

AN ACT concerning State government.

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

Section 5. The Illinois Enterprise Zone Act is amended by changing Sections 3, 4, 4.1, 5.1, 5.2, 5.3, 5.4, 5.5, 8.1, 12-9, and 13 as follows:

(20 ILCS 655/3) (from Ch. 67 1/2, par. 603)

Sec. 3. Definitions. As used in this Act, the following words shall have the meanings ascribed to them, unless the context otherwise requires:

(a) "Department" means the Department of Commerce and Economic Opportunity.

(b) "Enterprise Zone" means an area of the State certified by the Department as an Enterprise Zone pursuant to this Act.

(c) "Depressed Area" means an area in which pervasive poverty, unemployment and economic distress exist.

(d) "Designated Zone Organization" means an association or entity: (1) the members of which are substantially all residents of the Enterprise Zone; (2) the board of directors of which is elected by the members of the organization; (3) which satisfies the criteria set forth in Section 501(c) (3) or 501(c) (4) of the Internal Revenue Code; and (4) which exists primarily for the purpose of performing within such

area or zone for the benefit of the residents and businesses thereof any of the functions set forth in Section 8 of this Act.

(e) "Agency" means each officer, board, commission and agency created by the Constitution, in the executive branch of State government, other than the State Board of Elections; each officer, department, board, commission, agency, institution, authority, university, body politic and corporate of the State; and each administrative unit or corporate outgrowth of the State government which is created by or pursuant to statute, other than units of local government and their officers, school districts and boards of election commissioners; each administrative unit or corporate outgrowth of the above and as may be created by executive order of the Governor. No entity shall be considered an "agency" for the purposes of this Act unless authorized by law to make rules or regulations.

(f) "Rule" means each agency statement of general applicability that implements, applies, interprets or prescribes law or policy, but does not include (i) statements concerning only the internal management of an agency and not affecting private rights or procedures available to persons or entities outside the agency, (ii) intra-agency memoranda, or (iii) the prescription of standardized forms.

(g) "Board" means the Enterprise Zone Board created in Section 5.2.1.

(h) "Local labor market area" means an economically integrated area within which individuals can reside and find employment within a reasonable distance or can readily change jobs without changing their place of residence.

(i) "Full-time equivalent job" means a job in which the new employee works for the recipient or for a corporation under contract to the recipient at a rate of at least 35 hours per week. A recipient who employs labor or services at a specific site or facility under contract with another may declare one full-time, permanent job for every 1,820 ~~man~~ hours worked per year under that contract. Vacations, paid holidays, and sick time are included in this computation. Overtime is not considered a part of regular hours.

(j) "Full-time retained job" means any employee defined as having a full-time or full-time equivalent job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat, which shall be specified in the application for development assistance. A recipient who employs labor or services at a specific site or facility under contract with another may declare one retained employee per year for every 1,750 ~~man~~ hours worked per year under that contract, even if different individuals perform on-site labor or services.

(Source: P.A. 97-905, eff. 8-7-12; 98-463, eff. 8-16-13.)

(20 ILCS 655/4) (from Ch. 67 1/2, par. 604)

Sec. 4. Qualifications for enterprise zones.

(1) An area is qualified to become an enterprise zone which:

(a) is a contiguous area, provided that a zone area may exclude wholly surrounded territory within its boundaries;

(b) comprises a minimum of one-half square mile and not more than 12 square miles, or 15 square miles if the zone is located within the jurisdiction of 4 or more counties or municipalities, in total area, exclusive of lakes and waterways; however, in such cases where the enterprise zone is a joint effort of three or more units of government, or two or more units of government if situated in a township which is divided by a municipality of 1,000,000 or more inhabitants, and where the certification has been in effect at least one year, the total area shall comprise a minimum of one-half square mile and not more than thirteen square miles in total area exclusive of lakes and waterways;

(c) (blank);

(d) (blank);

(e) is (1) entirely within a municipality or (2) entirely within the unincorporated areas of a county, except where reasonable need is established for such zone to cover portions of more than one municipality or county or (3) both comprises (i) all or part of a municipality and

- (ii) an unincorporated area of a county; and
- (f) meets 3 or more of the following criteria:

- (1) all or part of the local labor market area has had an annual average unemployment rate of at least 120% of the State's annual average unemployment rate for the most recent calendar year or the most recent fiscal year as reported by the Department of Employment Security;

- (2) designation will result in the development of substantial employment opportunities by creating or retaining a minimum aggregate of 1,000 full-time equivalent jobs due to an aggregate investment of \$100,000,000 or more, and will help alleviate the effects of poverty and unemployment within the local labor market area;

- (3) all or part of the local labor market area has a poverty rate of at least 20% according to American Community Survey; 35% or more of families with children in the area are living below 130% of the poverty line, according to the latest American Community Survey; ~~the latest federal decennial census, 50% or more of children in the local labor market area participate in the federal free lunch program according to reported statistics from the State Board of Education,~~ or 20% or more households in the local labor market area receive food stamps or assistance

under Supplemental Nutrition Assistance Program ("SNAP") according to the latest American Community Survey ~~federal decennial census;~~

(4) an abandoned coal mine, a brownfield (as defined in Section 58.2 of the Environmental Protection Act), or an inactive nuclear-powered electrical generation facility where spent nuclear fuel is stored on-site is located in the proposed zone area, or all or a portion of the proposed zone was declared a federal disaster area in the 3 years preceding the date of application;

(5) the local labor market area contains a presence of large employers that have downsized over the years, the labor market area has experienced plant closures in the 5 years prior to the date of application affecting more than 50 workers, or the local labor market area has experienced State or federal facility closures in the 5 years prior to the date of application affecting more than 50 workers;

(6) based on data from Multiple Listing Service information or other suitable sources, the local labor market area contains a high floor vacancy rate of industrial or commercial properties, vacant or demolished commercial and industrial structures are prevalent in the local labor market area, or industrial structures in the local labor market area

are not used because of age, deterioration, relocation of the former occupants, or cessation of operation;

(7) the applicant demonstrates a substantial plan for using the designation to improve the State and local government tax base, including income, sales, and property taxes, including a plan for disposal of publicly-owned real property by the methods described in Section 10 of this Act;

(8) significant public infrastructure is present in the local labor market area in addition to a plan for infrastructure development and improvement;

(9) high schools or community colleges located within the local labor market area are engaged in ACT Work Keys, Manufacturing Skills Standard Certification, or other industry-based credentials that prepare students for careers;

(10) ~~(blank); or the change in equalized assessed valuation of industrial and/or commercial properties in the 5 years prior to the date of application is equal to or less than 50% of the State average change in equalized assessed valuation for industrial and/or commercial properties, as applicable, for the same period of time; or~~

(11) the applicant demonstrates a substantial plan for using the designation to encourage: (i) participation by businesses owned by minorities,

women, and persons with disabilities, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act; and (ii) the hiring of minorities, women, and persons with disabilities.

As provided in Section 10-5.3 of the River Edge Redevelopment Zone Act, upon the expiration of the term of each River Edge Redevelopment Zone in existence on August 7, 2012 (the effective date of Public Act 97-905), that River Edge Redevelopment Zone will become available for its previous designee or a new applicant to compete for designation as an enterprise zone. No preference for designation will be given to the previous designee of the zone.

(2) Any criteria established by the Department or by law which utilize the rate of unemployment for a particular area shall provide that all persons who are not presently employed and have exhausted all unemployment benefits shall be considered unemployed, whether or not such persons are actively seeking employment.

(Source: P.A. 100-838, eff. 8-13-18; 100-1149, eff. 12-14-18; 101-81, eff. 7-12-19.)

(20 ILCS 655/4.1)

Sec. 4.1. Department recommendations.

(a) For all applications that qualify under Section 4 of this Act, the Department shall issue recommendations by

assigning a score to each applicant. The scores will be determined by the Department, based on the extent to which an applicant meets the criteria points under subsection (f) of Section 4 of this Act. Scores will be determined using the following scoring system:

(1) Up to 50 points for the extent to which the applicant meets or exceeds the criteria in item (1) of subsection (f) of Section 4 of this Act, with points awarded according to the severity of the unemployment.

(2) Up to 50 points for the extent to which the applicant meets or exceeds the criteria in item (2) of subsection (f) of Section 4 of this Act, with points awarded in accordance with the number of jobs created and the aggregate amount of investment promised. The Department may award partial points on a pro rata basis under this paragraph (2) if the applicant demonstrates specific job creation and investment below the thresholds set forth in paragraph (2) of subsection (f) of Section 4.

(3) Up to 40 points for the extent to which the applicant meets or exceeds the criteria in item (3) of subsection (f) of Section 4 of this Act, with points awarded in accordance with the severity of the unemployment rate according to the latest American Community Survey ~~federal decennial census~~.

(4) Up to 30 points for the extent to which the applicant meets or exceeds the criteria in item (4) of

subsection (f) of Section 4 of this Act, with points awarded in accordance with the severity of the environmental impact of the abandoned coal mine, brownfield, or federal disaster area.

(5) Up to 50 points for the extent to which the applicant meets or exceeds the criteria in item (5) of subsection (f) of Section 4 of this Act, with points awarded in accordance with the severity of the applicable facility closures or downsizing.

(6) Up to 40 points for the extent to which the applicant meets or exceeds the criteria in item (6) of subsection (f) of Section 4 of this Act, with points awarded in accordance with the severity and extent of the high floor vacancy or deterioration.

(7) Up to 30 points for the extent to which the applicant meets or exceeds the criteria in item (7) of subsection (f) of Section 4 of this Act, with points awarded in accordance with the extent to which the application addresses a plan to improve the State and local government tax base, including a plan for disposal of publicly-owned real property.

(8) Up to 50 points for the extent to which the applicant meets or exceeds the criteria in item (8) of subsection (f) of Section 4 of this Act, with points awarded in accordance with the existence of significant public infrastructure.

(9) Up to 40 points for the extent to which the applicant meets or exceeds the criteria in item (9) of subsection (f) of Section 4 of this Act, with points awarded in accordance with the extent to which educational programs exist for career preparation.

(10) (Blank). ~~Up to 40 points for the extent to which the applicant meets or exceeds the criteria in item (10) of subsection (f) of Section 4 of this Act, with points awarded according to the severity of the change in equalized assessed valuation.~~

(11) Up to 40 points for the extent to which the applicant meets or exceeds the criteria in item (11) of subsection (f) of Section 4 of this Act.

(b) After assigning a score for each of the individual criteria using the point system as described in subsection (a), the Department shall then take the sum of the scores for each applicant and assign a final score. The Department shall then submit this information to the Board, as required in subsection (c) of Section 5.2, as its recommendation.

(Source: P.A. 100-838, eff. 8-13-18.)

(20 ILCS 655/5.1) (from Ch. 67 1/2, par. 606)

Sec. 5.1. Application to Department.

(a) A county or municipality which has adopted an ordinance designating an area as an enterprise zone shall make

written application to the Department to have such proposed enterprise zone certified by the Department as an Enterprise Zone. The application shall include:

(i) a certified copy of the ordinance designating the proposed zone;

(ii) a map of the proposed enterprise zone, showing existing streets and highways;

(iii) an analysis, and any appropriate supporting documents and statistics, demonstrating that the proposed zone area is qualified in accordance with Section 4;

(iv) a statement detailing any tax, grant, and other financial incentives or benefits, and any programs, to be provided by the municipality or county to business enterprises within the zone, other than those provided in the designating ordinance, which are not to be provided throughout the municipality or county;

(v) a statement setting forth the economic development and planning objectives for the zone;

(vi) a statement describing the functions, programs, and services to be performed by designated zone organizations within the zone;

(vii) an estimate of the economic impact of the zone, considering all of the tax incentives, financial benefits and programs contemplated, upon the revenues of the municipality or county;

(viii) a transcript of all public hearings on the

zone;

(ix) in the case of a joint application, a statement detailing the need for a zone covering portions of more than one municipality or county and a description of the agreement between joint applicants; and

(x) such additional information as the Department by regulation may require.

(b) The Department may provide for provisional certification of substantially complete applications pending the receipt of any of the items identified in subsection (a) of this Section or any additional information requested by the Department.

(Source: P.A. 82-1019.)

(20 ILCS 655/5.2) (from Ch. 67 1/2, par. 607)

Sec. 5.2. Department Review of Enterprise Zone Applications.

(a) All applications which are to be considered and acted upon by the Department during a calendar year must be received by the Department no later than December 31 of the preceding calendar year.

Any application received after December 31 of any calendar year shall be held by the Department for consideration and action during the following calendar year.

Each enterprise zone application shall include a specific definition of the applicant's local labor market area.

(a-5) The Department shall, no later than July 31, 2013, develop an application process for an enterprise zone application. The Department has emergency rulemaking authority for the purpose of application development only until 12 months after the effective date of this amendatory Act of the 97th General Assembly.

(b) Upon receipt of an application from a county or municipality the Department shall review the application to determine whether the designated area qualifies as an enterprise zone under Section 4 of this Act.

(c) No later than June 30, the Department shall notify all applicant municipalities and counties of the Department's determination of the qualification of their respective designated enterprise zone areas, and shall send qualifying applications, including the applicant's scores for each of the items set forth in ~~items (1) through (10)~~ of subsection (a) of Section 4.1 and the applicant's final score under that Section, to the Board for the Board's consideration, along with supporting documentation of the basis for the Department's decision.

(d) If any such designated area is found to be qualified to be an enterprise zone by the Department under subsection (c) of this Section, the Department shall, no later than July 15, send a letter of notification to each member of the General Assembly whose legislative district or representative district contains all or part of the designated area and publish a

notice in at least one newspaper of general circulation within the proposed zone area to notify the general public of the application and their opportunity to comment. Such notice shall include a description of the area and a brief summary of the application and shall indicate locations where the applicant has provided copies of the application for public inspection. The notice shall also indicate appropriate procedures for the filing of written comments from zone residents, business, civic and other organizations and property owners to the Department. The Department and the Board may consider written comments submitted pursuant to this Section or any other information regarding a pending enterprise zone application submitted after the deadline for enterprise zone application and received prior to the Board's decision on all pending applications.

(e) (Blank).

(f) (Blank).

(g) (Blank).

(h) (Blank).

(Source: P.A. 97-905, eff. 8-7-12; 98-109, eff. 7-25-13.)

(20 ILCS 655/5.3) (from Ch. 67 1/2, par. 608)

Sec. 5.3. Certification of Enterprise Zones; effective date.

(a) Certification of Board-approved designated Enterprise Zones shall be made by the Department by certification of the

designating ordinance. The Department shall promptly issue a certificate for each Enterprise Zone upon approval by the Board. The certificate shall be signed by the Director of the Department, shall make specific reference to the designating ordinance, which shall be attached thereto, and shall be filed in the office of the Secretary of State. A certified copy of the Enterprise Zone Certificate, or a duplicate original thereof, shall be recorded in the office of recorder of deeds of the county in which the Enterprise Zone lies.

(b) An Enterprise Zone certified prior to January 1, 2016 or on or after January 1, 2017 shall be effective on January 1 of the first calendar year after Department certification. An Enterprise Zone certified on or after January 1, 2016 and on or before December 31, 2016 shall be effective on the date of the Department's certification. The Department shall transmit a copy of the certification to the Department of Revenue, and to the designating municipality or county.

Upon certification of an Enterprise Zone, the terms and provisions of the designating ordinance shall be in effect, and may not be amended or repealed except in accordance with Section 5.4.

(c) With the exception of Enterprise Zones scheduled to expire before December 31, 2018, an Enterprise Zone designated before the effective date of this amendatory Act of the 97th General Assembly shall be in effect for 30 calendar years, or for a lesser number of years specified in the certified

designating ordinance. Notwithstanding the foregoing, any Enterprise Zone in existence on the effective date of this amendatory Act of the 98th General Assembly that has a term of 20 calendar years may be extended for an additional 10 calendar years upon amendment of the designating ordinance by the designating municipality or county and submission of the ordinance to the Department. The amended ordinance must be properly recorded in the Office of Recorder of Deeds of each county in which the Enterprise Zone lies. Each Enterprise Zone in existence on the effective date of this amendatory Act of the 97th General Assembly that is scheduled to expire before July 1, 2016 may have its termination date extended until July 1, 2016 upon amendment of the designating ordinance by the designating municipality or county extending the termination date to July 1, 2016 and submission of the ordinance to the Department. The amended ordinance must be properly recorded in the Office of Recorder of Deeds of each county in which the Enterprise Zone lies. An Enterprise Zone designated on or after the effective date of this amendatory Act of the 97th General Assembly shall be in effect for a term of 15 calendar years, or for a lesser number of years specified in the certified designating ordinance. An enterprise zone designated on or after the effective date of this amendatory Act of the 97th General Assembly shall be subject to review by the Board after 13 years for an additional 10-year designation beginning on the expiration date of the enterprise zone. During the

review process, the Board shall consider the costs incurred by the State and units of local government as a result of tax benefits received by the enterprise zone as well as whether the Zone has substantially implemented the plans and achieved the goals set forth in its original application, including satisfaction of the investment and job creation or retention information provided by the Applicant with respect to paragraph (f) of subsection (1) of Section 4 of the Act. Enterprise Zones shall terminate at midnight of December 31 of the final calendar year of the certified term, except as provided in Section 5.4.

(d) Except for Enterprise Zones authorized under subsection (f), Zones that become available for designation pursuant to Section 10-5.3 of the River Edge Redevelopment Zone Act, or those designated pursuant to another statutory authority providing for the creation of Enterprise Zones, no ~~no~~ more than a total of 97 ~~12~~ Enterprise Zones may be certified by the Department and in existence in any calendar year ~~1984,~~ ~~no more than 12 Enterprise Zones may be certified by the Department in calendar year 1985, no more than 13 Enterprise Zones may be certified by the Department in calendar year 1986, no more than 15 Enterprise Zones may be certified by the Department in calendar year 1987, and no more than 20 Enterprise Zones may be certified by the Department in calendar year 1990. In other calendar years, no more than 13 Enterprise Zones may be certified by the Department. The~~

~~Department may also designate up to 8 additional Enterprise Zones outside the regular application cycle if warranted by the extreme economic circumstances as determined by the Department. The Department may also designate one additional Enterprise Zone outside the regular application cycle if an aircraft manufacturer agrees to locate an aircraft manufacturing facility in the proposed Enterprise Zone. Notwithstanding any other provision of this Act, no more than 89 Enterprise Zones may be certified by the Department for the 10 calendar years commencing with 1983. The 7 additional Enterprise Zones authorized by Public Act 86-15 shall not lie within municipalities or unincorporated areas of counties that abut or are contiguous to Enterprise Zones certified pursuant to this Section prior to June 30, 1989. The 7 additional Enterprise Zones (excluding the additional Enterprise Zone which may be designated outside the regular application cycle) authorized by Public Act 86-1030 shall not lie within municipalities or unincorporated areas of counties that abut or are contiguous to Enterprise Zones certified pursuant to this Section prior to February 28, 1990. Beginning in calendar year 2004 and until December 31, 2008, one additional enterprise zone may be certified by the Department. In any calendar year, the Department may not certify more than 3 Zones located within the same municipality. The Department may certify Enterprise Zones in each of the 10 calendar years commencing with 1983. The Department may not certify more than~~

a total of 18 Enterprise Zones located within the same county (whether within municipalities or within unincorporated territory) ~~for the 10 calendar years commencing with 1983. Thereafter, the Department may not certify any additional Enterprise Zones, but may amend and rescind certifications of existing Enterprise Zones in accordance with Section 5.4.~~ Beginning in calendar year 2021 and for any year in which there are at least 4 Zones available for designation, at least 25% of Zones available for designation in a given calendar year must be awarded to Zones located in counties with populations of less than 300,000 unless there are no applicants from such locations for that calendar year.

(e) Notwithstanding any other provision of law, if (i) the county board of any county in which a current military base is located, in part or in whole, or in which a military base that has been closed within 20 years of the effective date of this amendatory Act of 1998 is located, in part or in whole, adopts a designating ordinance in accordance with Section 5 of this Act to designate the military base in that county as an enterprise zone and (ii) the property otherwise meets the qualifications for an enterprise zone as prescribed in Section 4 of this Act, then the Department may certify the designating ordinance or ordinances, as the case may be.

(f) Applications for Enterprise Zones that are scheduled to expire in 2016, including Enterprise Zones that have been extended until 2016 by this amendatory Act of the 97th General

Assembly, shall be submitted to the Department no later than December 31, 2014. At that time, the Zone becomes available for either the previously designated area or a different area to compete for designation. No preference for designation as a Zone will be given to the previously designated area.

For Enterprise Zones that are scheduled to expire on or after January 1, 2017 and prior to January 1, 2024, an application process shall begin 2 years prior to the year in which the Zone expires. At that time, the Zone becomes available for either the previously designated area or a different area to compete for designation. For Enterprise Zones that are scheduled to expire on or after January 1, 2024, an application process shall begin 5 years prior to the year in which the Zone expires. At that time, the Zone becomes available for either the previously designated area or a different area to compete for designation. No preference for designation as a Zone will be given to the previously designated area.

Each Enterprise Zone that reapplies for certification but does not receive a new certification shall expire on its scheduled termination date.

(Source: P.A. 98-109, eff. 7-25-13; 99-615, eff. 7-22-16.)

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

Sec. 5.4. Amendment and Decertification of Enterprise Zones.

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

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

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

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

(iv) make technical corrections in the enterprise zone designating ordinance; but such amendment shall not be effective unless the Department issues an amended certificate for the Enterprise Zone, approving the amended designating ordinance. Upon the adoption of any ordinance amending or repealing the terms of a certified enterprise zone designating ordinance, the municipality or county shall promptly file with the Department an application for approval thereof, containing substantially the same information as required for an application under Section 5.1 insofar as material to the proposed changes. The municipality or county must hold a public hearing on the proposed changes as specified in Section 5 and, if the amendment is to effectuate the limitation of tax abatements under Section 5.4.1, then the public notice of the hearing shall state that property that is in both the enterprise zone and a redevelopment project area may not receive tax abatements unless within 60 days after the adoption of the amendment to the designating ordinance the municipality has determined that eligibility for tax

abatements has been established,

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

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

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

(c) An Enterprise Zone may be decertified by joint action of the Department and the designating county or municipality in accordance with this Section. The designating county or municipality shall conduct at least one public hearing within the zone prior to its adoption of an ordinance of de-designation. The mayor of the designating municipality or the chairman of the county board of the designating county shall execute a joint decertification agreement with the Department. A decertification of an Enterprise Zone shall not become effective until at least 6 months after the execution

of the decertification agreement, which shall be filed in the office of the Secretary of State.

(d) An Enterprise Zone may be decertified for cause by the Department in accordance with this Section. Prior to decertification: (1) the Department shall notify the chief elected official of the designating county or municipality in writing of the specific deficiencies which provide cause for decertification; (2) the Department shall place the designating county or municipality on probationary status for at least 6 months during which time corrective action may be achieved in the enterprise zone by the designating county or municipality; and, (3) the Department shall conduct at least one public hearing within the zone. If such corrective action is not achieved during the probationary period, the Department shall issue an amended certificate signed by the Director of the Department decertifying the enterprise zone, which certificate shall be filed in the office of the Secretary of State. A certified copy of the amended enterprise zone certificate, or a duplicate original thereof, shall be recorded in the office of recorder of the county in which the enterprise zone lies, and shall be provided to the chief elected official of the designating county or municipality. Decertification of an Enterprise Zone shall not become effective until 60 days after the date of filing.

(d-1) The Department shall provisionally decertify any Enterprise Zone that fails to file a report or fails to report

any capital investment, job creation or retention, or State tax expenditures for 3 consecutive calendar years. Prior to provisional decertification: (1) the Department shall notify the chief elected official of the designating county or municipality in writing of the specific deficiencies which provide cause for decertification; (2) the Department shall place the designating county or municipality on probationary status for at least 6 months during which time corrective action may be achieved in the Enterprise Zone by the designating county or municipality; and (3) the Department shall conduct at least one public hearing within the Zone. If such corrective action is not achieved during the probationary period, the Department shall issue an amended certificate signed by the Director of the Department provisionally decertifying the Enterprise Zone as of the scheduled termination date of the then-current designation. If the provisionally-decertified Zone was approved and designated after the 102nd General Assembly and has been in existence for less than 15 years, such Zone shall not be eligible for an additional 10-year designation after the expiration date of the original Zone set forth in subsection (c) of Section 5.3. Further, if such corrective action is not achieved during the probationary period provided for in this Section, following such probationary period the Zone becomes available for a different area to compete for designation.

(e) In the event of a decertification, provisional

decertification, or an amendment reducing the length of the term or the area of an Enterprise Zone or the adoption of an ordinance reducing or eliminating tax benefits in an Enterprise Zone, all benefits previously extended within the Zone pursuant to this Act or pursuant to any other Illinois law providing benefits specifically to or within Enterprise Zones shall remain in effect for the original stated term of the Enterprise Zone, with respect to business enterprises within the Zone on the effective date of such decertification, provisional decertification, or amendment, and with respect to individuals participating in urban homestead programs under this Act.

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

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

(ii) that substantial and binding financial obligations have been made towards the development of such

enterprise; and

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

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

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

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

Sec. 5.5. High Impact Business.

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

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

(2) such business is not located, at the time of designation, in an enterprise zone designated pursuant to this Act;

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

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

(B) the business intends to establish a new electric generating facility at a designated location in Illinois. "New electric generating facility", for purposes of this Section, means a newly-constructed electric generation plant or a newly-constructed generation capacity expansion at an existing electric generation plant, including the transmission lines and associated equipment that transfers electricity from points of supply to points of delivery, and for which

such new foundation construction commenced not sooner than July 1, 2001. Such facility shall be designed to provide baseload electric generation and shall operate on a continuous basis throughout the year; and (i) shall have an aggregate rated generating capacity of at least 1,000 megawatts for all new units at one site if it uses natural gas as its primary fuel and foundation construction of the facility is commenced on or before December 31, 2004, or shall have an aggregate rated generating capacity of at least 400 megawatts for all new units at one site if it uses coal or gases derived from coal as its primary fuel and shall support the creation of at least 150 new Illinois coal mining jobs, or (ii) shall be funded through a federal Department of Energy grant before December 31, 2010 and shall support the creation of Illinois coal-mining jobs, or (iii) shall use coal gasification or integrated gasification-combined cycle units that generate electricity or chemicals, or both, and shall support the creation of Illinois coal-mining jobs. The business must certify in writing that the investments necessary to establish a new electric generating facility would not be placed in service and the job creation in the case of a coal-fueled plant would not occur without the tax credits and exemptions set forth in subsection (b-5) of this Section. The

term "placed in service" has the same meaning as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

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

(C) the business intends to establish production operations at a new coal mine, re-establish production operations at a closed coal mine, or expand production at an existing coal mine at a designated location in Illinois not sooner than July 1, 2001; provided that the production operations result in the creation of 150 new Illinois coal mining jobs as described in subdivision (a) (3) (B) of this Section, and further

provided that the coal extracted from such mine is utilized as the predominant source for a new electric generating facility. The business must certify in writing that the investments necessary to establish a new, expanded, or reopened coal mine would not be placed in service and the job creation would not occur without the tax credits and exemptions set forth in subsection (b-5) of this Section. The term "placed in service" has the same meaning as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

(D) the business intends to construct new transmission facilities or upgrade existing transmission facilities at designated locations in Illinois, for which construction commenced not sooner than July 1, 2001. For the purposes of this Section, "transmission facilities" means transmission lines with a voltage rating of 115 kilovolts or above, including associated equipment, that transfer electricity from points of supply to points of delivery and that transmit a majority of the electricity generated by a new electric generating facility designated as a High Impact Business in accordance with this Section. The business must certify in writing that the investments necessary to construct new transmission facilities or upgrade

existing transmission facilities would not be placed in service without the tax credits and exemptions set forth in subsection (b-5) of this Section. The term "placed in service" has the same meaning as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

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

(F) the business commits to (i) make a minimum investment of \$500,000,000, which will be placed in service in a qualified property, (ii) create 125 full-time equivalent jobs at a designated location in

Illinois, (iii) establish a fertilizer plant at a designated location in Illinois that complies with the set-back standards as described in Table 1: Initial Isolation and Protective Action Distances in the 2012 Emergency Response Guidebook published by the United States Department of Transportation, (iv) pay a prevailing wage for employees at that location who are engaged in construction activities, and (v) secure an appropriate level of general liability insurance to protect against catastrophic failure of the fertilizer plant or any of its constituent systems; in addition, the business must agree to enter into a construction project labor agreement including provisions establishing wages, benefits, and other compensation for employees performing work under the project labor agreement at that location; for the purposes of this Section, "fertilizer plant" means a newly constructed or upgraded plant utilizing gas used in the production of anhydrous ammonia and downstream nitrogen fertilizer products for resale; for the purposes of this Section, "prevailing wage" means the hourly cash wages plus fringe benefits for training and apprenticeship programs approved by the U.S. Department of Labor, Bureau of Apprenticeship and Training, health and welfare, insurance, vacations and pensions paid generally, in the locality in which the

work is being performed, to employees engaged in work of a similar character on public works; this paragraph (F) applies only to businesses that submit an application to the Department within 60 days after July 25, 2013 (the effective date of Public Act 98-109) ~~this amendatory Act of the 98th General Assembly~~; and

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

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

as High Impact Businesses under this Section shall also qualify for the exemption described in Section 51 of the Retailers' Occupation Tax Act. The credit provided in subsection (h) of Section 201 of the Illinois Income Tax Act shall be applicable to investments in qualified property as set forth in subdivision (a) (3) (A) of this Section.

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

(b-6) Businesses designated as High Impact Businesses pursuant to subdivision (a) (3) (E) of this Section shall qualify for the exemptions described in Section 51 of the Retailers' Occupation Tax Act; any business so designated as a

High Impact Business being, for purposes of this Section, a "Wind Energy Business".

(b-7) Beginning on January 1, 2021, businesses designated as High Impact Businesses by the Department shall qualify for the High Impact Business construction jobs credit under subsection (h-5) of Section 201 of the Illinois Income Tax Act if the business meets the criteria set forth in subsection (i) of this Section. The total aggregate amount of credits awarded under the Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this amendatory Act of the 101st General Assembly~~) shall not exceed \$20,000,000 in any State fiscal year.

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

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

(e) Except for new wind power facilities contemplated under subdivision (a)(3)(E) of this Section, new proposed facilities which apply for designation as High Impact Business

must provide the Department with proof of alternative non-Illinois sites which would receive the proposed investment and job creation in the event that the business is not designated as a High Impact Business.

(f) Except for businesses contemplated under subdivision (a)(3)(E) of this Section, in the event that a business is designated a High Impact Business and it is later determined after reasonable notice and an opportunity for a hearing as provided under the Illinois Administrative Procedure Act, that the business would have placed in service in qualified property the investments and created or retained the requisite number of jobs without the benefits of the High Impact Business designation, the Department shall be required to immediately revoke the designation and notify the Director of the Department of Revenue who shall begin proceedings to recover all wrongfully exempted State taxes with interest. The business shall also be ineligible for all State funded Department programs for a period of 10 years.

(g) The Department shall revoke a High Impact Business designation if the participating business fails to comply with the terms and conditions of the designation. However, the penalties for new wind power facilities or Wind Energy Businesses for failure to comply with any of the terms or conditions of the Illinois Prevailing Wage Act shall be only those penalties identified in the Illinois Prevailing Wage Act, and the Department shall not revoke a High Impact

Business designation as a result of the failure to comply with any of the terms or conditions of the Illinois Prevailing Wage Act in relation to a new wind power facility or a Wind Energy Business.

(h) Prior to designating a business, the Department shall provide the members of the General Assembly and Commission on Government Forecasting and Accountability with a report setting forth the terms and conditions of the designation and guarantees that have been received by the Department in relation to the proposed business being designated.

(i) High Impact Business construction jobs credit. Beginning on January 1, 2021, a High Impact Business may receive a tax credit against the tax imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act in an amount equal to 50% of the amount of the incremental income tax attributable to High Impact Business construction jobs credit employees employed in the course of completing a High Impact Business construction jobs project. However, the High Impact Business construction jobs credit may equal 75% of the amount of the incremental income tax attributable to High Impact Business construction jobs credit employees if the High Impact Business construction jobs credit project is located in an underserved area.

The Department shall certify to the Department of Revenue: (1) the identity of taxpayers that are eligible for the High Impact Business construction jobs credit; and (2) the amount

of High Impact Business construction jobs credits that are claimed pursuant to subsection (h-5) of Section 201 of the Illinois Income Tax Act in each taxable year. Any business entity that receives a High Impact Business construction jobs credit shall maintain a certified payroll pursuant to subsection (j) of this Section.

As used in this subsection (i):

"High Impact Business construction jobs credit" means an amount equal to 50% (or 75% if the High Impact Business construction project is located in an underserved area) of the incremental income tax attributable to High Impact Business construction job employees. The total aggregate amount of credits awarded under the Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this amendatory Act of the 101st General Assembly~~) shall not exceed \$20,000,000 in any State fiscal year

"High Impact Business construction job employee" means a laborer or worker who is employed by an Illinois contractor or subcontractor in the actual construction work on the site of a High Impact Business construction job project.

"High Impact Business construction jobs project" means building a structure or building or making improvements of any kind to real property, undertaken and commissioned by a business that was designated as a High Impact Business by the Department. The term "High Impact Business construction jobs project" does not include the routine operation, routine

repair, or routine maintenance of existing structures, buildings, or real property.

"Incremental income tax" means the total amount withheld during the taxable year from the compensation of High Impact Business construction job employees.

"Underserved area" means a geographic area that meets one or more of the following conditions:

(1) the area has a poverty rate of at least 20% according to the latest American Community Survey ~~federal decennial census~~;

(2) 35% 75% or more of the families with children in the area are living below 130% of the poverty line, according to the latest American Community Survey ~~children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education~~;

(3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or

(4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

(j) Each contractor and subcontractor who is engaged in

and executing a High Impact Business Construction jobs project, as defined under subsection (i) of this Section, for a business that is entitled to a credit pursuant to subsection (i) of this Section shall:

(1) make and keep, for a period of 5 years from the date of the last payment made on or after June 5, 2019 (the effective date of Public Act 101-9) ~~this amendatory Act of the 101st General Assembly~~ on a contract or subcontract for a High Impact Business Construction Jobs Project, records for all laborers and other workers employed by the contractor or subcontractor on the project; the records shall include:

(A) the worker's name;

(B) the worker's address;

(C) the worker's telephone number, if available;

(D) the worker's social security number;

(E) the worker's classification or classifications;

(F) the worker's gross and net wages paid in each pay period;

(G) the worker's number of hours worked each day;

(H) the worker's starting and ending times of work each day;

(I) the worker's hourly wage rate; and

(J) the worker's hourly overtime wage rate;

(2) no later than the 15th day of each calendar month,

provide a certified payroll for the immediately preceding month to the taxpayer in charge of the High Impact Business construction jobs project; within 5 business days after receiving the certified payroll, the taxpayer shall file the certified payroll with the Department of Labor and the Department of Commerce and Economic Opportunity; a certified payroll must be filed for only those calendar months during which construction on a High Impact Business construction jobs project has occurred; the certified payroll shall consist of a complete copy of the records identified in paragraph (1) of this subsection (j), but may exclude the starting and ending times of work each day; the certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that:

(A) he or she has examined the certified payroll records required to be submitted by the Act and such records are true and accurate; and

(B) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor.

A general contractor is not prohibited from relying on a certified payroll of a lower-tier subcontractor, provided the general contractor does not knowingly rely upon a subcontractor's false certification.

Any contractor or subcontractor subject to this subsection, and any officer, employee, or agent of such contractor or subcontractor whose duty as an officer, employee, or agent it is to file a certified payroll under this subsection, who willfully fails to file such a certified payroll on or before the date such certified payroll is required by this paragraph to be filed and any person who willfully files a false certified payroll that is false as to any material fact is in violation of this Act and guilty of a Class A misdemeanor.

The taxpayer in charge of the project shall keep the records submitted in accordance with this subsection on or after June 5, 2019 (the effective date of Public Act 101-9) ~~this amendatory Act of the 101st General Assembly~~ for a period of 5 years from the date of the last payment for work on a contract or subcontract for the High Impact Business construction jobs project.

The records submitted in accordance with this subsection shall be considered public records, except an employee's address, telephone number, and social security number, and made available in accordance with the Freedom of Information Act. The Department of Labor shall accept any reasonable submissions by the contractor that meet the requirements of this subsection (j) and shall share the information with the Department in order to comply with the awarding of a High Impact Business construction jobs credit. A contractor,

subcontractor, or public body may retain records required under this Section in paper or electronic format.

(k) Upon 7 business days' notice, each contractor and subcontractor shall make available for inspection and copying at a location within this State during reasonable hours, the records identified in this subsection (j) to the taxpayer in charge of the High Impact Business construction jobs project, its officers and agents, the Director of the Department of Labor and his or her deputies and agents, and to federal, State, or local law enforcement agencies and prosecutors.

(Source: P.A. 101-9, eff. 6-5-19; revised 7-12-19.)

(20 ILCS 655/8.1)

Sec. 8.1. Accounting.

(a) Any business receiving tax incentives due to its location within an Enterprise Zone or its designation as a High Impact Business must annually report to the Department of Revenue information reasonably required by the Department of Revenue to enable the Department to verify and calculate the total Enterprise Zone or High Impact Business tax benefits for property taxes and taxes imposed by the State that are received by the business, broken down by incentive category and enterprise zone, if applicable. Reports will be due no later than May 31 of each year and shall cover the previous calendar year. The first report will be for the 2012 calendar year and will be due no later than May 31, 2013. Failure to

report data may result in ineligibility to receive incentives. To the extent that a business receiving tax incentives has obtained an Enterprise Zone Building Materials Exemption Certificate or a High Impact Business Building Materials Exemption Certificate, that business is required to report those building materials exemption benefits only under subsection (a-5) of this Section. No additional reporting for those building materials exemption benefits is required under this subsection (a). In addition, if the Department determines that 80% or more of the businesses receiving tax incentives because of their location within a particular Enterprise Zone failed to submit the information required under this subsection (a) to the Department in any calendar year, then the Enterprise Zone may be decertified by the Department. If the Department is able to determine that specific businesses are failing to submit the information required under this subsection (a) to the Department in any calendar year to the Zone Administrator, regardless of the Administrator's efforts to enforce reporting, the Department may, at its discretion, suspend the benefits to the specific business rather than an outright decertification of the particular Enterprise Zone. The Department, in consultation with the Department of Revenue, is authorized to adopt rules governing ineligibility to receive exemptions, including the length of ineligibility. Factors to be considered in determining whether a business is ineligible shall include, but are not limited to, prior

compliance with the reporting requirements, cooperation in discontinuing and correcting violations, the extent of the violation, and whether the violation was willful or inadvertent.

(a-5) Each contractor or other entity that has been issued an Enterprise Zone Building Materials Exemption Certificate under Section 5k of the Retailers' Occupation Tax Act or a High Impact Business Building Materials Exemption Certificate under Section 5l of the Retailers' Occupation Tax Act shall annually report to the Department of Revenue the total value of the Enterprise Zone or High Impact Business building materials exemption from State taxes. Reports shall contain information reasonably required by the Department of Revenue to enable it to verify and calculate the total tax benefits for taxes imposed by the State, and shall be broken down by Enterprise Zone. Reports are due no later than May 31 of each year and shall cover the previous calendar year. The first report will be for the 2013 calendar year and will be due no later than May 31, 2014. Failure to report data may result in revocation of the Enterprise Zone Building Materials Exemption Certificate or High Impact Business Building Materials Exemption Certificate issued to the contractor or other entity.

The Department of Revenue is authorized to adopt rules governing revocation determinations, including the length of revocation. Factors to be considered in revocations shall include, but are not limited to, prior compliance with the

reporting requirements, cooperation in discontinuing and correcting violations, and whether the certificate was used unlawfully during the preceding year.

(b) Each person required to file a return under the Gas Revenue Tax Act, the Gas Use Tax Act, the Electricity Excise Tax Act, or the Telecommunications Excise Tax Act shall file, on or before May 31 of each year, a report with the Department of Revenue, in the manner and form required by the Department of Revenue, containing information reasonably required by the Department of Revenue to enable the Department of Revenue to calculate the amount of the deduction for taxes imposed by the State that is taken under each Act, respectively, due to the location of a business in an Enterprise Zone or its designation as a High Impact Business. The report shall be itemized by business and the business location address.

(c) Employers shall report their job creation, retention, and capital investment numbers within the zone annually to the Department of Revenue no later than May 31 of each calendar year. High Impact Businesses shall report their job creation, retention, and capital investment numbers to the Department of Revenue no later than May 31 of each year. With respect to job creation or retention, employers and High Impact Businesses shall use best efforts to submit diversity information related to the gender and ethnicity of such employees.

(d) The Department of Revenue will aggregate and collect the tax, job, and capital investment data by Enterprise Zone

and High Impact Business and report this information, formatted to exclude company-specific proprietary information, to the Department and the Board by August 1, 2013, and by August 1 of every calendar year thereafter. The Department will include this information in their required reports under Section 6 of this Act. The Board shall consider this information during the reviews required under subsection (d-5) of Section 5.4 of this Act and subsection (c) of Section 5.3 of this Act.

(e) The Department of Revenue, in its discretion, may require that the reports filed under this Section be submitted electronically.

(f) The Department of Revenue shall have the authority to adopt rules as are reasonable and necessary to implement the provisions of this Section.

(Source: P.A. 97-905, eff. 8-7-12; 98-109, eff. 7-25-13.)

(20 ILCS 655/12-9) (from Ch. 67 1/2, par. 626)

Sec. 12-9. Report. On January 1 of each year, the Department shall report on its operation of the Fund for the preceding fiscal year to the Governor and the General Assembly. For any fiscal year in which no operations are conducted by the Department because no funds were appropriated to the Fund, the report outlined by this Section is not required.

(Source: P.A. 84-165.)

(20 ILCS 655/13)

Sec. 13. Enterprise Zone construction jobs credit.

(a) Beginning on January 1, 2021, a business entity in a certified Enterprise Zone that makes a capital investment of at least \$10,000,000 in an Enterprise Zone construction jobs project may receive an Enterprise Zone construction jobs credit against the tax imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act in an amount equal to 50% of the amount of the incremental income tax attributable to Enterprise Zone construction jobs credit employees employed in the course of completing an Enterprise Zone construction jobs project. However, the Enterprise Zone construction jobs credit may equal 75% of the amount of the incremental income tax attributable to Enterprise Zone construction jobs credit employees if the project is located in an underserved area.

(b) A business entity seeking a credit under this Section must submit an application to the Department and must receive approval from the designating municipality or county and the Department for the Enterprise Zone construction jobs credit project. The application must describe the nature and benefit of the project to the certified Enterprise Zone and its potential contributors. The total aggregate amount of credits awarded under the Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this amendatory Act of the 101st General Assembly~~)

shall not exceed \$20,000,000 in any State fiscal year.

Within 45 days after receipt of an application, the Department shall give notice to the applicant as to whether the application has been approved or disapproved. If the Department disapproves the application, it shall specify the reasons for this decision and allow 60 days for the applicant to amend and resubmit its application. The Department shall provide assistance upon request to applicants. Resubmitted applications shall receive the Department's approval or disapproval within 30 days after the application is resubmitted. Those resubmitted applications satisfying initial Department objectives shall be approved unless reasonable circumstances warrant disapproval.

On an annual basis, the designated zone organization shall furnish a statement to the Department on the programmatic and financial status of any approved project and an audited financial statement of the project.

The Department shall certify to the Department of Revenue the identity of taxpayers who are eligible for the credits and the amount of credits that are claimed pursuant to subparagraph (8) of subsection (f) of Section 201 the Illinois Income Tax Act.

The Enterprise Zone construction jobs credit project must be undertaken by the business entity in the course of completing a project that complies with the criteria contained in Section 4 of this Act and is undertaken in a certified

Enterprise Zone. The Department shall adopt any necessary rules for the implementation of this subsection (b).

(c) Any business entity that receives an Enterprise Zone construction jobs credit shall maintain a certified payroll pursuant to subsection (d) of this Section.

(d) Each contractor and subcontractor who is engaged in and is executing an Enterprise Zone construction jobs credit project for a business that is entitled to a credit pursuant to this Section shall:

(1) make and keep, for a period of 5 years from the date of the last payment made on or after June 5, 2019 (the effective date of Public Act 101-9) ~~this amendatory Act of the 101st General Assembly~~ on a contract or subcontract for an Enterprise Zone construction jobs credit project, records for all laborers and other workers employed by them on the project; the records shall include:

(A) the worker's name;

(B) the worker's address;

(C) the worker's telephone number, if available;

(D) the worker's social security number;

(E) the worker's classification or classifications;

(F) the worker's gross and net wages paid in each pay period;

(G) the worker's number of hours worked each day;

(H) the worker's starting and ending times of work

each day;

(I) the worker's hourly wage rate; and

(J) the worker's hourly overtime wage rate;

(2) no later than the 15th day of each calendar month, provide a certified payroll for the immediately preceding month to the taxpayer in charge of the project; within 5 business days after receiving the certified payroll, the taxpayer shall file the certified payroll with the Department of Labor and the Department of Commerce and Economic Opportunity; a certified payroll must be filed for only those calendar months during which construction on an Enterprise Zone construction jobs project has occurred; the certified payroll shall consist of a complete copy of the records identified in paragraph (1) of this subsection (d), but may exclude the starting and ending times of work each day; the certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that:

(A) he or she has examined the certified payroll records required to be submitted by the Act and such records are true and accurate; and

(B) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor.

A general contractor is not prohibited from relying on a

certified payroll of a lower-tier subcontractor, provided the general contractor does not knowingly rely upon a subcontractor's false certification.

Any contractor or subcontractor subject to this subsection, and any officer, employee, or agent of such contractor or subcontractor whose duty as an officer, employee, or agent it is to file a certified payroll under this subsection, who willfully fails to file such a certified payroll on or before the date such certified payroll is required by this paragraph to be filed and any person who willfully files a false certified payroll that is false as to any material fact is in violation of this Act and guilty of a Class A misdemeanor.

The taxpayer in charge of the project shall keep the records submitted in accordance with this subsection on or after June 5, 2019 (the effective date of Public Act 101-9) ~~this amendatory Act of the 101st General Assembly~~ for a period of 5 years from the date of the last payment for work on a contract or subcontract for the project.

The records submitted in accordance with this subsection shall be considered public records, except an employee's address, telephone number, and social security number, and made available in accordance with the Freedom of Information Act. The Department of Labor shall accept any reasonable submissions by the contractor that meet the requirements of this subsection and shall share the information with the

Department in order to comply with the awarding of Enterprise Zone construction jobs credits. A contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.

Upon 7 business days' notice, the contractor and each subcontractor shall make available for inspection and copying at a location within this State during reasonable hours, the records identified in paragraph (1) of this subsection to the taxpayer in charge of the project, its officers and agents, the Director of Labor and his or her deputies and agents, and to federal, State, or local law enforcement agencies and prosecutors.

(e) As used in this Section:

"Enterprise Zone construction jobs credit" means an amount equal to 50% (or 75% if the project is located in an underserved area) of the incremental income tax attributable to Enterprise Zone construction jobs credit employees.

"Enterprise Zone construction jobs credit employee" means a laborer or worker who is employed by an Illinois contractor or subcontractor in the actual construction work on the site of an Enterprise Zone construction jobs credit project.

"Enterprise Zone construction jobs credit project" means building a structure or building or making improvements of any kind to real property commissioned and paid for by a business that has applied and been approved for an Enterprise Zone construction jobs credit pursuant to this Section. "Enterprise

Zone construction jobs credit project" does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

"Incremental income tax" means the total amount withheld during the taxable year from the compensation of Enterprise Zone construction jobs credit employees.

"Underserved area" means a geographic area that meets one or more of the following conditions:

(1) the area has a poverty rate of at least 20% according to the latest American Community Survey ~~federal decennial census~~;

(2) 35% ~~75%~~ or more of the families with children in the area are living below 130% of the poverty line, according to the latest American Community Survey ~~children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education~~;

(3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or

(4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

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HB0034 Enrolled

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(Source: P.A. 101-9, eff. 6-5-19; revised 7-12-19.)