

1 AN ACT in relation to economic assistance.

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

4 Section 1. Short title. This Act may be cited as the  
5 State Economic Assistance Accountability Act.

6 Section 5. Definition. In this Act:

7 "Business organization" means a corporation, partnership,  
8 limited liability company, joint venture, association, or  
9 other enterprise that does business in this State.

10 "Department" means the Illinois Department of Commerce  
11 and Community Affairs.

12 "Project" means any specific economic development  
13 activity of a commercial, industrial, manufacturing,  
14 agricultural, scientific, service, or other business, the  
15 result of which causes the creation or retention of jobs, and  
16 may include the purchase or lease of machinery and equipment,  
17 the lease or purchase of real property or funds for  
18 infrastructure necessitated by site preparation, building  
19 construction, or related purposes.

20 "State economic assistance" means: (1) tax credits and  
21 tax exemptions given as an incentive to a business  
22 organization pursuant to a certification or designation made  
23 by the Department under the Economic Development for a  
24 Growing Economy Tax Credit Act and the Illinois Enterprise  
25 Zone Act, including the High Impact Business program; and (2)  
26 grants or loans given as an incentive to a business  
27 organization pursuant to the Large Business Development Act  
28 (Article 10 of the Build Illinois Act). The term does not  
29 include assistance (i) given for the purpose of job training,  
30 (ii) for the purpose of road construction or improvements,  
31 (iii) provided to units of local government, or (iv) for

1 which the funding source is federal.

2 "Director" means the Director of Commerce and Community  
3 Affairs.

4 Section 10. Written agreements containing performance  
5 covenants and sanctions.

6 (a) State economic assistance provided by the Department  
7 as an incentive to a business organization must be based on  
8 the terms of a written incentive agreement between the  
9 Department and the business organization.

10 (b) The incentive agreement must identify the specific  
11 State economic assistance to be provided to the business  
12 organization during the term of the agreement.

13 (c) The incentive agreement must also provide for the  
14 following:

15 (1) The business organization is bound to make a  
16 specified level of capital investment in a project and  
17 cause the creation or retention of a specified level of  
18 jobs within a specified time period.

19 (2) If the business organization either fails to  
20 make the requisite level of capital investment in the  
21 project or fails to create or retain the specified number  
22 of jobs within the specified time frame, as provided  
23 under the Act authorizing such economic assistance, the  
24 business organization shall be deemed to no longer  
25 qualify for the State economic assistance.

26 (3) If the business organization receives State  
27 economic assistance in the form of a High Impact Business  
28 designation pursuant to Section 5.5 of the Illinois  
29 Enterprise Zone Act and the business receives the benefit  
30 of the exemption authorized under Section 51 of the  
31 Retailers' Occupation Tax Act (for the sale of building  
32 materials incorporated into a High Impact Business  
33 location) and the business organization fails to create

1 or retain the requisite number of jobs, as determined by  
2 the Department, within the period of time specified by  
3 the Department, the business organization shall be  
4 required to pay to the State the full amount of the State  
5 tax exemption that it received as a result of the High  
6 Impact Business designation.

7 (4) If the business organization receives a grant  
8 pursuant to the Large Business Development Act (Article  
9 10 of the Build Illinois Act) and the business  
10 organization fails to create or retain the requisite  
11 number of jobs, as determined by the Department, within  
12 the period of time specified by the Department, the  
13 business organization shall be required to repay to the  
14 Department a pro rata amount of the grant. That amount  
15 shall reflect the percentage of the deficiency between  
16 the promised number of jobs to be created or retained by  
17 the business organization and the actual number of those  
18 jobs in existence as of the date the Department  
19 determines the business organization is in breach of the  
20 job creation or retention covenants contained in the  
21 incentive agreement.

22 (d) The Director may elect to waive enforcement of any  
23 contractual right arising out of the incentive agreement  
24 required by this Act based on a finding that the waiver will  
25 promote the viability of the project, will contribute to an  
26 increase in employment associated with the project, or will  
27 contribute to the retention of jobs in Illinois associated  
28 with the project.

29 Section 15. Applicability. This Act applies to all State  
30 economic assistance given by the Department on or after the  
31 effective date of this Act.

32 Section 99. Effective date. This Act takes effect upon

1 becoming law.