



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3707

by Rep. Mark L. Walker

SYNOPSIS AS INTRODUCED:

20 ILCS 655/3	from Ch. 67 1/2, par. 603
20 ILCS 655/4	from Ch. 67 1/2, par. 604
20 ILCS 655/4.1	
20 ILCS 655/5.1	from Ch. 67 1/2, par. 606
20 ILCS 655/5.2	from Ch. 67 1/2, par. 607
20 ILCS 655/5.3	from Ch. 67 1/2, par. 608
20 ILCS 655/5.4	from Ch. 67 1/2, par. 609
20 ILCS 655/8.1	

Amends the Illinois Enterprise Zone Act. In a Section concerning eligibility for an Enterprise Zone based on the local labor market area, provides that the Department of Commerce and Economic Opportunity may consider information released in the most recent American Community Survey (currently, the federal decennial census only). Provides that the Department of Commerce and Economic Opportunity may award partial points if the applicant demonstrates specific job creation and investment below specified thresholds. Contains provisions concerning provisional certification and provisional decertification. Provides that, for Enterprise Zones that are scheduled to expire on or after January 1, 2022, an application process shall begin 5 years prior to the year in which the Zone expires. Provides that the Department of Commerce and Economic Opportunity may consider written comments or any other information regarding a pending Enterprise Zone application submitted after the deadline and received prior to the decision on all pending applications. Makes changes concerning the total number of Enterprise Zones that may be certified. Effective immediately.

LRB101 10001 HLH 55103 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 3, 4, 4.1, 5.1, 5.2, 5.3, 5.4, and 8.1 as
6 follows:

7 (20 ILCS 655/3) (from Ch. 67 1/2, par. 603)

8 Sec. 3. Definitions. As used in this Act, the following
9 words shall have the meanings ascribed to them, unless the
10 context otherwise requires:

11 (a) "Department" means the Department of Commerce and
12 Economic Opportunity.

13 (b) "Enterprise Zone" means an area of the State certified
14 by the Department as an Enterprise Zone pursuant to this Act.

15 (c) "Depressed Area" means an area in which pervasive
16 poverty, unemployment and economic distress exist.

17 (d) "Designated Zone Organization" means an association or
18 entity: (1) the members of which are substantially all
19 residents of the Enterprise Zone; (2) the board of directors of
20 which is elected by the members of the organization; (3) which
21 satisfies the criteria set forth in Section 501(c) (3) or
22 501(c) (4) of the Internal Revenue Code; and (4) which exists
23 primarily for the purpose of performing within such area or

1 zone for the benefit of the residents and businesses thereof
2 any of the functions set forth in Section 8 of this Act.

3 (e) "Agency" means each officer, board, commission and
4 agency created by the Constitution, in the executive branch of
5 State government, other than the State Board of Elections; each
6 officer, department, board, commission, agency, institution,
7 authority, university, body politic and corporate of the State;
8 and each administrative unit or corporate outgrowth of the
9 State government which is created by or pursuant to statute,
10 other than units of local government and their officers, school
11 districts and boards of election commissioners; each
12 administrative unit or corporate outgrowth of the above and as
13 may be created by executive order of the Governor. No entity
14 shall be considered an "agency" for the purposes of this Act
15 unless authorized by law to make rules or regulations.

16 (f) "Rule" means each agency statement of general
17 applicability that implements, applies, interprets or
18 prescribes law or policy, but does not include (i) statements
19 concerning only the internal management of an agency and not
20 affecting private rights or procedures available to persons or
21 entities outside the agency, (ii) intra-agency memoranda, or
22 (iii) the prescription of standardized forms.

23 (g) "Board" means the Enterprise Zone Board created in
24 Section 5.2.1.

25 (h) "Local labor market area" means an economically
26 integrated area within which individuals can reside and find

1 employment within a reasonable distance or can readily change
2 jobs without changing their place of residence.

3 (i) "Full-time equivalent job" means a job in which the new
4 employee works for the recipient or for a corporation under
5 contract to the recipient at a rate of at least 35 hours per
6 week. A recipient who employs labor or services at a specific
7 site or facility under contract with another may declare one
8 full-time, permanent job for every 1,820 ~~man~~ hours worked per
9 year under that contract. Vacations, paid holidays, and sick
10 time are included in this computation. Overtime is not
11 considered a part of regular hours.

12 (j) "Full-time retained job" means any employee defined as
13 having a full-time or full-time equivalent job preserved at a
14 specific facility or site, the continuance of which is
15 threatened by a specific and demonstrable threat, which shall
16 be specified in the application for development assistance. A
17 recipient who employs labor or services at a specific site or
18 facility under contract with another may declare one retained
19 employee per year for every 1,750 ~~man~~ hours worked per year
20 under that contract, even if different individuals perform
21 on-site labor or services.

22 (Source: P.A. 97-905, eff. 8-7-12; 98-463, eff. 8-16-13.)

23 (20 ILCS 655/4) (from Ch. 67 1/2, par. 604)

24 Sec. 4. Qualifications for enterprise zones.

25 (1) An area is qualified to become an enterprise zone

1 which:

2 (a) is a contiguous area, provided that a zone area may
3 exclude wholly surrounded territory within its boundaries;

4 (b) comprises a minimum of one-half square mile and not
5 more than 12 square miles, or 15 square miles if the zone
6 is located within the jurisdiction of 4 or more counties or
7 municipalities, in total area, exclusive of lakes and
8 waterways; however, in such cases where the enterprise zone
9 is a joint effort of three or more units of government, or
10 two or more units of government if situated in a township
11 which is divided by a municipality of 1,000,000 or more
12 inhabitants, and where the certification has been in effect
13 at least one year, the total area shall comprise a minimum
14 of one-half square mile and not more than thirteen square
15 miles in total area exclusive of lakes and waterways;

16 (c) (blank);

17 (d) (blank);

18 (e) is (1) entirely within a municipality or (2)
19 entirely within the unincorporated areas of a county,
20 except where reasonable need is established for such zone
21 to cover portions of more than one municipality or county
22 or (3) both comprises (i) all or part of a municipality and
23 (ii) an unincorporated area of a county; and

24 (f) meets 3 or more of the following criteria:

25 (1) all or part of the local labor market area has
26 had an annual average unemployment rate of at least

1 120% of the State's annual average unemployment rate
2 for the most recent calendar year or the most recent
3 fiscal year as reported by the Department of Employment
4 Security;

5 (2) designation will result in the development of
6 substantial employment opportunities by creating or
7 retaining a minimum aggregate of 1,000 full-time
8 equivalent jobs due to an aggregate investment of
9 \$100,000,000 or more, and will help alleviate the
10 effects of poverty and unemployment within the local
11 labor market area;

12 (3) at least one of the following applies to the
13 local labor market area: (A) all or part of the local
14 labor market area has a poverty rate of at least 20%
15 according to the latest federal decennial census, the
16 most recent American Community Survey released by the
17 U.S. Census Bureau, or other appropriate data source
18 produced by the U.S. Census Bureau; (B) 50% or more of
19 children in the local labor market area are eligible to
20 participate in the federal free lunch or reduced-price
21 meals program according to reported statistics from
22 the State Board of Education, or 20% or more households
23 in the local labor market area receive food stamps or
24 assistance under the Supplemental Nutrition Assistance
25 Program ("SNAP") according to the latest federal
26 decennial census or other data from the U.S. Census

1 Bureau;

2 (4) an abandoned coal mine, a brownfield (as
3 defined in Section 58.2 of the Environmental
4 Protection Act), or an inactive nuclear-powered
5 ~~nuclear-powered~~ electrical generation facility where
6 spent nuclear fuel is stored on-site is located in the
7 proposed zone area, or all or a portion of the proposed
8 zone was declared a federal disaster area in the 3
9 years preceding the date of application;

10 (5) the local labor market area contains a presence
11 of large employers that have downsized over the years,
12 the labor market area has experienced plant closures in
13 the 5 years prior to the date of application affecting
14 more than 50 workers, or the local labor market area
15 has experienced State or federal facility closures in
16 the 5 years prior to the date of application affecting
17 more than 50 workers;

18 (6) based on data from Multiple Listing Service
19 information or other suitable sources, the local labor
20 market area contains a high floor vacancy rate of
21 industrial or commercial properties, vacant or
22 demolished commercial and industrial structures are
23 prevalent in the local labor market area, or industrial
24 structures in the local labor market area are not used
25 because of age, deterioration, relocation of the
26 former occupants, or cessation of operation;

1 (7) the applicant demonstrates a substantial plan
2 for using the designation to improve the State and
3 local government tax base, including income, sales,
4 and property taxes, including a plan for disposal of
5 publicly-owned real property by the methods described
6 in Section 10 of this Act;

7 (8) significant public infrastructure is present
8 in the local labor market area in addition to a plan
9 for infrastructure development and improvement;

10 (9) high schools or community colleges located
11 within the local labor market area are engaged in ACT
12 Work Keys, Manufacturing Skills Standard
13 Certification, or other industry-based credentials
14 that prepare students for careers;

15 (10) (blank); or the change in equalized assessed
16 valuation of industrial and/or commercial properties
17 in the 5 years prior to the date of application is
18 equal to or less than 50% of the State average change
19 in equalized assessed valuation for industrial and/or
20 commercial properties, as applicable, for the same
21 period of time; or

22 (11) the applicant demonstrates a substantial plan
23 for using the designation to encourage: (i)
24 participation by businesses owned by minorities,
25 women, and persons with disabilities, as those terms
26 are defined in the Business Enterprise for Minorities,

1 Women, and Persons with Disabilities Act; and (ii) the
2 hiring of minorities, women, and persons with
3 disabilities.

4 As provided in Section 10-5.3 of the River Edge
5 Redevelopment Zone Act, upon the expiration of the term of each
6 River Edge Redevelopment Zone in existence on August 7, 2012
7 (the effective date of Public Act 97-905) ~~this amendatory Act~~
8 ~~of the 97th General Assembly~~, that River Edge Redevelopment
9 Zone will become available for its previous designee or a new
10 applicant to compete for designation as an enterprise zone. No
11 preference for designation will be given to the previous
12 designee of the zone.

13 (2) Any criteria established by the Department or by law
14 which utilize the rate of unemployment for a particular area
15 shall provide that all persons who are not presently employed
16 and have exhausted all unemployment benefits shall be
17 considered unemployed, whether or not such persons are actively
18 seeking employment.

19 (Source: P.A. 100-838, eff. 8-13-18; 100-1149, eff. 12-14-18;
20 revised 1-3-19.)

21 (20 ILCS 655/4.1)

22 Sec. 4.1. Department recommendations.

23 (a) For all applications that qualify under Section 4 of
24 this Act, the Department shall issue recommendations by
25 assigning a score to each applicant. The scores will be

1 determined by the Department, based on the extent to which an
2 applicant meets the criteria points under subsection (f) of
3 Section 4 of this Act. Scores will be determined using the
4 following scoring system:

5 (1) Up to 50 points for the extent to which the
6 applicant meets or exceeds the criteria in item (1) of
7 subsection (f) of Section 4 of this Act, with points
8 awarded according to the severity of the unemployment.

9 (2) Up to 50 points for the extent to which the
10 applicant meets or exceeds the criteria in item (2) of
11 subsection (f) of Section 4 of this Act, with points
12 awarded in accordance with the number of jobs created and
13 the aggregate amount of investment promised. The
14 Department may award partial points on a pro rata basis
15 under this paragraph (2) if the applicant demonstrates
16 specific job creation and investment below the thresholds
17 set forth in paragraph (2) of subsection (f) of Section 4.

18 (3) Up to 40 points for the extent to which the
19 applicant meets or exceeds the criteria in item (3) of
20 subsection (f) of Section 4 of this Act, with points
21 awarded in accordance with the severity of the unemployment
22 rate according to the latest federal decennial census.

23 (4) Up to 30 points for the extent to which the
24 applicant meets or exceeds the criteria in item (4) of
25 subsection (f) of Section 4 of this Act, with points
26 awarded in accordance with the severity of the

1 environmental impact of the abandoned coal mine,
2 brownfield, or federal disaster area.

3 (5) Up to 50 points for the extent to which the
4 applicant meets or exceeds the criteria in item (5) of
5 subsection (f) of Section 4 of this Act, with points
6 awarded in accordance with the severity of the applicable
7 facility closures or downsizing.

8 (6) Up to 40 points for the extent to which the
9 applicant meets or exceeds the criteria in item (6) of
10 subsection (f) of Section 4 of this Act, with points
11 awarded in accordance with the severity and extent of the
12 high floor vacancy or deterioration.

13 (7) Up to 30 points for the extent to which the
14 applicant meets or exceeds the criteria in item (7) of
15 subsection (f) of Section 4 of this Act, with points
16 awarded in accordance with the extent to which the
17 application addresses a plan to improve the State and local
18 government tax base, including a plan for disposal of
19 publicly-owned real property.

20 (8) Up to 50 points for the extent to which the
21 applicant meets or exceeds the criteria in item (8) of
22 subsection (f) of Section 4 of this Act, with points
23 awarded in accordance with the existence of significant
24 public infrastructure.

25 (9) Up to 40 points for the extent to which the
26 applicant meets or exceeds the criteria in item (9) of

1 subsection (f) of Section 4 of this Act, with points
2 awarded in accordance with the extent to which educational
3 programs exist for career preparation.

4 (10) (Blank). ~~Up to 40 points for the extent to which~~
5 ~~the applicant meets or exceeds the criteria in item (10) of~~
6 ~~subsection (f) of Section 4 of this Act, with points~~
7 ~~awarded according to the severity of the change in~~
8 ~~equalized assessed valuation.~~

9 (11) Up to 40 points for the extent to which the
10 applicant meets or exceeds the criteria in item (11) of
11 subsection (f) of Section 4 of this Act.

12 (12) In awarding points under paragraphs (1) through
13 (9), the Department may adjust the scoring for applicants
14 that are located entirely within a county with a population
15 of less than 300,000 if the Department finds that the
16 designation will help to alleviate the effects of poverty
17 and unemployment within the proposed Enterprise Zone.

18 (b) After assigning a score for each of the individual
19 criteria using the point system as described in subsection (a),
20 the Department shall then take the sum of the scores for each
21 applicant and assign a final score. The Department shall then
22 submit this information to the Board, as required in subsection
23 (c) of Section 5.2, as its recommendation.

24 (Source: P.A. 100-838, eff. 8-13-18.)

25 (20 ILCS 655/5.1) (from Ch. 67 1/2, par. 606)

1 Sec. 5.1. Application to Department.

2 (a) A county or municipality which has adopted an ordinance
3 designating an area as an enterprise zone shall make written
4 application to the Department to have such proposed enterprise
5 zone certified by the Department as an Enterprise Zone. The
6 application shall include:

7 (i) a certified copy of the ordinance designating the
8 proposed zone;

9 (ii) a map of the proposed enterprise zone, showing
10 existing streets and highways;

11 (iii) an analysis, and any appropriate supporting
12 documents and statistics, demonstrating that the proposed
13 zone area is qualified in accordance with Section 4;

14 (iv) a statement detailing any tax, grant, and other
15 financial incentives or benefits, and any programs, to be
16 provided by the municipality or county to business
17 enterprises within the zone, other than those provided in
18 the designating ordinance, which are not to be provided
19 throughout the municipality or county;

20 (v) a statement setting forth the economic development
21 and planning objectives for the zone;

22 (vi) a statement describing the functions, programs,
23 and services to be performed by designated zone
24 organizations within the zone;

25 (vii) an estimate of the economic impact of the zone,
26 considering all of the tax incentives, financial benefits

1 and programs contemplated, upon the revenues of the
2 municipality or county;

3 (viii) a transcript of all public hearings on the zone;

4 (ix) in the case of a joint application, a statement
5 detailing the need for a zone covering portions of more
6 than one municipality or county and a description of the
7 agreement between joint applicants; and

8 (x) such additional information as the Department by
9 regulation may require.

10 (b) The Department may provide for provisional
11 certification of substantially complete applications pending
12 the receipt of any of the items identified in subsection (a) of
13 this Section or any additional information requested by the
14 Department.

15 (Source: P.A. 82-1019.)

16 (20 ILCS 655/5.2) (from Ch. 67 1/2, par. 607)

17 Sec. 5.2. Department Review of Enterprise Zone
18 Applications.

19 (a) All applications which are to be considered and acted
20 upon by the Department during a calendar year must be received
21 by the Department no later than December 31 of the preceding
22 calendar year.

23 Any application received after December 31 of any calendar
24 year shall be held by the Department for consideration and
25 action during the following calendar year.

1 Each enterprise zone application shall include a specific
2 definition of the applicant's local labor market area.

3 (a-5) The Department shall, no later than July 31, 2013,
4 develop an application process for an enterprise zone
5 application. The Department has emergency rulemaking authority
6 for the purpose of application development only until 12 months
7 after the effective date of this amendatory Act of the 97th
8 General Assembly.

9 (b) Upon receipt of an application from a county or
10 municipality the Department shall review the application to
11 determine whether the designated area qualifies as an
12 enterprise zone under Section 4 of this Act.

13 (c) No later than June 30, the Department shall notify all
14 applicant municipalities and counties of the Department's
15 determination of the qualification of their respective
16 designated enterprise zone areas, and shall send qualifying
17 applications, including the applicant's scores for each of the
18 items set forth in ~~items (1) through (10)~~ of subsection (a) of
19 Section 4.1 and the applicant's final score under that Section,
20 to the Board for the Board's consideration, along with
21 supporting documentation of the basis for the Department's
22 decision.

23 (d) If any such designated area is found to be qualified to
24 be an enterprise zone by the Department under subsection (c) of
25 this Section, the Department shall, no later than July 15, send
26 a letter of notification to each member of the General Assembly

1 whose legislative district or representative district contains
2 all or part of the designated area and publish a notice in at
3 least one newspaper of general circulation within the proposed
4 zone area to notify the general public of the application and
5 their opportunity to comment. Such notice shall include a
6 description of the area and a brief summary of the application
7 and shall indicate locations where the applicant has provided
8 copies of the application for public inspection. The notice
9 shall also indicate appropriate procedures for the filing of
10 written comments from zone residents, business, civic and other
11 organizations and property owners to the Department. The
12 Department and the Board may consider written comments
13 submitted pursuant to this Section or any other information
14 regarding a pending enterprise zone application submitted
15 after the deadline for enterprise zone application and received
16 prior to the Board's decision on all pending applications.

17 (e) (Blank).

18 (f) (Blank).

19 (g) (Blank).

20 (h) (Blank).

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

22 (20 ILCS 655/5.3) (from Ch. 67 1/2, par. 608)

23 Sec. 5.3. Certification of Enterprise Zones; effective
24 date.

25 (a) Certification of Board-approved designated Enterprise

1 Zones shall be made by the Department by certification of the
2 designating ordinance. The Department shall promptly issue a
3 certificate for each Enterprise Zone upon approval by the
4 Board. The certificate shall be signed by the Director of the
5 Department, shall make specific reference to the designating
6 ordinance, which shall be attached thereto, and shall be filed
7 in the office of the Secretary of State. A certified copy of
8 the Enterprise Zone Certificate, or a duplicate original
9 thereof, shall be recorded in the office of recorder of deeds
10 of the county in which the Enterprise Zone lies.

11 (b) An Enterprise Zone certified prior to January 1, 2016
12 or on or after January 1, 2017 shall be effective on January 1
13 of the first calendar year after Department certification. An
14 Enterprise Zone certified on or after January 1, 2016 and on or
15 before December 31, 2016 shall be effective on the date of the
16 Department's certification. The Department shall transmit a
17 copy of the certification to the Department of Revenue, and to
18 the designating municipality or county.

19 Upon certification of an Enterprise Zone, the terms and
20 provisions of the designating ordinance shall be in effect, and
21 may not be amended or repealed except in accordance with
22 Section 5.4.

23 (c) With the exception of Enterprise Zones scheduled to
24 expire before December 31, 2018, an Enterprise Zone designated
25 before the effective date of this amendatory Act of the 97th
26 General Assembly shall be in effect for 30 calendar years, or

1 for a lesser number of years specified in the certified
2 designating ordinance. Notwithstanding the foregoing, any
3 Enterprise Zone in existence on the effective date of this
4 amendatory Act of the 98th General Assembly that has a term of
5 20 calendar years may be extended for an additional 10 calendar
6 years upon amendment of the designating ordinance by the
7 designating municipality or county and submission of the
8 ordinance to the Department. The amended ordinance must be
9 properly recorded in the Office of Recorder of Deeds of each
10 county in which the Enterprise Zone lies. Each Enterprise Zone
11 in existence on the effective date of this amendatory Act of
12 the 97th General Assembly that is scheduled to expire before
13 July 1, 2016 may have its termination date extended until July
14 1, 2016 upon amendment of the designating ordinance by the
15 designating municipality or county extending the termination
16 date to July 1, 2016 and submission of the ordinance to the
17 Department. The amended ordinance must be properly recorded in
18 the Office of Recorder of Deeds of each county in which the
19 Enterprise Zone lies. An Enterprise Zone designated on or after
20 the effective date of this amendatory Act of the 97th General
21 Assembly shall be in effect for a term of 15 calendar years, or
22 for a lesser number of years specified in the certified
23 designating ordinance. An enterprise zone designated on or
24 after the effective date of this amendatory Act of the 97th
25 General Assembly shall be subject to review by the Board after
26 13 years for an additional 10-year designation beginning on the

1 expiration date of the enterprise zone. During the review
2 process, the Board shall consider the costs incurred by the
3 State and units of local government as a result of tax benefits
4 received by the enterprise zone as well as whether the Zone has
5 substantially implemented the plans and achieved the goals set
6 forth in its original application, including satisfaction of
7 the investment and job creation or retention information
8 provided by the Applicant with respect to paragraph (f) of
9 subsection (1) of Section 4 of the Act. Enterprise Zones shall
10 terminate at midnight of December 31 of the final calendar year
11 of the certified term, except as provided in Section 5.4.

12 (d) Except for Enterprise Zones authorized under
13 subsection (f), Zones that become available for designation
14 pursuant to Section 10-5.3 of the River Edge Redevelopment Zone
15 Act, or those designated pursuant to another statutory
16 authority providing for the creation of Enterprise Zones, no ~~no~~
17 more than a total of 97 ~~12~~ Enterprise Zones may be certified by
18 the Department and in existence in any calendar year ~~1984, no~~
19 more than 12 Enterprise Zones may be certified by the
20 Department in calendar year 1985, no more than 13 Enterprise
21 Zones may be certified by the Department in calendar year 1986,
22 no more than 15 Enterprise Zones may be certified by the
23 Department in calendar year 1987, and no more than 20
24 Enterprise Zones may be certified by the Department in calendar
25 year 1990. In other calendar years, no more than 13 Enterprise
26 Zones may be certified by the Department. The Department may

1 ~~also designate up to 8 additional Enterprise Zones outside the~~
2 ~~regular application cycle if warranted by the extreme economic~~
3 ~~circumstances as determined by the Department. The Department~~
4 ~~may also designate one additional Enterprise Zone outside the~~
5 ~~regular application cycle if an aircraft manufacturer agrees to~~
6 ~~locate an aircraft manufacturing facility in the proposed~~
7 ~~Enterprise Zone. Notwithstanding any other provision of this~~
8 ~~Act, no more than 89 Enterprise Zones may be certified by the~~
9 ~~Department for the 10 calendar years commencing with 1983. The~~
10 ~~7 additional Enterprise Zones authorized by Public Act 86 15~~
11 ~~shall not lie within municipalities or unincorporated areas of~~
12 ~~counties that abut or are contiguous to Enterprise Zones~~
13 ~~certified pursuant to this Section prior to June 30, 1989. The~~
14 ~~7 additional Enterprise Zones (excluding the additional~~
15 ~~Enterprise Zone which may be designated outside the regular~~
16 ~~application cycle) authorized by Public Act 86 1030 shall not~~
17 ~~lie within municipalities or unincorporated areas of counties~~
18 ~~that abut or are contiguous to Enterprise Zones certified~~
19 ~~pursuant to this Section prior to February 28, 1990. Beginning~~
20 ~~in calendar year 2004 and until December 31, 2008, one~~
21 ~~additional enterprise zone may be certified by the Department.~~
22 In any calendar year, the Department may not certify more than
23 3 Zones located within the same municipality. ~~The Department~~
24 ~~may certify Enterprise Zones in each of the 10 calendar years~~
25 ~~commencing with 1983.~~ The Department may not certify more than
26 a total of 18 Enterprise Zones located within the same county

1 (whether within municipalities or within unincorporated
2 territory) ~~for the 10 calendar years commencing with 1983.~~
3 ~~Thereafter, the Department may not certify any additional~~
4 ~~Enterprise Zones, but may amend and rescind certifications of~~
5 ~~existing Enterprise Zones in accordance with Section 5.4.~~
6 Beginning in calendar year 2019 and for any year in which there
7 are at least 4 Zones available for designation, at least 25% of
8 Zones available for designation in a given calendar year must
9 be awarded to Zones located in counties with populations of
10 less than 300,000 unless there are no applicants from such
11 locations for that calendar year.

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

23 (f) Applications for Enterprise Zones that are scheduled to
24 expire in 2016, including Enterprise Zones that have been
25 extended until 2016 by this amendatory Act of the 97th General
26 Assembly, shall be submitted to the Department no later than

1 December 31, 2014. At that time, the Zone becomes available for
2 either the previously designated area or a different area to
3 compete for designation. No preference for designation as a
4 Zone will be given to the previously designated area.

5 For Enterprise Zones that are scheduled to expire on or
6 after January 1, 2017 and prior to January 1, 2022, an
7 application process shall begin 2 years prior to the year in
8 which the Zone expires. At that time, the Zone becomes
9 available for either the previously designated area or a
10 different area to compete for designation. For Enterprise Zones
11 that are scheduled to expire on or after January 1, 2022, an
12 application process shall begin 5 years prior to the year in
13 which the Zone expires. At that time, the Zone becomes
14 available for either the previously designated area or a
15 different area to compete for designation. No preference for
16 designation as a Zone will be given to the previously
17 designated area.

18 Each Enterprise Zone that reapplies for certification but
19 does not receive a new certification shall expire on its
20 scheduled termination date.

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

22 (20 ILCS 655/5.4) (from Ch. 67 1/2, par. 609)

23 Sec. 5.4. Amendment and Decertification of Enterprise
24 Zones.

25 (a) The terms of a certified enterprise zone designating

1 ordinance may be amended to

2 (i) alter the boundaries of the Enterprise Zone, or

3 (ii) expand, limit or repeal tax incentives or benefits
4 provided in the ordinance, or

5 (iii) alter the termination date of the zone, or

6 (iv) make technical corrections in the enterprise zone
7 designating ordinance; but such amendment shall not be
8 effective unless the Department issues an amended
9 certificate for the Enterprise Zone, approving the amended
10 designating ordinance. Upon the adoption of any ordinance
11 amending or repealing the terms of a certified enterprise
12 zone designating ordinance, the municipality or county
13 shall promptly file with the Department an application for
14 approval thereof, containing substantially the same
15 information as required for an application under Section
16 5.1 insofar as material to the proposed changes. The
17 municipality or county must hold a public hearing on the
18 proposed changes as specified in Section 5 and, if the
19 amendment is to effectuate the limitation of tax abatements
20 under Section 5.4.1, then the public notice of the hearing
21 shall state that property that is in both the enterprise
22 zone and a redevelopment project area may not receive tax
23 abatements unless within 60 days after the adoption of the
24 amendment to the designating ordinance the municipality
25 has determined that eligibility for tax abatements has been
26 established,

1 (v) include an area within another municipality or
2 county as part of the designated enterprise zone provided
3 the requirements of Section 4 are complied with, or

4 (vi) effectuate the limitation of tax abatements under
5 Section 5.4.1.

6 (b) The Department shall approve or disapprove a proposed
7 amendment to a certified enterprise zone within 90 days of its
8 receipt of the application from the municipality or county. The
9 Department may not approve changes in a Zone which are not in
10 conformity with this Act, as now or hereafter amended, or with
11 other applicable laws. If the Department issues an amended
12 certificate for an Enterprise Zone, the amended certificate,
13 together with the amended zone designating ordinance, shall be
14 filed, recorded and transmitted as provided in Section 5.3.

15 (c) An Enterprise Zone may be decertified by joint action
16 of the Department and the designating county or municipality in
17 accordance with this Section. The designating county or
18 municipality shall conduct at least one public hearing within
19 the zone prior to its adoption of an ordinance of
20 de-designation. The mayor of the designating municipality or
21 the chairman of the county board of the designating county
22 shall execute a joint decertification agreement with the
23 Department. A decertification of an Enterprise Zone shall not
24 become effective until at least 6 months after the execution of
25 the decertification agreement, which shall be filed in the
26 office of the Secretary of State.

1 (d) An Enterprise Zone may be decertified for cause by the
2 Department in accordance with this Section. Prior to
3 decertification: (1) the Department shall notify the chief
4 elected official of the designating county or municipality in
5 writing of the specific deficiencies which provide cause for
6 decertification; (2) the Department shall place the
7 designating county or municipality on probationary status for
8 at least 6 months during which time corrective action may be
9 achieved in the enterprise zone by the designating county or
10 municipality; and, (3) the Department shall conduct at least
11 one public hearing within the zone. If such corrective action
12 is not achieved during the probationary period, the Department
13 shall issue an amended certificate signed by the Director of
14 the Department decertifying the enterprise zone, which
15 certificate shall be filed in the office of the Secretary of
16 State. A certified copy of the amended enterprise zone
17 certificate, or a duplicate original thereof, shall be recorded
18 in the office of recorder of the county in which the enterprise
19 zone lies, and shall be provided to the chief elected official
20 of the designating county or municipality. Decertification of
21 an Enterprise Zone shall not become effective until 60 days
22 after the date of filing.

23 (d-1) The Department shall provisionally decertify any
24 Enterprise Zone that fails to report any capital investment,
25 job creation or retention, or State tax expenditures for 3
26 consecutive calendar years. Prior to provisional

1 decertification: (1) the Department shall notify the chief
2 elected official of the designating county or municipality in
3 writing of the specific deficiencies which provide cause for
4 decertification; (2) the Department shall place the
5 designating county or municipality on probationary status for
6 at least 6 months during which time corrective action may be
7 achieved in the Enterprise Zone by the designating county or
8 municipality; and (3) the Department shall conduct at least one
9 public hearing within the Zone. If such corrective action is
10 not achieved during the probationary period, the Department
11 shall issue an amended certificate signed by the Director of
12 the Department provisionally decertifying the Enterprise Zone
13 as of the scheduled termination date of the then-current
14 designation. In the event that the provisionally-decertified
15 Zone was approved and designated after the 101st General
16 Assembly and has been in existence for less than 15 years, such
17 Zone shall not be eligible for an additional 10-year
18 designation after the expiration date of the original Zone set
19 forth in subsection (c) of Section 5.3. Further, if such
20 corrective action is not achieved during the probationary
21 period provided for in this Section, following such
22 probationary period the Zone becomes available for a different
23 area to compete for designation.

24 (e) In the event of a decertification, provisional
25 decertification, or an amendment reducing the length of the
26 term or the area of an Enterprise Zone or the adoption of an

1 ordinance reducing or eliminating tax benefits in an Enterprise
2 Zone, all benefits previously extended within the Zone pursuant
3 to this Act or pursuant to any other Illinois law providing
4 benefits specifically to or within Enterprise Zones shall
5 remain in effect for the original stated term of the Enterprise
6 Zone, with respect to business enterprises within the Zone on
7 the effective date of such decertification, provisional
8 decertification, or amendment, and with respect to individuals
9 participating in urban homestead programs under this Act.

10 (f) Except as otherwise provided in Section 5.4.1, with
11 respect to business enterprises (or expansions thereof) which
12 are proposed or under development within a Zone at the time of
13 a decertification or an amendment reducing the length of the
14 term of the Zone, or excluding from the Zone area the site of
15 the proposed enterprise, or an ordinance reducing or
16 eliminating tax benefits in a Zone, such business enterprise
17 shall be entitled to the benefits previously applicable within
18 the Zone for the original stated term of the Zone, if the
19 business enterprise establishes:

20 (i) that the proposed business enterprise or expansion
21 has been committed to be located within the Zone;

22 (ii) that substantial and binding financial
23 obligations have been made towards the development of such
24 enterprise; and

25 (iii) that such commitments have been made in
26 reasonable reliance on the benefits and programs which were

1 to have been applicable to the enterprise by reason of the
2 Zone, including in the case of a reduction in term of a
3 zone, the original length of the term.

4 In declaratory judgment actions under this paragraph, the
5 Department and the designating municipality or county shall be
6 necessary parties defendant.

7 (Source: P.A. 90-258, eff. 7-30-97.)

8 (20 ILCS 655/8.1)

9 Sec. 8.1. Accounting.

10 (a) Any business receiving tax incentives due to its
11 location within an Enterprise Zone or its designation as a High
12 Impact Business must annually report to the Department of
13 Revenue information reasonably required by the Department of
14 Revenue to enable the Department to verify and calculate the
15 total Enterprise Zone or High Impact Business tax benefits for
16 property taxes and taxes imposed by the State that are received
17 by the business, broken down by incentive category and
18 enterprise zone, if applicable. Reports will be due no later
19 than May 31 of each year and shall cover the previous calendar
20 year. The first report will be for the 2012 calendar year and
21 will be due no later than May 31, 2013. Failure to report data
22 may result in ineligibility to receive incentives. To the
23 extent that a business receiving tax incentives has obtained an
24 Enterprise Zone Building Materials Exemption Certificate or a
25 High Impact Business Building Materials Exemption Certificate,

1 that business is required to report those building materials
2 exemption benefits only under subsection (a-5) of this Section.
3 No additional reporting for those building materials exemption
4 benefits is required under this subsection (a). In addition, if
5 the Department determines that 80% or more of the businesses
6 receiving tax incentives because of their location within a
7 particular Enterprise Zone failed to submit the information
8 required under this subsection (a) to the Department in any
9 calendar year, then the Enterprise Zone may be decertified by
10 the Department. The Department, in consultation with the
11 Department of Revenue, is authorized to adopt rules governing
12 ineligibility to receive exemptions, including the length of
13 ineligibility. Factors to be considered in determining whether
14 a business is ineligible shall include, but are not limited to,
15 prior compliance with the reporting requirements, cooperation
16 in discontinuing and correcting violations, the extent of the
17 violation, and whether the violation was willful or
18 inadvertent.

19 (a-5) Each contractor or other entity that has been issued
20 an Enterprise Zone Building Materials Exemption Certificate
21 under Section 5k of the Retailers' Occupation Tax Act or a High
22 Impact Business Building Materials Exemption Certificate under
23 Section 5l of the Retailers' Occupation Tax Act shall annually
24 report to the Department of Revenue the total value of the
25 Enterprise Zone or High Impact Business building materials
26 exemption from State taxes. Reports shall contain information

1 reasonably required by the Department of Revenue to enable it
2 to verify and calculate the total tax benefits for taxes
3 imposed by the State, and shall be broken down by Enterprise
4 Zone. Reports are due no later than May 31 of each year and
5 shall cover the previous calendar year. The first report will
6 be for the 2013 calendar year and will be due no later than May
7 31, 2014. Failure to report data may result in revocation of
8 the Enterprise Zone Building Materials Exemption Certificate
9 or High Impact Business Building Materials Exemption
10 Certificate issued to the contractor or other entity.

11 The Department of Revenue is authorized to adopt rules
12 governing revocation determinations, including the length of
13 revocation. Factors to be considered in revocations shall
14 include, but are not limited to, prior compliance with the
15 reporting requirements, cooperation in discontinuing and
16 correcting violations, and whether the certificate was used
17 unlawfully during the preceding year.

18 (b) Each person required to file a return under the Gas
19 Revenue Tax Act, the Gas Use Tax Act, the Electricity Excise
20 Tax Act, or the Telecommunications Excise Tax Act shall file,
21 on or before May 31 of each year, a report with the Department
22 of Revenue, in the manner and form required by the Department
23 of Revenue, containing information reasonably required by the
24 Department of Revenue to enable the Department of Revenue to
25 calculate the amount of the deduction for taxes imposed by the
26 State that is taken under each Act, respectively, due to the

1 location of a business in an Enterprise Zone or its designation
2 as a High Impact Business. The report shall be itemized by
3 business and the business location address.

4 (c) Employers shall report their job creation, retention,
5 and capital investment numbers within the zone annually to the
6 Department of Revenue no later than May 31 of each calendar
7 year. High Impact Businesses shall report their job creation,
8 retention, and capital investment numbers to the Department of
9 Revenue no later than May 31 of each year. With respect to job
10 creation or retention, employers and High Impact Businesses
11 shall use best efforts to submit diversity information related
12 to the gender and ethnicity of such employees.

13 (d) The Department of Revenue will aggregate and collect
14 the tax, job, and capital investment data by Enterprise Zone
15 and High Impact Business and report this information, formatted
16 to exclude company-specific proprietary information, to the
17 Department and the Board by August 1, 2013, and by August 1 of
18 every calendar year thereafter. The Department will include
19 this information in their required reports under Section 6 of
20 this Act. The Board shall consider this information during the
21 reviews required under subsection (d-5) of Section 5.4 of this
22 Act and subsection (c) of Section 5.3 of this Act.

23 (e) The Department of Revenue, in its discretion, may
24 require that the reports filed under this Section be submitted
25 electronically.

26 (f) The Department of Revenue shall have the authority to

1 adopt rules as are reasonable and necessary to implement the
2 provisions of this Section.

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

4 Section 99. Effective date. This Act takes effect January
5 1, 2020.