

**SB2628**



**96TH GENERAL ASSEMBLY**

**State of Illinois**

**2009 and 2010**

**SB2628**

Introduced 1/21/2010, by Sen. Gary G. Dahl

**SYNOPSIS AS INTRODUCED:**

20 ILCS 655/5.3

from Ch. 67 1/2, par. 608

220 ILCS 5/9-222.1

from Ch. 111 2/3, par. 9-222.1

Amends the Enterprise Zone Act. Provides that Enterprise Zones shall be in effect for 50 calendar years (instead of 30 calendar years) unless a shorter period of time is specified in the certified designating ordinance. Amends the Public Utilities Act to make conforming changes. Effective immediately.

LRB096 16263 HLH 31520 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

**A BILL FOR**

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Enterprise Zone Act is amended by  
5 changing Section 5.3 as follows:

6 (20 ILCS 655/5.3) (from Ch. 67 1/2, par. 608)

7 Sec. 5.3. Certification of Enterprise Zones; Effective  
8 date.

9 (a) Approval of designated Enterprise Zones shall be made  
10 by the Department by certification of the designating  
11 ordinance. The Department shall promptly issue a certificate  
12 for each Enterprise Zone upon its approval. The certificate  
13 shall be signed by the Director of the Department, shall make  
14 specific reference to the designating ordinance, which shall be  
15 attached thereto, and shall be filed in the office of the  
16 Secretary of State. A certified copy of the Enterprise Zone  
17 Certificate, or a duplicate original thereof, shall be recorded  
18 in the office of recorder of deeds of the county in which the  
19 Enterprise Zone lies.

20 (b) An Enterprise Zone shall be effective upon its  
21 certification. The Department shall transmit a copy of the  
22 certification to the Department of Revenue, and to the  
23 designating municipality or county.

1           Upon certification of an Enterprise Zone, the terms and  
2 provisions of the designating ordinance shall be in effect, and  
3 may not be amended or repealed except in accordance with  
4 Section 5.4.

5           (c) An Enterprise Zone shall be in effect for 50 ~~30~~  
6 calendar years, or for a lesser number of years specified in  
7 the certified designating ordinance. Enterprise Zones shall  
8 terminate at midnight of December 31 of the final calendar year  
9 of the certified term, except as provided in Section 5.4.

10           (d) No more than 12 Enterprise Zones may be certified by  
11 the Department in calendar year 1984, no more than 12  
12 Enterprise Zones may be certified by the Department in calendar  
13 year 1985, no more than 13 Enterprise Zones may be certified by  
14 the Department in calendar year 1986, no more than 15  
15 Enterprise Zones may be certified by the Department in calendar  
16 year 1987, and no more than 20 Enterprise Zones may be  
17 certified by the Department in calendar year 1990. In other  
18 calendar years, no more than 13 Enterprise Zones may be  
19 certified by the Department. The Department may also designate  
20 up to 8 additional Enterprise Zones outside the regular  
21 application cycle if warranted by the extreme economic  
22 circumstances as determined by the Department. The Department  
23 may also designate one additional Enterprise Zone outside the  
24 regular application cycle if an aircraft manufacturer agrees to  
25 locate an aircraft manufacturing facility in the proposed  
26 Enterprise Zone. Notwithstanding any other provision of this

1 Act, no more than 89 Enterprise Zones may be certified by the  
2 Department for the 10 calendar years commencing with 1983. The  
3 7 additional Enterprise Zones authorized by Public Act 86-15  
4 shall not lie within municipalities or unincorporated areas of  
5 counties that abut or are contiguous to Enterprise Zones  
6 certified pursuant to this Section prior to June 30, 1989. The  
7 7 additional Enterprise Zones (excluding the additional  
8 Enterprise Zone which may be designated outside the regular  
9 application cycle) authorized by Public Act 86-1030 shall not  
10 lie within municipalities or unincorporated areas of counties  
11 that abut or are contiguous to Enterprise Zones certified  
12 pursuant to this Section prior to February 28, 1990. Beginning  
13 in calendar year 2004 and until December 31, 2008, one  
14 additional enterprise zone may be certified by the Department.  
15 In any calendar year, the Department may not certify more than  
16 3 Zones located within the same municipality. The Department  
17 may certify Enterprise Zones in each of the 10 calendar years  
18 commencing with 1983. The Department may not certify more than  
19 a total of 18 Enterprise Zones located within the same county  
20 (whether within municipalities or within unincorporated  
21 territory) for the 10 calendar years commencing with 1983.  
22 Thereafter, the Department may not certify any additional  
23 Enterprise Zones, but may amend and rescind certifications of  
24 existing Enterprise Zones in accordance with Section 5.4.

25 (e) Notwithstanding any other provision of law, if (i) the  
26 county board of any county in which a current military base is

1 located, in part or in whole, or in which a military base that  
2 has been closed within 20 years of the effective date of this  
3 amendatory Act of 1998 is located, in part or in whole, adopts  
4 a designating ordinance in accordance with Section 5 of this  
5 Act to designate the military base in that county as an  
6 enterprise zone and (ii) the property otherwise meets the  
7 qualifications for an enterprise zone as prescribed in Section  
8 4 of this Act, then the Department may certify the designating  
9 ordinance or ordinances, as the case may be.

10 (Source: P.A. 92-16, eff. 6-28-01; 92-777, eff. 1-1-03; 93-436,  
11 eff. 1-1-04.)

12 Section 10. The Public Utilities Act is amended by changing  
13 Section 9-222.1 as follows:

14 (220 ILCS 5/9-222.1) (from Ch. 111 2/3, par. 9-222.1)

15 Sec. 9-222.1. A business enterprise which is located within  
16 an area designated by a county or municipality as an enterprise  
17 zone pursuant to the Illinois Enterprise Zone Act or located in  
18 a federally designated Foreign Trade Zone or Sub-Zone shall be  
19 exempt from the additional charges added to the business  
20 enterprise's utility bills as a pass-on of municipal and State  
21 utility taxes under Sections 9-221 and 9-222 of this Act, to  
22 the extent such charges are exempted by ordinance adopted in  
23 accordance with paragraph (e) of Section 8-11-2 of the Illinois  
24 Municipal Code in the case of municipal utility taxes, and to

1 the extent such charges are exempted by the percentage  
2 specified by the Department of Commerce and Economic  
3 Opportunity in the case of State utility taxes, provided such  
4 business enterprise meets the following criteria:

5 (1) it (i) makes investments which cause the creation  
6 of a minimum of 200 full-time equivalent jobs in Illinois;  
7 (ii) makes investments of at least \$175,000,000 which cause  
8 the creation of a minimum of 150 full-time equivalent jobs  
9 in Illinois; (iii) makes investments that cause the  
10 retention of a minimum of 300 full-time equivalent jobs in  
11 the manufacturing sector, as defined by the North American  
12 Industry Classification System, in an area in Illinois in  
13 which the unemployment rate is above 9% and makes an  
14 application to the Department within 3 months after the  
15 effective date of this amendatory Act of the 96th General  
16 Assembly and certifies relocation of the 300 full-time  
17 equivalent jobs within 36 months after the application; or  
18 (iv) makes investments which cause the retention of a  
19 minimum of 1,000 full-time jobs in Illinois; and

20 (2) it is either (i) located in an Enterprise Zone  
21 established pursuant to the Illinois Enterprise Zone Act or  
22 (ii) ~~it is~~ located in a federally designated Foreign Trade  
23 Zone or Sub-Zone and is designated a High Impact Business  
24 by the Department of Commerce and Economic Opportunity; and

25 (3) it is certified by the Department of Commerce and  
26 Economic Opportunity as complying with the requirements

1 specified in clauses (1) and (2) of this Section.

2 The Department of Commerce and Economic Opportunity shall  
3 determine the period during which such exemption from the  
4 charges imposed under Section 9-222 is in effect which shall  
5 not exceed 50 ~~30~~ years or the certified term of the enterprise  
6 zone, whichever period is shorter, except that the exemption  
7 period for a business enterprise qualifying under item (iii) of  
8 clause (1) of this Section shall not exceed 50 ~~30~~ years.

9 The Department of Commerce and Economic Opportunity shall  
10 have the power to promulgate rules and regulations to carry out  
11 the provisions of this Section including procedures for  
12 complying with the requirements specified in clauses (1) and  
13 (2) of this Section and procedures for applying for the  
14 exemptions authorized under this Section; to define the amounts  
15 and types of eligible investments which business enterprises  
16 must make in order to receive State utility tax exemptions  
17 pursuant to Sections 9-222 and 9-222.1 of this Act; to approve  
18 such utility tax exemptions for business enterprises whose  
19 investments are not yet placed in service; and to require that  
20 business enterprises granted tax exemptions repay the exempted  
21 tax should the business enterprise fail to comply with the  
22 terms and conditions of the certification. However, no business  
23 enterprise shall be required, as a condition for certification  
24 under clause (3) of this Section, to attest that its decision  
25 to invest under clause (1) of this Section and to locate under  
26 clause (2) of this Section is predicated upon the availability

1 of the exemptions authorized by this Section.

2 A business enterprise shall be exempt, in whole or in part,  
3 from the pass-on charges of municipal utility taxes imposed  
4 under Section 9-221, only if it meets the criteria specified in  
5 clauses (1) through (3) of this Section and the municipality  
6 has adopted an ordinance authorizing the exemption under  
7 paragraph (e) of Section 8-11-2 of the Illinois Municipal Code.  
8 Upon certification of the business enterprises by the  
9 Department of Commerce and Economic Opportunity, the  
10 Department of Commerce and Economic Opportunity shall notify  
11 the Department of Revenue of such certification. The Department  
12 of Revenue shall notify the public utilities of the exemption  
13 status of business enterprises from the pass-on charges of  
14 State and municipal utility taxes. Such exemption status shall  
15 be effective within 3 months after certification of the  
16 business enterprise.

17 (Source: P.A. 96-716, eff. 8-25-09; revised 11-3-09.)

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law.