



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0034

Introduced 1/14/2021, 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, 2024, 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.

LRB102 02864 RJF 12873 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
20 of which is elected by the members of the organization; (3)
21 which satisfies the criteria set forth in Section 501(c) (3)
22 or 501(c) (4) of the Internal Revenue Code; and (4) which
23 exists primarily for the purpose of performing within such

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

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

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

25 (g) "Board" means the Enterprise Zone Board created in
26 Section 5.2.1.

1 (h) "Local labor market area" means an economically
2 integrated area within which individuals can reside and find
3 employment within a reasonable distance or can readily change
4 jobs without changing their place of residence.

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

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

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

25 (20 ILCS 655/4) (from Ch. 67 1/2, par. 604)

1 Sec. 4. Qualifications for enterprise zones.

2 (1) An area is qualified to become an enterprise zone
3 which:

4 (a) is a contiguous area, provided that a zone area
5 may exclude wholly surrounded territory within its
6 boundaries;

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

20 (c) (blank);

21 (d) (blank);

22 (e) is (1) entirely within a municipality or (2)
23 entirely within the unincorporated areas of a county,
24 except where reasonable need is established for such zone
25 to cover portions of more than one municipality or county
26 or (3) both comprises (i) all or part of a municipality and

1 (ii) an unincorporated area of a county; and

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

3 (1) all or part of the local labor market area has
4 had an annual average unemployment rate of at least
5 120% of the State's annual average unemployment rate
6 for the most recent calendar year or the most recent
7 fiscal year as reported by the Department of
8 Employment Security;

9 (2) designation will result in the development of
10 substantial employment opportunities by creating or
11 retaining a minimum aggregate of 1,000 full-time
12 equivalent jobs due to an aggregate investment of
13 \$100,000,000 or more, and will help alleviate the
14 effects of poverty and unemployment within the local
15 labor market area;

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

1 or more households in the local labor market area
2 receive food stamps or assistance under the
3 Supplemental Nutrition Assistance Program ("SNAP")
4 according to the latest federal decennial census or
5 other data from the U.S. Census Bureau;

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

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

22 (6) based on data from Multiple Listing Service
23 information or other suitable sources, the local labor
24 market area contains a high floor vacancy rate of
25 industrial or commercial properties, vacant or
26 demolished commercial and industrial structures are

1 prevalent in the local labor market area, or
2 industrial structures in the local labor market area
3 are not used because of age, deterioration, relocation
4 of the former occupants, or cessation of operation;

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

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

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

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

26 (11) the applicant demonstrates a substantial plan

1 for using the designation to encourage: (i)
2 participation by businesses owned by minorities,
3 women, and persons with disabilities, as those terms
4 are defined in the Business Enterprise for Minorities,
5 Women, and Persons with Disabilities Act; and (ii) the
6 hiring of minorities, women, and persons with
7 disabilities.

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

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

22 (Source: P.A. 100-838, eff. 8-13-18; 100-1149, eff. 12-14-18;
23 101-81, eff. 7-12-19.)

24 (20 ILCS 655/4.1)

25 Sec. 4.1. Department recommendations.

1 (a) For all applications that qualify under Section 4 of
2 this Act, the Department shall issue recommendations by
3 assigning a score to each applicant. The scores will be
4 determined by the Department, based on the extent to which an
5 applicant meets the criteria points under subsection (f) of
6 Section 4 of this Act. Scores will be determined using the
7 following scoring system:

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

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

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

1 (4) Up to 30 points for the extent to which the
2 applicant meets or exceeds the criteria in item (4) of
3 subsection (f) of Section 4 of this Act, with points
4 awarded in accordance with the severity of the
5 environmental impact of the abandoned coal mine,
6 brownfield, or federal disaster area.

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

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

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

24 (8) Up to 50 points for the extent to which the
25 applicant meets or exceeds the criteria in item (8) of
26 subsection (f) of Section 4 of this Act, with points

1 awarded in accordance with the existence of significant
2 public infrastructure.

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

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

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

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

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

1 then submit this information to the Board, as required in
2 subsection (c) of Section 5.2, as its recommendation.

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

4 (20 ILCS 655/5.1) (from Ch. 67 1/2, par. 606)

5 Sec. 5.1. Application to Department.

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

11 (i) a certified copy of the ordinance designating the
12 proposed zone;

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

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

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

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

1 (vi) a statement describing the functions, programs,
2 and services to be performed by designated zone
3 organizations within the zone;

4 (vii) an estimate of the economic impact of the zone,
5 considering all of the tax incentives, financial benefits
6 and programs contemplated, upon the revenues of the
7 municipality or county;

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

10 (ix) in the case of a joint application, a statement
11 detailing the need for a zone covering portions of more
12 than one municipality or county and a description of the
13 agreement between joint applicants; and

14 (x) such additional information as the Department by
15 regulation may require.

16 (b) The Department may provide for provisional
17 certification of substantially complete applications pending
18 the receipt of any of the items identified in subsection (a) of
19 this Section or any additional information requested by the
20 Department.

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

22 (20 ILCS 655/5.2) (from Ch. 67 1/2, par. 607)
23 Sec. 5.2. Department Review of Enterprise Zone
24 Applications.

25 (a) All applications which are to be considered and acted

1 upon by the Department during a calendar year must be received
2 by the Department no later than December 31 of the preceding
3 calendar year.

4 Any application received after December 31 of any calendar
5 year shall be held by the Department for consideration and
6 action during the following calendar year.

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

9 (a-5) The Department shall, no later than July 31, 2013,
10 develop an application process for an enterprise zone
11 application. The Department has emergency rulemaking authority
12 for the purpose of application development only until 12
13 months after the effective date of this amendatory Act of the
14 97th General Assembly.

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

19 (c) No later than June 30, the Department shall notify all
20 applicant municipalities and counties of the Department's
21 determination of the qualification of their respective
22 designated enterprise zone areas, and shall send qualifying
23 applications, including the applicant's scores for each of the
24 items set forth in ~~items (1) through (10)~~ of subsection (a) of
25 Section 4.1 and the applicant's final score under that
26 Section, to the Board for the Board's consideration, along

1 with supporting documentation of the basis for the
2 Department's decision.

3 (d) If any such designated area is found to be qualified to
4 be an enterprise zone by the Department under subsection (c)
5 of this Section, the Department shall, no later than July 15,
6 send a letter of notification to each member of the General
7 Assembly whose legislative district or representative district
8 contains all or part of the designated area and publish a
9 notice in at least one newspaper of general circulation within
10 the proposed zone area to notify the general public of the
11 application and their opportunity to comment. Such notice
12 shall include a description of the area and a brief summary of
13 the application and shall indicate locations where the
14 applicant has provided copies of the application for public
15 inspection. The notice shall also indicate appropriate
16 procedures for the filing of written comments from zone
17 residents, business, civic and other organizations and
18 property owners to the Department. The Department and the
19 Board may consider written comments submitted pursuant to this
20 Section or any other information regarding a pending
21 enterprise zone application submitted after the deadline for
22 enterprise zone application and received prior to the Board's
23 decision on all pending applications.

24 (e) (Blank).

25 (f) (Blank).

26 (g) (Blank).

1 (h) (Blank).

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

3 (20 ILCS 655/5.3) (from Ch. 67 1/2, par. 608)

4 Sec. 5.3. Certification of Enterprise Zones; effective
5 date.

6 (a) Certification of Board-approved designated Enterprise
7 Zones shall be made by the Department by certification of the
8 designating ordinance. The Department shall promptly issue a
9 certificate for each Enterprise Zone upon approval by the
10 Board. The certificate shall be signed by the Director of the
11 Department, shall make specific reference to the designating
12 ordinance, which shall be attached thereto, and shall be filed
13 in the office of the Secretary of State. A certified copy of
14 the Enterprise Zone Certificate, or a duplicate original
15 thereof, shall be recorded in the office of recorder of deeds
16 of the county in which the Enterprise Zone lies.

17 (b) An Enterprise Zone certified prior to January 1, 2016
18 or on or after January 1, 2017 shall be effective on January 1
19 of the first calendar year after Department certification. An
20 Enterprise Zone certified on or after January 1, 2016 and on or
21 before December 31, 2016 shall be effective on the date of the
22 Department's certification. The Department shall transmit a
23 copy of the certification to the Department of Revenue, and to
24 the designating municipality or county.

25 Upon certification of an Enterprise Zone, the terms and

1 provisions of the designating ordinance shall be in effect,
2 and may not be amended or repealed except in accordance with
3 Section 5.4.

4 (c) With the exception of Enterprise Zones scheduled to
5 expire before December 31, 2018, an Enterprise Zone designated
6 before the effective date of this amendatory Act of the 97th
7 General Assembly shall be in effect for 30 calendar years, or
8 for a lesser number of years specified in the certified
9 designating ordinance. Notwithstanding the foregoing, any
10 Enterprise Zone in existence on the effective date of this
11 amendatory Act of the 98th General Assembly that has a term of
12 20 calendar years may be extended for an additional 10
13 calendar years upon amendment of the designating ordinance by
14 the designating municipality or county and submission of the
15 ordinance to the Department. The amended ordinance must be
16 properly recorded in the Office of Recorder of Deeds of each
17 county in which the Enterprise Zone lies. Each Enterprise Zone
18 in existence on the effective date of this amendatory Act of
19 the 97th General Assembly that is scheduled to expire before
20 July 1, 2016 may have its termination date extended until July
21 1, 2016 upon amendment of the designating ordinance by the
22 designating municipality or county extending the termination
23 date to July 1, 2016 and submission of the ordinance to the
24 Department. The amended ordinance must be properly recorded in
25 the Office of Recorder of Deeds of each county in which the
26 Enterprise Zone lies. An Enterprise Zone designated on or

1 after the effective date of this amendatory Act of the 97th
2 General Assembly shall be in effect for a term of 15 calendar
3 years, or for a lesser number of years specified in the
4 certified designating ordinance. An enterprise zone designated
5 on or after the effective date of this amendatory Act of the
6 97th General Assembly shall be subject to review by the Board
7 after 13 years for an additional 10-year designation beginning
8 on the expiration date of the enterprise zone. During the
9 review process, the Board shall consider the costs incurred by
10 the State and units of local government as a result of tax
11 benefits received by the enterprise zone as well as whether
12 the Zone has substantially implemented the plans and achieved
13 the goals set forth in its original application, including
14 satisfaction of the investment and job creation or retention
15 information provided by the Applicant with respect to
16 paragraph (f) of subsection (1) of Section 4 of the Act.
17 Enterprise Zones shall terminate at midnight of December 31 of
18 the final calendar year of the certified term, except as
19 provided in Section 5.4.

20 (d) Except for Enterprise Zones authorized under
21 subsection (f), Zones that become available for designation
22 pursuant to Section 10-5.3 of the River Edge Redevelopment
23 Zone Act, or those designated pursuant to another statutory
24 authority providing for the creation of Enterprise Zones, no
25 ~~no~~ more than a total of 97 ~~42~~ Enterprise Zones may be certified
26 by the Department and in existence in any calendar year ~~1984,~~

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

1 ~~er are contiguous to Enterprise Zones certified pursuant to~~
2 ~~this Section prior to February 28, 1990. Beginning in calendar~~
3 ~~year 2004 and until December 31, 2008, one additional~~
4 ~~enterprise zone may be certified by the Department. In any~~
5 ~~calendar year, the Department may not certify more than 3~~
6 ~~Zones located within the same municipality. The Department may~~
7 ~~certify Enterprise Zones in each of the 10 calendar years~~
8 ~~commencing with 1983.~~ The Department may not certify more than
9 a total of 18 Enterprise Zones located within the same county
10 (whether within municipalities or within unincorporated
11 territory) ~~for the 10 calendar years commencing with 1983.~~
12 ~~Thereafter, the Department may not certify any additional~~
13 ~~Enterprise Zones, but may amend and rescind certifications of~~
14 ~~existing Enterprise Zones in accordance with Section 5.4.~~
15 Beginning in calendar year 2021 and for any year in which there
16 are at least 4 Zones available for designation, at least 25% of
17 Zones available for designation in a given calendar year must
18 be awarded to Zones located in counties with populations of
19 less than 300,000 unless there are no applicants from such
20 locations for that calendar year.

21 (e) Notwithstanding any other provision of law, if (i) the
22 county board of any county in which a current military base is
23 located, in part or in whole, or in which a military base that
24 has been closed within 20 years of the effective date of this
25 amendatory Act of 1998 is located, in part or in whole, adopts
26 a designating ordinance in accordance with Section 5 of this

1 Act to designate the military base in that county as an
2 enterprise zone and (ii) the property otherwise meets the
3 qualifications for an enterprise zone as prescribed in Section
4 4 of this Act, then the Department may certify the designating
5 ordinance or ordinances, as the case may be.

6 (f) Applications for Enterprise Zones that are scheduled
7 to expire in 2016, including Enterprise Zones that have been
8 extended until 2016 by this amendatory Act of the 97th General
9 Assembly, shall be submitted to the Department no later than
10 December 31, 2014. At that time, the Zone becomes available
11 for either the previously designated area or a different area
12 to compete for designation. No preference for designation as a
13 Zone will be given to the previously designated area.

14 For Enterprise Zones that are scheduled to expire on or
15 after January 1, 2017 and prior to January 1, 2024, an
16 application process shall begin 2 years prior to the year in
17 which the Zone expires. At that time, the Zone becomes
18 available for either the previously designated area or a
19 different area to compete for designation. For Enterprise
20 Zones that are scheduled to expire on or after January 1, 2024,
21 an application process shall begin 5 years prior to the year in
22 which the Zone expires. At that time, the Zone becomes
23 available for either the previously designated area or a
24 different area to compete for designation. No preference for
25 designation as a Zone will be given to the previously
26 designated area.

1 Each Enterprise Zone that reapplies for certification but
2 does not receive a new certification shall expire on its
3 scheduled termination date.

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

5 (20 ILCS 655/5.4) (from Ch. 67 1/2, par. 609)

6 Sec. 5.4. Amendment and Decertification of Enterprise
7 Zones.

8 (a) The terms of a certified enterprise zone designating
9 ordinance may be amended to

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

11 (ii) expand, limit or repeal tax incentives or
12 benefits provided in the ordinance, or

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

14 (iv) make technical corrections in the enterprise zone
15 designating ordinance; but such amendment shall not be
16 effective unless the Department issues an amended
17 certificate for the Enterprise Zone, approving the amended
18 designating ordinance. Upon the adoption of any ordinance
19 amending or repealing the terms of a certified enterprise
20 zone designating ordinance, the municipality or county
21 shall promptly file with the Department an application for
22 approval thereof, containing substantially the same
23 information as required for an application under Section
24 5.1 insofar as material to the proposed changes. The
25 municipality or county must hold a public hearing on the

1 proposed changes as specified in Section 5 and, if the
2 amendment is to effectuate the limitation of tax
3 abatements under Section 5.4.1, then the public notice of
4 the hearing shall state that property that is in both the
5 enterprise zone and a redevelopment project area may not
6 receive tax abatements unless within 60 days after the
7 adoption of the amendment to the designating ordinance the
8 municipality has determined that eligibility for tax
9 abatements has been established,

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

13 (vi) effectuate the limitation of tax abatements under
14 Section 5.4.1.

15 (b) The Department shall approve or disapprove a proposed
16 amendment to a certified enterprise zone within 90 days of its
17 receipt of the application from the municipality or county.
18 The Department may not approve changes in a Zone which are not
19 in conformity with this Act, as now or hereafter amended, or
20 with other applicable laws. If the Department issues an
21 amended certificate for an Enterprise Zone, the amended
22 certificate, together with the amended zone designating
23 ordinance, shall be filed, recorded and transmitted as
24 provided in Section 5.3.

25 (c) An Enterprise Zone may be decertified by joint action
26 of the Department and the designating county or municipality

1 in accordance with this Section. The designating county or
2 municipality shall conduct at least one public hearing within
3 the zone prior to its adoption of an ordinance of
4 de-designation. The mayor of the designating municipality or
5 the chairman of the county board of the designating county
6 shall execute a joint decertification agreement with the
7 Department. A decertification of an Enterprise Zone shall not
8 become effective until at least 6 months after the execution
9 of the decertification agreement, which shall be filed in the
10 office of the Secretary of State.

11 (d) An Enterprise Zone may be decertified for cause by the
12 Department in accordance with this Section. Prior to
13 decertification: (1) the Department shall notify the chief
14 elected official of the designating county or municipality in
15 writing of the specific deficiencies which provide cause for
16 decertification; (2) the Department shall place the
17 designating county or municipality on probationary status for
18 at least 6 months during which time corrective action may be
19 achieved in the enterprise zone by the designating county or
20 municipality; and, (3) the Department shall conduct at least
21 one public hearing within the zone. If such corrective action
22 is not achieved during the probationary period, the Department
23 shall issue an amended certificate signed by the Director of
24 the Department decertifying the enterprise zone, which
25 certificate shall be filed in the office of the Secretary of
26 State. A certified copy of the amended enterprise zone

1 certificate, or a duplicate original thereof, shall be
2 recorded in the office of recorder of the county in which the
3 enterprise zone lies, and shall be provided to the chief
4 elected official of the designating county or municipality.
5 Decertification of an Enterprise Zone shall not become
6 effective until 60 days after the date of filing.

7 (d-1) The Department shall provisionally decertify any
8 Enterprise Zone that fails to report any capital investment,
9 job creation or retention, or State tax expenditures for 3
10 consecutive calendar years. Prior to provisional
11 decertification: (1) the Department shall notify the chief
12 elected official of the designating county or municipality in
13 writing of the specific deficiencies which provide cause for
14 decertification; (2) the Department shall place the
15 designating county or municipality on probationary status for
16 at least 6 months during which time corrective action may be
17 achieved in the Enterprise Zone by the designating county or
18 municipality; and (3) the Department shall conduct at least
19 one public hearing within the Zone. If such corrective action
20 is not achieved during the probationary period, the Department
21 shall issue an amended certificate signed by the Director of
22 the Department provisionally decertifying the Enterprise Zone
23 as of the scheduled termination date of the then-current
24 designation. If the provisionally-decertified Zone was
25 approved and designated after the 102nd General Assembly and
26 has been in existence for less than 15 years, such Zone shall

1 not be eligible for an additional 10-year designation after
2 the expiration date of the original Zone set forth in
3 subsection (c) of Section 5.3. Further, if such corrective
4 action is not achieved during the probationary period provided
5 for in this Section, following such probationary period the
6 Zone becomes available for a different area to compete for
7 designation.

8 (e) In the event of a decertification, provisional
9 decertification, or an amendment reducing the length of the
10 term or the area of an Enterprise Zone or the adoption of an
11 ordinance reducing or eliminating tax benefits in an
12 Enterprise Zone, all benefits previously extended within the
13 Zone pursuant to this Act or pursuant to any other Illinois law
14 providing benefits specifically to or within Enterprise Zones
15 shall remain in effect for the original stated term of the
16 Enterprise Zone, with respect to business enterprises within
17 the Zone on the effective date of such decertification,
18 provisional decertification, or amendment, and with respect to
19 individuals participating in urban homestead programs under
20 this Act.

21 (f) Except as otherwise provided in Section 5.4.1, with
22 respect to business enterprises (or expansions thereof) which
23 are proposed or under development within a Zone at the time of
24 a decertification or an amendment reducing the length of the
25 term of the Zone, or excluding from the Zone area the site of
26 the proposed enterprise, or an ordinance reducing or

1 eliminating tax benefits in a Zone, such business enterprise
2 shall be entitled to the benefits previously applicable within
3 the Zone for the original stated term of the Zone, if the
4 business enterprise establishes:

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

7 (ii) that substantial and binding financial
8 obligations have been made towards the development of such
9 enterprise; and

10 (iii) that such commitments have been made in
11 reasonable reliance on the benefits and programs which
12 were to have been applicable to the enterprise by reason
13 of the Zone, including in the case of a reduction in term
14 of a zone, the original length of the term.

15 In declaratory judgment actions under this paragraph, the
16 Department and the designating municipality or county shall be
17 necessary parties defendant.

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

19 (20 ILCS 655/8.1)

20 Sec. 8.1. Accounting.

21 (a) Any business receiving tax incentives due to its
22 location within an Enterprise Zone or its designation as a
23 High Impact Business must annually report to the Department of
24 Revenue information reasonably required by the Department of
25 Revenue to enable the Department to verify and calculate the

1 total Enterprise Zone or High Impact Business tax benefits for
2 property taxes and taxes imposed by the State that are
3 received by the business, broken down by incentive category
4 and enterprise zone, if applicable. Reports will be due no
5 later than May 31 of each year and shall cover the previous
6 calendar year. The first report will be for the 2012 calendar
7 year and will be due no later than May 31, 2013. Failure to
8 report data may result in ineligibility to receive incentives.
9 To the extent that a business receiving tax incentives has
10 obtained an Enterprise Zone Building Materials Exemption
11 Certificate or a High Impact Business Building Materials
12 Exemption Certificate, that business is required to report
13 those building materials exemption benefits only under
14 subsection (a-5) of this Section. No additional reporting for
15 those building materials exemption benefits is required under
16 this subsection (a). In addition, if the Department determines
17 that 80% or more of the businesses receiving tax incentives
18 because of their location within a particular Enterprise Zone
19 failed to submit the information required under this
20 subsection (a) to the Department in any calendar year, then
21 the Enterprise Zone may be decertified by the Department. The
22 Department, in consultation with the Department of Revenue, is
23 authorized to adopt rules governing ineligibility to receive
24 exemptions, including the length of ineligibility. Factors to
25 be considered in determining whether a business is ineligible
26 shall include, but are not limited to, prior compliance with

1 the reporting requirements, cooperation in discontinuing and
2 correcting violations, the extent of the violation, and
3 whether the violation was willful or inadvertent.

4 (a-5) Each contractor or other entity that has been issued
5 an Enterprise Zone Building Materials Exemption Certificate
6 under Section 5k of the Retailers' Occupation Tax Act or a High
7 Impact Business Building Materials Exemption Certificate under
8 Section 5l of the Retailers' Occupation Tax Act shall annually
9 report to the Department of Revenue the total value of the
10 Enterprise Zone or High Impact Business building materials
11 exemption from State taxes. Reports shall contain information
12 reasonably required by the Department of Revenue to enable it
13 to verify and calculate the total tax benefits for taxes
14 imposed by the State, and shall be broken down by Enterprise
15 Zone. Reports are due no later than May 31 of each year and
16 shall cover the previous calendar year. The first report will
17 be for the 2013 calendar year and will be due no later than May
18 31, 2014. Failure to report data may result in revocation of
19 the Enterprise Zone Building Materials Exemption Certificate
20 or High Impact Business Building Materials Exemption
21 Certificate issued to the contractor or other entity.

22 The Department of Revenue is authorized to adopt rules
23 governing revocation determinations, including the length of
24 revocation. Factors to be considered in revocations shall
25 include, but are not limited to, prior compliance with the
26 reporting requirements, cooperation in discontinuing and

1 correcting violations, and whether the certificate was used
2 unlawfully during the preceding year.

3 (b) Each person required to file a return under the Gas
4 Revenue Tax Act, the Gas Use Tax Act, the Electricity Excise
5 Tax Act, or the Telecommunications Excise Tax Act shall file,
6 on or before May 31 of each year, a report with the Department
7 of Revenue, in the manner and form required by the Department
8 of Revenue, containing information reasonably required by the
9 Department of Revenue to enable the Department of Revenue to
10 calculate the amount of the deduction for taxes imposed by the
11 State that is taken under each Act, respectively, due to the
12 location of a business in an Enterprise Zone or its
13 designation as a High Impact Business. The report shall be
14 itemized by business and the business location address.

15 (c) Employers shall report their job creation, retention,
16 and capital investment numbers within the zone annually to the
17 Department of Revenue no later than May 31 of each calendar
18 year. High Impact Businesses shall report their job creation,
19 retention, and capital investment numbers to the Department of
20 Revenue no later than May 31 of each year. With respect to job
21 creation or retention, employers and High Impact Businesses
22 shall use best efforts to submit diversity information related
23 to the gender and ethnicity of such employees.

24 (d) The Department of Revenue will aggregate and collect
25 the tax, job, and capital investment data by Enterprise Zone
26 and High Impact Business and report this information,

1 formatted to exclude company-specific proprietary information,
2 to the Department and the Board by August 1, 2013, and by
3 August 1 of every calendar year thereafter. The Department
4 will include this information in their required reports under
5 Section 6 of this Act. The Board shall consider this
6 information during the reviews required under subsection (d-5)
7 of Section 5.4 of this Act and subsection (c) of Section 5.3 of
8 this Act.

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

12 (f) The Department of Revenue shall have the authority to
13 adopt rules as are reasonable and necessary to implement the
14 provisions of this Section.

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