



Sen. James F. Clayborne, Jr.

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LRB097 17637 KMW 66462 a

1 AMENDMENT TO SENATE BILL 2886

2 AMENDMENT NO. _____. Amend Senate Bill 2886 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 2012 through 2021, 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 5.811 as follows:

3 (30 ILCS 105/5.811 new)

4 Sec. 5.811. The Riverfront Development Fund.

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