

1 AN ACT concerning economic development.

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

4 Section 5. The Illinois Enterprise Zone Act is amended by
5 changing Section 5.5 as follows:

6 (20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

7 Sec. 5.5. High Impact Business.

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

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

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

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

21 (A) the business intends to make a minimum
22 investment of \$12,000,000 which will be placed in
23 service in qualified property and intends to create 500

1 full-time equivalent jobs at a designated location in
2 Illinois or intends to make a minimum investment of
3 \$30,000,000 which will be placed in service in
4 qualified property and intends to retain 1,500
5 full-time retained jobs at a designated location in
6 Illinois. The business must certify in writing that the
7 investments would not be placed in service in qualified
8 property and the job creation or job retention would
9 not occur without the tax credits and exemptions set
10 forth in subsection (b) of this Section. The terms
11 "placed in service" and "qualified property" have the
12 same meanings as described in subsection (h) of Section
13 201 of the Illinois Income Tax Act; or

14 (B) the business intends to establish a new
15 electric generating facility at a designated location
16 in Illinois. "New electric generating facility", for
17 purposes of this Section, means a newly-constructed
18 electric generation plant or a newly-constructed
19 generation capacity expansion at an existing electric
20 generation plant, including the transmission lines and
21 associated equipment that transfers electricity from
22 points of supply to points of delivery, and for which
23 such new foundation construction commenced not sooner
24 than July 1, 2001. Such facility shall be designed to
25 provide baseload electric generation and shall operate
26 on a continuous basis throughout the year; and (i)

1 shall have an aggregate rated generating capacity of at
2 least 1,000 megawatts for all new units at one site if
3 it uses natural gas as its primary fuel and foundation
4 construction of the facility is commenced on or before
5 December 31, 2004, or shall have an aggregate rated
6 generating capacity of at least 400 megawatts for all
7 new units at one site if it uses coal or gases derived
8 from coal as its primary fuel and shall support the
9 creation of at least 150 new Illinois coal mining jobs,
10 or (ii) shall be funded through a federal Department of
11 Energy grant before December 31, 2010 and shall support
12 the creation of Illinois coal-mining jobs, or (iii)
13 shall use coal gasification or integrated
14 gasification-combined cycle units that generate
15 electricity or chemicals, or both, and shall support
16 the creation of Illinois coal-mining jobs. The
17 business must certify in writing that the investments
18 necessary to establish a new electric generating
19 facility would not be placed in service and the job
20 creation in the case of a coal-fueled plant would not
21 occur without the tax credits and exemptions set forth
22 in subsection (b-5) of this Section. The term "placed
23 in service" has the same meaning as described in
24 subsection (h) of Section 201 of the Illinois Income
25 Tax Act; or

26 (B-5) the business intends to establish a new

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

15 (C) the business intends to establish production
16 operations at a new coal mine, re-establish production
17 operations at a closed coal mine, or expand production
18 at an existing coal mine at a designated location in
19 Illinois not sooner than July 1, 2001; provided that
20 the production operations result in the creation of 150
21 new Illinois coal mining jobs as described in
22 subdivision (a)(3)(B) of this Section, and further
23 provided that the coal extracted from such mine is
24 utilized as the predominant source for a new electric
25 generating facility. The business must certify in
26 writing that the investments necessary to establish a

1 new, expanded, or reopened coal mine would not be
2 placed in service and the job creation would not occur
3 without the tax credits and exemptions set forth in
4 subsection (b-5) of this Section. The term "placed in
5 service" has the same meaning as described in
6 subsection (h) of Section 201 of the Illinois Income
7 Tax Act; or

8 (D) the business intends to construct new
9 transmission facilities or upgrade existing
10 transmission facilities at designated locations in
11 Illinois, for which construction commenced not sooner
12 than July 1, 2001. For the purposes of this Section,
13 "transmission facilities" means transmission lines
14 with a voltage rating of 115 kilovolts or above,
15 including associated equipment, that transfer
16 electricity from points of supply to points of delivery
17 and that transmit a majority of the electricity
18 generated by a new electric generating facility
19 designated as a High Impact Business in accordance with
20 this Section. The business must certify in writing that
21 the investments necessary to construct new
22 transmission facilities or upgrade existing
23 transmission facilities would not be placed in service
24 without the tax credits and exemptions set forth in
25 subsection (b-5) of this Section. The term "placed in
26 service" has the same meaning as described in

1 subsection (h) of Section 201 of the Illinois Income
2 Tax Act; or

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

19 (F) the business intends to (i) make a minimum
20 investment of \$500,000,000, which will be placed in
21 service in a qualified property, (ii) create 125
22 full-time equivalent jobs at a designated location in
23 Illinois, and (iii) establish a fertilizer plant at a
24 designated location in Illinois; for the purposes of
25 this Section, "fertilizer plant" means a newly
26 constructed or upgraded plant facilitating gas used in

1 the production of anhydrous ammonia and downstream
2 nitrogen fertilizer products for resale; and

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

7 (b) Businesses designated as High Impact Businesses
8 pursuant to subdivision (a)(3)(A) of this Section shall qualify
9 for the credits and exemptions described in the following Acts:
10 Section 9-222 and Section 9-222.1A of the Public Utilities Act,
11 subsection (h) of Section 201 of the Illinois Income Tax Act,
12 and Section 1d of the Retailers' Occupation Tax Act; provided
13 that these credits and exemptions described in these Acts shall
14 not be authorized until the minimum investments set forth in
15 subdivision (a)(3)(A) of this Section have been placed in
16 service in qualified properties and, in the case of the
17 exemptions described in the Public Utilities Act and Section 1d
18 of the Retailers' Occupation Tax Act, the minimum full-time
19 equivalent jobs or full-time retained jobs set forth in
20 subdivision (a)(3)(A) of this Section have been created or
21 retained. Businesses designated as High Impact Businesses
22 under this Section shall also qualify for the exemption
23 described in Section 5l of the Retailers' Occupation Tax Act.
24 The credit provided in subsection (h) of Section 201 of the
25 Illinois Income Tax Act shall be applicable to investments in
26 qualified property as set forth in subdivision (a)(3)(A) of

1 this Section.

2 (b-5) Businesses designated as High Impact Businesses
3 pursuant to subdivisions (a) (3) (B), (a) (3) (B-5), (a) (3) (C),
4 and (a) (3) (D) of this Section shall qualify for the credits and
5 exemptions described in the following Acts: Section 51 of the
6 Retailers' Occupation Tax Act, Section 9-222 and Section
7 9-222.1A of the Public Utilities Act, and subsection (h) of
8 Section 201 of the Illinois Income Tax Act; however, the
9 credits and exemptions authorized under Section 9-222 and
10 Section 9-222.1A of the Public Utilities Act, and subsection
11 (h) of Section 201 of the Illinois Income Tax Act shall not be
12 authorized until the new electric generating facility, the new
13 gasification facility, the new transmission facility, or the
14 new, expanded, or reopened coal mine is operational, except
15 that a new electric generating facility whose primary fuel
16 source is natural gas is eligible only for the exemption under
17 Section 51 of the Retailers' Occupation Tax Act.

18 (b-6) Businesses designated as High Impact Businesses
19 pursuant to subdivision (a) (3) (E) of this Section shall qualify
20 for the exemptions described in Section 51 of the Retailers'
21 Occupation Tax Act; any business so designated as a High Impact
22 Business being, for purposes of this Section, a "Wind Energy
23 Business".

24 (c) High Impact Businesses located in federally designated
25 foreign trade zones or sub-zones are also eligible for
26 additional credits, exemptions and deductions as described in

1 the following Acts: Section 9-221 and Section 9-222.1 of the
2 Public Utilities Act; and subsection (g) of Section 201, and
3 Section 203 of the Illinois Income Tax Act.

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

10 (e) Except for new wind power facilities contemplated under
11 subdivision (a)(3)(E) of this Section, new proposed facilities
12 which apply for designation as High Impact Business must
13 provide the Department with proof of alternative non-Illinois
14 sites which would receive the proposed investment and job
15 creation in the event that the business is not designated as a
16 High Impact Business.

17 (f) Except for businesses contemplated under subdivision
18 (a)(3)(E) of this Section, in the event that a business is
19 designated a High Impact Business and it is later determined
20 after reasonable notice and an opportunity for a hearing as
21 provided under the Illinois Administrative Procedure Act, that
22 the business would have placed in service in qualified property
23 the investments and created or retained the requisite number of
24 jobs without the benefits of the High Impact Business
25 designation, the Department shall be required to immediately
26 revoke the designation and notify the Director of the

1 Department of Revenue who shall begin proceedings to recover
2 all wrongfully exempted State taxes with interest. The business
3 shall also be ineligible for all State funded Department
4 programs for a period of 10 years.

5 (g) The Department shall revoke a High Impact Business
6 designation if the participating business fails to comply with
7 the terms and conditions of the designation. However, the
8 penalties for new wind power facilities or Wind Energy
9 Businesses for failure to comply with any of the terms or
10 conditions of the Illinois Prevailing Wage Act shall be only
11 those penalties identified in the Illinois Prevailing Wage Act,
12 and the Department shall not revoke a High Impact Business
13 designation as a result of the failure to comply with any of
14 the terms or conditions of the Illinois Prevailing Wage Act in
15 relation to a new wind power facility or a Wind Energy
16 Business.

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

23 (Source: P.A. 96-28, eff. 7-1-09; 97-905, eff. 8-7-12.)

24 Section 10. The Property Tax Code is amended by changing
25 Section 18-165 as follows:

1 (35 ILCS 200/18-165)

2 Sec. 18-165. Abatement of taxes.

3 (a) Any taxing district, upon a majority vote of its
4 governing authority, may, after the determination of the
5 assessed valuation of its property, order the clerk of that
6 county to abate any portion of its taxes on the following types
7 of property:

8 (1) Commercial and industrial.

9 (A) The property of any commercial or industrial
10 firm, including but not limited to the property of (i)
11 any firm that is used for collecting, separating,
12 storing, or processing recyclable materials, locating
13 within the taxing district during the immediately
14 preceding year from another state, territory, or
15 country, or having been newly created within this State
16 during the immediately preceding year, or expanding an
17 existing facility, or (ii) any firm that is used for
18 the generation and transmission of electricity
19 locating within the taxing district during the
20 immediately preceding year or expanding its presence
21 within the taxing district during the immediately
22 preceding year by construction of a new electric
23 generating facility that uses natural gas as its fuel,
24 or any firm that is used for production operations at a
25 new, expanded, or reopened coal mine within the taxing

1 district, that has been certified as a High Impact
2 Business by the Illinois Department of Commerce and
3 Economic Opportunity. The property of any firm used for
4 the generation and transmission of electricity shall
5 include all property of the firm used for transmission
6 facilities as defined in Section 5.5 of the Illinois
7 Enterprise Zone Act. The abatement shall not exceed a
8 period of 10 years and the aggregate amount of abated
9 taxes for all taxing districts combined shall not
10 exceed \$4,000,000.

11 (A-5) Any property in the taxing district of a new
12 electric generating facility, as defined in Section
13 605-332 of the Department of Commerce and Economic
14 Opportunity Law of the Civil Administrative Code of
15 Illinois. The abatement shall not exceed a period of 10
16 years. The abatement shall be subject to the following
17 limitations:

18 (i) if the equalized assessed valuation of the
19 new electric generating facility is equal to or
20 greater than \$25,000,000 but less than
21 \$50,000,000, then the abatement may not exceed (i)
22 over the entire term of the abatement, 5% of the
23 taxing district's aggregate taxes from the new
24 electric generating facility and (ii) in any one
25 year of abatement, 20% of the taxing district's
26 taxes from the new electric generating facility;

1 (ii) if the equalized assessed valuation of
2 the new electric generating facility is equal to or
3 greater than \$50,000,000 but less than
4 \$75,000,000, then the abatement may not exceed (i)
5 over the entire term of the abatement, 10% of the
6 taxing district's aggregate taxes from the new
7 electric generating facility and (ii) in any one
8 year of abatement, 35% of the taxing district's
9 taxes from the new electric generating facility;

10 (iii) if the equalized assessed valuation of
11 the new electric generating facility is equal to or
12 greater than \$75,000,000 but less than
13 \$100,000,000, then the abatement may not exceed
14 (i) over the entire term of the abatement, 20% of
15 the taxing district's aggregate taxes from the new
16 electric generating facility and (ii) in any one
17 year of abatement, 50% of the taxing district's
18 taxes from the new electric generating facility;

19 (iv) if the equalized assessed valuation of
20 the new electric generating facility is equal to or
21 greater than \$100,000,000 but less than
22 \$125,000,000, then the abatement may not exceed
23 (i) over the entire term of the abatement, 30% of
24 the taxing district's aggregate taxes from the new
25 electric generating facility and (ii) in any one
26 year of abatement, 60% of the taxing district's

1 taxes from the new electric generating facility;

2 (v) if the equalized assessed valuation of the
3 new electric generating facility is equal to or
4 greater than \$125,000,000 but less than
5 \$150,000,000, then the abatement may not exceed
6 (i) over the entire term of the abatement, 40% of
7 the taxing district's aggregate taxes from the new
8 electric generating facility and (ii) in any one
9 year of abatement, 60% of the taxing district's
10 taxes from the new electric generating facility;

11 (vi) if the equalized assessed valuation of
12 the new electric generating facility is equal to or
13 greater than \$150,000,000, then the abatement may
14 not exceed (i) over the entire term of the
15 abatement, 50% of the taxing district's aggregate
16 taxes from the new electric generating facility
17 and (ii) in any one year of abatement, 60% of the
18 taxing district's taxes from the new electric
19 generating facility.

20 The abatement is not effective unless the owner of
21 the new electric generating facility agrees to repay to
22 the taxing district all amounts previously abated,
23 together with interest computed at the rate and in the
24 manner provided for delinquent taxes, in the event that
25 the owner of the new electric generating facility
26 closes the new electric generating facility before the

1 expiration of the entire term of the abatement.

2 The authorization of taxing districts to abate
3 taxes under this subdivision (a)(1)(A-5) expires on
4 January 1, 2010.

5 (B) The property of any commercial or industrial
6 development of at least 225 ~~500~~ acres having been
7 created within the taxing district. The abatement
8 shall not exceed a period of 20 years and the aggregate
9 amount of abated taxes for all taxing districts
10 combined shall not exceed \$12,000,000.

11 (C) The property of any commercial or industrial
12 firm currently located in the taxing district that
13 expands a facility or its number of employees. The
14 abatement shall not exceed a period of 10 years and the
15 aggregate amount of abated taxes for all taxing
16 districts combined shall not exceed \$4,000,000. The
17 abatement period may be renewed at the option of the
18 taxing districts.

19 (2) Horse racing. Any property in the taxing district
20 which is used for the racing of horses and upon which
21 capital improvements consisting of expansion, improvement
22 or replacement of existing facilities have been made since
23 July 1, 1987. The combined abatements for such property
24 from all taxing districts in any county shall not exceed
25 \$5,000,000 annually and shall not exceed a period of 10
26 years.

1 (3) Auto racing. Any property designed exclusively for
2 the racing of motor vehicles. Such abatement shall not
3 exceed a period of 10 years.

4 (4) Academic or research institute. The property of any
5 academic or research institute in the taxing district that
6 (i) is an exempt organization under paragraph (3) of
7 Section 501(c) of the Internal Revenue Code, (ii) operates
8 for the benefit of the public by actually and exclusively
9 performing scientific research and making the results of
10 the research available to the interested public on a
11 non-discriminatory basis, and (iii) employs more than 100
12 employees. An abatement granted under this paragraph shall
13 be for at least 15 years and the aggregate amount of abated
14 taxes for all taxing districts combined shall not exceed
15 \$5,000,000.

16 (5) Housing for older persons. Any property in the
17 taxing district that is devoted exclusively to affordable
18 housing for older households. For purposes of this
19 paragraph, "older households" means those households (i)
20 living in housing provided under any State or federal
21 program that the Department of Human Rights determines is
22 specifically designed and operated to assist elderly
23 persons and is solely occupied by persons 55 years of age
24 or older and (ii) whose annual income does not exceed 80%
25 of the area gross median income, adjusted for family size,
26 as such gross income and median income are determined from

1 time to time by the United States Department of Housing and
2 Urban Development. The abatement shall not exceed a period
3 of 15 years, and the aggregate amount of abated taxes for
4 all taxing districts shall not exceed \$3,000,000.

5 (6) Historical society. For assessment years 1998
6 through 2018, the property of an historical society
7 qualifying as an exempt organization under Section
8 501(c)(3) of the federal Internal Revenue Code.

9 (7) Recreational facilities. Any property in the
10 taxing district (i) that is used for a municipal airport,
11 (ii) that is subject to a leasehold assessment under
12 Section 9-195 of this Code and (iii) which is sublet from a
13 park district that is leasing the property from a
14 municipality, but only if the property is used exclusively
15 for recreational facilities or for parking lots used
16 exclusively for those facilities. The abatement shall not
17 exceed a period of 10 years.

18 (8) Relocated corporate headquarters. If approval
19 occurs within 5 years after the effective date of this
20 amendatory Act of the 92nd General Assembly, any property
21 or a portion of any property in a taxing district that is
22 used by an eligible business for a corporate headquarters
23 as defined in the Corporate Headquarters Relocation Act.
24 Instead of an abatement under this paragraph (8), a taxing
25 district may enter into an agreement with an eligible
26 business to make annual payments to that eligible business

1 in an amount not to exceed the property taxes paid directly
2 or indirectly by that eligible business to the taxing
3 district and any other taxing districts for premises
4 occupied pursuant to a written lease and may make those
5 payments without the need for an annual appropriation. No
6 school district, however, may enter into an agreement with,
7 or abate taxes for, an eligible business unless the
8 municipality in which the corporate headquarters is
9 located agrees to provide funding to the school district in
10 an amount equal to the amount abated or paid by the school
11 district as provided in this paragraph (8). Any abatement
12 ordered or agreement entered into under this paragraph (8)
13 may be effective for the entire term specified by the
14 taxing district, except the term of the abatement or annual
15 payments may not exceed 20 years.

16 (9) United States Military Public/Private Residential
17 Developments. Each building, structure, or other
18 improvement designed, financed, constructed, renovated,
19 managed, operated, or maintained after January 1, 2006
20 under a "PPV Lease", as set forth under Division 14 of
21 Article 10, and any such PPV Lease.

22 (10) Property located in a business corridor that
23 qualifies for an abatement under Section 18-184.10.

24 (b) Upon a majority vote of its governing authority, any
25 municipality may, after the determination of the assessed
26 valuation of its property, order the county clerk to abate any

1 portion of its taxes on any property that is located within the
2 corporate limits of the municipality in accordance with Section
3 8-3-18 of the Illinois Municipal Code.

4 (Source: P.A. 96-1136, eff. 7-21-10; 97-577, eff. 1-1-12;
5 97-636, eff. 6-1-12.)

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.