



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB2958

by Rep. Scott Drury

#### SYNOPSIS AS INTRODUCED:

New Act

Creates the Economic Policy Planning Act. Creates the Economic Policy Planning Commission to address the State's lack of a comprehensive policy on economic development incentives. Provides that the Commission will conduct a review of current economic conditions, and will hold at least 3 public hearings on the creation of a policy on economic development incentives. Provides that the Commission will report to the General Assembly with specific policy recommendations on economic development incentives on or before December 31, 2014. Repeals the Act on December 31, 2015. Effective immediately.

LRB098 10953 JWD 41561 b

1 AN ACT concerning economic planning.

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

4 Section 1. Short title. This Act may be cited as the  
5 Economic Policy Planning Act.

6 Section 5. Findings and purpose. The General Assembly finds  
7 that:

8 (a) The State of Illinois does not currently have a  
9 comprehensive policy on economic development incentives.  
10 Instead, the State has a wide variety of incentives reducing  
11 specific State or local tax burdens that are provided mostly  
12 upon request by citizens and corporations. This creates an  
13 uncertain tax environment for businesses in Illinois and, as  
14 witnessed during the fall 2011 veto session, can leave the  
15 State vulnerable to competition from other states that have  
16 tried to entice businesses with financial incentives to  
17 relocate or expand outside of Illinois.

18 (b) In Fiscal Year 2010, the State spent a total of  
19 \$313,600,000 on tax incentives for businesses. According to  
20 2009 Illinois Department of Revenue data, only 0.7% of the more  
21 than 450,000 corporations filing taxes in Illinois take  
22 advantage of these tax incentives.

23 (c) The State of Illinois must develop a formal economic

1 development policy to guide the awarding of incentives. A  
2 transparent economic development policy would effectively curb  
3 economic brinksmanship by Illinois businesses by creating a  
4 predictable process for applying for and earning tax  
5 incentives. Such a policy needs to be in place before the State  
6 renews, expands, or creates any economic development  
7 incentives, and to guide policy makers in determining which tax  
8 incentives are most beneficial to the State.

9 Section 10. Economic Policy Planning Commission.

10 (a) There is created the Economic Policy Planning  
11 Commission. The Commission shall have 10 voting members  
12 appointed as follows:

13 One member of the General Assembly, who shall serve as  
14 co-chairperson, and one member of the public appointed by  
15 the President of the Senate;

16 One member of the General Assembly and one member of  
17 the public appointed by the Minority Leader of the Senate;

18 One member of the General Assembly, who shall serve as  
19 co-chairperson, and one member of the public appointed by  
20 the Speaker of the House of Representatives;

21 One member of the General Assembly and one member of  
22 the public appointed by the Minority Leader of the House of  
23 Representatives; and

24 2 members appointed by the Governor.

25 The Director of the Department of Commerce and Economic

1 Opportunity, or his or her designee, the Secretary of the  
2 Department of Transportation, or his or her designee, the  
3 Executive Director of the Capital Development Board, or his  
4 or her designee, and the Executive Director of the Illinois  
5 Finance Authority, or his or her designee, shall serve as  
6 non-voting, ex-officio members of the Commission.

7 (b) The co-chairpersons may appoint such other individuals  
8 as they may deem helpful as non-voting members of the  
9 Commission.

10 (c) The members of the Commission shall serve without  
11 compensation, but may be reimbursed for expenses from funds  
12 appropriated for that purpose.

13 (d) The Department of Commerce and Economic Opportunity  
14 shall provide administrative support, together with meeting  
15 space, to assist the Commission in fulfilling its mission.

16 Section 15. Meetings.

17 (a) The Commission shall conduct monthly meetings,  
18 conference calls, or both, and shall conduct at least 3 public  
19 hearings, as the co-chairpersons shall direct, before filing  
20 its final written findings and recommendations as provided in  
21 Section 25 of this Act. Additional public hearings may be held  
22 at the discretion of the co-chairpersons.

23 (b) The public hearings shall be held at geographically  
24 convenient locations around the State. The locations, dates and  
25 times of the hearings shall be determined by the

1 co-chairpersons, on a schedule that is publicly announced in  
2 area newspapers, State buildings, websites, and other media no  
3 less than 3 weeks in advance of each hearing. All hearings  
4 shall be completed at least 2 months prior to the time for  
5 submission of the final written findings and recommendations as  
6 provided in Section 25 of this Act.

7 (c) At the public hearings, the Commission shall allow  
8 interested persons to present their views and comments and to  
9 present any written literature, statements, articles, or  
10 comments. Based on attendance and time frames, the Commission  
11 may set limits for the time each speaker may comment. These  
12 hearings may be continued if all persons could not be heard.

13 Section 20. Activities and purpose.

14 (a) The Commission will conduct a thorough review of the  
15 current economic condition of the State of Illinois, including  
16 but not limited to its natural resources, geography,  
17 infrastructure, businesses, workforce, and educational system,  
18 within the context of the national and international economy.

19 (b) The Commission will also conduct a thorough review of  
20 relevant and available studies relating to the current economic  
21 condition of the State of Illinois, other states, and the  
22 nation, including those studies conducted by governments,  
23 universities, and reputable groups and institutions. The  
24 Commission shall also conduct a review of all laws and  
25 regulations relating to economic planning in the State of

1 Illinois, other states, and the nation.

2 (c) Through the public hearings required in Section 15 of  
3 this Act and otherwise, the Commission will gather information,  
4 review studies, evaluate testimony, and consider and summarize  
5 written comments received, and shall make written findings and  
6 recommendations as required in Section 25 of this Act.

7 Section 25. Report; legislation.

8 (a) The Commission shall make its report to the General  
9 Assembly on or before December 31, 2014. The report of the  
10 Commission shall detail those findings and recommendations  
11 supported by a majority of the voting members.

12 (b) The findings and recommendations shall include, but are  
13 not limited to:

14 (1) Specific goals and objectives for the economy of  
15 the State of Illinois, including but not limited to: target  
16 economic sectors, business retention or recruitment,  
17 geographic focus, job creation, blight mitigation,  
18 improving economically distressed neighborhoods, and  
19 environmental improvements. The goals and objectives shall  
20 be stated measurable terms, so that they can be used to  
21 provide context and accountability for the use of economic  
22 development incentives.

23 (2) Specified types of economic development  
24 incentives, including eligibility and qualifications for  
25 individual firms, maximum funding for particular programs,

1 the jurisdictions that will use them and the extent to  
2 which those jurisdictions may use them.

3 (3) A clearly defined evaluation process for each type  
4 of economic development incentive, including, but not  
5 limited to:

6 (A) how a proposal measures up to established  
7 economic development criteria;

8 (B) a cost/benefit analysis;

9 (C) an evaluation of tax base impact, both in terms  
10 of increases in taxable value and, where a Tax  
11 Increment Financing District is proposed, the impact  
12 on all overlapping taxing jurisdictions;

13 (D) an analysis of the impact of a project on  
14 existing businesses;

15 (E) a determination of whether the project would  
16 have proceeded if the incentive is not provided; and

17 (F) the required documentation for demonstrating  
18 these criteria.

19 (4) Specific performance standards for each project  
20 receiving economic development incentives, to help gauge  
21 the effectiveness of both the specific economic  
22 development incentives provided as well as the State's  
23 overall economic development program, together with the  
24 recovery of promised financial benefits, through clawbacks  
25 or linkage agreements, of recipients failing to fulfill  
26 their commitments.

1           (5) A process for ongoing and regular monitoring of the  
2           economic development incentives granted and the  
3           performance of each project receiving incentives,  
4           including the designation or creation of a State agency or  
5           other body to provide the monitoring. Ongoing and regular  
6           monitoring must include, at a minimum, the examination of  
7           performance standards relative to each economic  
8           development agreement, and the determination of whether  
9           the goals for each project have been achieved within the  
10          defined timeframe.

11          (c) In addition to the report, the Commission shall provide  
12          to the General Assembly its recommendations in the form of  
13          legislation. The Legislative Reference Bureau shall provide  
14          drafting assistance to the Commission.

15          Section 30. Repealer. This Act is repealed on December 31,  
16          2015.

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