

# HB4887



## 96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB4887

Introduced 1/15/2010, by Rep. Arthur L. Turner

### SYNOPSIS AS INTRODUCED:

20 ILCS 663/20  
20 ILCS 663/25

Amends the New Markets Development Program Act. Increases the annual cap on credits from \$10,000,000 to \$40,000,000. Effective July 1, 2010.

LRB096 17409 HLH 32762 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 New Markets Development Program Act is  
5 amended by changing Sections 20 and 25 as follows:

6 (20 ILCS 663/20)

7 Sec. 20. Annual cap on credits. The Department shall limit  
8 the monetary amount of qualified equity investments permitted  
9 under this Act to a level necessary to limit tax credit use at  
10 no more than \$40,000,000 ~~\$10,000,000~~ of tax credits in any  
11 fiscal year. This limitation on qualified equity investments  
12 shall be based on the anticipated use of credits without regard  
13 to the potential for taxpayers to carry forward tax credits to  
14 later tax years.

15 (Source: P.A. 95-1024, eff. 12-31-08.)

16 (20 ILCS 663/25)

17 Sec. 25. Certification of qualified equity investments.

18 (a) A qualified community development entity that seeks to  
19 have an equity investment or long-term debt security designated  
20 as a qualified equity investment and eligible for tax credits  
21 under this Section shall apply to the Department. The qualified  
22 community development entity must submit an application on a

1 form that the Department provides that includes:

2 (1) The name, address, tax identification number of the  
3 entity, and evidence of the entity's certification as a  
4 qualified community development entity.

5 (2) A copy of the allocation agreement executed by the  
6 entity, or its controlling entity, and the Community  
7 Development Financial Institutions Fund.

8 (3) A certificate executed by an executive officer of  
9 the entity attesting that the allocation agreement remains  
10 in effect and has not been revoked or cancelled by the  
11 Community Development Financial Institutions Fund.

12 (4) A description of the proposed amount, structure,  
13 and purchaser of the equity investment or long-term debt  
14 security.

15 (5) The name and tax identification number of any  
16 taxpayer eligible to utilize tax credits earned as a result  
17 of the issuance of the qualified equity investment.

18 (6) Information regarding the proposed use of proceeds  
19 from the issuance of the qualified equity investment.

20 (7) A nonrefundable application fee of \$5,000. This fee  
21 shall be paid to the Department and shall be required of  
22 each application submitted.

23 (b) Within 30 days after receipt of a completed application  
24 containing the information necessary for the Department to  
25 certify a potential qualified equity investment, including the  
26 payment of the application fee, the Department shall grant or

1 deny the application in full or in part. If the Department  
2 denies any part of the application, it shall inform the  
3 qualified community development entity of the grounds for the  
4 denial. If the qualified community development entity provides  
5 any additional information required by the Department or  
6 otherwise completes its application within 15 days of the  
7 notice of denial, the application shall be considered completed  
8 as of the original date of submission. If the qualified  
9 community development entity fails to provide the information  
10 or complete its application within the 15-day period, the  
11 application remains denied and must be resubmitted in full with  
12 a new submission date.

13 (c) If the application is deemed complete, the Department  
14 shall certify the proposed equity investment or long-term debt  
15 security as a qualified equity investment that is eligible for  
16 tax credits under this Section, subject to the limitations  
17 contained in Section 20. The Department shall provide written  
18 notice of the certification to the qualified community  
19 development entity. The notice shall include the names of those  
20 taxpayers who are eligible to utilize the credits and their  
21 respective credit amounts. If the names of the taxpayers who  
22 are eligible to utilize the credits change due to a transfer of  
23 a qualified equity investment or a change in an allocation  
24 pursuant to Section 15, the qualified community development  
25 entity shall notify the Department of such change.

26 (d) The Department shall certify qualified equity

1 investments in the order applications are received by the  
2 Department. Applications received on the same day shall be  
3 deemed to have been received simultaneously. For applications  
4 received on the same day and deemed complete, the Department  
5 shall certify, consistent with remaining tax credit capacity,  
6 qualified equity investments in proportionate percentages  
7 based upon the ratio of the amount of qualified equity  
8 investment requested in an application to the total amount of  
9 qualified equity investments requested in all applications  
10 received on the same day.

11 (e) Once the Department has certified qualified equity  
12 investments that, on a cumulative basis, are eligible for  
13 \$40,000,000 ~~\$10,000,000~~ in tax credits, the Department may not  
14 certify any more qualified equity investments. If a pending  
15 request cannot be fully certified, the Department shall certify  
16 the portion that may be certified unless the qualified  
17 community development entity elects to withdraw its request  
18 rather than receive partial credit.

19 (f) Within 30 days after receiving notice of certification,  
20 the qualified community development entity shall issue the  
21 qualified equity investment and receive cash in the amount of  
22 the certified amount. The qualified community development  
23 entity must provide the Department with evidence of the receipt  
24 of the cash investment within 10 business days after receipt.  
25 If the qualified community development entity does not receive  
26 the cash investment and issue the qualified equity investment

1 within 30 days following receipt of the certification notice,  
2 the certification shall lapse and the entity may not issue the  
3 qualified equity investment without reapplying to the  
4 Department for certification. A certification that lapses  
5 reverts back to the Department and may be reissued only in  
6 accordance with the application process outline in this Section  
7 25.

8 (Source: P.A. 95-1024, eff. 12-31-08.)

9 Section 99. Effective date. This Act takes effect July 1,  
10 2010.