



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004
HB4442

Introduced 02/03/04, by Kathleen A. Ryg

SYNOPSIS AS INTRODUCED:

New Act

Creates the Corporation Location Efficiency Act. Requires that an applicant applying for State economic development assistance for a business location provide data on affordable housing and mass transit in its vicinity. Provides that if data submitted by the applicant shows that affordable housing and mass transit are near the proposed work site, the Department of Commerce and Economic Opportunity shall grant the applicant a preference in awarding economic development assistance. Provides that if affordable housing and mass transit are not present near the proposed work site, the applicant can receive a preference only if it submits to the Department of Commerce and Economic Opportunity a plan showing how the applicant will address the housing and mass transit deficiency. Provides that applicants who fail to submit a satisfactory plan to the Department of Commerce and Economic Opportunity may still receive State economic development assistance, but the Department must make public its reasons for exemption. Effective January 1, 2005.

LRB093 18629 RXD 44354 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning business transactions.

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 Corporation Location Efficiency Act.

6 Section 5. Definitions. In this Act:

7 "Accessible and convenient public transit" means access to
8 transit stops with regular and frequent service within one-half
9 mile from the project site, if the project is located in a mass
10 transit district.

11 "Affordable housing" means housing that costs no more than
12 35% of the average annual salary of the workforce. This is
13 calculated by comparing the median rent or median cost of
14 owner-occupied housing, based on current census data for the
15 municipality where the project is located, to 35% of the
16 average annual salary of the workforce. If the project is
17 located in an unincorporated area, this analysis is based on
18 the county median rent or median cost of owner-occupied
19 housing.

20 "Applicant" means a company or its representative that
21 negotiates or applies for economic development assistance from
22 the Department of Commerce and Economic Opportunity.

23 "Average annual salary of the workforce" means the median
24 salary at the project site, excluding the highest 10% of the
25 site's salaries.

26 "Department" means the Department of Commerce and Economic
27 Opportunity.

28 "Economic development assistance" means (1) tax credits
29 and tax exemptions given as an incentive to a recipient
30 business organization pursuant to an initial certification or
31 an initial designation made by the Department of Commerce and
32 Economic Opportunity under the Economic Development for a

1 Growing Economy Tax Credit Act (EDGE) and the Illinois
2 Enterprise Zone Act, including the High Impact Business
3 program, (2) grants or loans given to a recipient as an
4 incentive to a business organization pursuant to the Large
5 Business Development Program, the Business Development Public
6 Infrastructure Program, or the Critical Skill Shortages
7 Initiative, and (3) all successor and subsequent programs and
8 tax credits designed to promote large business relocations and
9 expansions. "Economic development assistance" does not include
10 assistance provided under the Illinois Enterprise Zone Act
11 pursuant to local ordinance, participation loans, or financial
12 transactions through statutorily authorized financial
13 intermediaries in support of small business loans and
14 investments or given in connection with the development of
15 affordable housing.

16 "Employee housing and transportation plan" means a plan to
17 increase housing and transportation options for employees
18 earning the average annual salary of the workforce. The plan
19 may include, but is not limited to, an employer-financed
20 employer assisted housing program that can be supplemented by
21 State or federal grants, shuttle services between the place of
22 employment and existing transit stops or other reasonably
23 accessible places, facilitation of employee carpooling, or
24 similar services.

25 "Existence of infrastructure" means the existence at the
26 proposed site of roads, sewers, sidewalks, and other utilities
27 and a description of the investments or improvements, if any,
28 that an applicant expects State or local government to make to
29 such infrastructure.

30 "Location efficiency report" means a report that is
31 prepared by the applicant and follows this Act and any
32 Department guidelines and describes the existence of (1)
33 affordable housing, (2) accessible and convenient public
34 transit, and (3) infrastructure.

35 "Location efficient" means a project located at a site with
36 the following characteristics: (1) maximizes the use of

1 existing investments in infrastructure, (2) minimizes
2 additional government expenditures on new publicly financed
3 transportation or other infrastructure, and (3) affordable
4 housing to the workforce of the applicant.

5 Section 10. Economic development assistance awards;
6 priority.

7 (a) An applicant shall submit a location efficiency report
8 for the municipality or unincorporated area of a county where
9 its facility is located or will be located, along with the
10 information reported under subsection (b) of Section 15 of the
11 Corporate Accountability for Tax Expenditures Act, if it seeks
12 economic development assistance from the State and employs or
13 declares that it intends to employ at least 25 employees.

14 (b) The Department shall give an applicant priority in
15 awarding economic development assistance if it determines from
16 the applicant's location efficiency report that the applicant
17 is seeking assistance in an area that is location efficient. If
18 the Department determines from the location efficiency report
19 that the applicant is seeking assistance in an area that is not
20 location efficient, the Department shall give the applicant
21 priority in awarding economic development assistance if the
22 applicant submits and the Department accepts an employee
23 housing and transportation plan.

24 (c) The Department shall make public its justification for
25 awarding economic development assistance to any applicant
26 whose location efficiency report did not demonstrate location
27 efficiency at the time of announcing the award of the economic
28 development assistance to the applicant.

29 (d) The Department shall provide technical assistance to
30 employers requesting assistance in developing an appropriate
31 employee housing and transportation plan.

32 Section 15. Summaries; progress reports.

33 (a) The Department shall include summaries of the initial
34 employee housing and transportation plans for each assisted

1 project in the annual compilation and publication of project
2 progress reports required under subsection (d) of Section 20 of
3 the Corporate Accountability for Tax Expenditures Act. All
4 actual or projected State and local government infrastructure
5 costs to support the exempted project shall also be made
6 available at this time and updated as needed in the annual
7 progress reports submitted by companies subsidized by the
8 State, as required under the Corporate Accountability for Tax
9 Expenditures Act.

10 (b) By June 1, 2006 and by June 1 of each year thereafter,
11 the Department shall include, where appropriate, data on the
12 outcomes or status of approved employee housing and
13 transportation plans in the project progress reports required
14 under the Corporate Accountability for Tax Expenditure Act.

15 Section 99. Effective date. This Act takes effect January
16 1, 2005.