

HB0577



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0577

Introduced 2/5/2007, by Rep. Michael Tryon

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 805/8.31 new

Creates the Small Business Protection Act. Sets forth notice, comment, and hearing procedures that the State, a unit of local government, a school district, or a not-for-profit entity that receives governmental funding must follow before providing assistance to another such entity. Requires a hearing if a competing small business would lose market share because of the assistance. Preempts home rule powers. Exempts from the reimbursement requirements of the State Mandates Act.

LRB095 07606 RCE 27756 b

FISCAL NOTE ACT
MAY APPLY

HOME RULE NOTE
ACT MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning small business protection.

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 Small
5 Business Protection Act.

6 Section 5. Definitions. In this Act:

7 "Outside assistance" means grants, loans, tax incentives,
8 or other financial assistance or incentives (i) provided by the
9 State, any unit of local government, any school district, or
10 any not-for-profit entity that receives governmental funding
11 and (ii) provided to any State agency, unit of local
12 government, school district, or not-for-profit entity.

13 "Small business" means any proprietorship, partnership,
14 corporation, or other business entity, including its
15 affiliates, that is independently owned and operated, is
16 conducted for profit, and employs fewer than 50 full-time
17 employees or has gross annual sales of less than \$4,000,000.

18 Section 10. Procedures to provide protection.

19 (a) Prior to providing outside assistance, the entity
20 proposing to provide that outside assistance must exert due
21 diligence to determine the impact that providing the outside
22 assistance will have on existing small businesses in the

1 affected geographic area. This must include at least 2 notices,
2 at least one week apart, in a newspaper of general circulation
3 in the area stating that the outside assistance is proposed to
4 be provided, giving the details of the outside assistance and
5 how and by whom it is expected to be used, and inviting
6 comments from the public and affected small businesses.

7 (b) Any small business that believes there is a bona fide
8 potential that the outside investment will take away a
9 significant market share from that small business may demand a
10 hearing by making the demand in writing to the entity proposing
11 to provide the outside assistance within 30 days after the
12 second notice under subsection (a) is published. The Department
13 of Commerce and Economic Opportunity must conduct the hearing
14 if the outside assistance is to be provided by the State or a
15 not-for-profit entity that receives governmental funding. The
16 hearing must otherwise be conducted by the unit of local
17 government or school district proposing to provide the outside
18 assistance. Adequate and informative public notice of the time,
19 place, and subject matter of the hearing must be given at least
20 2 times, at least one week apart, in a newspaper of general
21 circulation in the area. Small businesses and other affected
22 parties shall be allowed to present testimony and other
23 evidence at the hearing and to make arguments for their point
24 of view, all of which must be taken into consideration before
25 any outside assistance is provided.

1 Section 15. Home rule. A home rule unit may not provide
2 outside assistance in a manner inconsistent with this Act. This
3 Section is a limitation under subsection (i) of Section 6 of
4 Article VII of the Illinois Constitution on the concurrent
5 exercise by home rule units of powers and functions exercised
6 by the State.

7 Section 90. The State Mandates Act is amended by adding
8 Section 8.31 as follows:

9 (30 ILCS 805/8.31 new)

10 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
11 of this Act, no reimbursement by the State is required for the
12 implementation of any mandate created by this amendatory Act of
13 the 95th General Assembly.