



Sen. Chapin Rose

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1 AMENDMENT TO SENATE BILL 1593

2 AMENDMENT NO. _____. Amend Senate Bill 1593 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Enterprise Zone Act is amended by
5 changing Section 5.5 as follows:

6 (20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

7 Sec. 5.5. High Impact Business.

8 (a) In order to respond to unique opportunities to assist
9 in the encouragement, development, growth and expansion of the
10 private sector through large scale investment and development
11 projects, the Department is authorized to receive and approve
12 applications for the designation of "High Impact Businesses" in
13 Illinois subject to the following conditions:

14 (1) such applications may be submitted at any time
15 during the year;

16 (2) such business is not located, at the time of

1 designation, in an enterprise zone designated pursuant to
2 this Act;

3 (3) the business intends to do one or more of the
4 following:

5 (A) the business intends to make a minimum
6 investment of \$12,000,000 which will be placed in
7 service in qualified property and intends to create 500
8 full-time equivalent jobs at a designated location in
9 Illinois or intends to make a minimum investment of
10 \$30,000,000 which will be placed in service in
11 qualified property and intends to retain 1,500
12 full-time retained jobs at a designated location in
13 Illinois. The business must certify in writing that the
14 investments would not be placed in service in qualified
15 property and the job creation or job retention would
16 not occur without the tax credits and exemptions set
17 forth in subsection (b) of this Section. The terms
18 "placed in service" and "qualified property" have the
19 same meanings as described in subsection (h) of Section
20 201 of the Illinois Income Tax Act; or

21 (B) the business intends to establish a new
22 electric generating facility at a designated location
23 in Illinois. "New electric generating facility", for
24 purposes of this Section, means a newly-constructed
25 electric generation plant or a newly-constructed
26 generation capacity expansion at an existing electric

1 generation plant, including the transmission lines and
2 associated equipment that transfers electricity from
3 points of supply to points of delivery, and for which
4 such new foundation construction commenced not sooner
5 than July 1, 2001. Such facility shall be designed to
6 provide baseload electric generation and shall operate
7 on a continuous basis throughout the year; and (i)
8 shall have an aggregate rated generating capacity of at
9 least 1,000 megawatts for all new units at one site if
10 it uses natural gas as its primary fuel and foundation
11 construction of the facility is commenced on or before
12 December 31, 2004, or shall have an aggregate rated
13 generating capacity of at least 400 megawatts for all
14 new units at one site if it uses coal or gases derived
15 from coal as its primary fuel and shall support the
16 creation of at least 150 new Illinois coal mining jobs,
17 or (ii) shall be funded through a federal Department of
18 Energy grant before December 31, 2010 and shall support
19 the creation of Illinois coal-mining jobs, or (iii)
20 shall use coal gasification or integrated
21 gasification-combined cycle units that generate
22 electricity or chemicals, or both, and shall support
23 the creation of Illinois coal-mining jobs. The
24 business must certify in writing that the investments
25 necessary to establish a new electric generating
26 facility would not be placed in service and the job

1 creation in the case of a coal-fueled plant would not
2 occur without the tax credits and exemptions set forth
3 in subsection (b-5) of this Section. The term "placed
4 in service" has the same meaning as described in
5 subsection (h) of Section 201 of the Illinois Income
6 Tax Act; or

7 (B-5) the business intends to establish a new
8 gasification facility at a designated location in
9 Illinois. As used in this Section, "new gasification
10 facility" means a newly constructed coal gasification
11 facility that generates chemical feedstocks or
12 transportation fuels derived from coal (which may
13 include, but are not limited to, methane, methanol, and
14 nitrogen fertilizer), that supports the creation or
15 retention of Illinois coal-mining jobs, and that
16 qualifies for financial assistance from the Department
17 before December 31, 2010. A new gasification facility
18 does not include a pilot project located within
19 Jefferson County or within a county adjacent to
20 Jefferson County for synthetic natural gas from coal;
21 or

22 (C) the business intends to establish production
23 operations at a new coal mine, re-establish production
24 operations at a closed coal mine, or expand production
25 at an existing coal mine at a designated location in
26 Illinois not sooner than July 1, 2001; provided that

1 the production operations result in the creation of 150
2 new Illinois coal mining jobs as described in
3 subdivision (a)(3)(B) of this Section, and further
4 provided that the coal extracted from such mine is
5 utilized as the predominant source for a new electric
6 generating facility. The business must certify in
7 writing that the investments necessary to establish a
8 new, expanded, or reopened coal mine would not be
9 placed in service and the job creation would not occur
10 without the tax credits and exemptions set forth in
11 subsection (b-5) of this Section. The term "placed in
12 service" has the same meaning as described in
13 subsection (h) of Section 201 of the Illinois Income
14 Tax Act; or

15 (D) the business intends to construct new
16 transmission facilities or upgrade existing
17 transmission facilities at designated locations in
18 Illinois, for which construction commenced not sooner
19 than July 1, 2001. For the purposes of this Section,
20 "transmission facilities" means transmission lines
21 with a voltage rating of 115 kilovolts or above,
22 including associated equipment, that transfer
23 electricity from points of supply to points of delivery
24 and that transmit a majority of the electricity
25 generated by a new electric generating facility
26 designated as a High Impact Business in accordance with

1 this Section. The business must certify in writing that
2 the investments necessary to construct new
3 transmission facilities or upgrade existing
4 transmission facilities would not be placed in service
5 without the tax credits and exemptions set forth in
6 subsection (b-5) of this Section. The term "placed in
7 service" has the same meaning as described in
8 subsection (h) of Section 201 of the Illinois Income
9 Tax Act; or

10 (E) the business intends to establish a new wind
11 power facility at a designated location in Illinois.
12 For purposes of this Section, "new wind power facility"
13 means a newly constructed electric generation
14 facility, or a newly constructed expansion of an
15 existing electric generation facility, placed in
16 service on or after July 1, 2009, that generates
17 electricity using wind energy devices, and such
18 facility shall be deemed to include all associated
19 transmission lines, substations, and other equipment
20 related to the generation of electricity from wind
21 energy devices. For purposes of this Section, "wind
22 energy device" means any device, with a nameplate
23 capacity of at least 0.5 megawatts, that is used in the
24 process of converting kinetic energy from the wind to
25 generate electricity; ~~or and~~

26 (F) the business intends to (i) make a minimum

1 investment of \$500,000,000, which will be placed in
2 service in a qualified property, (ii) create 125
3 full-time equivalent jobs at a designated location in
4 Illinois, and (iii) establish a fertilizer plant at a
5 designated location in Illinois; for the purposes of
6 this Section, "fertilizer plant" means a newly
7 constructed or upgraded plant facilitating gas used in
8 the production of anhydrous ammonia and downstream
9 nitrogen fertilizer products for resale; and

10 (4) no later than 90 days after an application is
11 submitted, the Department shall notify the applicant of the
12 Department's determination of the qualification of the
13 proposed High Impact Business under this Section.

14 (b) Businesses designated as High Impact Businesses
15 pursuant to subdivision (a) (3) (A) of this Section shall qualify
16 for the credits and exemptions described in the following Acts:
17 Section 9-222 and Section 9-222.1A of the Public Utilities Act,
18 subsection (h) of Section 201 of the Illinois Income Tax Act,
19 and Section 1d of the Retailers' Occupation Tax Act; provided
20 that these credits and exemptions described in these Acts shall
21 not be authorized until the minimum investments set forth in
22 subdivision (a) (3) (A) of this Section have been placed in
23 service in qualified properties and, in the case of the
24 exemptions described in the Public Utilities Act and Section 1d
25 of the Retailers' Occupation Tax Act, the minimum full-time
26 equivalent jobs or full-time retained jobs set forth in

1 subdivision (a) (3) (A) of this Section have been created or
2 retained. Businesses designated as High Impact Businesses
3 under this Section shall also qualify for the exemption
4 described in Section 51 of the Retailers' Occupation Tax Act.
5 The credit provided in subsection (h) of Section 201 of the
6 Illinois Income Tax Act shall be applicable to investments in
7 qualified property as set forth in subdivision (a) (3) (A) of
8 this Section.

9 (b-5) Businesses designated as High Impact Businesses
10 pursuant to subdivisions (a) (3) (B), (a) (3) (B-5), (a) (3) (C),
11 and (a) (3) (D) of this Section shall qualify for the credits and
12 exemptions described in the following Acts: Section 51 of the
13 Retailers' Occupation Tax Act, Section 9-222 and Section
14 9-222.1A of the Public Utilities Act, and subsection (h) of
15 Section 201 of the Illinois Income Tax Act; however, the
16 credits and exemptions authorized under Section 9-222 and
17 Section 9-222.1A of the Public Utilities Act, and subsection
18 (h) of Section 201 of the Illinois Income Tax Act shall not be
19 authorized until the new electric generating facility, the new
20 gasification facility, the new transmission facility, or the
21 new, expanded, or reopened coal mine is operational, except
22 that a new electric generating facility whose primary fuel
23 source is natural gas is eligible only for the exemption under
24 Section 51 of the Retailers' Occupation Tax Act.

25 (b-6) Businesses designated as High Impact Businesses
26 pursuant to subdivision (a) (3) (E) of this Section shall qualify

1 for the exemptions described in Section 51 of the Retailers'
2 Occupation Tax Act; any business so designated as a High Impact
3 Business being, for purposes of this Section, a "Wind Energy
4 Business".

5 (c) High Impact Businesses located in federally designated
6 foreign trade zones or sub-zones are also eligible for
7 additional credits, exemptions and deductions as described in
8 the following Acts: Section 9-221 and Section 9-222.1 of the
9 Public Utilities Act; and subsection (g) of Section 201, and
10 Section 203 of the Illinois Income Tax Act.

11 (d) Except for businesses contemplated under subdivision
12 (a) (3) (E) of this Section, existing Illinois businesses which
13 apply for designation as a High Impact Business must provide
14 the Department with the prospective plan for which 1,500
15 full-time retained jobs would be eliminated in the event that
16 the business is not designated.

17 (e) Except for new wind power facilities contemplated under
18 subdivision (a) (3) (E) of this Section, new proposed facilities
19 which apply for designation as High Impact Business must
20 provide the Department with proof of alternative non-Illinois
21 sites which would receive the proposed investment and job
22 creation in the event that the business is not designated as a
23 High Impact Business.

24 (f) Except for businesses contemplated under subdivision
25 (a) (3) (E) of this Section, in the event that a business is
26 designated a High Impact Business and it is later determined

1 after reasonable notice and an opportunity for a hearing as
2 provided under the Illinois Administrative Procedure Act, that
3 the business would have placed in service in qualified property
4 the investments and created or retained the requisite number of
5 jobs without the benefits of the High Impact Business
6 designation, the Department shall be required to immediately
7 revoke the designation and notify the Director of the
8 Department of Revenue who shall begin proceedings to recover
9 all wrongfully exempted State taxes with interest. The business
10 shall also be ineligible for all State funded Department
11 programs for a period of 10 years.

12 (g) The Department shall revoke a High Impact Business
13 designation if the participating business fails to comply with
14 the terms and conditions of the designation. However, the
15 penalties for new wind power facilities or Wind Energy
16 Businesses for failure to comply with any of the terms or
17 conditions of the Illinois Prevailing Wage Act shall be only
18 those penalties identified in the Illinois Prevailing Wage Act,
19 and the Department shall not revoke a High Impact Business
20 designation as a result of the failure to comply with any of
21 the terms or conditions of the Illinois Prevailing Wage Act in
22 relation to a new wind power facility or a Wind Energy
23 Business.

24 (h) Prior to designating a business, the Department shall
25 provide the members of the General Assembly and Commission on
26 Government Forecasting and Accountability with a report

1 setting forth the terms and conditions of the designation and
2 guarantees that have been received by the Department in
3 relation to the proposed business being designated.

4 (Source: P.A. 96-28, eff. 7-1-09; 97-905, eff. 8-7-12.)

5 Section 10. The Property Tax Code is amended by changing
6 Section 18-165 as follows:

7 (35 ILCS 200/18-165)

8 Sec. 18-165. Abatement of taxes.

9 (a) Any taxing district, upon a majority vote of its
10 governing authority, may, after the determination of the
11 assessed valuation of its property, order the clerk of that
12 county to abate any portion of its taxes on the following types
13 of property:

14 (1) Commercial and industrial.

15 (A) The property of any commercial or industrial
16 firm, including but not limited to the property of (i)
17 any firm that is used for collecting, separating,
18 storing, or processing recyclable materials, locating
19 within the taxing district during the immediately
20 preceding year from another state, territory, or
21 country, or having been newly created within this State
22 during the immediately preceding year, or expanding an
23 existing facility, or (ii) any firm that is used for
24 the generation and transmission of electricity

1 locating within the taxing district during the
2 immediately preceding year or expanding its presence
3 within the taxing district during the immediately
4 preceding year by construction of a new electric
5 generating facility that uses natural gas as its fuel,
6 or any firm that is used for production operations at a
7 new, expanded, or reopened coal mine within the taxing
8 district, that has been certified as a High Impact
9 Business by the Illinois Department of Commerce and
10 Economic Opportunity. The property of any firm used for
11 the generation and transmission of electricity shall
12 include all property of the firm used for transmission
13 facilities as defined in Section 5.5 of the Illinois
14 Enterprise Zone Act. The abatement shall not exceed a
15 period of 10 years and the aggregate amount of abated
16 taxes for all taxing districts combined shall not
17 exceed \$4,000,000.

18 (A-5) Any property in the taxing district of a new
19 electric generating facility, as defined in Section
20 605-332 of the Department of Commerce and Economic
21 Opportunity Law of the Civil Administrative Code of
22 Illinois. The abatement shall not exceed a period of 10
23 years. The abatement shall be subject to the following
24 limitations:

25 (i) if the equalized assessed valuation of the
26 new electric generating facility is equal to or

1 greater than \$25,000,000 but less than
2 \$50,000,000, then the abatement may not exceed (i)
3 over the entire term of the abatement, 5% of the
4 taxing district's aggregate taxes from the new
5 electric generating facility and (ii) in any one
6 year of abatement, 20% of the taxing district's
7 taxes from the new electric generating facility;

8 (ii) if the equalized assessed valuation of
9 the new electric generating facility is equal to or
10 greater than \$50,000,000 but less than
11 \$75,000,000, then the abatement may not exceed (i)
12 over the entire term of the abatement, 10% of the
13 taxing district's aggregate taxes from the new
14 electric generating facility and (ii) in any one
15 year of abatement, 35% of the taxing district's
16 taxes from the new electric generating facility;

17 (iii) if the equalized assessed valuation of
18 the new electric generating facility is equal to or
19 greater than \$75,000,000 but less than
20 \$100,000,000, then the abatement may not exceed
21 (i) over the entire term of the abatement, 20% of
22 the taxing district's aggregate taxes from the new
23 electric generating facility and (ii) in any one
24 year of abatement, 50% of the taxing district's
25 taxes from the new electric generating facility;

26 (iv) if the equalized assessed valuation of

1 the new electric generating facility is equal to or
2 greater than \$100,000,000 but less than
3 \$125,000,000, then the abatement may not exceed
4 (i) over the entire term of the abatement, 30% of
5 the taxing district's aggregate taxes from the new
6 electric generating facility and (ii) in any one
7 year of abatement, 60% of the taxing district's
8 taxes from the new electric generating facility;

9 (v) if the equalized assessed valuation of the
10 new electric generating facility is equal to or
11 greater than \$125,000,000 but less than
12 \$150,000,000, then the abatement may not exceed
13 (i) over the entire term of the abatement, 40% of
14 the taxing district's aggregate taxes from the new
15 electric generating facility and (ii) in any one
16 year of abatement, 60% of the taxing district's
17 taxes from the new electric generating facility;

18 (vi) if the equalized assessed valuation of
19 the new electric generating facility is equal to or
20 greater than \$150,000,000, then the abatement may
21 not exceed (i) over the entire term of the
22 abatement, 50% of the taxing district's aggregate
23 taxes from the new electric generating facility
24 and (ii) in any one year of abatement, 60% of the
25 taxing district's taxes from the new electric
26 generating facility.

1 The abatement is not effective unless the owner of
2 the new electric generating facility agrees to repay to
3 the taxing district all amounts previously abated,
4 together with interest computed at the rate and in the
5 manner provided for delinquent taxes, in the event that
6 the owner of the new electric generating facility
7 closes the new electric generating facility before the
8 expiration of the entire term of the abatement.

9 The authorization of taxing districts to abate
10 taxes under this subdivision (a) (1) (A-5) expires on
11 January 1, 2010.

12 (B) The property of any commercial or industrial
13 development of at least 225 ~~500~~ acres having been
14 created within the taxing district. The abatement
15 shall not exceed a period of 20 years and the aggregate
16 amount of abated taxes for all taxing districts
17 combined shall not exceed \$12,000,000.

18 (C) The property of any commercial or industrial
19 firm currently located in the taxing district that
20 expands a facility or its number of employees. The
21 abatement shall not exceed a period of 10 years and the
22 aggregate amount of abated taxes for all taxing
23 districts combined shall not exceed \$4,000,000. The
24 abatement period may be renewed at the option of the
25 taxing districts.

26 (2) Horse racing. Any property in the taxing district

1 which is used for the racing of horses and upon which
2 capital improvements consisting of expansion, improvement
3 or replacement of existing facilities have been made since
4 July 1, 1987. The combined abatements for such property
5 from all taxing districts in any county shall not exceed
6 \$5,000,000 annually and shall not exceed a period of 10
7 years.

8 (3) Auto racing. Any property designed exclusively for
9 the racing of motor vehicles. Such abatement shall not
10 exceed a period of 10 years.

11 (4) Academic or research institute. The property of any
12 academic or research institute in the taxing district that
13 (i) is an exempt organization under paragraph (3) of
14 Section 501(c) of the Internal Revenue Code, (ii) operates
15 for the benefit of the public by actually and exclusively
16 performing scientific research and making the results of
17 the research available to the interested public on a
18 non-discriminatory basis, and (iii) employs more than 100
19 employees. An abatement granted under this paragraph shall
20 be for at least 15 years and the aggregate amount of abated
21 taxes for all taxing districts combined shall not exceed
22 \$5,000,000.

23 (5) Housing for older persons. Any property in the
24 taxing district that is devoted exclusively to affordable
25 housing for older households. For purposes of this
26 paragraph, "older households" means those households (i)

1 living in housing provided under any State or federal
2 program that the Department of Human Rights determines is
3 specifically designed and operated to assist elderly
4 persons and is solely occupied by persons 55 years of age
5 or older and (ii) whose annual income does not exceed 80%
6 of the area gross median income, adjusted for family size,
7 as such gross income and median income are determined from
8 time to time by the United States Department of Housing and
9 Urban Development. The abatement shall not exceed a period
10 of 15 years, and the aggregate amount of abated taxes for
11 all taxing districts shall not exceed \$3,000,000.

12 (6) Historical society. For assessment years 1998
13 through 2018, the property of an historical society
14 qualifying as an exempt organization under Section
15 501(c)(3) of the federal Internal Revenue Code.

16 (7) Recreational facilities. Any property in the
17 taxing district (i) that is used for a municipal airport,
18 (ii) that is subject to a leasehold assessment under
19 Section 9-195 of this Code and (iii) which is sublet from a
20 park district that is leasing the property from a
21 municipality, but only if the property is used exclusively
22 for recreational facilities or for parking lots used
23 exclusively for those facilities. The abatement shall not
24 exceed a period of 10 years.

25 (8) Relocated corporate headquarters. If approval
26 occurs within 5 years after the effective date of this

1 amendatory Act of the 92nd General Assembly, any property
2 or a portion of any property in a taxing district that is
3 used by an eligible business for a corporate headquarters
4 as defined in the Corporate Headquarters Relocation Act.
5 Instead of an abatement under this paragraph (8), a taxing
6 district may enter into an agreement with an eligible
7 business to make annual payments to that eligible business
8 in an amount not to exceed the property taxes paid directly
9 or indirectly by that eligible business to the taxing
10 district and any other taxing districts for premises
11 occupied pursuant to a written lease and may make those
12 payments without the need for an annual appropriation. No
13 school district, however, may enter into an agreement with,
14 or abate taxes for, an eligible business unless the
15 municipality in which the corporate headquarters is
16 located agrees to provide funding to the school district in
17 an amount equal to the amount abated or paid by the school
18 district as provided in this paragraph (8). Any abatement
19 ordered or agreement entered into under this paragraph (8)
20 may be effective for the entire term specified by the
21 taxing district, except the term of the abatement or annual
22 payments may not exceed 20 years.

23 (9) United States Military Public/Private Residential
24 Developments. Each building, structure, or other
25 improvement designed, financed, constructed, renovated,
26 managed, operated, or maintained after January 1, 2006

1 under a "PPV Lease", as set forth under Division 14 of
2 Article 10, and any such PPV Lease.

3 (10) Property located in a business corridor that
4 qualifies for an abatement under Section 18-184.10.

5 (b) Upon a majority vote of its governing authority, any
6 municipality may, after the determination of the assessed
7 valuation of its property, order the county clerk to abate any
8 portion of its taxes on any property that is located within the
9 corporate limits of the municipality in accordance with Section
10 8-3-18 of the Illinois Municipal Code.

11 (Source: P.A. 96-1136, eff. 7-21-10; 97-577, eff. 1-1-12;
12 97-636, eff. 6-1-12.)

13 Section 99. Effective date. This Act takes effect upon
14 becoming law."