



Rep. Jay Hoffman

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10300HB5545ham001

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1 AMENDMENT TO HOUSE BILL 5545

2 AMENDMENT NO. _____. Amend House Bill 5545 by replacing
3 everything after the enacting clause with the following:

4 "Section 3. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois
6 is amended by adding Section 605-1115 as follows:

7 (20 ILCS 605/605-1115 new)

8 Sec. 605-1115. Megaproject building materials exemption.

9 (a) The Department may certify a taxpayer for an exemption
10 from any State or local use tax or retailers' occupation tax on
11 building materials that will be incorporated into real estate
12 at a megaproject site. The taxpayer must meet all of the
13 criteria for certification set forth in Division 22 of Article
14 10 of the Property Tax Code. This certification is in addition
15 to and does not replace or amend the megaproject certificate
16 under Division 22 of Article 10 of the Property Tax Code. The

1 Department shall not issue exemptions under this Section after
2 December 31, 2030.

3 (b) The Department shall determine the period during which
4 the exemption from State and local use taxes and retailers'
5 occupation taxes is in effect, but in no event shall the
6 initial period exceed 10 years. The certificate may be renewed
7 for a period not to exceed 5 years. Upon certification by the
8 Department under this Section, the Department shall notify the
9 Department of Revenue of the certification. The exemption
10 status shall take effect within 3 months after certification
11 of the taxpayer and notice to the Department of Revenue by the
12 Department.

13 (c) If the Department determines, in accordance with the
14 Administrative Review Law and the Illinois Administrative
15 Procedure Act, that the taxpayer is not in compliance with
16 Division 22 of Article 10 of the Property Tax Code, the
17 Department shall revoke the certification under this Section
18 by written notice to the taxpayer. The Department shall
19 transmit a copy of the revocation to the Department of
20 Revenue. If the taxpayer's certification is revoked, the
21 taxpayer must repay any exempted amount of State or local use
22 tax or retailers' occupation tax.

23 (d) The Department may adopt rules as are reasonable and
24 necessary to implement the provisions of this Section.

25 Section 5. The Use Tax Act is amended by changing Section

1 12 as follows:

2 (35 ILCS 105/12) (from Ch. 120, par. 439.12)

3 Sec. 12. Applicability of Retailers' Occupation Tax Act
4 and Uniform Penalty and Interest Act. All of the provisions of
5 Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12,
6 2-28, 2-54, 2a, 2b, 2c, 3, 4 (except that the time limitation
7 provisions shall run from the date when the tax is due rather
8 than from the date when gross receipts are received), 5
9 (except that the time limitation provisions on the issuance of
10 notices of tax liability shall run from the date when the tax
11 is due rather than from the date when gross receipts are
12 received and except that in the case of a failure to file a
13 return required by this Act, no notice of tax liability shall
14 be issued on and after each July 1 and January 1 covering tax
15 due with that return during any month or period more than 6
16 years before that July 1 or January 1, respectively), 5a, 5b,
17 5c, 5d, 5e, 5f, 5g, 5h, 5j, 5k, 5l, 5m, 5n, 7, 8, 9, 10, 11 and
18 12 of the Retailers' Occupation Tax Act and Section 3-7 of the
19 Uniform Penalty and Interest Act, which are not inconsistent
20 with this Act, shall apply, as far as practicable, to the
21 subject matter of this Act to the same extent as if such
22 provisions were included herein.

23 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23.)

24 Section 10. The Service Use Tax Act is amended by changing

1 Section 12 as follows:

2 (35 ILCS 110/12) (from Ch. 120, par. 439.42)

3 Sec. 12. Applicability of Retailers' Occupation Tax Act
4 and Uniform Penalty and Interest Act. All of the provisions of
5 Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12,
6 2-28, 2-54, 2a, 2b, 2c, 3 (except as to the disposition by the
7 Department of the money collected under this Act), 4 (except
8 that the time limitation provisions shall run from the date
9 when gross receipts are received), 5 (except that the time
10 limitation provisions on the issuance of notices of tax
11 liability shall run from the date when the tax is due rather
12 than from the date when gross receipts are received and except
13 that in the case of a failure to file a return required by this
14 Act, no notice of tax liability shall be issued on and after
15 July 1 and January 1 covering tax due with that return during
16 any month or period more than 6 years before that July 1 or
17 January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k,
18 5l, 5m, 5n, 6d, 7, 8, 9, 10, 11 and 12 of the Retailers'
19 Occupation Tax Act which are not inconsistent with this Act,
20 and Section 3-7 of the Uniform Penalty and Interest Act, shall
21 apply, as far as practicable, to the subject matter of this Act
22 to the same extent as if such provisions were included herein.
23 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23.)

24 Section 15. The Service Occupation Tax Act is amended by

1 changing Section 12 as follows:

2 (35 ILCS 115/12) (from Ch. 120, par. 439.112)

3 Sec. 12. All of the provisions of Sections 1d, 1e, 1f, 1i,
4 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12, 2-28, 2-54, 2a, 2b, 2c, 3
5 (except as to the disposition by the Department of the tax
6 collected under this Act), 4 (except that the time limitation
7 provisions shall run from the date when the tax is due rather
8 than from the date when gross receipts are received), 5
9 (except that the time limitation provisions on the issuance of
10 notices of tax liability shall run from the date when the tax
11 is due rather than from the date when gross receipts are
12 received), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k, 5l, 5m, 5n, 6d,
13 7, 8, 9, 10, 11, and 12 of the "Retailers' Occupation Tax Act"
14 which are not inconsistent with this Act, and Section 3-7 of
15 the Uniform Penalty and Interest Act shall apply, as far as
16 practicable, to the subject matter of this Act to the same
17 extent as if such provisions were included herein.

18 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;
19 revised 9-26-23.)

20 Section 20. The Retailers' Occupation Tax Act is amended
21 by adding Section 2-28 as follows:

22 (35 ILCS 120/2-28 new)

23 Sec. 2-28. Megaproject building materials exemption.

1 (a) Each retailer that makes a qualified sale of building
2 materials to be incorporated into real estate at a megaproject
3 site certified by the Department of Commerce and Economic
4 Opportunity under Section 605-1115 of the Department of
5 Commerce and Economic Opportunity Law of the Civil
6 Administrative Code of Illinois may deduct receipts from such
7 sales when calculating the tax imposed by this Act.
8 Megaproject Building Materials Exemption Certificates shall be
9 issued for an initial period not to exceed 10 years and can be
10 renewed for a period not to exceed 5 years.

11 (b) No retailer who is eligible for the deduction or
12 credit for a given sale under Section 5k of this Act related to
13 enterprise zones, Section 5l of this Act related to High
14 Impact Businesses, Section 5m of this Act related to REV
15 Illinois projects, or Section 5n of this Act related to MICRO
16 facilities shall be eligible for the deduction or credit
17 authorized under this Section for that same sale.

18 (c) A construction contractor or other entity shall not
19 make tax-free purchases unless it has an active Exemption
20 Certificate issued by the Department at the time of the
21 purchase.

22 (d) The megaproject administrator shall submit a request
23 to the Department for an initial certification or renewal of
24 the Megaproject Building Materials Exemption Certificate. Upon
25 request from the megaproject administrator, the Department
26 shall issue a Megaproject Building Materials Exemption

1 Certificate for each construction contractor or other entity
2 identified by the megaproject administrator. The Department
3 shall make the Megaproject Building Materials Exemption
4 Certificates available to each construction contractor or
5 other entity identified by the megaproject administrator and
6 to the megaproject administrator. The request for Megaproject
7 Building Materials Exemption Certificates under this Section
8 must include the following information:

9 (1) the name and address of the construction
10 contractor or other entity;

11 (2) the name and location or address of the building
12 project site;

13 (3) the estimated amount of the exemption for each
14 construction contractor or other entity for which a
15 request for a Megaproject Building Materials Exemption
16 Certificate is made, based on a stated estimated average
17 tax rate and the percentage of the contract that consists
18 of materials;

19 (4) the period of time during which supplies for the
20 project are expected to be purchased; and

21 (5) other reasonable information as the Department may
22 require, including, but not limited to, FEIN numbers, to
23 determine if the contractor or other entity, or any
24 partner, corporate officer, or, in the case of a limited
25 liability company, any manager or member of the
26 construction contractor or other entity is or has been the

1 owner, partner, corporate officer, or, in the case of a
2 limited liability company, manager or member of a person
3 that is in default for moneys due to the Department under
4 this Act or any other tax or fee Act administered by the
5 Department.

6 The Department, in its discretion, may require that the
7 request for a Megaproject Building Materials Exemption
8 Certificate be submitted electronically. The Department may,
9 in its discretion, issue Exemption Certificates
10 electronically.

11 (e) To document the exemption allowed under this Section,
12 the retailer must obtain from the purchaser the certification
13 required under this Section, which must contain the
14 Megaproject Building Materials Exemption Certificate number
15 issued to the purchaser by the Department. In addition, the
16 retailer must obtain certification from the purchaser that
17 contains:

18 (1) a statement that the building materials are being
19 purchased for incorporation into real estate located in a
20 megaproject site;

21 (2) the location or address of the real estate into
22 which the building materials will be incorporated;

23 (3) the name of the megaproject in which that real
24 estate is located;

25 (4) a description of the building materials being
26 purchased;

1 (5) the purchaser's Megaproject Building Materials
2 Exemption Certificate number issued by the Department; and

3 (6) the purchaser's signature and date of purchase.

4 (f) The Department shall issue the Megaproject Building
5 Materials Exemption Certificates within 3 business days after
6 receipt of the request from the megaproject administrator.
7 This requirement does not apply if the Department, for
8 reasonable cause, is unable to issue the Exemption Certificate
9 within 3 business days. The Department may refuse to issue a
10 Megaproject Building Materials Exemption Certificate if the
11 owner, any partner, or a corporate officer, and in the case of
12 a limited liability company, any manager or member, of the
13 construction contractor or other entity is or has been the
14 owner, a partner, a corporate officer, and in the case of a
15 limited liability company, a manager or member, of a person
16 that is in default for moneys due to the Department under this
17 Act or any other tax or fee Act administered by the Department.

18 (g) The Megaproject Building Materials Exemption
19 Certificate shall contain:

20 (1) a unique identifying number that shall be designed
21 in such a way that the Department can identify from the
22 unique number on the Exemption Certificate issued to a
23 given construction contractor or other entity, the name of
24 the megaproject site and the construction contractor or
25 other entity to whom the Exemption Certificate is issued;

26 (2) the name of the construction contractor or entity

1 to whom the Exemption Certificate is issued;

2 (3) issuance date, effective date, and expiration
3 date; and

4 (4) language stating that, if the construction
5 contractor or other entity who is issued the Exemption
6 Certificate makes a tax-exempt purchase, as described in
7 this Section, that is not eligible for exemption under
8 this Section or allows another person to make a tax-exempt
9 purchase, as described in this Section, that is not
10 eligible for exemption under this Section, then, in
11 addition to any tax or other penalty imposed, the
12 construction contractor or other entity is subject to a
13 penalty equal to the tax that would have been paid by the
14 retailer under this Act as well as any applicable local
15 retailers' occupation tax on the purchase that is not
16 eligible for the exemption.

17 (h) After the Department issues Exemption Certificates for
18 a given megaproject, the megaproject administrator may notify
19 the Department of additional construction contractors or other
20 entities that are eligible for a Megaproject Building
21 Materials Exemption Certificate. Upon receiving such a
22 notification and subject to the other provisions of this
23 Section, the Department shall issue a Megaproject Building
24 Materials Exemption Certificate to each additional
25 construction contractor or other entity so identified.

26 (i) A megaproject administrator may ask the Department to

1 rescind a Megaproject Building Materials Exemption Certificate
2 previously issued by the Department to a construction
3 contractor or other entity working at that certified
4 megaproject site if that Megaproject Building Materials
5 Exemption Certificate has not yet expired. Upon receiving such
6 a request and subject to the other provisions of this Section,
7 the Department shall issue the rescission of the Megaproject
8 Building Materials Exemption Certificate to the construction
9 contractor or other entity identified by the megaproject
10 administrator and provide a copy of the rescission to the
11 construction contractor or other entity and to the megaproject
12 administrator.

13 (j) If the Department of Revenue determines that a
14 construction contractor or other entity that was issued an
15 Exemption Certificate under this Section made a tax-exempt
16 purchase, as described in this Section, that was not eligible
17 for exemption under this Section or allowed another person to
18 make a tax-exempt purchase, as described in this Section, that
19 was not eligible for exemption under this Section, then, in
20 addition to any tax or other penalty imposed, the construction
21 contractor or other entity is subject to a penalty equal to the
22 tax that would have been paid by the retailer under this Act as
23 well as any applicable local retailers' occupation tax on the
24 purchase that was not eligible for the exemption.

25 (k) Each contractor or other entity that has been issued a
26 Megaproject Building Materials Exemption Certificate under

1 this Section shall annually report to the Department the total
2 value of the Megaproject building materials exemption from
3 State taxes. Reports shall contain information reasonably
4 required by the Department to enable it to verify and
5 calculate the total tax benefits for taxes imposed by the
6 State and shall be broken down by megaproject site. Reports
7 are due no later than May 31 of each year and shall cover the
8 previous calendar year. Failure to report data may result in
9 revocation of the Megaproject Building Materials Exemption
10 Certificate issued to the contractor or other entity. The
11 Department is authorized to adopt rules governing revocation
12 determinations, including the length of revocation. Factors to
13 be considered in revocations shall include, but are not
14 limited to, prior compliance with the reporting requirements,
15 cooperation in discontinuing and correcting violations, and
16 whether the certificate was used unlawfully during the
17 preceding year. The Department, in its discretion, may require
18 that the reports filed under this Section be submitted
19 electronically.

20 (l) The Department shall have the authority to adopt rules
21 as are reasonable and necessary to implement the provisions of
22 this Section.

23 (m) This Section is exempt from the provisions of Section
24 2-70.

25 (n) This exemption applies to the Use Tax Act, the Service
26 Use Tax Act, and the Service Occupation Tax Act and is

1 incorporated by reference in Section 12 of each of those
2 respective Acts.

3 (o) As used in this Section:

4 "Qualified sale" means a sale of building materials that
5 will be incorporated into real estate as part of a building
6 project for which a Megaproject Building Materials Exemption
7 Certificate has been issued to the purchaser by the
8 Department.

9 Section 25. The Property Tax Code is amended by adding
10 Division 22 to Article 10 and changing as follows:

11 (35 ILCS 200/Art. 10 Div. 22 heading new)

12 Division 22. Megaprojects

13 (35 ILCS 200/10-910 new)

14 Sec. 10-910. Megaproject Assessment Freeze and Payment
15 Law; definitions. This Division 22 may be cited as the
16 Megaproject Assessment Freeze and Payment Law.

17 As used in this Division:

18 "Assessment officer" means the chief county assessment
19 officer of the county in which the megaproject is located.

20 "Assessment period" means the period beginning on the
21 first day of the calendar year after the calendar year in which
22 a megaproject is placed in service and ending on the date when
23 the megaproject no longer qualifies as a megaproject under

1 this Division.

2 "Base tax year" means the tax year prior to the first
3 calendar year during which the Department issues a megaproject
4 certificate under this Division.

5 "Base year" means:

6 (1) the calendar year prior to the calendar year in
7 which the Department issues the megaproject certificate,
8 if the Department issues a megaproject certificate for a
9 project located on the property without granting
10 preliminary approval for the project pursuant to Section
11 10-940; or

12 (2) the calendar year prior to the calendar year in
13 which the Department grants that preliminary approval, if
14 the Department grants preliminary approval pursuant to
15 Section 10-940 for a megaproject located on the property.

16 "Base year valuation" means the assessed value, in the
17 base year, of the property comprising the megaproject.

18 "Company" means one or more entities whose aggregate
19 investment in the megaproject meets the minimum investment
20 required under this Division. The term "company" includes a
21 company affiliate unless the context clearly indicates
22 otherwise.

23 "Company affiliate" means an entity that joins with or is
24 an affiliate of a company and that participates in the
25 investment in, or financing of, a megaproject.

26 "Consumer Price Index" means the index published by the

1 Bureau of Labor Statistics of the United States Department of
2 Labor that measures the average change in prices of goods and
3 services purchased by all urban consumers, United States city
4 average, all items, 1982-84 = 100.

5 "Department" means the Department of Commerce and Economic
6 Opportunity.

7 "Eligible costs" means all costs incurred by or on behalf
8 of, or allocated to, a company, prior to the Department's
9 issuance of the megaproject certificate or during the
10 investment period, to create or construct a megaproject.

11 "Eligible costs" includes, without limitation:

12 (1) the purchase, site preparation, renovation,
13 rehabilitation, and construction of land, buildings,
14 structures, equipment, and furnishings used for or in the
15 megaproject;

16 (2) any goods or services for the megaproject that are
17 purchased and capitalized under generally accepted
18 accounting principles, including any organizational costs
19 and research and development costs incurred in Illinois;

20 (3) capitalized lease costs for land, buildings,
21 structures, and equipment valued at their present value
22 using the interest rate at which the company borrows funds
23 prevailing at the time the company entered into the lease;

24 (4) infrastructure development costs;

25 (5) debt service and project financing costs;

26 (6) noncapitalized research and development costs;

1 (7) job training and education costs;

2 (8) lease and relocation costs; and

3 (9) amounts expended by a company or company affiliate
4 as a nonresponsible party pursuant to a voluntary program
5 of site remediation, including amounts expended to obtain
6 a No Further Remediation Letter from the Illinois
7 Environmental Protection Agency.

8 "Entity" means a sole proprietor, partnership, firm,
9 corporation, limited liability company, association, or other
10 business enterprise.

11 "Full-time employee" means an individual who is employed
12 for consideration for at least 35 hours each week or who
13 renders any other standard of service generally accepted by
14 industry custom or practice as a full-time employee. An
15 individual for whom a W-2 is issued by a professional employer
16 organization is a full-time employee if he or she is employed
17 in the service of the applicant for at least 35 hours each week
18 or renders any other standard of service generally accepted by
19 industry custom or practice as a full-time employment. An
20 owner, operator, or tenant who employs labor or services at a
21 specific site or facility under contract with another may
22 declare one full-time job for every 1,820 man-hours worked per
23 year under the contract. Vacations, paid holidays, and sick
24 time are included in this computation, but overtime is not
25 considered a part of regular hours.

26 "High Impact Business" means a project that has been

1 designated by the Department as a High Impact Business under
2 Section 5.5 of the Illinois Enterprise Zone Act.

3 "Incentive agreement" means an agreement between a
4 company, a local municipality, and the taxing districts
5 obligating the company to make the special payment under this
6 Division, in addition to paying property taxes, during the
7 incentive period for a megaproject.

8 "Incentive period" means the period beginning on the first
9 day of the calendar year after the calendar year in which the
10 megaproject is placed in service and each calendar year
11 thereafter until the earlier of (i) the expiration or
12 termination of the incentive agreement or (ii) the revocation
13 of the megaproject certificate.

14 "Inducement resolution" means a resolution adopted by the
15 local municipality setting forth the commitment of the local
16 municipality to enter into an incentive agreement.

17 "Investment period" means the period ending 7 years after
18 the date on which the Department issues the megaproject
19 certificate, or such other longer period of time as the local
20 municipality, the taxing districts, and the company may agree
21 to, not to exceed an initial period of 10 years.

22 "Local municipality" means the city, village, or
23 incorporated town in which the megaproject is located or, if
24 the megaproject is located in an unincorporated area, the
25 county in which the megaproject is located.

26 "Megaproject" means the project set forth in the company's

1 tax credit agreement or high impact business designation.

2 "Megaproject certificate" means a certificate issued by
3 the Department that authorizes an assessment freeze as
4 provided in this Division.

5 "Minimum investment" means an investment in the
6 megaproject of at least \$100,000,000 in eligible costs within
7 the investment period.

8 "Minority person" means a person who is a citizen or
9 lawful permanent resident of the United States and who is any
10 of the following:

11 (1) American Indian or Alaska Native (a person having
12 origins in any of the original peoples of North and South
13 America, including Central America, and who maintains
14 tribal affiliation or community attachment).

15 (2) Asian (a person having origins in any of the
16 original peoples of the Far East, Southeast Asia, or the
17 Indian subcontinent, including, but not limited to,
18 Cambodia, China, India, Japan, Korea, Malaysia, Pakistan,
19 the Philippine Islands, Thailand, and Vietnam).

20 (3) Black or African American (a person having origins
21 in any of the black racial groups of Africa).

22 (4) Hispanic or Latino (a person of Cuban, Mexican,
23 Puerto Rican, South or Central American, or other Spanish
24 culture or origin, regardless of race).

25 (5) Native Hawaiian or Other Pacific Islander (a
26 person having origins in any of the original peoples of

1 Hawaii, Guam, Samoa, or other Pacific Islands).

2 "Minority-owned business" means a business that is at
3 least 51% owned by one or more minority persons, or that, in
4 the case of a corporation, has at least 51% of its stock owned
5 by one or more minority persons, and that, in either case, is
6 managed and operated on a daily basis by one or more of the
7 minority individuals who own the business.

8 "New full-time employee" means a full-time employee who
9 first became employed by the owner, operator, contractor, or
10 tenant of the megaproject during the incentive period or
11 investment period and whose hiring results in a net increase
12 in the owner, operator, contractor, or tenant's total number
13 of full-time Illinois employees.

14 "New full-time employee" does not include:

15 (1) a person who was previously employed in Illinois
16 by the applicant or a related family member prior to the
17 onset of the investment or incentive period; or

18 (2) an individual who has a direct or indirect
19 ownership interest of at least 5% in the profits, capital,
20 or value of the applicant.

21 "Placed in service" means that the company has commenced
22 its business operations at the megaproject site and has met
23 its job creation requirements under this Section by hiring or
24 causing to be hired at least 100 new full-time employees who
25 provide support to the megaproject's business operations and
26 work in the State of Illinois. If a company pauses or shuts

1 down its business operations for a period of more than 30 days,
2 then the megaproject shall no longer be considered placed in
3 service.

4 "Project" means land, buildings, and other improvements on
5 the land, including water facilities, sewage treatment and
6 disposal facilities, and all other machinery, apparatuses,
7 equipment, office facilities, related infrastructure, and
8 furnishings that are considered necessary, suitable, or useful
9 by a company and comprise the megaproject, including all such
10 property subject to assessment under the Property Tax Code.

11 "Special payment" means the annual amount paid in addition
12 to property taxes paid during the incentive period as provided
13 in the incentive agreement.

14 "Sports stadium" means a facility, stadium, arena, or
15 other structure where athletic contests are held and sports
16 teams practice and perform.

17 "Tax credit agreement" means an agreement entered into by
18 the company and the Department under the Economic Development
19 for Growing Economy Tax Credit Act, the Reimagining Energy and
20 Vehicles in Illinois Act, or the Manufacturing Illinois Chips
21 for Real Opportunity (MICRO) Act.

22 "Taxing district" has the meaning given to that term in
23 Section 1-150.

24 "Termination date" means the last day of a calendar year
25 that is no later than the 23rd year following the first
26 calendar year in which a megaproject is placed in service. A

1 company may apply to the local municipality and taxing
2 districts prior to the termination date for an extension of
3 the termination date beyond the 23rd year for up to 17
4 additional years, for a total of 40 years. The corporate
5 authorities of the local municipality and the taxing districts
6 shall approve an extension by resolution upon a finding of
7 substantial public benefit. A copy of the resolution must be
8 delivered to the Department within 30 days of the date the
9 resolution was adopted. If the incentive agreement is
10 terminated under Section 10-937, then the termination date is
11 the date the agreement is terminated.

12 (35 ILCS 200/10-915 new)

13 Sec. 10-915. Valuation during incentive period;
14 eligibility.

15 (a) Property that receives a megaproject certificate from
16 the Department is eligible for an assessment freeze, as
17 provided in this Division, eliminating from consideration, for
18 assessment purposes during the incentive period, the value
19 added to the property by the project and limiting the total
20 valuation of the property during the incentive period to the
21 base year valuation. If the company does not anticipate
22 completing the project within the investment period, then the
23 local municipality and taxing districts may approve one or
24 more extensions of time to complete the project. However, the
25 local municipality and taxing districts may not extend the

1 project for a period that exceeds 5 years after the last day of
2 the investment period. Unless approved as part of the original
3 incentive agreement, the corporate authorities of the local
4 municipality and taxing districts may approve an extension
5 under this subsection by resolution, a copy of which must be
6 delivered to the Department within 30 days after the date the
7 resolution is adopted.

8 (b) To qualify for a megaproject certificate, the company
9 must:

10 (1) make the minimum investment in the megaproject
11 during the investment period;

12 (2) enter into an incentive agreement with the local
13 municipality and taxing districts as described in this
14 Division;

15 (3) enter into a project labor agreement with the
16 applicable local building trades council prior to the
17 commencement of any demolition, building construction, or
18 building renovation related to the megaproject;

19 (4) establish the goal of awarding 20% of the total
20 dollar amount of contracts that are related to the
21 megaproject and are awarded by the company during each
22 calendar year to minority-owned businesses;

23 (5) create at least 100 new full-time jobs as a result
24 of the megaproject; and

25 (6) have executed a tax credit agreement with the
26 Department or received a high impact business designation

1 from the Department.

2 (c) For purposes of this Division, if a single company
3 enters into a financing arrangement of the type described in
4 subsection (b) of Section 10-950, the investment in or
5 financing of the property by a developer, lessor, financing
6 entity, or other third party in accordance with this
7 arrangement is considered investment by the company.
8 Investment by a related person to the company is considered
9 investment by the company.

10 (35 ILCS 200/10-920 new)

11 Sec. 10-920. Incentive agreement; assessment freeze for
12 megaprojects; incentive period; inducement resolution;
13 location of the project; criteria to qualify.

14 (a) To obtain the benefits provided in this Division, the
15 company shall apply in writing to the local municipality and
16 taxing districts to enter into an incentive agreement with the
17 municipality and taxing districts, in the form and manner
18 required by the local municipality and taxing districts,
19 respectively, and shall certify to the facts asserted in the
20 application.

21 (b) The corporate authorities of the local municipality,
22 prior to entering into an incentive agreement under this
23 Section, shall hold a public hearing to consider the
24 application. The amount and terms of the proposed special
25 payment and the duration of the incentive agreement shall be

1 considered at the public hearing.

2 (c) Copies of the completed application shall be provided
3 to each taxing district for which property taxes were assessed
4 on the property for the immediately preceding tax year. Those
5 copies shall be provided at least 30 days prior to the
6 scheduled public hearing at which the corporate authorities of
7 the local municipality will consider the application.

8 (d) The company, the local municipality, and the taxing
9 districts shall enter into an incentive agreement requiring
10 the special payment described in Section 10-925. The corporate
11 authorities of the local municipality shall adopt an ordinance
12 approving the incentive agreement.

13 (e) If an incentive agreement is not executed within 5
14 years after the local municipality's adoption of an inducement
15 resolution, expenditures incurred by the company more than 5
16 years prior to the execution of the incentive agreement shall
17 not qualify as part of the minimum investment.

18 (f) To be eligible to enter into an incentive agreement
19 under this Division, the company must commit to a project that
20 meets the investment and new job creation requirements set
21 forth in the company's tax credit agreement or high impact
22 business designation. In no event shall the company be
23 required to invest less than \$100,000,000 or create fewer than
24 100 new full-time jobs.

1 Sec. 10-925. Contents of incentive agreement.

2 (a) The incentive agreement under Section 10-920 must
3 require the company to pay, or be responsible for the payment
4 of, an annual special payment to the local municipality and
5 the taxing districts, beginning with the first tax year for
6 which the assessment freeze under this Division is applied to
7 the megaproject. The amount of the special payment shall be
8 established by the local municipality and taxing districts in
9 the incentive agreement and may be a fixed amount for the
10 duration of the incentive period or may be subject to
11 adjustment (downward or upward) based on factors memorialized
12 in the incentive agreement.

13 Unless the special payment is negotiated as a fixed
14 payment for the duration of the incentive period, the parties
15 shall conduct an impact analysis study on the megaproject
16 every 5 years, and the special payment shall be adjusted based
17 on the results of that study; provided, however, the
18 adjustment shall not be less than the initial special payment
19 adjusted for inflation as measured by the Consumer Price
20 Index.

21 The portion of the special payment due to the local school
22 districts shall be increased annually by the lesser of (i) 5%
23 or (ii) the percentage increase, if any, in the Consumer Price
24 Index for the 12 months ending in September of the immediately
25 preceding calendar year, and may be further increased or
26 decreased every 5 years based on the results of the impact

1 analysis study.

2 (b) The incentive agreement shall obligate the company to
3 operate the megaproject at the designated project location for
4 a minimum of 20 years.

5 (c) The incentive agreement may contain such other terms
6 and conditions as are mutually agreeable to the local
7 municipality, the taxing districts, and the company and are
8 consistent with the requirements of this Division, including,
9 without limitation, operational and additional job creation
10 requirements.

11 (d) In addition, all incentive agreements entered into
12 pursuant to Section 10-920 must include, as the first portion
13 of the document, a recapitulation of the remaining contents of
14 the document, which shall include the following:

15 (1) the legal name of each party to the agreement;

16 (2) the street address of the project and the property
17 subject to the agreement;

18 (3) the agreed minimum investment, which shall not be
19 less than the investment amount required in the tax credit
20 agreement or high impact business designation;

21 (3.5) the agreed number of new jobs to be created,
22 which shall not be less than the number of new jobs
23 required in the tax credit agreement or high impact
24 business designation;

25 (4) the term of the agreement;

26 (5) a schedule showing the amount of the special

1 payment and its calculation for each year of the
2 agreement;

3 (6) a schedule showing the amount to be distributed
4 annually to each taxing district, as set forth in the
5 incentive agreement;

6 (7) any other feature or aspect of the agreement which
7 may affect the calculation of items (5) and (6) of this
8 subsection; and

9 (8) the party or parties to the agreement who are
10 responsible for updating the information contained in the
11 summary document.

12 (35 ILCS 200/10-927 new)

13 Sec. 10-927. Minimum job creation requirements.

14 (a) The company must hire the same number of new full-time
15 employees as is required in the company's tax credit agreement
16 or high impact business designation, which in no event shall
17 be less than 100. These new full-time employees must be hired
18 to support the business operations of the megaproject and be
19 located within the State of Illinois.

20 (b) A company may not satisfy the requirements of this
21 Section by relocating jobs from one site in Illinois to
22 another site in Illinois.

23 (35 ILCS 200/10-930 new)

24 Sec. 10-930. Installment bills; distribution of special

1 payments.

2 (a) The local municipality shall prepare a bill for the
3 company for each installment of the special payment according
4 to the schedule set forth in paragraph (5) of subsection (d) of
5 Section 10-925, or as modified pursuant to paragraph (7) of
6 subsection (d) of Section 10-925, and the company shall make
7 direct payments to the affected taxing entities according to
8 the schedule in paragraph (6) of subsection (d) of Section
9 10-925 or as modified in paragraph (7) of subsection (d) of
10 Section 10-925.

11 (b) The company shall make direct payments of the special
12 payment to the taxing districts associated with the
13 megaproject within 30 days after receipt by the company of the
14 bill prepared by the local municipality.

15 (c) Misallocations of the special payments may be
16 corrected by adjusting later distributions, but these
17 adjustments must be made in the next succeeding year following
18 identification and resolution of the misallocation. To the
19 extent that distributions have been made improperly in
20 previous years, claims for adjustment must be made within one
21 year of the distribution.

22 (35 ILCS 200/10-937 new)

23 Sec. 10-937. Termination of incentive agreement; automatic
24 termination; minimum level of investment and new job creation
25 required to remain qualified for assessment freeze.

1 (a) The local municipality, the taxing districts, and the
2 company may mutually agree to terminate the incentive
3 agreement at any time. From the date of termination, the
4 megaproject is subject to assessment on the basis of the
5 then-current fair cash value.

6 (b) An incentive agreement shall be terminated if the
7 company fails to satisfy the minimum investment level or the
8 job creation requirements provided in this Division. If the
9 incentive agreement is terminated under this subsection, the
10 megaproject is subject to assessment on the basis of the
11 then-current fair cash value beginning in the tax year during
12 which the termination occurs.

13 (c) An incentive agreement shall terminate if, at any
14 time, the company no longer has the minimum level of new job
15 creation and investment as provided in this Division, without
16 regard to depreciation.

17 (35 ILCS 200/10-938 new)

18 Sec. 10-938. Megaproject administration. The
19 administration of a megaproject shall be under the
20 jurisdiction of the local municipality that approved the
21 incentive agreement by ordinance. Each local municipality that
22 approves an incentive agreement by ordinance shall, by
23 ordinance, designate a Megaproject Administrator for the
24 megaproject within its jurisdiction. A Megaproject
25 Administrator must be an officer or employee of the

1 municipality or county. The Megaproject Administrator shall be
2 the liaison between the approving municipality or county, the
3 Department, and the Department of Revenue.

4 (35 ILCS 200/10-940 new)

5 Sec. 10-940. Megaproject applications; certification as a
6 megaproject and revocation of certification.

7 (a) The Department shall receive applications for
8 megaproject certificates under this Division. The Department
9 shall promptly notify the assessment officer when the
10 Department receives an application under this Section. The
11 Department's rules shall provide that an applicant may request
12 preliminary approval of the megaproject before the project
13 begins, before the applicant has entered into a fully executed
14 incentive agreement with the local municipality and taxing
15 districts, or before the project has been placed in service.

16 (b) An applicant for a megaproject certificate under this
17 Division must provide evidence to the Department of a fully
18 executed incentive agreement between the company, the local
19 municipality, and the taxing districts as described in this
20 Division.

21 (c) An applicant for a megaproject certificate under this
22 Division must provide evidence to the Department of a fully
23 executed project labor agreement entered into with the
24 applicable local building trades council prior to the
25 commencement of any demolition, building construction, or

1 building renovation at the project. If the demolition,
2 building construction, or building renovation begins after the
3 application is approved, then the applicant must transmit a
4 copy of the fully executed project labor agreement to the
5 Department as soon as possible after the agreement is
6 executed.

7 (d) An applicant for a megaproject certificate under this
8 Division must provide evidence to the Department that the
9 company has established the goal of awarding 20% of the total
10 dollar amount of contracts awarded during each calendar year
11 by the company, that are related to the project, to
12 minority-owned businesses.

13 (e) The Department shall approve an application for a
14 megaproject certificate if the Department finds that the
15 project meets the requirements of this Division.

16 (f) Upon approval of the application, the Department shall
17 issue a megaproject certificate to the applicant and transmit
18 a copy to the assessment officer and the Department of
19 Revenue. The certificate shall identify the property on which
20 the megaproject is located.

21 (g) For each calendar year following issuance of the
22 megaproject certificate, until the minimum investment and new
23 job creation requirements have been met and the megaproject
24 has been placed in service, the company shall deliver a report
25 to the Department on the status of construction or creation of
26 the megaproject and the amount of minimum investment made in

1 the megaproject during the preceding calendar year. If the
2 Department determines, in accordance with the Administrative
3 Review Law and the Illinois Administrative Procedure Act, that
4 a project for which a certificate has been issued has not met
5 the minimum investment and job creation requirements of this
6 Division within the investment period, the Department shall
7 revoke the certificate by written notice to the taxpayer of
8 record and transmit a copy of the revocation to the assessment
9 officer.

10 (h) If the local municipality notifies the Department that
11 the incentive agreement between the company, the local
12 municipality, and the taxing districts has been terminated,
13 the Department shall revoke the certificate by written notice
14 to the taxpayer of record and transmit a copy of the revocation
15 to the assessment officer.

16 (35 ILCS 200/10-945 new)

17 Sec. 10-945. Computation of valuation.

18 (a) Upon receipt of the megaproject certificate from the
19 Department, the assessment officer shall determine the base
20 year valuation and shall make a notation on each statement of
21 assessment during the assessment period that the valuation of
22 the project is based upon the issuance of a megaproject
23 certificate.

24 (b) Upon revocation of a megaproject certificate, the
25 assessment officer shall compute the assessed valuation of the

1 project on the basis of the then-current fair cash value of the
2 property.

3 (35 ILCS 200/10-950 new)

4 Sec. 10-950. Transfers of interest in a megaproject;
5 sale-leaseback arrangement; requirements.

6 (a) Subject to the terms of the incentive agreement
7 between the company, the local municipality, and the taxing
8 district, ownership of or any interest in the megaproject and
9 any and all related project property, including, without
10 limitation, transfers of indirect beneficial interests and
11 equity interests in a company owning a megaproject, shall not
12 affect the assessment freeze or the validity of the
13 megaproject certificate issued under this Division.
14 Notwithstanding the provisions of this subsection, the
15 incentive agreement shall be a covenant running with the land.

16 (b) A company may enter into lending, financing, security,
17 leasing, or similar arrangements, or a succession of such
18 arrangements, with a financing entity concerning all or part
19 of a project including, without limitation, a sale-leaseback
20 arrangement, equipment lease, build-to-suit lease, synthetic
21 lease, nordic lease, defeased tax benefit, or transfer lease,
22 an assignment, sublease, or similar arrangement, or succession
23 of those arrangements, with one or more financing entities
24 concerning all or part of a project, regardless of the
25 identity of the income tax or fee owner of the megaproject.

1 Neither the original transfer to the financing entity nor the
2 later transfer from the financing entity back to the company,
3 pursuant to terms in the sale-leaseback agreement, shall
4 affect the assessment freeze or the validity of the
5 megaproject certificate issued under this Division, regardless
6 of whether the income tax basis is changed for income tax
7 purposes.

8 (c) The Department must receive notice of all transfers
9 undertaken with respect to other projects to effect a
10 financing. Notice shall be made in writing within 60 days
11 after the transfer, shall identify each transferee, and shall
12 contain other information required by the Department with the
13 appropriate returns. Failure to meet this notice requirement
14 does not adversely affect the assessment freeze.

15 (35 ILCS 200/10-955 new)

16 Sec. 10-955. Minimum investment by company affiliates. To
17 be eligible for the benefits of this Division, a company must
18 invest the minimum investment. Investments by company
19 affiliates during the investment period may be applied toward
20 the minimum investment under this Division regardless of
21 whether the company affiliate was part of the project. To
22 qualify for the assessment freeze, the minimum investment must
23 be made in connection with the megaproject.

24 (35 ILCS 200/10-960 new)

1 Sec. 10-960. Projects to be valued at fair cash value for
2 purposes of bonded indebtedness and limitations on property
3 tax extensions. Projects to which an assessment freeze applies
4 pursuant to this Division shall be valued at their fair cash
5 value for purposes of calculating a municipality's general
6 obligation bond limits and a taxing district's limitation on
7 tax extensions.

8 (35 ILCS 200/10-965 new)

9 Sec. 10-965. Abatements. Any taxing district, upon a
10 majority vote of its governing authority, may, after the
11 determination of the assessed valuation as set forth in this
12 Division, order the clerk of the appropriate municipality or
13 county to abate any portion of real property taxes otherwise
14 levied or extended by the taxing district on a megaproject.

15 (35 ILCS 200/10-970 new)

16 Sec. 10-970. Filing of returns, contracts, and other
17 information; due date of payments and returns.

18 (a) The company and the local municipality shall file
19 notices, reports, and other information as required by the
20 Department.

21 (b) Special payments are due at the same time as property
22 tax payments and property tax returns are due for the
23 megaproject property.

24 (c) Failure to make a timely special payment results in

1 the assessment of penalties as if the payment were a
2 delinquent property tax payment or return.

3 (d) Within 30 days after the date of execution of an
4 incentive agreement, a copy of the incentive agreement must be
5 filed with the Department, the chief county assessment
6 officer, and the county auditor for the county in which the
7 megaproject is located.

8 (35 ILCS 200/10-980 new)

9 Sec. 10-980. Rules. The Department may issue rulings and
10 adopt rules as necessary to carry out the purpose of this
11 Division.

12 (35 ILCS 200/10-985 new)

13 Sec. 10-985. Prohibition on multiple credits, exemptions,
14 and freezes. An applicant for a megaproject certificate who
15 qualifies for an assessment freeze under this Section is not
16 entitled to any other property tax credits, exemptions, or
17 assessment freezes relating to the megaproject.

18 (35 ILCS 200/10-987 new)

19 Sec. 10-987. Building materials exemption for
20 megaprojects. An applicant that is eligible for a megaproject
21 certificate under this Division 22 of Article 10 is also
22 eligible for the building materials exemption under Section
23 605-1115 of the Civil Administrative Code of Illinois.

1 (35 ILCS 200/10-990 new)

2 Sec. 10-990. Sports stadiums. An applicant is not
3 eligible for a megaproject assessment freeze under this
4 Section for the construction or development of a sports
5 stadium unless, prior to the approval of the megaproject by
6 the Department, the General Assembly approves the megaproject
7 by joint resolution.

8 (35 ILCS 200/10-995 new)

9 Sec. 10-995. Tax Increment Financing districts. A project
10 that is located and operated in a Tax Increment Financing
11 (TIF) district or TIF designated area is not eligible for a
12 megaproject assessment freeze under this Section. The
13 agreement shall provide that the megaproject certificate is
14 void if an area on which the megaproject is located is
15 designated as a TIF district or TIF designated area.

16 (35 ILCS 200/10-1000 new)

17 Sec. 10-1000. Invalidity. If all or any part of this
18 Division is determined to be unconstitutional or otherwise
19 unenforceable by a court of competent jurisdiction, a company
20 has 180 days from the date of the determination to transfer the
21 megaproject's title to an authorized economic development
22 authority that qualifies for property tax assessment under
23 this Division.

1 Section 97. Severability. The provisions of this Act are
2 severable under Section 1.31 of the Statute on Statutes.

3 Section 99. Effective date. This Act takes effect July 1,
4 2024.".