**Section 527.110 Recapture and Reallocation of Recaptured Amounts**

a) *If, during the term of an Agreement, the Taxpayer ceases* principal *operations at a Project location that is the subject of that Agreement with the intent to terminate operations in the State, the Department and the Department of Revenue shall recapture from the Taxpayer the entire Credit amount awarded under the Agreement prior to the date the Taxpayer ceases* principal *operations.*

1) If the Department determines that a *Taxpayer ceases* principal *operations at a Project location that is the subject of that Agreement with the intent to terminate operations in the State*, the Director shall provide notice to the Taxpayer of that determination and allow the Taxpayer a hearing under the Illinois Administrative Procedure Act [5 ILCS 100]. Example of activities that evidence a cessation of operation at a Project location with an intent to terminate operations in the State include, but are not limited to, WARN notices reflecting layoffs in excess of 65% of the Full-time Employees located at the Project site, public announcements or other media reflecting an intent to relocate operations outside the State, or any other information the Department determines reflects an intent to discontinue operations at the Project site.

2) The Department shall notify a Taxpayer in writing that it is subject to recapture. The notice shall include the reason for revocation and the date and location of a hearing to be held pursuant to 56 Ill. Adm. Code 2605 (Administrative Hearing Rules).

3) Following a determination that Credits received pursuant to an Agreement are subject to recapture, the Department will contact the Director of the Illinois Department of Revenue who shall begin proceedings to determine the amounts to be reallocated by the Department pursuant to Section 6-65 of the Act.

b) *The Department shall, subject to appropriation, reallocate the recaptured amounts to the Local Workforce Investment Area*, either by direct use of those or through grants as set forth in this subsection (b), *in which the Project was located for the purposes of workforce development, expanded opportunities for unemployed persons, and expanded opportunities for women and minorities in the workforce.* [35 ILCS 10/5-65]

1) Any county, municipality, or other entity ("Grant Applicant") may apply for a grant from the Department under this Section *for the purposes of workforce development, expanded opportunities for unemployed persons, and expanded opportunities for women and minorities in the workforce* in the Local Workforce Investment Area (a "Grant").

i) An application should be submitted on the standard application form provided by the Department specifically setting forth how grant-related activities would directly support *workforce development, expanded opportunities for unemployed persons, and expanded opportunities for women and minorities in the workforce* in the Local Workforce Investment Area.

ii) The Department will evaluate applications based on the extent to which the Grant Applicant demonstrates that the proposed grant-related activities will directly support the purposes of this Section.

iii) Grant Applicants shall be notified in writing as to the Department's evaluation of all completed Grant Applications. If the Department denies a Grant Application, it will specify the reasons for the denial in writing and allow the Grant Applicant 30 days to amend and resubmit its application for evaluation.

iv) The Department shall determine the amount of funds awarded to any Grant Applicant under this Section.

v) Upon approval of a Grant Application, the Department shall enter into a Grant Agreement with the Grant Applicant in accordance with the Grant Accountability and Transparency Act (GATA) [30 ILCS 708], containing such terms and conditions as the Department deems necessary and proper to effect the purposes of the Act.

2) Grant funds shall be distributed in accordance with GATA, and any other applicable State laws.

(Source: Added at 42 Ill. Reg. 6320, effective March 20, 2018)