



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB4826

Introduced 1/27/2022, by Rep. Margaret Croke

SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-1095 new

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Provides that the Department of Commerce and Economic Opportunity may require a business organization to agree to certain terms that ensure the business is a good corporate citizen as a condition for receiving development assistance. Provides that a business that cannot truthfully agree to any required terms shall be ineligible for the development assistance. Specifies terms that may be required. Provides that compliance with good corporate citizen eligibility is required throughout a development assistance agreement. Provides that the Department may suspend the development assistance for noncompliance and seek revocation of any credits or exemptions that were earned or used during a time when the business or its corporate parent or affiliate was not in compliance with any applicable requirements. Provides for the adoption of rules. Defines terms.

LRB102 25303 RJF 34576 b

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 Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois
6 is amended by adding Section 605-1095 as follows:

7 (20 ILCS 605/605-1095 new)

8 Sec. 605-1095. Good corporate citizen requirement for tax
9 incentive recipients.

10 (a) As used in this Section:

11 "Business" means an applicant for or recipient of
12 development assistance.

13 "Corporate parent or affiliate" means: (i) a related
14 member with respect to a business; or (ii) an entity that
15 exercises control over the business and whose interests are
16 served by the business.

17 "Development assistance" means tax credits and tax
18 exemptions given as an incentive to a business organization
19 pursuant to an agreement with the Department or an initial
20 certification or designation issued by the Department. This
21 term does not include any Department-administered tax credit
22 program that provides a tax credit to an investor in a
23 business.

1 "Development assistance agreement" means: (i) any
2 agreement or memorandum of understanding executed by the State
3 granting body and the business organization participating in
4 the development assistance program setting forth the terms and
5 conditions of development assistance to be provided to the
6 recipient consistent with the final application for
7 development assistance, including, but not limited to, the
8 date of assistance, submitted to and approved by the
9 Department; and (ii) any application for certification or
10 designation setting forth the terms and conditions of
11 development assistance to be provided to the recipient that is
12 approved by the Department.

13 "Good corporate citizen" means a business that
14 demonstrates a capacity for legal compliance.

15 "Good corporate citizen requirements" means any
16 development assistance agreement requirements provided for in
17 this Section or by administrative rule.

18 "Related member" has the same meaning as set forth in
19 Section 5-5 of the Economic Development for a Growing Economy
20 Tax Credit Act.

21 (b) The Department may require a business organization to
22 agree to certain terms that ensure the business, including its
23 related members, is a good corporate citizen as a condition
24 for receiving development assistance. A business that cannot
25 truthfully agree to any required terms shall be ineligible for
26 the development assistance. Such terms may include, but need

1 not be limited to, covenants, representations, and warranties
2 that:

3 (1) the business, its corporate officers, or corporate
4 parent or affiliate, are not or have not been the subject
5 of any criminal charges within 5 years prior to the
6 application for development assistance or during the term
7 of a development assistance agreement;

8 (2) there has been no charges, complaints, or other
9 actions having the effect of initiating judicial or
10 administrative proceedings brought by the State of
11 Illinois or any governmental body within the State of
12 Illinois, including the federal government, with respect
13 to the business or its officers or a corporate parent or
14 affiliate that relates to alleged fraud or activity that
15 poses a substantial threat or persistent nuisance to
16 public health, safety, or welfare;

17 (3) the business and any corporate parent or affiliate
18 are not delinquent on the payment of any taxes to the State
19 of Illinois or on the Illinois Stop Payment List or a
20 debarred or suspended parties list maintained by the State
21 of Illinois or the United States; and

22 (4) the business and any corporate parent or affiliate
23 operating within Illinois will comply with the
24 requirements of all applicable laws governing the project
25 supported by the development assistance, the Illinois
26 Human Rights Act, the Illinois Prevailing Wage Act, the

1 Wage Payment and Collection Act, the Consumer Fraud and
2 Deceptive Business Practices Act, the Right to Privacy in
3 the Workplace Act, and the federal National Labor
4 Relations Act.

5 (c) Compliance with good corporate citizen eligibility is
6 required throughout the term of a development assistance
7 agreement. The Department may suspend the development
8 assistance for noncompliance and may seek revocation of any
9 credits or exemptions that were earned or used during a time
10 when the business or its corporate parent or affiliate was not
11 in compliance with any applicable requirements.

12 A business whose development assistance is suspended due
13 to the initiation of a proceeding as described in paragraphs
14 (1) or (2) of subsection (b) may be issued certificates of
15 verification or exemption in suspended status, and such
16 credits or exemptions shall not be able to be claimed unless
17 and until the proceeding concludes without any finding of
18 wrongdoing or liability by the business, its corporate
19 officers, or corporate parent or affiliate and there is no
20 settlement payment by the business, its corporate officers, or
21 corporate parent or affiliate in excess of \$5,000,000. Credits
22 or exemptions issued in suspended status shall remain subject
23 to any statutory time limits on their use.

24 (d) The Department shall adopt rules setting forth any
25 other programmatic terms and conditions and the consequences
26 for noncompliance during the term of a development assistance

1 agreement. The Department may adopt rules providing for
2 exceptions to the good corporate citizen requirements if an
3 application would, in the determination of the Department,
4 cause an imminent and demonstrable hardship to the people of
5 Illinois or to the business's workforce. If an exception is
6 granted, the business must agree to a contractual modification
7 identifying the exception and the basis for granting it.