



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB3683

Introduced 2/11/2010, by Sen. Linda Holmes

SYNOPSIS AS INTRODUCED:

65 ILCS 115/10-10
65 ILCS 115/10-10.1 new

Amends the River Edge Redevelopment Zone Act. Provides that a public utility may receive a deduction against income subject to State taxes for (i) a contribution to a designated zone organization for costs of installing, replacing, modifying, removing, improving, or maintaining any substation facility located within the River Edge Redevelopment Zone or (ii) the costs incurred by the public utility of installing, replacing, modifying, improving, or maintaining any substation facility located within the River Edge Redevelopment Zone if the project for which the costs are incurred has been specifically approved by the designating municipality and by the Department of Commerce and Economic Opportunity. Provides that a public utility shall recover the costs of installing, replacing, modifying, improving, removing, or maintaining its facilities located within the River Edge Redevelopment Zone across all customers in its service territory. Contains other provisions. Effective immediately.

LRB096 20708 RLJ 36435 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

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

4 Section 5. The River Edge Redevelopment Zone Act is amended
5 by changing Section 10-10 and by adding Section 10-10.1 as
6 follows:

7 (65 ILCS 115/10-10)

8 Sec. 10-10. Income tax deduction.

9 (a) A business entity may receive a deduction against
10 income subject to State taxes for a contribution to a
11 designated zone organization if the project for which the
12 contribution is made has been specifically approved by the
13 designating municipality and by the Department.

14 (a-5) A public utility may receive a deduction against
15 income subject to State taxes for (i) a contribution to a
16 designated zone organization for costs of installing,
17 replacing, modifying, removing, improving, or maintaining any
18 substation facility located within the River Edge
19 Redevelopment Zone or (ii) the costs incurred by the public
20 utility of installing, replacing, modifying, improving, or
21 maintaining any substation facility located within the River
22 Edge Redevelopment Zone if the project for which the costs are
23 incurred has been specifically approved by the designating

1 municipality and by the Department of Commerce and Economic
2 Opportunity.

3 A public utility shall recover the costs of installing,
4 replacing, modifying, improving, removing, or maintaining its
5 facilities located within the River Edge Redevelopment Zone
6 across all customers in its service territory rather than only
7 customers within the municipality where the Zone is located.

8 (b) Any designated zone organization seeking to have a
9 project approved for contribution must submit an application to
10 the Department describing the nature and benefit of the project
11 and its potential contributors. The application must address
12 how the following criteria will be met:

13 (1) The project must contribute to the self-help
14 efforts of the residents of the area involved.

15 (2) The project must involve the residents of the area
16 in planning and implementing the project.

17 (3) The project must lack sufficient resources.

18 (4) The designated zone organization must be fiscally
19 responsible for the project.

20 (c) The project must enhance the River Edge Redevelopment
21 Zone in one of the following ways:

22 (1) by creating permanent jobs;

23 (2) by physically improving the housing stock;

24 (3) by stimulating neighborhood business activity; or

25 (4) by preventing crime.

26 (d) If the designated zone organization demonstrates its

1 ability to meet the criteria in subsection (b), and the project
2 will enhance the neighborhood in one of the ways listed in
3 subsection (c), the Department shall approve the
4 organization's proposed project and specify the amount of
5 contributions it is eligible to receive for such project.
6 Comments from State elected officials and municipal officials
7 of the units of local government in which all or part of the
8 river edge redevelopment zone is located, or in which the
9 project is proposed to be located, shall be solicited by the
10 Department in making such decision.

11 (e) Within 45 days of the receipt of an application, the
12 Department shall give notice to the applicant as to whether the
13 application has been approved or disapproved. If the Department
14 disapproves the application, it shall specify the reasons for
15 this decision and allow 60 days for the applicant to amend and
16 resubmit its application. The Department shall provide
17 assistance upon request to applicants. Resubmitted
18 applications shall receive the Department's approval or
19 disapproval within 30 days of resubmission. Those resubmitted
20 applications satisfying initial Department objectives shall be
21 approved unless reasonable circumstances warrant disapproval.

22 (f) On an annual basis, the designated zone organization
23 shall furnish a statement to the Department on the programmatic
24 and financial status of any approved project and an audited
25 financial statement of the project.

26 (g) For any project which is approved and for which there

1 is a specified amount of contributions which the designated
2 zone organization may receive as provided in subsection (d) of
3 this Section, the designated zone organization shall provide to
4 the Department any information necessary to determine the
5 eligibility of a contribution to the project for a deduction
6 pursuant to subsection (b) (2) (N) of Section 203 of the Illinois
7 Income Tax Act. The Department shall certify to the Department
8 of Revenue the taxpayers eligible for and the amounts of
9 contributions which those taxpayers may claim as a deduction
10 pursuant to subsection (b) (2) (N) of Section 203 of the Illinois
11 Income Tax Act. The total of all actual contributions approved
12 by the Department for deductions pursuant to subsection
13 (b) (2) (N) of Section 203 of the Illinois Income Tax Act shall
14 not exceed \$15,400,000 in any one calendar year.

15 (Source: P.A. 94-1021, eff. 7-12-06.)

16 (65 ILCS 115/10-10.1 new)

17 Sec. 10-10.1. Utility facilities.

18 (a) It remains the policy of the State that the cost of
19 supplying public utility services is allocated to those who
20 cause the costs to be incurred. This policy requires an entity
21 engaging in economic redevelopment to pay all costs to relocate
22 utility facilities on property that the utility owns in areas
23 that have been designated for economic redevelopment. It is,
24 however, in the public interest that costs for the River Edge
25 Redevelopment Zone impacting utility property that are covered

1 by subsection (b) not be allocated solely to the entity
2 engaging in economic redevelopment, as this economic
3 redevelopment benefits the utility service territory as a whole
4 and not just the particular area where the redevelopment
5 occurs.

6 (b) This Section applies to the costs of installing,
7 removing, replacing, relocating, modifying, or maintaining
8 utility facilities in the River Edge Redevelopment Zone if the
9 public utility meets one or more of the following requirements:

10 (1) The public utility's facilities are located within
11 an area designated for economic redevelopment by a unit of
12 local government;

13 (2) The public utility's facilities are located within
14 an area subject to tax increment financing;

15 (3) The public utility's facilities are located within
16 an area that qualifies as a transit-oriented development;

17 (4) The public utility's facilities are located within
18 an area that can be redeveloped in a manner that combats
19 urban sprawl; or

20 (5) The costs connected with the public utility's
21 facilities exceed funds available to the project through
22 tax increment financing that could be otherwise used for
23 these purposes.

24 (c) The Illinois Commerce Commission shall allow a utility
25 providing services under this Section to fully recover all
26 costs of environmental remediation, installing, removing,

1 replacing, relocating, modifying, or maintaining utility
2 facilities in the River Edge Redevelopment Zone from all
3 customers in its service territory. The public utility may
4 defer any and all operation and maintenance expenditures
5 connected with the River Edge Redevelopment Zone, and amortize
6 them in a rate proceeding following the expenditure.

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.