



Rep. Justin Slaughter

**Filed: 3/6/2023**

10300HB3418ham001

LRB103 29223 HLH 58206 a

1 AMENDMENT TO HOUSE BILL 3418

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3418 by replacing  
3 everything after the enacting clause with the following:

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.

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

2 "Average wage" means the average annual wage paid to  
3 individuals who are employed in the same occupation as the  
4 participant in the metropolitan or nonmetropolitan statistical  
5 area where the participant's primary job site is located.  
6 "Average annual wage" shall be determined by the Department  
7 using the most recent data published by the Bureau of Labor  
8 Statistics of the United States Department of Labor in its  
9 Occupational Outlook Handbook, or any similar Bureau of Labor  
10 Statistics publication, as of the effective date of the  
11 agreement for wage reimbursement under this Act.

12 "Barrier reduction funding" has the meaning given to that  
13 term in Section 605-415 of the Department of Commerce and  
14 Economic Opportunity Law of the Civil Administrative Code of  
15 Illinois.

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

18 "Department" means the Department of Commerce and Economic  
19 Opportunity.

20 "Director" means the Director of Commerce and Economic  
21 Opportunity.

22 "Disproportionately impacted area" means a census tract  
23 that is located in an R3 Area designated by the Restore,  
24 Reinvest, and Renew Program Board in accordance with Section  
25 10-40 of the Cannabis Regulation and Tax Act.

1 "Employer" means an Illinois taxpayer that has an  
2 agreement with a Navigator to (i) hire at least one  
3 participant as a full-time employee and (ii) provide the  
4 employee with the knowledge or skills essential to the full  
5 and adequate performance of the job.

6 "Full-time employee" means an individual who is employed  
7 for at least 30 hours each week in (i) a position that is  
8 covered by a collective bargaining agreement between the union  
9 and an employer or (ii) a position for which the individual  
10 receives a wage that meets or exceeds the average wage for that  
11 occupation.

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

21 "Participant" means an individual who:

22 (1) is an Illinois resident;

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

25 (3) served a sentence of incarceration in a State or  
26 federal prison that (i) ends not more than 10 years before

1 the date the employee is accepted by a Navigator to  
2 participate in the program and (ii) ends or is expected to  
3 end no later than 12 months after the employee is accepted  
4 by a Navigator to participate in the program; and

5 (4) has been accepted by a Navigator to participate in  
6 the program.

7 "Program" means the Securing All Futures through Equitable  
8 Reinvestment (SAFER) Communities Wage Reimbursement Pilot  
9 Program created in this Act.

10 "Underemployed individual" means an individual who:

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

12 (2) works for wages not commensurate with the  
13 individual's demonstrated level of educational or skill  
14 achievement; or

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

17 "Unemployed individual" means an individual who is without  
18 a job and who wants and is available for work. The  
19 determination of whether an individual is without a job, for  
20 purposes of this definition, shall be made in accordance with  
21 the criteria used by the Bureau of Labor Statistics of the  
22 United States Department of Labor or as required by the  
23 relevant funding source and set forth in the Notice of Funding  
24 Opportunities.

25 "Wage reimbursement" means the amount awarded by the  
26 Department to a Navigator to compensate the employer for the

1 employer's costs of employment for each participant hired by  
2 the employer.

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

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

9 (2) establish forms for applications, notifications,  
10 contracts, or any other agreements needed to implement  
11 this Act;

12 (3) accept applications for the program under this Act  
13 at any time during the year and require that the  
14 applications be submitted through the Internet or by any  
15 other electronic means;

16 (4) provide guidance and assistance to Navigators for  
17 the purpose of carrying out this Act and cooperate with  
18 Navigators to promote, foster, and support job creation in  
19 the State;

20 (5) enter into agreements and memoranda of  
21 understanding with agencies of the federal government,  
22 units of local government, universities, research  
23 foundations or institutions, regional economic development  
24 corporations, not-for-profit organizations, or other  
25 organizations for the purpose of administering this Act;

1           (6) gather information about Navigators for the  
2 purpose of making any designations or certifications in  
3 furtherance of the purposes of this Act;

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

8           (8) require Navigators, upon written request, to issue  
9 any necessary authorization to the appropriate federal,  
10 State, or local authority or any other person for the  
11 release to the Department of information requested by the  
12 Department, including, but not limited to, financial  
13 reports, returns, or records relating to the Navigators or  
14 to the amount of the wage reimbursement allowable under  
15 this Act.

16           Section 20. SAFER Communities Wage Reimbursement Pilot  
17 Program.

18           (a) The Department shall, subject to appropriation, create  
19 a program to award grants to Navigators for the purposes  
20 described in this Section.

21           (b) The Department shall award grants to Navigators for  
22 the following purposes:

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

25                 (2) collaborating with employers to support

1 participants who require on-the-job experience to gain job  
2 skills, develop a work history, and begin a network for  
3 entering the workforce; and

4 (3) providing barrier reduction funding, including,  
5 but not limited to, transportation, housing, childcare,  
6 and technology services to participants, as needed.

7 (c) The Department may also award grants for the following  
8 purposes to Navigators who are eligible to receive grants  
9 under subsection (b):

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

14 (2) supporting participants who aspire to participate  
15 in additional workforce development, training, and  
16 technical skills programs and opportunities.

17 (d) Navigators shall use the Department's system of record  
18 to maintain a record of all participants who are eligible for  
19 the Program. Navigators shall verify each applicant's  
20 employment and conviction history to determine whether the  
21 applicant is eligible for participation in the program.  
22 Navigators shall notify applicants by email of the denial or  
23 approval of the application. Navigators may also send a  
24 physical copy of the denial or approval by first-class mail if  
25 the application indicates that email is not the applicant's  
26 preferred method of communication. Each denial letter issued

1 under this subsection shall state the reason why the  
2 individual's application is being denied. Navigators shall  
3 submit to the Department a record of each applicant's denial  
4 or approval. Navigators shall email qualified participants an  
5 electronic certification of eligibility with details about the  
6 wage subsidy program, which the participant may present to a  
7 prospective employer. The Navigator may also send a physical  
8 copy of the certification by first class mail if the  
9 application indicates that email is not the applicant's  
10 preferred method of communication.

11 Section 25. Eligibility and reporting.

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

16 (1) the participant's name, social security number or  
17 individual taxpayer identification number, job  
18 description, and salary;

19 (2) the physical address of the workplace at which the  
20 participant is based;

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

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

25 (b) Wage reimbursements provided to employers must not



1 directly or indirectly assist, promote, or deter union  
2 organizing.

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

6 Section 30. Wage reimbursement.

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

12 (1) the participant shall be provided benefits and  
13 working conditions at the same level and to the same  
14 extent as other employees who have been employed by the  
15 employer for a similar length of time and do the same type  
16 of work as the participant;

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

20 (3) the employer shall pay the participant a wage  
21 that, when annualized, meets or exceeds the average wage  
22 paid by the employer to other employees who have been  
23 employed by the employer for a similar length of time and  
24 do the same type of work as the participant.

25 (b) The wage reimbursement received by an employer shall

1 be 50% of the wages earned by each participant as a result of  
2 his or her employment with the employer. However, if the  
3 participant's primary job site is located in a  
4 disproportionately impacted area, then the wage reimbursement  
5 shall be 75% of the wages earned by that participant. No  
6 employer shall receive a wage reimbursement for a particular  
7 participant for more than 12 consecutive months.

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

17 Section 40. Awareness promotion of the pilot program. The  
18 Department of Corrections shall implement procedures to  
19 promote awareness and participation in the program among  
20 eligible persons, including, but not limited to, the  
21 following:

22 (1) The Department of Corrections shall ensure that  
23 the wardens or superintendents of all correctional  
24 institutions and facilities visibly post information about

1 the availability and registration process for the program  
2 in all common areas of their respective institutions, and  
3 shall broadcast the same via in-house institutional  
4 information television channels. The Department of  
5 Corrections shall ensure that updated information is  
6 distributed in a timely, visible, and accessible manner.

7 (2) The Department of Corrections shall ensure that  
8 each incarcerated individual, upon release as a committed  
9 person on parole, mandatory supervised release, aftercare  
10 release, final discharge, or pardon, shall be provided  
11 with written information about the availability and  
12 registration process for the program.

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

17 (4) The Department of Corrections shall distribute  
18 written information about the availability and application  
19 process for the program to the Community Support Advisory  
20 Councils of the Department of Corrections for use in  
21 re-entry programs across this State.

22 Section 45. Funding. Implementation of this Act is subject  
23 to appropriation.

24 Section 50. Rulemaking authority. Upon an appropriation

1 for the Program, the Department may adopt rules that are  
2 necessary to implement and administer this Act.

3 Section 55. Repeal. This Act is repealed on December 31,  
4 2029.

5 Section 895. The Illinois Administrative Procedure Act is  
6 amended by adding Section 5-45.35 as follows:

7 (5 ILCS 100/5-45.35 new)

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

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

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

21 (35 ILCS 5/216)

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

2           (a) For each taxable year beginning on or after January 1,  
3 2007 and before January 1, 2024, each taxpayer is entitled to a  
4 credit against the tax imposed by subsections (a) and (b) of  
5 Section 201 of this Act in an amount equal to 5% of qualified  
6 wages paid by the taxpayer during the taxable year to one or  
7 more Illinois residents who are qualified ex-offenders. The  
8 total credit allowed to a taxpayer with respect to each  
9 qualified ex-offender may not exceed \$1,500 for all taxable  
10 years. For partners, shareholders of Subchapter S  
11 corporations, and owners of limited liability companies, if  
12 the liability company is treated as a partnership for purposes  
13 of federal and State income taxation, there shall be allowed a  
14 credit under this Section to be determined in accordance with  
15 the determination of income and distributive share of income  
16 under Sections 702 and 704 and Subchapter S of the Internal  
17 Revenue Code.

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

19           (1) includes only wages that are subject to federal  
20 unemployment tax under Section 3306 of the Internal  
21 Revenue Code, without regard to any dollar limitation  
22 contained in that Section;

23           (2) does not include any amounts paid or incurred by  
24 an employer for any period to any qualified ex-offender  
25 for whom the employer receives federally funded payments  
26 for on-the-job training of that qualified ex-offender for

1 that period; and

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

5 If the taxpayer has received any payment from a program  
6 established under Section 482(e)(1) of the federal Social  
7 Security Act with respect to a qualified ex-offender, then,  
8 for purposes of calculating the credit under this Section, the  
9 amount of the qualified wages paid to that qualified  
10 ex-offender must be reduced by the amount of the payment.

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

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

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

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

21 (d) In no event shall a credit under this Section reduce  
22 the taxpayer's liability to less than zero. If the amount of  
23 the credit exceeds the tax liability for the year, the excess  
24 may be carried forward and applied to the tax liability of the  
25 5 taxable years following the excess credit year. The tax  
26 credit shall be applied to the earliest year for which there is

1 a tax liability. If there are credits for more than one year  
2 that are available to offset a liability, the earlier credit  
3 shall be applied first.

4 (e) This Section is exempt from the provisions of Section  
5 250.

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

7 (35 ILCS 5/216.1 new)

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

9 (a) In this Section:

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

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

19 "Qualified wages" does not include any amounts paid or  
20 incurred by an employer for any period to any qualified  
21 ex-offender for whom the employer receives State-funded or  
22 federally funded payments for on-the-job training of that  
23 qualified ex-offender for that period. If the taxpayer has  
24 received any payment from a program established under Section  
25 482(e)(1) of the federal Social Security Act with respect to a

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

5 (b) For each taxable year beginning on or after January 1,  
6 2024, each taxpayer is entitled to a credit against the tax  
7 imposed by subsections (a) and (b) of Section 201 of this Act  
8 in an amount equal to 10% of the qualified wages paid by the  
9 taxpayer during the taxable year to one or more Illinois  
10 residents who are qualified ex-offenders. For taxpayers  
11 employing 100 or more employees on the last day of the taxable  
12 year, the total credit allowed with respect to each qualified  
13 ex-offender may not exceed \$1,500 for all taxable years. For  
14 taxpayers employing fewer than 100 employees on the last day  
15 of the taxable year, the total credit allowed with respect to  
16 each qualified ex-offender may not exceed \$5,000 for all  
17 taxable years.

18 (c) For partners and shareholders of Subchapter S  
19 corporations, there shall be allowed a credit under this  
20 Section to be determined in accordance with the determination  
21 of income and distributive share of income under Sections 702  
22 and 704 and Subchapter S of the Internal Revenue Code.

23 (d) In no event shall a credit under this Section reduce  
24 the taxpayer's liability to less than zero. If the amount of  
25 the credit exceeds the tax liability for the year, the excess  
26 may be carried forward and applied to the tax liability of the



1 5 taxable years following the excess credit year. The tax  
2 credit shall be applied to the earliest year for which there is  
3 a tax liability. If there are credits for more than one year  
4 that are available to offset a liability, the earlier credit  
5 shall be applied first.

6 (e) This Section is exempt from the provisions of Section  
7 250.

8 Section 999. Effective date. This Act takes effect upon  
9 becoming law.".