



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB5788

by Rep. Deanne M. Mazzochi

#### SYNOPSIS AS INTRODUCED:

20 ILCS 655/3	from Ch. 67 1/2, par. 603
20 ILCS 655/7	from Ch. 67 1/2, par. 611
20 ILCS 655/14 new	

Amends the Illinois Enterprise Zone Act. Provides that priority in the use of industrial development bonds issued by the Illinois Finance Authority shall be given to small businesses that manufacture medical provisions, process food, or produce goods and services identified under a disaster proclamation or executive order issued by the Governor. Provides that specified businesses that produce medical provisions, food infrastructure, or important and essential supplies shall not be subject to any statutory and regulatory restrictions from the State of Illinois if those restrictions are more stringent than those required by federal law. Provides further requirements concerning this exemption. Provides for a preference in the awarding of State contracts to small businesses that produce medical provisions, food infrastructure, or important and essential supplies. Requires the Department of Public Health to identify drug and hospital supplies that are critical to preserving and protecting the health and safety of Illinois residents, and provide notice of potential supply disruption. Creates the Illinois Known Drug Safety and Efficacy Opportunity Board and the Illinois Food Processing and Distribution Board for specified purposes and duties. Defines terms. Effective immediately.

LRB101 21452 RJF 72108 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 1. This Act may be referred to as the Amplifying  
5 Medical Provisions, Lifting Infrastructure for Food, Important  
6 and Essential Supplies (AMPLIFIES) Act.

7 Section 5. The Illinois Enterprise Zone Act is amended by  
8 changing Sections 3 and 7 and by adding Section 14 as follows:

9 (20 ILCS 655/3) (from Ch. 67 1/2, par. 603)

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

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

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

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

19 (d) "Designated Zone Organization" means an association or  
20 entity: (1) the members of which are substantially all  
21 residents of the Enterprise Zone; (2) the board of directors of  
22 which is elected by the members of the organization; (3) which

1 satisfies the criteria set forth in Section 501(c) (3) or  
2 501(c) (4) of the Internal Revenue Code; and (4) which exists  
3 primarily for the purpose of performing within such area or  
4 zone for the benefit of the residents and businesses thereof  
5 any of the functions set forth in Section 8 of this Act.

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

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

26 (g) "Board" means the Enterprise Zone Board created in

1 Section 5.2.1.

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

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

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

25 (k) "Medical provisions" means any drug product, test, or  
26 device approved or permitted for importation, sale, offer for

1 sale, marketing, or distribution under the Federal Food, Drug  
2 and Cosmetic Act; active pharmaceutical ingredient; synthetic  
3 precursor, catalyst, solvent, or reagent used to prepare an  
4 active pharmaceutical ingredient; diagnostic test; medical or  
5 surgical equipment, tool, device, or component thereof; or  
6 packaging associated therewith. The Department of Public  
7 Health shall make additional recommendations to the General  
8 Assembly at least annually of critical medical infrastructure  
9 that is not otherwise encompassed by this subsection (k) for  
10 further inclusion under this subsection (k).

11 (l) "Food infrastructure" means all infrastructure  
12 associated with the production, distribution, storage,  
13 fulfillment, and sale of food in the State of Illinois,  
14 including, but not limited to, plants, animals, feed,  
15 equipment, housing, processing, packaging, and construction.  
16 The Department of Agriculture shall make additional  
17 recommendations to the General Assembly at least annually of  
18 critical food infrastructure that is not otherwise encompassed  
19 by this subsection (l) for further inclusion under this  
20 subsection (l).

21 (m) "Important and essential supplies" means any goods that  
22 are necessary to preserve the functioning of civil society,  
23 including those relating to critical household goods and  
24 supplies, manufacturing supplies, energy, and transportation.  
25 The Department of Commerce and Economic Opportunity or the  
26 Department of Transportation shall make additional

1 recommendations to the General Assembly at least annually of  
2 critical infrastructure that is not otherwise encompassed by  
3 this subsection (m) for further inclusion under this subsection  
4 (m).

5 (n) "Small business" means a business that: (i) has fifty  
6 or fewer non-managerial employees; (ii) has less than  
7 \$3,000,000 in gross revenues per year, as indexed to the year  
8 2020; (iii) is organized under Co-operative Act; or (iv) is  
9 organized as a Limited Worker Cooperative Association under  
10 Limited Worker Cooperative Association Act.

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

12 (20 ILCS 655/7) (from Ch. 67 1/2, par. 611)

13 Sec. 7. State Incentives Regarding Public Services and  
14 Physical Infrastructure.

15 (a) This Act does not restrict tax incentive financing  
16 pursuant to the "Tax Increment Allocation Redevelopment Act".

17 (b) Industrial development bonds. Priority in the use of  
18 industrial development bonds issued by the Illinois Finance  
19 Authority shall be given to: (i) businesses located in an  
20 Enterprise Zone; and (ii) small businesses that manufacture  
21 medical provisions, process food, or produce goods and services  
22 identified under a disaster proclamation or executive order  
23 issued by the Governor pursuant to powers granted under Section  
24 7 of the Illinois Emergency Management Agency Act.

25 (c) Deposit of State funds by the State Treasurer. The

1 State Treasurer is authorized and encouraged to place deposits  
2 of State funds with financial institutions doing business in an  
3 Enterprise Zone.

4 (Source: P.A. 93-205, eff. 1-1-04.)

5 (20 ILCS 655/14 new)

6 Sec. 14. Essential supplies exemption.

7 (a) Except as provided under subsection (b), any business  
8 that: (i) is started after June 1, 2020; (ii) relocates to  
9 Illinois after June 1, 2020; (iii) is presently located in the  
10 State of Illinois; or (iv) is incorporated in the State of  
11 Illinois and has a majority of employees residing in the State  
12 of Illinois, and that produces medical provisions, food  
13 infrastructure, or important and essential supplies, shall not  
14 be subject to any statutory and regulatory restrictions from  
15 the State of Illinois if those restrictions are more stringent  
16 than those required by federal law.

17 This subsection (a) is inoperative on and after January 1,  
18 2026, unless the Governor of the State of Illinois in office on  
19 December 31, 2025, or in office thereafter, provides the  
20 General Assembly with a report and recommendations identifying  
21 a narrower subset of Illinois statutory and regulatory  
22 requirements that should apply to such businesses to ensure  
23 that such businesses remain as going business concerns in the  
24 State of Illinois, and possess the capacity to supply the  
25 residents of the State of Illinois with critical medical

1 provisions, food infrastructure, or important and essential  
2 supplies, including in the event of a natural disaster or  
3 pandemic, in which case this subsection (a) shall be extended  
4 for an additional full calendar year after the date of the  
5 Governor's report.

6 Nothing in this subsection (a) shall relieve the business  
7 of paying income taxes to the State of Illinois.

8 (b) Any small business under this Section that: (i) is  
9 started after June 1, 2020; (ii) relocates to Illinois after  
10 June 1, 2020; (iii) is presently located in the State of  
11 Illinois; or (iv) is incorporated in the State of Illinois and  
12 has a majority of employees residing in the State of Illinois,  
13 and that produces medical provisions, food infrastructure, or  
14 important and essential supplies, shall not be subject to any  
15 statutory and regulatory restrictions from the State of  
16 Illinois if those restrictions are more stringent than those  
17 required by federal law for a period of 10 years or one year  
18 after the small business loses its status as a small business,  
19 whichever occurs sooner.

20 This subsection (b) is inoperative on and after January 1,  
21 2031, unless the Governor of the State of Illinois in office on  
22 December 31, 2025, or in office thereafter, provides the  
23 General Assembly with a report and recommendations identifying  
24 a narrower subset of Illinois statutory and regulatory  
25 requirements that should apply to such small businesses to  
26 ensure that such businesses remain as going business concerns



1 in the State of Illinois, and possess the capacity to supply  
2 the residents of the State of Illinois with critical medical  
3 provisions, food infrastructure, or important and essential  
4 supplies, including in the event of a natural disaster or  
5 pandemic, in which case this subsection (b) shall be extended  
6 for an additional 2 full calendar years after the date of the  
7 Governor's report.

8 If by January 1, 2026, a small business has made a capital  
9 investment into any facility in the State of Illinois that is  
10 in excess of \$1,000,000, the application of this subsection (b)  
11 to that small business shall be extended by an additional 10  
12 years or to such time as the capital investment depreciation is  
13 equal to zero, whichever occurs sooner.

14 Nothing in this subsection (b) shall relieve the business  
15 of paying income taxes to the State of Illinois.

16 (c) If a statute or agency rule means that a business  
17 qualifying under subsections (a) or (b): (i) presents a  
18 significant risk to the health or safety of persons residing in  
19 or employed within a 2 mile radius of the facility; or (ii)  
20 would conflict with federal law or regulation such that the  
21 State, any unit of local government or school district, any  
22 area of the State, or any business enterprise within a one mile  
23 radius of the facility would be disqualified from a federal  
24 program or from federal tax or other benefits, then the State  
25 of Illinois shall have the burden of proving by clear and  
26 convincing evidence that the proposed additional statutory

1 burden or agency rule will not impose any disruption to medical  
2 provisions, food infrastructure, or important and essential  
3 supplies.

4 (d) If a statute or agency rule means that a business  
5 qualifying under subsections (a) or (b): (i) presents a  
6 significant risk to the business as a going business concern;  
7 or (ii) will lead to the loss of critical employees, capital  
8 infrastructure, or knowledge base associated with the  
9 production and supply of goods and services, the business may  
10 file a claim against the State of Illinois for undue business  
11 disruption. The burden shall be on the State of Illinois to  
12 show by clear and convincing evidence that the statute or  
13 agency rule is reasonable and narrowly tailored to meet the  
14 State's interest. No injunction may issue against a business  
15 unless and until an adverse finding on the merits. Employees,  
16 other businesses, and members of the public adversely and  
17 materially impacted if the business is forced to comply may  
18 also intervene in such action as a matter of right.

19 (e) When a State contract for the purchase of medical  
20 provisions, food infrastructure, or important and essential  
21 supplies is to be awarded to the lowest responsible bidder, a  
22 small business under this Section who is an otherwise qualified  
23 bidder who will fulfill the contract may be given preference  
24 over other bidders; provided that, the bid cost is not more  
25 than 10% greater than the cost included in a bid.

26 (f) Identifying critical medical supply infrastructure.

1 The Department of Public Health shall every 2 years identify  
2 drug and hospital supplies that are critical to preserving and  
3 protecting the health and safety of Illinois residents. For any  
4 supplies in which the market share of the medical product or  
5 device (including, but not limited to, active pharmaceutical  
6 ingredient; critical synthetic precursors, catalysts or  
7 reagents; surgical equipment; and medical devices and  
8 components thereof) is one in which greater than 50% of the  
9 market is made outside the United States, the Department of  
10 Public Health shall place a notice on its website and shall  
11 inform the Department of Commerce and Economic Opportunity of  
12 the potential for a supply chain disruption.

13 (g) The Illinois Known Drug Safety and Efficacy Opportunity  
14 Board is created.

15 (1) Purpose. In 2019, a new SARS coronavirus is  
16 believed to have originated in the region of Wuhan, China.  
17 The virus quickly spread throughout the world, leaving  
18 untold infections and deaths in its wake. As news of the  
19 virus became known, the medical community began to  
20 repurpose existing pharmaceutical products as potential  
21 treatment options. However, critical delays of weeks or  
22 months can lead to needless loss of life. Illinois has some  
23 of the leading medical researchers and innovators in the  
24 world. The goal of this Board is to facilitate getting  
25 potentially life-saving medications quickly into the hands  
26 of medical scientists.

- 1           (2) The Board shall include the following members:
- 2                   (i) four members appointed by the Governor, with  
3                   one each having experience within the fields of  
4                   medicinal chemistry or drug development, clinical  
5                   research, pharmaceutical manufacturing, and regulatory  
6                   compliance;
- 7                   (ii) one additional member appointed by the  
8                   Governor;
- 9                   (iii) one member appointed by the Speaker of the  
10                  House of Representatives;
- 11                  (iv) one member appointed by the Minority Leader of  
12                  the House of Representatives;
- 13                  (v) one member appointed by the Senate President;  
14                  and
- 15                  (vi) one member appointed by the Senate Minority  
16                  Leader.
- 17           (3) The members of the Board shall meet at least twice  
18           per year. The Department of Public Health shall designate  
19           an administrative liaison and provide administrative  
20           support to the Board. Members of the Board shall serve  
21           without compensation.
- 22           (4) The Board shall facilitate the preparation of an  
23           open-source public register of non-FDA approved drug  
24           compounds that from 2010 and thereafter: (i) have been the  
25           subject of an investigational new drug application; (ii)  
26           did not have unacceptable safety profiles in Phase II

1 clinical trials; and (iii) have the proposed mechanism of  
2 action for the drug compound.

3 (5) Subject to appropriation, the Board shall issue  
4 grants to public universities within the State of Illinois  
5 in connection with identifying or developing  
6 broad-spectrum antiviral pharmaceutical compounds.

7 (6) Subject to appropriation, the Board shall make  
8 recommendations to the Department of Commerce and Economic  
9 Opportunity for grant proposals to construct pilot plant  
10 facilities capable of manufacturing quantities of drug  
11 products for at least Phase II clinical trials, according  
12 to Good Manufacturing Practices. The Board should look for  
13 opportunities to prepare in separate facilities: (i)  
14 active pharmaceutical ingredients for small molecules;  
15 (ii) active pharmaceutical ingredients that are biologic  
16 products (including, but not limited to, monoclonal  
17 antibody products); (iii) finished dosage forms; (iv)  
18 sterile injectable products; and (v) medical component  
19 parts via 3-D printing technology. The Board should give  
20 preference to facilities that could be used in the event of  
21 an emergency to produce medical provisions.

22 (7) The Board shall also facilitate the preparation of  
23 clinical trial proposals outside the university academic  
24 research process.

25 (8) Subject to appropriation, the Board shall also make  
26 awards to community colleges to establish programs

1 relating to life sciences workforce development.

2 (h) The Illinois Food Processing and Distribution Board is  
3 created.

4 (1) Purpose. In 2019, a new SARS coronavirus is  
5 believed to have originated in the region of Wuhan, China.  
6 The virus quickly spread throughout the world, leaving  
7 untold infections and deaths in its wake. As news of the  
8 virus became known, there were considerable disruptions to  
9 the food supply chains, including at processing plants, due  
10 in part to the lack of excess capacity in the system.  
11 Illinois has some of the leading farmers in the world. The  
12 goal of this Board is to facilitate building additional  
13 food processing capacity throughout the state, on a small  
14 and local level.

15 (2) The Board shall include the following members:

16 (a) four members appointed by the Governor, with  
17 one each having experience within the fields of farming  
18 of plants, farming of animals, food processing and  
19 distribution, and regulatory compliance;

20 (b) one additional member appointed by the  
21 Governor;

22 (c) one member appointed by the Speaker of the  
23 House of Representatives;

24 (d) one member appointed by the Minority Leader of  
25 the House of Representatives;

26 (e) one member appointed by the Senate President;

1           and

2                   (f) one member appointed by the Senate Minority  
3                   Leader.

4           (3) The members of the Board shall meet at least twice  
5           per year. The Department of Agriculture shall designate an  
6           administrative liaison and provide administrative support  
7           to the Board. Members of the Board shall serve without  
8           compensation.

9           (4) The Board shall facilitate the identification of  
10           alternative food processing sources, including, but not  
11           limited to, through hobby farming and workforce training.

12           (5) Subject to appropriation, the Board shall issue  
13           grants to small businesses within the State of Illinois in  
14           connection with building or maintaining excess capacity  
15           for food processing.

16           (6) The Board shall particularly look to identify "food  
17           deserts" or underserved areas within Cook County,  
18           Illinois, that could expand food processing capabilities  
19           in the area.

20           Section 99. Effective date. This Act takes effect upon  
21           becoming law.