

1 AN ACT concerning employment.

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

4 Section 1. Short title. This Act may be cited as the
5 Securing All Futures through Equitable Reinvestment (SAFER)
6 Communities Act.

7 Section 5. Intent. To reverse the trend of high
8 unemployment among formerly incarcerated individuals and to
9 spur the economic recovery of small businesses in Illinois, it
10 is necessary to provide financial incentives for employers to
11 create new, full-time jobs for individuals with felony
12 conviction records.

13 The intent of this Act is to facilitate the re-entry into
14 society of formerly incarcerated individuals and to create
15 financial incentives for employers that hire formerly
16 incarcerated individuals.

17 Section 10. Definitions. As used in this Act:

18 "Average wage" means the average annual wage paid to
19 individuals who are employed in the same occupation as the
20 participant in the metropolitan or nonmetropolitan statistical
21 area where the participant's primary job site is located.

22 "Average annual wage" shall be determined by the Department

1 using the most recent data published by the Bureau of Labor
2 Statistics of the United States Department of Labor in its
3 Occupational Outlook Handbook, or any similar Bureau of Labor
4 Statistics publication, as of the effective date of the
5 agreement for wage reimbursement under this Act.

6 "Barrier reduction funding" has the meaning given to that
7 term in Section 605-415 of the Department of Commerce and
8 Economic Opportunity Law of the Civil Administrative Code of
9 Illinois.

10 "Date of hire" means the first date on which a participant
11 begins working for an employer as a full-time employee.

12 "Department" means the Department of Commerce and Economic
13 Opportunity.

14 "Director" means the Director of Commerce and Economic
15 Opportunity.

16 "Disproportionately impacted area" means a census tract
17 that is located in an R3 Area designated by the Restore,
18 Reinvest, and Renew Program Board in accordance with Section
19 10-40 of the Cannabis Regulation and Tax Act.

20 "Employer" means an Illinois taxpayer that has an
21 agreement with a Navigator to (i) hire at least one
22 participant as a full-time employee and (ii) provide the
23 employee with the knowledge or skills essential to the full
24 and adequate performance of the job.

25 "Full-time employee" means an individual who is employed
26 for at least 30 hours each week in (i) a position that is

1 covered by a collective bargaining agreement between the union
2 and an employer or (ii) a position for which the individual
3 receives a wage that meets or exceeds the average wage for that
4 occupation.

5 "Navigator" means any one or more of the following
6 entities that has demonstrated expertise and effectiveness in
7 administering workforce development programs for formerly
8 incarcerated participants and is certified by the Department
9 as a Navigator: a private nonprofit or not-for-profit
10 organization, an industry association, an administrative
11 entity under the federal Workforce Innovation and Opportunity
12 Act, a community action agency, or a public or private
13 educational institution.

14 "Participant" means an individual who:

15 (1) is an Illinois resident;

16 (2) was an unemployed or underemployed individual
17 immediately before being hired by the employer;

18 (3) served a sentence of incarceration in a State or
19 federal prison that (i) ends not more than 10 years before
20 the date the employee is accepted by a Navigator to
21 participate in the program and (ii) ends or is expected to
22 end no later than 12 months after the employee is accepted
23 by a Navigator to participate in the program; and

24 (4) has been accepted by a Navigator to participate in
25 the program.

26 "Program" means the Securing All Futures through Equitable

1 Reinvestment (SAFER) Communities Wage Reimbursement Pilot
2 Program created in this Act.

3 "Underemployed individual" means an individual who:

4 (1) works part-time but desires full-time employment;

5 (2) works for wages not commensurate with the
6 individual's demonstrated level of educational or skill
7 achievement; or

8 (3) is employed and is eligible for assistance under
9 Section 6 of the Energy Assistance Act.

10 "Unemployed individual" means an individual who is without
11 a job and who wants and is available for work. The
12 determination of whether an individual is without a job, for
13 purposes of this definition, shall be made in accordance with
14 the criteria used by the Bureau of Labor Statistics of the
15 United States Department of Labor or as required by the
16 relevant funding source and set forth in the Notice of Funding
17 Opportunities.

18 "Wage reimbursement" means the amount awarded by the
19 Department to a Navigator to compensate the employer for the
20 employer's costs of employment for each participant hired by
21 the employer.

22 Section 15. Powers of the Department. The Department is
23 granted and shall have all the powers necessary or convenient
24 to carry out the purposes and provisions of this Act,
25 including, but not limited to, the power and authority to:

1 (1) adopt rules that are necessary and appropriate for
2 the administration of this Act;

3 (2) establish forms for applications, notifications,
4 contracts, or any other agreements needed to implement
5 this Act;

6 (3) accept applications for the program under this Act
7 at any time during the year and require that the
8 applications be submitted through the Internet or by any
9 other electronic means;

10 (4) provide guidance and assistance to Navigators for
11 the purpose of carrying out this Act and cooperate with
12 Navigators to promote, foster, and support job creation in
13 the State;

14 (5) enter into agreements and memoranda of
15 understanding with agencies of the federal government,
16 units of local government, universities, research
17 foundations or institutions, regional economic development
18 corporations, not-for-profit organizations, or other
19 organizations for the purpose of administering this Act;

20 (6) gather information about Navigators for the
21 purpose of making any designations or certifications in
22 furtherance of the purposes of this Act;

23 (7) provide for sufficient personnel to adequately
24 discharge the Department's duties and responsibilities
25 described in this Act from any funds appropriated by the
26 General Assembly for the administration of this Act; and

1 (8) require Navigators, upon written request, to issue
2 any necessary authorization to the appropriate federal,
3 State, or local authority or any other person for the
4 release to the Department of information requested by the
5 Department, including, but not limited to, financial
6 reports, returns, or records relating to the Navigators or
7 to the amount of the wage reimbursement allowable under
8 this Act.

9 Section 20. SAFER Communities Wage Reimbursement Pilot
10 Program.

11 (a) The Department shall, subject to appropriation, create
12 a program to award grants to Navigators for the purposes
13 described in this Section.

14 (b) The Department shall award grants to Navigators for
15 the following purposes:

16 (1) providing wage reimbursements to employers that
17 hire participants, as provided in Sections 25 and 30;

18 (2) collaborating with employers to support
19 participants who require on-the-job experience to gain job
20 skills, develop a work history, and begin a network for
21 entering the workforce; and

22 (3) providing barrier reduction funding, including,
23 but not limited to, transportation, housing, childcare,
24 and technology services to participants, as needed.

25 (c) The Department may also award grants for the following

1 purposes to Navigators who are eligible to receive grants
2 under subsection (b):

3 (1) establishing retention coaching programs that
4 support worker retention by continuing the services
5 described in subparagraph (3) of subsection (b) for one
6 year after job placement, as needed; and

7 (2) supporting participants who aspire to participate
8 in additional workforce development, training, and
9 technical skills programs and opportunities.

10 (d) Navigators shall use the Department's system of record
11 to maintain a record of all participants who are eligible for
12 the Program. Navigators shall verify each applicant's
13 employment and conviction history to determine whether the
14 applicant is eligible for participation in the program.
15 Navigators shall notify applicants by email of the denial or
16 approval of the application. Navigators may also send a
17 physical copy of the denial or approval by first-class mail if
18 the application indicates that email is not the applicant's
19 preferred method of communication. Each denial letter issued
20 under this subsection shall state the reason why the
21 individual's application is being denied. Navigators shall
22 submit to the Department a record of each applicant's denial
23 or approval. Navigators shall email qualified participants an
24 electronic certification of eligibility with details about the
25 wage subsidy program, which the participant may present to a
26 prospective employer. The Navigator may also send a physical

1 copy of the certification by first class mail if the
2 application indicates that email is not the applicant's
3 preferred method of communication.

4 Section 25. Eligibility and reporting.

5 (a) The Navigator shall enter into an agreement with the
6 employer of an eligible participant to establish the general
7 terms and conditions of wage reimbursements with respect to
8 that participant. At a minimum, the agreement shall include:

9 (1) the participant's name, social security number or
10 individual taxpayer identification number, job
11 description, and salary;

12 (2) the physical address of the workplace at which the
13 participant is based;

14 (3) the negotiated reimbursement rate for the wage the
15 Navigator would receive under this Act with respect to the
16 participant listed on the application; and

17 (4) any other information required by the Department.

18 (b) Wage reimbursements provided to employers must not
19 directly or indirectly assist, promote, or deter union
20 organizing.

21 (c) Navigators shall submit monthly reports in the form
22 and manner required by the Department that include the
23 employment status of each participant.

24 Section 30. Wage reimbursement.

1 (a) An employer may enter into a wage reimbursement
2 agreement under Section 25 for each participant who is
3 employed by the employer as a full-time employee for a full
4 calendar month as of the date the agreement is entered into,
5 provided that the following conditions are met:

6 (1) the participant shall be provided benefits and
7 working conditions at the same level and to the same
8 extent as other employees who have been employed by the
9 employer for a similar length of time and do the same type
10 of work as the participant;

11 (2) starting from the date of hire of the participant,
12 the employer shall maintain or increase its total number
13 of full-time Illinois employees; and

14 (3) the employer shall pay the participant a wage
15 that, when annualized, meets or exceeds the average wage
16 paid by the employer to other employees who have been
17 employed by the employer for a similar length of time and
18 do the same type of work as the participant.

19 (b) The wage reimbursement received by an employer shall
20 be 50% of the wages earned by each participant as a result of
21 his or her employment with the employer. However, if the
22 participant's primary job site is located in a
23 disproportionately impacted area, then the wage reimbursement
24 shall be 75% of the wages earned by that participant. No
25 employer shall receive a wage reimbursement for a particular
26 participant for more than 12 consecutive months.

1 Section 35. Data collection and reporting. For years in
2 which it receives an appropriation for purposes of this Act,
3 the Department shall make publicly available an annual report
4 on the use, outcomes, and impact of the program described in
5 this Act, including, but not limited to, the total number of
6 participants hired under the program, disaggregated by
7 categories of race, age, gender, hourly wage, length of job
8 retention, recidivism status, job location by region, and
9 employment industry.

10 Section 40. Awareness promotion of the pilot program. The
11 Department of Corrections shall implement procedures to
12 promote awareness and participation in the program among
13 eligible persons, including, but not limited to, the
14 following:

15 (1) The Department of Corrections shall ensure that
16 the wardens or superintendents of all correctional
17 institutions and facilities visibly post information about
18 the availability and registration process for the program
19 in all common areas of their respective institutions, and
20 shall broadcast the same via in-house institutional
21 information television channels. The Department of
22 Corrections shall ensure that updated information is
23 distributed in a timely, visible, and accessible manner.

24 (2) The Department of Corrections shall ensure that

1 each incarcerated individual, upon release as a committed
2 person on parole, mandatory supervised release, aftercare
3 release, final discharge, or pardon, shall be provided
4 with written information about the availability and
5 registration process for the program.

6 (3) The Department of Corrections shall provide to
7 each parole office in this State information about the
8 availability and application process for the program,
9 which shall be posted in a visible and accessible manner.

10 (4) The Department of Corrections shall distribute
11 written information about the availability and application
12 process for the program to the Community Support Advisory
13 Councils of the Department of Corrections for use in
14 re-entry programs across this State.

15 Section 45. Funding. Implementation of this Act is subject
16 to appropriation.

17 Section 50. Rulemaking authority. Upon an appropriation
18 for the Program, the Department may adopt rules that are
19 necessary to implement and administer this Act.

20 Section 55. Repeal. This Act is repealed on December 31,
21 2029.

22 Section 895. The Illinois Administrative Procedure Act is

1 amended by adding Section 5-45.35 as follows:

2 (5 ILCS 100/5-45.35 new)

3 Sec. 5-45.35. Emergency rulemaking; Securing All Futures
4 through Equitable Reinvestment (SAFER) Communities Act. To
5 provide for the expeditious and timely implementation of the
6 Securing All Futures through Equitable Reinvestment (SAFER)
7 Communities Act, emergency rules implementing that Act may be
8 adopted in accordance with Section 5-45 by the Department of
9 Commerce and Economic Opportunity. The adoption of emergency
10 rules authorized by Section 5-45 and this Section is deemed to
11 be necessary for the public interest, safety, and welfare.

12 This Section is repealed one year after the effective date
13 of this amendatory Act of the 103rd General Assembly.

14 Section 900. The Illinois Income Tax Act is amended by
15 changing Section 216 and by adding Section 216.1 as follows:

16 (35 ILCS 5/216)

17 Sec. 216. Credit for wages paid to ex-felons.

18 (a) For each taxable year beginning on or after January 1,
19 2007 and before January 1, 2024, each taxpayer is entitled to a
20 credit against the tax imposed by subsections (a) and (b) of
21 Section 201 of this Act in an amount equal to 5% of qualified
22 wages paid by the taxpayer during the taxable year to one or
23 more Illinois residents who are qualified ex-offenders. The

1 total credit allowed to a taxpayer with respect to each
2 qualified ex-offender may not exceed \$1,500 for all taxable
3 years. For partners, shareholders of Subchapter S
4 corporations, and owners of limited liability companies, if
5 the liability company is treated as a partnership for purposes
6 of federal and State income taxation, there shall be allowed a
7 credit under this Section to be determined in accordance with
8 the determination of income and distributive share of income
9 under Sections 702 and 704 and Subchapter S of the Internal
10 Revenue Code.

11 (b) For purposes of this Section, "qualified wages":

12 (1) includes only wages that are subject to federal
13 unemployment tax under Section 3306 of the Internal
14 Revenue Code, without regard to any dollar limitation
15 contained in that Section;

16 (2) does not include any amounts paid or incurred by
17 an employer for any period to any qualified ex-offender
18 for whom the employer receives federally funded payments
19 for on-the-job training of that qualified ex-offender for
20 that period; and

21 (3) includes only wages attributable to service
22 rendered during the one-year period beginning with the day
23 the qualified ex-offender begins work for the employer.

24 If the taxpayer has received any payment from a program
25 established under Section 482(e)(1) of the federal Social
26 Security Act with respect to a qualified ex-offender, then,

1 for purposes of calculating the credit under this Section, the
2 amount of the qualified wages paid to that qualified
3 ex-offender must be reduced by the amount of the payment.

4 (c) For purposes of this Section, "qualified ex-offender"
5 means any person who:

6 (1) has been convicted of a crime in this State or of
7 an offense in any other jurisdiction, not including any
8 offense or attempted offense that would subject a person
9 to registration under the Sex Offender Registration Act;

10 (2) was sentenced to a period of incarceration in an
11 Illinois adult correctional center; and

12 (3) was hired by the taxpayer within 3 years after
13 being released from an Illinois adult correctional center.

14 (d) In no event shall a credit under this Section reduce
15 the taxpayer's liability to less than zero. If the amount of
16 the credit exceeds the tax liability for the year, the excess
17 may be carried forward and applied to the tax liability of the
18 5 taxable years following the excess credit year. The tax
19 credit shall be applied to the earliest year for which there is
20 a tax liability. If there are credits for more than one year
21 that are available to offset a liability, the earlier credit
22 shall be applied first.

23 (e) This Section is exempt from the provisions of Section
24 250.

25 (Source: P.A. 98-165, eff. 8-5-13.)

1 (35 ILCS 5/216.1 new)

2 Sec. 216.1. Credit for wages paid to ex-offenders.

3 (a) In this Section:

4 "Qualified ex-offender" means any person who was hired by
5 the taxpayer within 10 years after being released from a
6 correctional center in the State.

7 "Qualified wages" includes only wages that are
8 attributable to service rendered during the one-year period
9 beginning with the day the qualified ex-offender begins work
10 for the employer and are subject to federal unemployment tax
11 under Section 3306 of the Internal Revenue Code, without
12 regard to any dollar limitation contained in that Section.

13 "Qualified wages" does not include any amounts paid or
14 incurred by an employer for any period to any qualified
15 ex-offender for whom the employer receives State-funded or
16 federally funded payments for on-the-job training of that
17 qualified ex-offender for that period. If the taxpayer has
18 received any payment from a program established under Section
19 482(e)(1) of the federal Social Security Act with respect to a
20 qualified ex-offender, then the amount of the qualified wages
21 paid to that qualified ex-offender must be reduced, for
22 purposes of calculating the credit under this Section, by the
23 amount of the payment.

24 (b) For each taxable year beginning on or after January 1,
25 2024, each taxpayer is entitled to a credit against the tax
26 imposed by subsections (a) and (b) of Section 201 of this Act

1 in an amount equal to 10% of the qualified wages paid by the
2 taxpayer during the taxable year to one or more Illinois
3 residents who are qualified ex-offenders. For taxpayers
4 employing 100 or more employees on the last day of the taxable
5 year, the total credit allowed with respect to each qualified
6 ex-offender may not exceed \$1,500 for all taxable years. For
7 taxpayers employing fewer than 100 employees on the last day
8 of the taxable year, the total credit allowed with respect to
9 each qualified ex-offender may not exceed \$5,000 for all
10 taxable years.

11 (c) For partners and shareholders of Subchapter S
12 corporations, there shall be allowed a credit under this
13 Section to be determined in accordance with the determination
14 of income and distributive share of income under Sections 702
15 and 704 and Subchapter S of the Internal Revenue Code.

16 (d) In no event shall a credit under this Section reduce
17 the taxpayer's liability to less than zero. If the amount of
18 the credit exceeds the tax liability for the year, the excess
19 may be carried forward and applied to the tax liability of the
20 5 taxable years following the excess credit year. The tax
21 credit shall be applied to the earliest year for which there is
22 a tax liability. If there are credits for more than one year
23 that are available to offset a liability, the earlier credit
24 shall be applied first.

25 (e) This Section is exempt from the provisions of Section
26 250.

1 Section 999. Effective date. This Act takes effect upon
2 becoming law.