

# SB2977



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

SB2977

Introduced 2/4/2014, by Sen. Linda Holmes

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/224 new  
65 ILCS 115/10-10.1

Amends the Illinois Income Tax Act. Provides that taxpayers are entitled to an income tax credit against the taxes imposed under the River Edge Redevelopment Zone Act equal to 100% of the reasonable and prudent costs incurred by a public utility. Provides that any amount of credit that exceeds a taxpayer's liabilities shall be refunded to the taxpayer. Amends the River Edge Redevelopment Zone Act. Restricts the amount of costs recovered by a public utility from retail customers to \$5,000,000. Provides for a repeal date of July 1, 2020 (currently, July 29, 2017).

LRB098 19609 JLK 54803 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Income Tax Act is amended by adding  
5 Section 224 as follows:

6 (35 ILCS 5/224 new)

7 Sec. 224. River Edge Redevelopment Zone credit.

8 (a) For taxable years beginning on or after January 1,  
9 2015, a taxpayer who has received a tax credit award under the  
10 River Edge Redevelopment Zone Act is entitled to a credit  
11 against the taxes imposed under subsections (a) and (b) of  
12 Section 201 of this Act in an amount determined under that Act  
13 equal to 100% of the reasonable and prudent costs incurred by a  
14 public utility during the taxable year pursuant to subsection  
15 (c) of that Act which are not paid for by retail customers  
16 located in the municipality or municipalities in which the  
17 removal or relocation occurs.

18 (b) For taxable years beginning on or after January 1,  
19 2015, if the amount of the credit imposed under this Section  
20 exceeds the income tax liability for the applicable tax year,  
21 then the excess credit shall be refunded to the taxpayer.

22 (c) This Section is subject to the provisions of Section  
23 250 of this Act.

1           Section 10. The River Edge Redevelopment Zone Act is  
2 amended by changing Section 10-10.1 as follows:

3           (65 ILCS 115/10-10.1)

4           (Section scheduled to be repealed on July 29, 2017)

5           Sec. 10-10.1. Utility facilities.

6           (a) It is in the public interest that costs for  
7 redevelopment in a River Edge Redevelopment Zone impacting a  
8 public utility, as defined by Section 3-105 of the Public  
9 Utilities Act, or a public utility's property, as described in  
10 subsection (b) of this Section, should not be allocated solely  
11 to the entity engaging in economic redevelopment because this  
12 economic redevelopment benefits the utility service territory  
13 as a whole and not just the particular area where the  
14 redevelopment occurs.

15           (b) A public utility that has facilities or land affected  
16 by the clean-up, remediation, and redevelopment of a River Edge  
17 Redevelopment Zone and that incurs costs related to the  
18 remediation or the removing or relocating of utility facilities  
19 in the River Edge Redevelopment Zone may recover these costs  
20 pursuant to subsections (c) and (d) of this Section.

21           (c) The reasonable and prudent costs incurred by a public  
22 utility for facility removal or relocation described in  
23 subsection (b) of this Section shall be shared equally among  
24 the public utility, the municipality in which the facility is

1 located, and any landowner that is located within 100 feet of  
2 the utility facility and that directly benefits from the  
3 removal or relocation of the utility facility or the  
4 redevelopment of the public utility's land. In no event shall  
5 the costs incurred by each municipality or landowner for a  
6 given project exceed an equal percentage of the total direct,  
7 indirect, and overhead project costs, or \$1,000,000 ~~\$3,667,000~~  
8 each, whichever amount is less. The reasonable and prudent  
9 costs incurred by the public utility for facility removal or  
10 relocation that are not the responsibility of the municipality  
11 or landowner under this subsection (c) shall be recovered by  
12 the public utility from all retail customers located in the  
13 municipality or municipalities in which the removal or  
14 relocation occurs through an appropriate tariff mechanism, and  
15 the public utility may record and defer such costs as a  
16 regulatory asset until they are so recovered. In no event shall  
17 the costs recovered by the public utility from all retail  
18 customers located in the municipality or municipalities in  
19 which the removal or relocation occurs shall exceed \$5,000,000.

20 (d) The Illinois Commerce Commission shall allow a public  
21 utility described in subsection (b) to fully recover from all  
22 retail customers in its service territory all reasonable and  
23 prudent costs that it incurs in conducting environmental  
24 remediation in the River Edge Redevelopment Zone related to the  
25 removal or relocation of utility facilities in the River Edge  
26 Redevelopment Zone, including, but not limited to,

1 transmission and distribution lines, transformers, and poles.  
2 These environmental remediation costs also include, but are not  
3 limited to, direct, indirect, and overhead costs calculated by  
4 the public utility for taxes or other charges, cost adjustments  
5 made after the project has begun, and any other environmental  
6 remediation-related charges. The public utility shall record  
7 and defer such costs as a regulatory asset to be included in  
8 the public utility's total rate base and amortized in the  
9 public utility's next filing for a general increase in rates  
10 over a reasonable period that is shorter than the life of the  
11 affected facility or facilities. Such regulatory assets shall  
12 be collected from all residential and commercial ratepayers  
13 system-wide, and not only from ratepayers in the municipality's  
14 corporate limits. In the event the River Edge Redevelopment  
15 Zone is decertified, the public utility shall be permitted to  
16 recover all reasonable and prudent costs incurred as of the  
17 date of the decertification, as well as all reasonable and  
18 prudent costs incurred subsequent to decertification that are  
19 necessary to complete any projects commenced while the River  
20 Edge Redevelopment Zone was certified, consistent with this  
21 Section.

22 (e) This Section is repealed on July, 2020 ~~7 years after~~  
23 ~~the effective date of this amendatory Act of the 96th General~~  
24 ~~Assembly.~~

25 (Source: P.A. 96-1404, eff. 7-29-10.)