that sets forth an economic development
30 program for an economic development project area. Each
31 economic development plan shall include but not be limited to

1 (i) estimated economic development project costs, (ii) the
2 sources of funds to pay those costs, (iii) the nature and
3 term of any obligations to be issued by the municipality to
4 pay those costs, (iv) the most recent equalized assessed
5 valuation of the economic development project area, (v) an
6 estimate of the equalized assessed valuation of the economic
7 development project area after completion of an economic
8 development project, (vi) the estimated date of completion of
9 any economic development project proposed to be undertaken,
10 (vii) a general description of the types of any proposed
11 developers, users, or tenants of any property to be located
12 or improved within the economic development project area,
13 (viii) a description of the type, structure, and general
14 character of the facilities to be developed or improved, (ix)
15 a description of the general land uses to apply in the
16 economic development project area, (x) a general description
17 or an estimate of the type, class, and number of employees to
18 be employed in the operation of the facilities to be
19 developed or improved, and (xi) a commitment by the
20 municipality to fair employment practices and an affirmative
21 action plan regarding any economic development program to be
22 undertaken by the municipality.

23 (c) "Economic development project" means any development
24 project furthering the objectives of this Act.

25 (d) "Economic development project area" means any
26 improved or vacant area that (i) is within or partially
27 within and contiguous to the boundaries of a closed military
28 installation as defined in subsection (a) of this Section
29 (except the installation described in Section 15 of the
30 Joliet Arsenal Development Authority Act) or, only in the
31 case of the installation described in Section 15 of the
32 Joliet Arsenal Development Authority Act, is within or
33 contiguous to the closed military installation, (ii) is
34 located entirely within the territorial limits of a

1 municipality, (iii) is contiguous, (iv) is not less in the
2 aggregate than 1 1/2 acres, (v) is suitable for siting by a
3 commercial, manufacturing, industrial, research,
4 transportation or residential housing enterprise or
5 facilities to include but not be limited to commercial
6 businesses, offices, factories, mills, processing plants,
7 industrial or commercial distribution centers, warehouses,
8 repair overhaul or service facilities, freight terminals,
9 research facilities, test facilities, transportation
10 facilities or single or multi-family residential housing
11 units, regardless of whether the area has been used at any
12 time for those facilities and regardless of whether the area
13 has been used or is suitable for other uses and (vi) has been
14 approved and certified by the corporate authorities of the
15 municipality pursuant to this Act.

16 (e) "Economic development project costs" means and
17 includes the total of all reasonable or necessary costs
18 incurred or to be incurred under an economic development
19 project, including, without limitation, the following:

20 (1) Costs of studies, surveys, development of plans
21 and specifications, and implementation and administration
22 of an economic development plan and personnel and
23 professional service costs for architectural,
24 engineering, legal, marketing, financial planning,
25 police, fire, public works, public utility, or other
26 services. No charges for professional services, however,
27 may be based on a percentage of incremental tax revenues.

28 (2) Property assembly costs within an economic
29 development project area, including but not limited to
30 acquisition of land and other real or personal property
31 or rights or interests in property.

32 (3) Site preparation costs, including but not
33 limited to clearance of any area within an economic
34 development project area by demolition or removal of any

1 existing buildings, structures, fixtures, utilities, and
2 improvements and clearing and grading; and including
3 installation, repair, construction, reconstruction,
4 extension or relocation of public streets, public
5 utilities, and other public site improvements located
6 outside the boundaries of an economic development project
7 area that are essential to the preparation of the
8 economic development project area for use with an
9 economic development plan.

10 (4) Costs of renovation, rehabilitation,
11 reconstruction, relocation, repair, or remodeling of any
12 existing buildings, improvements, equipment, and fixtures
13 within an economic development project area.

14 (5) Costs of installation or construction within an
15 economic development project area of any buildings,
16 structures, works, streets, improvements, equipment,
17 utilities, or fixtures, whether publicly or privately
18 owned or operated.

19 (6) Financing costs, including but not limited to
20 all necessary and incidental expenses related to the
21 issuance of obligations, payment of any interest on any
22 obligations issued under this Act that accrues during the
23 estimated period of construction of any economic
24 development project for which the obligations are issued
25 and for not more than 36 months after that period, and
26 any reasonable reserves related to the issuance of the
27 obligations.

28 (7) All or a portion of a taxing district's capital
29 or operating costs resulting from an economic development
30 project necessarily incurred or estimated to be incurred
31 by a taxing district in the furtherance of the objectives
32 of an economic development project, to the extent that
33 the municipality, by written agreement, accepts and
34 approves those costs.

1 (8) Relocation costs to the extent that a
2 municipality determines that relocation costs shall be
3 paid or is required to pay relocation costs by federal or
4 State law.

5 (9) The estimated tax revenues from real property
6 in an economic development project area acquired by a
7 municipality in furtherance of an economic development
8 project under this Act that, according to the economic
9 development plan, is to be used for a private use (i)
10 that any taxing district would have received had the
11 municipality not adopted tax increment allocation
12 financing for an economic development project area and
13 (ii) that would result from the taxing district's levies
14 made after the time of the adoption by the municipality
15 of tax increment allocation financing to the time the
16 current equalized assessed value of real property in the
17 economic development project area exceeds the total
18 initial equalized value of real property.

19 (10) Costs of rebating ad valorem taxes paid by any
20 developer or other nongovernmental person in whose name
21 the general taxes were paid for the last preceding year
22 on any lot, block, tract, or parcel of land in the
23 economic development project area, provided that:

24 (A) the economic development project area is
25 located in an enterprise zone created under the
26 Illinois Enterprise Zone Act;

27 (B) the ad valorem taxes shall be rebated only
28 in amounts and for a tax year or years as the
29 municipality and any one or more affected taxing
30 districts have agreed by prior written agreement;

31 (C) any amount of rebate of taxes shall not
32 exceed the portion, if any, of taxes levied by the
33 municipality or taxing district or districts that is
34 attributable to the increase in the current

1 equalized assessed valuation of each taxable lot,
2 block, tract, or parcel of real property in the
3 economic development project area over and above the
4 initial equalized assessed value of each property
5 existing at the time property tax allocation
6 financing was adopted for the economic development
7 project area; and

8 (D) costs of rebating ad valorem taxes shall
9 be paid by a municipality solely from the special
10 tax allocation fund established under this Act and
11 shall not be paid from the proceeds of any
12 obligations issued by a municipality.

13 (11) Costs of job training or advanced vocational
14 or career education, including but not limited to courses
15 in occupational, semi-technical, or technical fields
16 leading directly to employment, incurred by one or more
17 taxing districts, but only if the costs are related to
18 the establishment and maintenance of additional job
19 training, advanced vocational education, or career
20 education programs for persons employed or to be employed
21 by employers located in the economic development project
22 area and only if, when the costs are incurred by a taxing
23 district or taxing districts other than the municipality,
24 they shall be set forth in a written agreement by or
25 among the municipality and the taxing district or taxing
26 districts that describes the program to be undertaken,
27 including without limitation the number of employees to
28 be trained, a description of the training and services to
29 be provided, the number and type of positions available
30 or to be available, itemized costs of the program and
31 sources of funds to pay the costs, and the term of the
32 agreement. These costs include, specifically, the
33 payment by community college districts of costs pursuant
34 to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public

1 Community College Act and by school districts of costs
2 pursuant to Sections 10-22.20 and 10-23.3a of the School
3 Code.

4 (12) Private financing costs incurred by a
5 developer or other nongovernmental person in connection
6 with an economic development project, provided that:

7 (A) private financing costs shall be paid or
8 reimbursed by a municipality only pursuant to the
9 prior official action of the municipality evidencing
10 an intent to pay or reimburse such private financing
11 costs;

12 (B) except as provided in subparagraph (D),
13 the aggregate amount of the costs paid or reimbursed
14 by a municipality in any one year shall not exceed
15 30% of the costs paid or incurred by the developer
16 or other nongovernmental person in that year;

17 (C) private financing costs shall be paid or
18 reimbursed by a municipality solely from the special
19 tax allocation fund established under this Act and
20 shall not be paid from the proceeds of any
21 obligations issued by a municipality; and

22 (D) if there are not sufficient funds
23 available in the special tax allocation fund in any
24 year to make the payment or reimbursement in full,
25 any amount of the interest costs remaining to be
26 paid or reimbursed by a municipality shall accrue
27 and be payable when funds are available in the
28 special tax allocation fund to make the payment.

29 If a special service area has been established under the
30 Special Service Area Tax Act, then any tax increment revenues
31 derived from the tax imposed pursuant to the Special Service
32 Area Tax Act may be used within the economic development
33 project area for the purposes permitted by that Act as well
34 as the purposes permitted by this Act.

1 (f) "Municipality" means a city, village, or
2 incorporated town.

3 (g) "Obligations" means any instrument evidencing the
4 obligation of a municipality to pay money, including without
5 limitation bonds, notes, installment or financing contracts,
6 certificates, tax anticipation warrants or notes, vouchers,
7 and any other evidences of indebtedness.

8 (h) "Taxing districts" means counties, townships, and
9 school, road, park, sanitary, mosquito abatement, forest
10 preserve, public health, fire protection, river conservancy,
11 tuberculosis sanitarium, and any other districts or other
12 municipal corporations with the power to levy taxes.

13 (Source: P.A. 91-642, eff. 8-20-99.)