

SB2840



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB2840

Introduced 2/13/2018, by Sen. Pamela J. Althoff

SYNOPSIS AS INTRODUCED:

20 ILCS 655/4.1

20 ILCS 655/5.2.1

20 ILCS 655/5.3

from Ch. 67 1/2, par. 608

Amends the Illinois Enterprise Zone Act. Provides that enterprise zone applicants shall receive a specific score based on whether or not an applicant meets certain criteria (currently, the applicant receives a score based on the extent to which the applicant meets the criteria). Provides that the Enterprise Zone Board shall approve any application that receives at least 200 points, with the exception of a zone that has previously been decertified for cause. Effective immediately.

LRB100 17007 HLH 35710 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Enterprise Zone Act is amended by
5 changing Sections 4.1, 5.2.1, and 5.3 as follows:

6 (20 ILCS 655/4.1)

7 Sec. 4.1. Department recommendations.

8 (a) For all applications that qualify under Section 4 of
9 this Act, the Department shall issue recommendations by
10 assigning a score to each applicant. The scores will be
11 determined by the Department, based on whether ~~the extent to~~
12 ~~which~~ an applicant meets the criteria points under subsection
13 (f) of Section 4 of this Act. Scores will be determined using
14 the following scoring system:

15 (1) Fifty ~~Up to 50~~ points if ~~for the extent to which~~
16 the applicant meets or exceeds the criteria in item (1) of
17 subsection (f) of Section 4 of this Act, ~~with points~~
18 ~~awarded according to the severity of the unemployment.~~

19 (2) Fifty ~~Up to 50~~ points if ~~for the extent to which~~
20 the applicant meets or exceeds the criteria in item (2) of
21 subsection (f) of Section 4 of this Act, ~~with points~~
22 ~~awarded in accordance with the number of jobs created and~~
23 ~~the aggregate amount of investment promised.~~

1 (3) Forty ~~Up to 40~~ points if ~~for the extent to which~~
2 the applicant meets or exceeds the criteria in item (3) of
3 subsection (f) of Section 4 of this Act, ~~with points~~
4 ~~awarded in accordance with the severity of the unemployment~~
5 ~~rate according to the latest federal decennial census.~~

6 (4) Thirty ~~Up to 30~~ points if ~~for the extent to which~~
7 the applicant meets or exceeds the criteria in item (4) of
8 subsection (f) of Section 4 of this Act, ~~with points~~
9 ~~awarded in accordance with the severity of the~~
10 ~~environmental impact of the abandoned coal mine,~~
11 ~~brownfield, or federal disaster area.~~

12 (5) Fifty ~~Up to 50~~ points if ~~for the extent to which~~
13 the applicant meets or exceeds the criteria in item (5) of
14 subsection (f) of Section 4 of this Act, ~~with points~~
15 ~~awarded in accordance with the severity of the applicable~~
16 ~~facility closures or downsizing.~~

17 (6) Forty ~~Up to 40~~ points if ~~for the extent to which~~
18 the applicant meets or exceeds the criteria in item (6) of
19 subsection (f) of Section 4 of this Act, ~~with points~~
20 ~~awarded in accordance with the severity and extent of the~~
21 ~~high floor vacancy or deterioration.~~

22 (7) Thirty ~~Up to 30~~ points if ~~for the extent to which~~
23 the applicant meets or exceeds the criteria in item (7) of
24 subsection (f) of Section 4 of this Act, ~~with points~~
25 ~~awarded in accordance with the extent to which the~~
26 ~~application addresses a plan to improve the State and local~~

1 ~~government tax base.~~

2 (8) Fifty ~~Up to 50~~ points if ~~for the extent to which~~
3 the applicant meets or exceeds the criteria in item (8) of
4 subsection (f) of Section 4 of this Act, ~~with points~~
5 ~~awarded in accordance with the existence of significant~~
6 ~~public infrastructure.~~

7 (9) Forty ~~Up to 40~~ points if ~~for the extent to which~~
8 the applicant meets or exceeds the criteria in item (9) of
9 subsection (f) of Section 4 of this Act, ~~with points~~
10 ~~awarded in accordance with the extent to which educational~~
11 ~~programs exist for career preparation.~~

12 (10) Forty ~~Up to 40~~ points if ~~for the extent to which~~
13 the applicant meets or exceeds the criteria in item (10) of
14 subsection (f) of Section 4 of this Act, ~~with points~~
15 ~~awarded according to the severity of the change in~~
16 ~~equalized assessed valuation.~~

17 (11) Fifty points for an applicant that is a current or
18 former enterprise zone that demonstrates progress in
19 addressing the criteria of Section 4 of this Act, as
20 included in the most recent approved application for the
21 zone.

22 (b) After assigning a score for each of the individual
23 criteria using the point system as described in subsection (a),
24 the Department shall then take the sum of the scores for each
25 applicant and assign a final score. The Department shall then
26 submit this information to the Board, as required in subsection

1 (c) of Section 5.2, as its recommendation.

2 (c) The changes made to this Section by this amendatory Act
3 of the 100th General Assembly apply to applications for
4 Enterprise Zones on file with the Department or the Board on or
5 after the effective date of this amendatory Act of the 100th
6 General Assembly.

7 (Source: P.A. 97-905, eff. 8-7-12; 98-109, eff. 7-25-13.)

8 (20 ILCS 655/5.2.1)

9 Sec. 5.2.1. Enterprise Zone Board.

10 (a) An Enterprise Zone Board is hereby created within the
11 Department.

12 (b) The Board shall consist of the following 5 members:

13 (1) the Director of Commerce and Economic Opportunity,
14 or his or her designee, who shall serve as chairperson;

15 (2) the Director of Revenue, or his or her designee;
16 and

17 (3) three members appointed by the Governor, with the
18 advice and consent of the Senate.

19 Board members shall serve without compensation but may be
20 reimbursed for necessary expenses incurred in the performance
21 of their duties.

22 (c) Each member appointed under item (3) of subsection (b)
23 shall have at least 5 years of experience in business, economic
24 development, or site location. Of the members appointed under
25 item (3) of subsection (b): one member shall reside in Cook

1 County; one member shall reside in DuPage, Kane, Lake, McHenry,
2 or Will County; and one member shall reside in a county other
3 than Cook, DuPage, Kane, Lake, McHenry, or Will.

4 (d) Of the initial members appointed under item (3) of
5 subsection (b): one member shall serve for a term of 2 years;
6 one member shall serve for a term of 3 years; and one member
7 shall serve for a term of 4 years. Thereafter, all members
8 appointed under item (3) of subsection (b) shall serve for
9 terms of 4 years. Members appointed under item (3) of
10 subsection (b) may be reappointed. The Governor may remove a
11 member appointed under item (3) of subsection (b) for
12 incompetence, neglect of duty, or malfeasance in office.

13 (e) By September 30, 2015, and September 30 of each year
14 thereafter, all applications filed by December 31 of the
15 preceding calendar year and deemed qualified by the Department
16 shall be approved or denied by the Board. If such application
17 is not approved by September 30, the application shall be
18 considered denied. If an application is denied, the Board shall
19 inform the applicant of the specific reasons for the denial.

20 (f) A majority of the Board will determine whether an
21 application is approved or denied. ~~The Board is not, at any~~
22 ~~time, required to designate an enterprise zone.~~

23 (g) In determining which designated areas shall be approved
24 and certified as enterprise zones, the Board shall approve any
25 application that receives at least 200 points, as scored
26 pursuant to Section 4.1, with the exception of any application

1 from an Enterprise Zone that has previously been decertified
2 for cause pursuant to Section 5.4. In the case of an Enterprise
3 Zone that has previously been decertified for cause, the Board
4 may approve the application if it determines that the issues
5 that caused the decertification have been corrected ~~give~~
6 ~~preference to the extent to which the area meets the criteria~~
7 ~~set forth in Section 4.~~

8 (h) The changes made to this Section by this amendatory Act
9 of the 100th General Assembly apply to applications for
10 Enterprise Zones on file with the Department or the Board on or
11 after the effective date of this amendatory Act of the 100th
12 General Assembly.

13 (Source: P.A. 97-905, eff. 8-7-12; 98-109, eff. 7-25-13.)

14 (20 ILCS 655/5.3) (from Ch. 67 1/2, par. 608)

15 Sec. 5.3. Certification of Enterprise Zones; effective
16 date.

17 (a) Certification of Board-approved designated Enterprise
18 Zones shall be made by the Department by certification of the
19 designating ordinance. The Department shall promptly issue a
20 certificate for each Enterprise Zone upon approval by the
21 Board. The certificate shall be signed by the Director of the
22 Department, shall make specific reference to the designating
23 ordinance, which shall be attached thereto, and shall be filed
24 in the office of the Secretary of State. A certified copy of
25 the Enterprise Zone Certificate, or a duplicate original

1 thereof, shall be recorded in the office of recorder of deeds
2 of the county in which the Enterprise Zone lies.

3 (b) An Enterprise Zone certified prior to January 1, 2016
4 or on or after January 1, 2017 shall be effective on January 1
5 of the first calendar year after Department certification. An
6 Enterprise Zone certified on or after January 1, 2016 and on or
7 before December 31, 2016 shall be effective on the date of the
8 Department's certification. The Department shall transmit a
9 copy of the certification to the Department of Revenue, and to
10 the designating municipality or county.

11 Upon certification of an Enterprise Zone, the terms and
12 provisions of the designating ordinance shall be in effect, and
13 may not be amended or repealed except in accordance with
14 Section 5.4.

15 (c) With the exception of Enterprise Zones scheduled to
16 expire before December 31, 2018, an Enterprise Zone designated
17 before the effective date of this amendatory Act of the 97th
18 General Assembly shall be in effect for 30 calendar years, or
19 for a lesser number of years specified in the certified
20 designating ordinance. Notwithstanding the foregoing, any
21 Enterprise Zone in existence on the effective date of this
22 amendatory Act of the 98th General Assembly that has a term of
23 20 calendar years may be extended for an additional 10 calendar
24 years upon amendment of the designating ordinance by the
25 designating municipality or county and submission of the
26 ordinance to the Department. The amended ordinance must be

1 properly recorded in the Office of Recorder of Deeds of each
2 county in which the Enterprise Zone lies. Each Enterprise Zone
3 in existence on the effective date of this amendatory Act of
4 the 97th General Assembly that is scheduled to expire before
5 July 1, 2016 may have its termination date extended until July
6 1, 2016 upon amendment of the designating ordinance by the
7 designating municipality or county extending the termination
8 date to July 1, 2016 and submission of the ordinance to the
9 Department. The amended ordinance must be properly recorded in
10 the Office of Recorder of Deeds of each county in which the
11 Enterprise Zone lies. An Enterprise Zone designated on or after
12 the effective date of this amendatory Act of the 97th General
13 Assembly shall be in effect for a term of 15 calendar years, or
14 for a lesser number of years specified in the certified
15 designating ordinance. An enterprise zone designated on or
16 after the effective date of this amendatory Act of the 97th
17 General Assembly shall be subject to review by the Board after
18 13 years for an additional 10-year designation beginning on the
19 expiration date of the enterprise zone. During the review
20 process, the Board shall consider the costs incurred by the
21 State and units of local government as a result of tax benefits
22 received by the enterprise zone. Enterprise Zones shall
23 terminate at midnight of December 31 of the final calendar year
24 of the certified term, except as provided in Section 5.4.

25 (d) No more than 12 Enterprise Zones may be certified by
26 the Department in calendar year 1984, no more than 12

1 Enterprise Zones may be certified by the Department in calendar
2 year 1985, no more than 13 Enterprise Zones may be certified by
3 the Department in calendar year 1986, no more than 15
4 Enterprise Zones may be certified by the Department in calendar
5 year 1987, and no more than 20 Enterprise Zones may be
6 certified by the Department in calendar year 1990. In other
7 calendar years, no more than 13 Enterprise Zones may be
8 certified by the Department. The Department may also designate
9 up to 8 additional Enterprise Zones outside the regular
10 application cycle if warranted by the extreme economic
11 circumstances as determined by the Department. The Department
12 may also designate one additional Enterprise Zone outside the
13 regular application cycle if an aircraft manufacturer agrees to
14 locate an aircraft manufacturing facility in the proposed
15 Enterprise Zone. Notwithstanding any other provision of this
16 Act, no more than 89 Enterprise Zones may be certified by the
17 Department for the 10 calendar years commencing with 1983. The
18 7 additional Enterprise Zones authorized by Public Act 86-15
19 shall not lie within municipalities or unincorporated areas of
20 counties that abut or are contiguous to Enterprise Zones
21 certified pursuant to this Section prior to June 30, 1989. The
22 7 additional Enterprise Zones (excluding the additional
23 Enterprise Zone which may be designated outside the regular
24 application cycle) authorized by Public Act 86-1030 shall not
25 lie within municipalities or unincorporated areas of counties
26 that abut or are contiguous to Enterprise Zones certified

1 pursuant to this Section prior to February 28, 1990. Beginning
2 in calendar year 2004 and until December 31, 2008, one
3 additional enterprise zone may be certified by the Department.
4 In any calendar year, the Department may not certify more than
5 3 Zones located within the same municipality. The Department
6 may certify Enterprise Zones in each of the 10 calendar years
7 commencing with 1983. The Department may not certify more than
8 a total of 18 Enterprise Zones located within the same county
9 (whether within municipalities or within unincorporated
10 territory) for the 10 calendar years commencing with 1983.
11 Thereafter, the Department may ~~not~~ certify ~~any~~ additional
12 Enterprise Zones, ~~but may amend and rescind certifications of~~
13 ~~existing Enterprise Zones in accordance with Section 5.4.~~

14 (e) Notwithstanding any other provision of law, if (i) the
15 county board of any county in which a current military base is
16 located, in part or in whole, or in which a military base that
17 has been closed within 20 years of the effective date of this
18 amendatory Act of 1998 is located, in part or in whole, adopts
19 a designating ordinance in accordance with Section 5 of this
20 Act to designate the military base in that county as an
21 enterprise zone and (ii) the property otherwise meets the
22 qualifications for an enterprise zone as prescribed in Section
23 4 of this Act, then the Department may certify the designating
24 ordinance or ordinances, as the case may be.

25 (f) Applications for Enterprise Zones that are scheduled to
26 expire in 2016, including Enterprise Zones that have been

1 extended until 2016 by this amendatory Act of the 97th General
2 Assembly, shall be submitted to the Department no later than
3 December 31, 2014. At that time, the Zone becomes available for
4 either the previously designated area or a different area to
5 compete for designation. No preference for designation as a
6 Zone will be given to the previously designated area.

7 For Enterprise Zones that are scheduled to expire on or
8 after January 1, 2017, an application process shall begin 2
9 years prior to the year in which the Zone expires. Applications
10 for new Enterprise Zones shall be considered as set forth in
11 Section 5.2. ~~At that time, the Zone becomes available for~~
12 ~~either the previously designated area or a different area to~~
13 ~~compete for designation. No preference for designation as a~~
14 ~~Zone will be given to the previously designated area.~~

15 Each Enterprise Zone that reapplies for certification but
16 does not receive a new certification shall expire on its
17 scheduled termination date.

18 (g) The changes made to this Section by this amendatory Act
19 of the 100th General Assembly apply to applications for
20 Enterprise Zones on file with the Department or the Board on or
21 after the effective date of this amendatory Act of the 100th
22 General Assembly.

23 (Source: P.A. 98-109, eff. 7-25-13; 99-615, eff. 7-22-16.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.