



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB3767

Introduced 2/25/2005, by Rep. Kathleen A. Ryg

SYNOPSIS AS INTRODUCED:

New Act

Creates the Location Matters Act. Requires that an applicant applying for State economic development assistance for a business location must 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 an economic development 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. Effective January 1, 2006.

LRB094 08771 JAM 38984 b

FISCAL NOTE ACT
MAY APPLY

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 Location Matters Act.

6 Section 5. Definitions. In this Act:

7 "Location efficient" means a project that maximizes the use
8 of existing investments in infrastructure, avoids or minimizes
9 additional government expenditures for new infrastructure, and
10 has nearby housing affordable to the permanent workforce of the
11 project; accessible and affordable mass transit or its
12 equivalent; or some combination of both.

13 "Location efficiency report" means a report that is
14 prepared by the applicant for State economic development
15 assistance and follows this Act and any related Department
16 guidelines, and that describes the existence of (i) affordable
17 housing or (ii) accessible and affordable mass transit or its
18 equivalent.

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

28 "Accessible and affordable mass transit" means access to
29 transit stops with regular and frequent service within one-half
30 mile from the project site.

31 "Affordable housing" means owner-occupied or rental
32 housing that costs, based on current census data for the

1 municipality where the project is located, no more than 35% of
2 the median salary at the project site, exclusive of the highest
3 10% of the site's salaries. If the project is located in an
4 unincorporated area, "affordable housing" means no more than
5 35% of the median salary at the project site, excluding the
6 highest 10% of the site's salaries, based on the median cost of
7 rental or of owner-occupied housing in the county where the
8 unincorporated area is located.

9 "Department" means the Department of Commerce and Economic
10 Opportunity (DCEO) or its successor agency.

11 "Applicant" means a company or its representative that
12 negotiates or applies for economic development assistance from
13 DCEO.

14 "Economic development assistance" means (i) State tax
15 credits and tax exemptions given as an incentive to an eligible
16 company after certification by DCEO under the Economic
17 Development for a Growing Economy Tax Credit Act (EDGE) and the
18 Illinois Enterprise Zone Act, including the High Impact
19 Business program, or under successor programs and (ii) matching
20 grants under the Employer Training Investment Program or its
21 successor programs.

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

27 Section 10. Economic development assistance awards;
28 priority.

29 (a) An applicant that also wants to be considered for
30 increased economic development assistance or priority status
31 in receiving that assistance shall submit a location efficiency
32 report for the municipality or unincorporated area of a county
33 where its facility is to be located, along with the information
34 reported under subsection (b) of Section 15 of the Corporate
35 Accountability for Tax Expenditures Act, if it seeks economic

1 development assistance from the State and employs or declares
2 that it intends to employ at least 25 employees.

3 (b) DCEO shall give an applicant priority and an increased
4 tax credit or exemption or grant if the applicant's location
5 efficiency report demonstrates that the applicant is seeking
6 assistance for a project to be located in an area that
7 satisfies this Act's standards for affordable housing and
8 affordable and accessible mass transit. If the Department
9 determines from the location efficiency report that the
10 applicant is seeking assistance in an area that is not location
11 efficient, the Department shall give the applicant priority and
12 shall award an increase in State economic development
13 assistance if an applicant submits, and the Department accepts,
14 an applicant's employee housing and transportation remediation
15 plan.

16 (c) Applicants locating or expanding at location-efficient
17 sites, or with approved location efficiency plans, can receive
18 (i) up to 10% more than the maximum allowable tax credits for
19 which they are eligible under the Economic Development for a
20 Growing Economy Tax Credit Act (EDGE) and the Illinois
21 Enterprise Zone Act, including the High Impact Business program
22 and (ii) grants under the Employer Training Investment Program
23 (ETIP) up to 60% of approved project costs.

24 (d) The Department shall provide technical assistance to
25 employers requesting assistance in developing an appropriate
26 employee housing and transportation plan.

27 Section 15. Summaries; progress reports.

28 (a) DCEO shall include summaries of the initial employee
29 housing and transportation plans for each assisted project in
30 the annual compilation and publication of project progress
31 reports required under subsection (d) of Section 20 of the
32 Corporate Accountability for Tax Expenditures Act. Companies
33 that fail to do so or that make inadequate progress shall have
34 their subsidy preference eliminated and pay back any related
35 benefits. Applicants and submitted data are subject to all

1 disclosure, reporting, and recapture provisions set forth in
2 Public Act 93-552.

3 (b) By June 1, 2007 and by June 1 of each year thereafter,
4 the Department shall include, when appropriate, data on the
5 outcomes or status of approved employee housing and
6 transportation plans in the project progress reports required
7 under the Corporate Accountability for Tax Expenditure Act.

8 Section 99. Effective date. This Act takes effect January
9 1, 2006.