



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2885

Introduced 1/20/2006, by Sen. Terry Link

SYNOPSIS AS INTRODUCED:

New Act

Creates the Business Location Efficiency Incentive Act. Authorizes companies applying to the Department of Commerce and Economic Opportunity for certain economic development assistance tax credits to seek increased or extended tax credits if (i) the company's proposed project site is located in an area that capitalizes upon affordable workforce housing or accessible mass transit, (ii) the company submits to the Department an approved remediation plan to improve housing or access to mass transit, or (iii) the company's project is located in labor surplus areas. Provides for the Department's awarding of such incentives. Repeals the Act on December 31, 2011. Effective January 1, 2007.

LRB094 19130 JAM 54654 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning business incentives.

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 Business Location Efficiency Incentive 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 or has 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 an applicant for increased State economic
15 development assistance under Section 10 and follows this Act
16 and any related Department guidelines, and that describes the
17 existence of (i) affordable workforce housing or (ii)
18 accessible and affordable mass transit or its equivalent.

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

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

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

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

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

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

16 "Economic development assistance" means State tax credits
17 and tax exemptions given as an incentive to an eligible company
18 after certification by DCEO under the Economic Development for
19 a Growing Economy Tax Credit Act (EDGE).

20 "Existence of infrastructure" means the existence within
21 1,500 feet of the proposed site of roads, sewers, sidewalks,
22 and other utilities and a description of the investments or
23 improvements, if any, that an applicant expects State or local
24 government to make to that infrastructure.

25 Section 10. Economic development assistance awards.

26 (a) An applicant that also wants to be considered for
27 increased economic development assistance under this Act shall
28 submit a location efficiency report.

29 (b) DCEO shall give an applicant an increased tax credit or
30 extension if the applicant's location efficiency report
31 demonstrates that the applicant is seeking assistance for a
32 project to be located in an area that satisfies this Act's
33 standards for affordable workforce housing or affordable and
34 accessible mass transit. If the Department determines from the
35 location efficiency report that the applicant is seeking

1 assistance in an area that is not location efficient, the
2 Department shall award an increase in State economic
3 development assistance if an applicant (i) submits, and the
4 Department accepts, an applicant's employee housing and
5 transportation remediation plan or (ii) creates jobs in a labor
6 surplus area as defined by the Department of Employment
7 Security at the end of each calendar year.

8 (c) Applicants locating or expanding at location-efficient
9 sites, with approved location efficiency plans, or creating
10 jobs in labor surplus areas can receive (i) up to 10% more than
11 the maximum allowable tax credits for which they are eligible
12 under the Economic Development for a Growing Economy Tax Credit
13 Act (EDGE), but not to equal or exceed 100% of the applicant's
14 tax liability, or (ii) such other adjustment of those tax
15 credits, including but not limited to extensions, as the
16 Department deems appropriate.

17 (d) The Department may provide technical assistance to
18 employers requesting assistance in developing an appropriate
19 employee housing or transportation plan.

20 Section 15. Summaries; progress reports.

21 (a) DCEO shall include summaries of the initial employee
22 housing or transportation plans for each assisted project in
23 the annual compilation and publication of project progress
24 reports required under subsection (d) of Section 20 of the
25 Corporate Accountability for Tax Expenditures Act. Companies
26 that fail to do so or that make inadequate progress shall have
27 their increased tax credit or extension eliminated. Applicants
28 and submitted data are subject to all disclosure, reporting,
29 and recapture provisions set forth in Public Act 93-552.

30 (b) By June 1, 2008 and by June 1 of each year thereafter
31 through 2011, the Department shall include, when appropriate,
32 data on the outcomes or status of approved employee housing or
33 transportation plans in the project progress reports required
34 under the Corporate Accountability for Tax Expenditure Act.

1 Section 20. Duration of incentives; report to General
2 Assembly.

3 (a) Any multi-year incentive awarded under this Act shall
4 continue for the time period called for in the agreement with
5 the Department and shall not be altered by the repeal of this
6 Act.

7 (b) By January 1, 2011, the Department shall submit to the
8 Speaker of the House of Representatives and the President of
9 the Senate, for assignment to the appropriate committees, a
10 report on the incentives awarded under this Act and the
11 Department's activities, findings, and recommendations with
12 respect to this Act and its extension, amendment, or repeal.
13 The report, when acted upon by those committees, shall be
14 distributed to each member of the General Assembly.

15 Section 25. Repeal. This Act is repealed on December 31,
16 2011.

17 Section 99. Effective date. This Act takes effect January
18 1, 2007.