

1 AN ACT in relation to economic assistance.

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 State Economic Assistance Accountability Act.

6 Section 5. Definitions. In this Act:

7 "Business organization" means a corporation, partnership,
8 limited liability company, joint venture, association, or
9 other enterprise that does business in this State.

10 "Department" means the Illinois Department of Commerce
11 and Community Affairs.

12 "Director" means the Director of Commerce and Community
13 Affairs.

14 "Project" means any specific economic development
15 activity of a commercial, industrial, manufacturing,
16 agricultural, scientific, service, or other business, the
17 result of which causes the creation or retention of jobs and
18 may include the purchase or lease of machinery and equipment
19 or the lease or purchase of real property or funds for
20 infrastructure necessitated by site preparation, building
21 construction, or related purposes.

22 "State economic assistance" means (1) tax credits and tax
23 exemptions given as an incentive to a business organization
24 pursuant to a certification or designation made by the
25 Department under the Economic Development for a Growing
26 Economy Tax Credit Act and the Illinois Enterprise Zone Act,
27 including the High Impact Business program; and (2) grants or
28 loans given as an incentive to a business organization
29 pursuant to the Large Business Development Act. The term does
30 not include assistance (1) given for the purpose of job
31 training, (2) given for the purpose of road construction or

1 improvements if the road is open to the use of the general
2 public, (3) provided to units of local government, or (4) for
3 which the funding source is federal.

4 Section 10. Written agreements containing performance
5 covenants and sanctions.

6 (a) State economic assistance provided by the Department
7 as an incentive to a business organization must be based on
8 the terms of a written incentive agreement between the
9 Department and the business organization.

10 (b) The incentive agreement must identify the specific
11 State economic assistance to be provided to the business
12 organization during the term of the agreement.

13 (c) The incentive agreement must also provide for the
14 following:

15 (1) That the business organization is bound to make
16 a specified level of capital investment in a project and
17 cause the creation or retention of a specified level of
18 jobs within a specified time period.

19 (2) That if the business organization either fails
20 to make the requisite level of capital investment in the
21 project or fails to create or retain the specified number
22 of jobs within the specified time frame, as provided
23 under the Act authorizing the State economic assistance,
24 the business organization shall be deemed to no longer
25 qualify for the State economic assistance.

26 (3) That if the business organization receives
27 State economic assistance in the form of a High Impact
28 Business designation pursuant to Section 5.5 of the
29 Illinois Enterprise Zone Act and the business receives
30 the benefit of the exemption authorized under Section 51
31 of the Retailers' Occupation Tax Act (for the sale of
32 building materials incorporated into a High Impact
33 Business location) and the business organization fails to

1 create or retain the requisite number of jobs, as
2 determined by the Department, within the period of time
3 specified by the Department, the business organization
4 shall be required to pay to the State the full amount of
5 the State tax exemption that it received as a result of
6 the High Impact Business designation.

7 (4) That if the business organization receives a
8 grant pursuant to the Large Business Development Act and
9 the business organization fails to create or retain the
10 requisite number of jobs, as determined by the
11 Department, within the period of time specified by the
12 Department, the business organization shall be required
13 to repay to the Department a pro rata amount of the
14 grant, which amount shall reflect the percentage of the
15 deficiency between the promised number of jobs to be
16 created or retained by the business organization and the
17 actual number of such jobs in existence as of the date
18 the Department determines the business organization is in
19 breach of the job creation or retention covenants
20 contained in the incentive agreement.

21 (d) The Director may elect to waive enforcement of any
22 contractual right arising out of the incentive agreement
23 required by this Act based on a finding that the waiver will
24 promote the viability of the project, will contribute to an
25 increase in employment associated with the project, or will
26 contribute to the retention of jobs in Illinois associated
27 with the project.

28 Section 15. Applicability. This Act applies to all State
29 economic assistance given by the Department on or after the
30 effective date of this Act.

31 Section 99. Effective date. This Act takes effect upon
32 becoming law.