



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB6143

by Rep. Scott E Penny

SYNOPSIS AS INTRODUCED:

20 ILCS 655/5.4

from Ch. 67 1/2, par. 609

Amends the Illinois Enterprise Zone Act. Provides that the terms of a certified enterprise zone designating ordinance may be amended in the Village of Brooklyn or the Village of Fairmont City, to designate areas within their respective jurisdictions to be added to the existing East St. Louis/Washington Park Enterprise Zone, regardless of whether the Zone is contiguous with the areas designated in the ordinances, and subject to the approval of the Department of Commerce and Economic Opportunity. Exempts these amendments to the Zone from certain restrictions concerning the maximum allowable area of an enterprise zone.

LRB097 20934 KMW 68032 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 Illinois Enterprise Zone Act is amended by
5 changing Section 5.4 as follows:

6 (20 ILCS 655/5.4) (from Ch. 67 1/2, par. 609)

7 Sec. 5.4. Amendment and Decertification of Enterprise
8 Zones.

9 (a) The terms of a certified enterprise zone designating
10 ordinance may be amended to

11 (i) alter the boundaries of the Enterprise Zone, or

12 (ii) expand, limit or repeal tax incentives or benefits
13 provided in the ordinance, or

14 (iii) alter the termination date of the zone, or

15 (iv) make technical corrections in the enterprise zone
16 designating ordinance; but such amendment shall not be
17 effective unless the Department issues an amended
18 certificate for the Enterprise Zone, approving the amended
19 designating ordinance. Upon the adoption of any ordinance
20 amending or repealing the terms of a certified enterprise
21 zone designating ordinance, the municipality or county
22 shall promptly file with the Department an application for
23 approval thereof, containing substantially the same

1 information as required for an application under Section
2 5.1 insofar as material to the proposed changes. The
3 municipality or county must hold a public hearing on the
4 proposed changes as specified in Section 5 and, if the
5 amendment is to effectuate the limitation of tax abatements
6 under Section 5.4.1, then the public notice of the hearing
7 shall state that property that is in both the enterprise
8 zone and a redevelopment project area may not receive tax
9 abatements unless within 60 days after the adoption of the
10 amendment to the designating ordinance the municipality
11 has determined that eligibility for tax abatements has been
12 established,

13 (v) include an area within another municipality or
14 county as part of the designated enterprise zone provided
15 the requirements of Section 4 are complied with, or

16 (vi) effectuate the limitation of tax abatements under
17 Section 5.4.1.

18 (a-5) In addition to the provisions of this Section, the
19 terms of a certified enterprise zone designating ordinance may
20 be amended:

21 (i) in the Village of Brooklyn, to designate an area
22 within its jurisdiction to be added to the existing East
23 St. Louis/Washington Park Enterprise Zone, subject to the
24 approval of the Department in accordance with this Section
25 and regardless of whether the Enterprise Zone is contiguous
26 with the area designated in the ordinance, or

1 (ii) in the Village of Fairmont City, to designate an
2 area within its jurisdiction to be added to the existing
3 East St. Louis/Washington Park Enterprise Zone, subject to
4 the approval of the Department in accordance with this
5 Section and regardless of whether the Enterprise Zone is
6 contiguous with the area designated in the ordinance.

7 The provisions of Section 4 of this Act shall not apply to
8 areas designated or Enterprise Zone expanded under this
9 subsection, including but not limited to the computation of the
10 maximum allowable area of an enterprise zone under subsection
11 (b) thereof.

12 (b) The Department shall approve or disapprove a proposed
13 amendment to a certified enterprise zone within 90 days of its
14 receipt of the application from the municipality or county. The
15 Department may not approve changes in a Zone which are not in
16 conformity with this Act, as now or hereafter amended, or with
17 other applicable laws. If the Department issues an amended
18 certificate for an Enterprise Zone, the amended certificate,
19 together with the amended zone designating ordinance, shall be
20 filed, recorded and transmitted as provided in Section 5.3.

21 (c) An Enterprise Zone may be decertified by joint action
22 of the Department and the designating county or municipality in
23 accordance with this Section. The designating county or
24 municipality shall conduct at least one public hearing within
25 the zone prior to its adoption of an ordinance of
26 de-designation. The mayor of the designating municipality or

1 the chairman of the county board of the designating county
2 shall execute a joint decertification agreement with the
3 Department. A decertification of an Enterprise Zone shall not
4 become effective until at least 6 months after the execution of
5 the decertification agreement, which shall be filed in the
6 office of the Secretary of State.

7 (d) An Enterprise Zone may be decertified for cause by the
8 Department in accordance with this Section. Prior to
9 decertification: (1) the Department shall notify the chief
10 elected official of the designating county or municipality in
11 writing of the specific deficiencies which provide cause for
12 decertification; (2) the Department shall place the
13 designating county or municipality on probationary status for
14 at least 6 months during which time corrective action may be
15 achieved in the enterprise zone by the designating county or
16 municipality; and, (3) the Department shall conduct at least
17 one public hearing within the zone. If such corrective action
18 is not achieved during the probationary period, the Department
19 shall issue an amended certificate signed by the Director of
20 the Department decertifying the enterprise zone, which
21 certificate shall be filed in the office of the Secretary of
22 State. A certified copy of the amended enterprise zone
23 certificate, or a duplicate original thereof, shall be recorded
24 in the office of recorder of the county in which the enterprise
25 zone lies, and shall be provided to the chief elected official
26 of the designating county or municipality. Decertification of

1 an Enterprise Zone shall not become effective until 60 days
2 after the date of filing.

3 (e) In the event of a decertification, or an amendment
4 reducing the length of the term or the area of an Enterprise
5 Zone or the adoption of an ordinance reducing or eliminating
6 tax benefits in an Enterprise Zone, all benefits previously
7 extended within the Zone pursuant to this Act or pursuant to
8 any other Illinois law providing benefits specifically to or
9 within Enterprise Zones shall remain in effect for the original
10 stated term of the Enterprise Zone, with respect to business
11 enterprises within the Zone on the effective date of such
12 decertification or amendment, and with respect to individuals
13 participating in urban homestead programs under this Act.

14 (f) Except as otherwise provided in Section 5.4.1, with
15 respect to business enterprises (or expansions thereof) which
16 are proposed or under development within a Zone at the time of
17 a decertification or an amendment reducing the length of the
18 term of the Zone, or excluding from the Zone area the site of
19 the proposed enterprise, or an ordinance reducing or
20 eliminating tax benefits in a Zone, such business enterprise
21 shall be entitled to the benefits previously applicable within
22 the Zone for the original stated term of the Zone, if the
23 business enterprise establishes:

24 (i) that the proposed business enterprise or expansion
25 has been committed to be located within the Zone;

26 (ii) that substantial and binding financial

1 obligations have been made towards the development of such
2 enterprise; and

3 (iii) that such commitments have been made in
4 reasonable reliance on the benefits and programs which were
5 to have been applicable to the enterprise by reason of the
6 Zone, including in the case of a reduction in term of a
7 zone, the original length of the term.

8 In declaratory judgment actions under this paragraph, the
9 Department and the designating municipality or county shall be
10 necessary parties defendant.

11 (Source: P.A. 90-258, eff. 7-30-97.)