



Sen. James F. Clayborne, Jr.

**Filed: 3/15/2010**

09600SB0352sam001

LRB096 06362 RLJ 38996 a

1 AMENDMENT TO SENATE BILL 352

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 352 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The River Edge Redevelopment Zone Act is  
5 amended by adding Section 10-15 as follows:

6 (65 ILCS 115/10-15 new)

7 Sec. 10-15. Riverfront Development Fund.

8 (a) Purpose. The General Assembly has determined that it is  
9 in the interest of the State of Illinois to promote development  
10 that will protect, promote, and improve the riverfront areas of  
11 a financially distressed city designated under the Financially  
12 Distressed City Law.

13 (b) Definitions. As used in this Section:

14 "Agreement" means the agreement between an eligible  
15 employer and the Department under the provisions of  
16 subsection (f) of this Section.

1           "Department" means the Department of Commerce and  
2           Economic Opportunity.

3           "Director" means the Director of Commerce and Economic  
4           Opportunity.

5           "Eligible developer" means an individual, partnership,  
6           corporation, or other entity that develops within a river  
7           edge redevelopment zone that is located within a  
8           municipality designated as a financially distressed city.

9           "Eligible employer" means an individual, partnership,  
10           corporation, or other entity that employs full-time  
11           employees within a river edge redevelopment zone that is  
12           located within a municipality designated as a financially  
13           distressed city.

14           "Full-time employee" means an individual who is  
15           employed for consideration for at least 35 hours each week  
16           or who renders any other standard of service generally  
17           accepted by industry custom or practice as full-time  
18           employment. An individual for whom a W-2 is issued by a  
19           Professional Employer Organization (PEO) is a full-time  
20           employee if employed in the service of the eligible  
21           employer for consideration for at least 35 hours each week  
22           or who renders any other standard of service generally  
23           accepted by industry custom or practice as full-time  
24           employment.

25           "Incremental income tax" means the total amount  
26           withheld from the compensation of new employees under

1 Article 7 of the Illinois Income Tax Act arising from  
2 employment by an eligible employer.

3 "Infrastructure" means roads, access roads, streets,  
4 bridges, sidewalks, water and sewer line extensions, water  
5 distribution and purification facilities, waste disposal  
6 systems, sewage treatment facilities, stormwater drainage  
7 and retention facilities, gas and electric utility line  
8 extensions, or other improvements that are essential to the  
9 development of the project that is the subject of an  
10 agreement.

11 "New employee" means a full-time employee first  
12 employed by an eligible employer in the project that is the  
13 subject of an agreement between the Department and an  
14 eligible developer and who is hired after the eligible  
15 developer enters into the agreement, but does not include:

16 (1) an employee of the eligible employer who  
17 performs a job that (i) existed for at least 6 months  
18 before the employee was hired and (ii) was previously  
19 performed by another employee;

20 (2) an employee of the eligible employer who was  
21 previously employed in Illinois by a related member of  
22 the eligible employer and whose employment was shifted  
23 to the eligible employer after the eligible employer  
24 entered into the agreement; or

25 (3) a child, grandchild, parent, or spouse, other  
26 than a spouse who is legally separated from the

1           individual, of any individual who has a direct or an  
2           indirect ownership interest of at least 5% in the  
3           profits, capital, or value of the eligible employer.

4           Notwithstanding item (2) of this definition, an  
5           employee may be considered a new employee under the  
6           agreement if the employee performs a job that was  
7           previously performed by an employee who was:

8                   (A) treated under the agreement as a new employee;

9           and

10                   (B) promoted by the eligible employer to another  
11           job.

12           "Professional Employer Organization" (PEO) means an  
13           employee leasing company, as defined in Section  
14           206.1(A) (2) of the Illinois Unemployment Insurance Act.

15           "Related member" means a person or entity that, with  
16           respect to the eligible employer during any portion of the  
17           taxable year, is any one of the following:

18                   (1) an individual stockholder, if the stockholder  
19           and the members of the stockholder's family (as defined  
20           in Section 318 of the Internal Revenue Code) own  
21           directly, indirectly, beneficially, or constructively,  
22           in the aggregate, at least 50% of the value of the  
23           eligible employer's outstanding stock;

24                   (2) a partnership, estate, or trust and any partner  
25           or beneficiary, if the partnership, estate, or trust,  
26           and its partners or beneficiaries own directly,

1 indirectly, or beneficially, or constructively, in the  
2 aggregate, at least 50% of the profits, capital, stock,  
3 or value of the eligible employer;

4 (3) a corporation, and any party related to the  
5 corporation in a manner that would require an  
6 attribution of stock from the corporation to the party  
7 or from the party to the corporation under the  
8 attribution rules of Section 318 of the Internal  
9 Revenue Code, if the taxpayer owns directly,  
10 indirectly, beneficially, or constructively at least  
11 50% of the value of the corporation's outstanding  
12 stock;

13 (4) a corporation and any party related to that  
14 corporation in a manner that would require an  
15 attribution of stock from the corporation to the party  
16 or from the party to the corporation under the  
17 attribution rules of Section 318 of the Internal  
18 Revenue Code, if the corporation and all such related  
19 parties own in the aggregate at least 50% of the  
20 profits, capital, stock, or value of the eligible  
21 employer; or

22 (5) a person to or from whom there is attribution  
23 of stock ownership in accordance with Section 1563(e)  
24 of the Internal Revenue Code, except, for purposes of  
25 determining whether a person is a related member under  
26 this definition, 20% shall be substituted for 5%

1           wherever 5% appears in Section 1563(e) of the Internal  
2           Revenue Code.

3           (c) The Riverfront Development Fund. The Riverfront  
4           Development Fund is created as a special fund in the State  
5           treasury. As soon as possible after the first day of each  
6           month, upon certification of the Department of Revenue, the  
7           Comptroller shall order transferred and the Treasurer shall  
8           transfer from the General Revenue Fund to the Riverfront  
9           Development Fund an amount equal to the incremental income tax  
10           for the previous month attributable to a project that is the  
11           subject of an agreement.

12           (d) Grants from the Riverfront Development Fund. In State  
13           fiscal years 2011 through 2020, all moneys in the Riverfront  
14           Development Fund, held solely for the benefit of eligible  
15           developers, shall be appropriated to the Department to make  
16           infrastructure grants to eligible developers pursuant to  
17           agreements.

18           (e) Limitation on grant amounts. The total amount of a  
19           grant to an eligible developer shall not exceed the lesser of:

20           (1) \$3,000,000 in each State fiscal year; or

21           (2) the total amount of infrastructure costs incurred  
22           by the eligible developer with respect to a project that is  
23           the subject of an agreement.

24           No eligible developer shall receive moneys that are  
25           attributable to a project that is not the subject of the  
26           developer's agreement with the Department.

1       (f) Agreements with applicants. The Department shall enter  
2 into an agreement with an eligible developer who is entitled to  
3 grants under this Section. The agreement must include all of  
4 the following:

5           (1) A detailed description of the project that is the  
6 subject of the agreement, including the location of the  
7 project, the number of jobs created by the project, and  
8 project costs. For purposes of this subsection, "project  
9 costs" includes the costs of the project incurred or to be  
10 incurred by the eligible developer, including  
11 infrastructure costs, but excludes the value of State or  
12 local incentives, including tax increment financing and  
13 deductions, credits, or exemptions afforded to an employer  
14 located in an enterprise zone.

15           (2) A requirement that the eligible developer shall  
16 maintain operations at the project location, stated as a  
17 minimum number of years not to exceed 10 years.

18           (3) A specific method for determining the number of new  
19 employees attributable to the project.

20           (4) A requirement that the eligible developer shall  
21 report monthly to the Department and the Department of  
22 Revenue the number of new employees and the incremental  
23 income tax withheld in connection with the new employees.

24           (5) A requirement that the Department is authorized to  
25 verify with the Department of Revenue the amounts reported  
26 under paragraph (4).

1           Section 10. The State Finance Act is amended by adding  
2           Section 5.756 as follows:

3           (30 ILCS 105/5.756 new)

4           Sec. 5.756. The Riverfront Development Fund.

5           Section 99. Effective date. This Act takes effect upon  
6           becoming law.".