

AN ACT concerning business incentives.

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

Section 1. Short title. This Act may be cited as the Business Location Efficiency Incentive Act.

Section 5. Definitions. In this Act:

"Location efficient" means a project that maximizes the use of existing investments in infrastructure, avoids or minimizes additional government expenditures for new infrastructure, and has nearby housing affordable to the permanent workforce of the project or has accessible and affordable mass transit or its equivalent or some combination of both.

"Location efficiency report" means a report that is prepared by an applicant for increased State economic development assistance under Section 10 and follows this Act and any related Department guidelines, and that describes the existence of (i) affordable workforce housing or (ii) accessible and affordable mass transit or its equivalent.

"Employee housing or transportation remediation plan" means a plan to increase affordable housing or transportation options, or both, for employees earning up to the median annual salary of the workforce at the project. The plan may include, but is not limited to, an employer-financed or assisted housing program that can be supplemented by State or federal grants, shuttle services between the place of employment and existing transit stops or other reasonably accessible places, facilitation of employee carpooling, or similar services.

"Accessible and affordable mass transit" means access to transit stops with regular and frequent service within one mile from the project site and pedestrian access to transit stops.

"Affordable workforce housing" means owner-occupied or rental housing that costs, based on current census data for the

municipality where the project is located or any municipality within 3 miles of the municipality where the project is located, no more than 35% of the median salary at the project site, exclusive of the highest 10% of the site's salaries. If the project is located in an unincorporated area, "affordable workforce housing" means no more than 35% of the median salary at the project site, excluding the highest 10% of the site's salaries, based on the median cost of rental or of owner-occupied housing in the county where the unincorporated area is located.

"Department" means the Department of Commerce and Economic Opportunity (DCEO) or its successor agency.

"Applicant" means a company or its representative that negotiates or applies for economic development assistance from DCEO.

"Economic development assistance" means State tax credits and tax exemptions given as an incentive to an eligible company after certification by DCEO under the Economic Development for a Growing Economy Tax Credit Act (EDGE).

"Existence of infrastructure" means the existence within 1,500 feet of the proposed site of roads, sewers, sidewalks, and other utilities and a description of the investments or improvements, if any, that an applicant expects State or local government to make to that infrastructure.

Section 10. Economic development assistance awards.

(a) An applicant that also wants to be considered for increased economic development assistance under this Act shall submit a location efficiency report.

(b) DCEO may give an applicant an increased tax credit or extension if the applicant's location efficiency report demonstrates that the applicant is seeking assistance for a project to be located in an area that satisfies this Act's standards for affordable workforce housing or affordable and accessible mass transit. If the Department determines from the location efficiency report that the applicant is seeking

assistance in an area that is not location efficient, the Department may award an increase in State economic development assistance if an applicant (i) submits, and the Department accepts, an applicant's employee housing and transportation remediation plan or (ii) creates jobs in a labor surplus area as defined by the Department of Employment Security at the end of each calendar year.

(c) Applicants locating or expanding at location-efficient sites, with approved location efficiency plans, or creating jobs in labor surplus areas may receive (i) up to 10% more than the maximum allowable tax credits for which they are eligible under the Economic Development for a Growing Economy Tax Credit Act (EDGE), but not to equal or exceed 100% of the applicant's tax liability, or (ii) such other adjustment of those tax credits, including but not limited to extensions, as the Department deems appropriate.

(d) The Department may provide technical assistance to employers requesting assistance in developing an appropriate employee housing or transportation plan.

Section 15. Summaries; progress reports.

(a) DCEO shall include summaries of the initial employee housing or transportation plans for each assisted project in the annual compilation and publication of project progress reports required under subsection (d) of Section 20 of the Corporate Accountability for Tax Expenditures Act. Companies that fail to do so or that make inadequate progress shall have their increased tax credit or extension eliminated. Applicants and submitted data are subject to all disclosure, reporting, and recapture provisions set forth in Public Act 93-552.

(b) By June 1, 2008 and by June 1 of each year thereafter through 2011, the Department shall include, when appropriate, data on the outcomes or status of approved employee housing or transportation plans in the project progress reports required under the Corporate Accountability for Tax Expenditure Act.

Section 20. Duration of incentives; report to General Assembly.

(a) Any multi-year incentive awarded under this Act shall continue for the time period called for in the agreement with the Department and shall not be altered by the repeal of this Act.

(b) By January 1, 2011, the Department shall submit to the Speaker of the House of Representatives and the President of the Senate, for assignment to the appropriate committees, a report on the incentives awarded under this Act and the Department's activities, findings, and recommendations with respect to this Act and its extension, amendment, or repeal. The report, when acted upon by those committees, shall be distributed to each member of the General Assembly.

Section 25. Repeal. This Act is repealed on December 31, 2011.

Section 99. Effective date. This Act takes effect January 1, 2007.