

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 adding Section 10-15 as follows:

6 (65 ILCS 115/10-15 new)

7 Sec. 10-15. Riverfront Development Fund.

8 (a) Purpose. The General Assembly has determined that it is
9 in the interest of the State of Illinois to promote development
10 that will protect, promote, and improve the riverfront areas of
11 a financially distressed city designated under the Financially
12 Distressed City Law.

13 (b) Definitions. As used in this Section:

14 "Agreement" means the agreement between an eligible
15 employer and the Department under the provisions of
16 subsection (f) of this Section.

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

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

21 "Eligible developer" means an individual, partnership,
22 corporation, or other entity that develops within a river
23 edge redevelopment zone that is located within a

1 municipality designated as a financially distressed city.

2 "Eligible employer" means an individual, partnership,
3 corporation, or other entity that employs full-time
4 employees within a river edge redevelopment zone that is
5 located within a municipality designated as a financially
6 distressed city.

7 "Full-time employee" means an individual who is
8 employed for consideration for at least 35 hours each week
9 or who renders any other standard of service generally
10 accepted by industry custom or practice as full-time
11 employment. An individual for whom a W-2 is issued by a
12 Professional Employer Organization (PEO) is a full-time
13 employee if employed in the service of the eligible
14 employer for consideration for at least 35 hours each week
15 or who renders any other standard of service generally
16 accepted by industry custom or practice as full-time
17 employment.

18 "Incremental income tax" means the total amount
19 withheld from the compensation of new employees under
20 Article 7 of the Illinois Income Tax Act arising from
21 employment by an eligible employer.

22 "Infrastructure" means roads, access roads, streets,
23 bridges, sidewalks, water and sewer line extensions, water
24 distribution and purification facilities, waste disposal
25 systems, sewage treatment facilities, stormwater drainage
26 and retention facilities, gas and electric utility line

1 extensions, or other improvements that are essential to the
2 development of the project that is the subject of an
3 agreement.

4 "New employee" means a full-time employee first
5 employed by an eligible employer in the project that is the
6 subject of an agreement between the Department and an
7 eligible developer and who is hired after the eligible
8 developer enters into the agreement, but does not include:

9 (1) an employee of the eligible employer who
10 performs a job that (i) existed for at least 6 months
11 before the employee was hired and (ii) was previously
12 performed by another employee;

13 (2) an employee of the eligible employer who was
14 previously employed in Illinois by a related member of
15 the eligible employer and whose employment was shifted
16 to the eligible employer after the eligible employer
17 entered into the agreement; or

18 (3) a child, grandchild, parent, or spouse, other
19 than a spouse who is legally separated from the
20 individual, of any individual who has a direct or an
21 indirect ownership interest of at least 5% in the
22 profits, capital, or value of the eligible employer.

23 Notwithstanding item (2) of this definition, an
24 employee may be considered a new employee under the
25 agreement if the employee performs a job that was
26 previously performed by an employee who was:

1 (A) treated under the agreement as a new employee;
2 and
3 (B) promoted by the eligible employer to another
4 job.

5 "Professional Employer Organization" (PEO) means an
6 employee leasing company, as defined in Section
7 206.1(A) (2) of the Illinois Unemployment Insurance Act.

8 "Related member" means a person or entity that, with
9 respect to the eligible employer during any portion of the
10 taxable year, is any one of the following:

11 (1) an individual stockholder, if the stockholder
12 and the members of the stockholder's family (as defined
13 in Section 318 of the Internal Revenue Code) own
14 directly, indirectly, beneficially, or constructively,
15 in the aggregate, at least 50% of the value of the
16 eligible employer's outstanding stock;

17 (2) a partnership, estate, or trust and any partner
18 or beneficiary, if the partnership, estate, or trust,
19 and its partners or beneficiaries own directly,
20 indirectly, or beneficially, or constructively, in the
21 aggregate, at least 50% of the profits, capital, stock,
22 or value of the eligible employer;

23 (3) a corporation, and any party related to the
24 corporation in a manner that would require an
25 attribution of stock from the corporation to the party
26 or from the party to the corporation under the

1 attribution rules of Section 318 of the Internal
2 Revenue Code, if the taxpayer owns directly,
3 indirectly, beneficially, or constructively at least
4 50% of the value of the corporation's outstanding
5 stock;

6 (4) a corporation and any party related to that
7 corporation in a manner that would require an
8 attribution of stock from the corporation to the party
9 or from the party to the corporation under the
10 attribution rules of Section 318 of the Internal
11 Revenue Code, if the corporation and all such related
12 parties own in the aggregate at least 50% of the
13 profits, capital, stock, or value of the eligible
14 employer; or

15 (5) a person to or from whom there is attribution
16 of stock ownership in accordance with Section 1563(e)
17 of the Internal Revenue Code, except, for purposes of
18 determining whether a person is a related member under
19 this definition, 20% shall be substituted for 5%
20 wherever 5% appears in Section 1563(e) of the Internal
21 Revenue Code.

22 (c) The Riverfront Development Fund. The Riverfront
23 Development Fund is created as a special fund in the State
24 treasury. As soon as possible after the first day of each
25 month, upon certification of the Department of Revenue, the
26 Comptroller shall order transferred and the Treasurer shall

1 transfer from the General Revenue Fund to the Riverfront
2 Development Fund an amount equal to the incremental income tax
3 for the previous month attributable to a project that is the
4 subject of an agreement.

5 (d) Grants from the Riverfront Development Fund. In State
6 fiscal years 2012 through 2021, all moneys in the Riverfront
7 Development Fund, held solely for the benefit of eligible
8 developers, shall be appropriated to the Department to make
9 infrastructure grants to eligible developers pursuant to
10 agreements.

11 (e) Limitation on grant amounts. The total amount of a
12 grant to an eligible developer shall not exceed the lesser of:

13 (1) \$3,000,000 in each State fiscal year; or

14 (2) the total amount of infrastructure costs incurred
15 by the eligible developer with respect to a project that is
16 the subject of an agreement.

17 No eligible developer shall receive moneys that are
18 attributable to a project that is not the subject of the
19 developer's agreement with the Department.

20 (f) Agreements with applicants. The Department shall enter
21 into an agreement with an eligible developer who is entitled to
22 grants under this Section. The agreement must include all of
23 the following:

24 (1) A detailed description of the project that is the
25 subject of the agreement, including the location of the
26 project, the number of jobs created by the project, and

1 project costs. For purposes of this subsection, "project
2 costs" includes the costs of the project incurred or to be
3 incurred by the eligible developer, including
4 infrastructure costs, but excludes the value of State or
5 local incentives, including tax increment financing and
6 deductions, credits, or exemptions afforded to an employer
7 located in an enterprise zone.

8 (2) A requirement that the eligible developer shall
9 maintain operations at the project location, stated as a
10 minimum number of years not to exceed 10 years.

11 (3) A specific method for determining the number of new
12 employees attributable to the project.

13 (4) A requirement that the eligible developer shall
14 report monthly to the Department and the Department of
15 Revenue the number of new employees and the incremental
16 income tax withheld in connection with the new employees.

17 (5) A requirement that the Department is authorized to
18 verify with the Department of Revenue the amounts reported
19 under paragraph (4).

20 Section 10. The State Finance Act is amended by adding
21 Section 5.829 as follows:

22 (30 ILCS 105/5.829 new)

23 Sec. 5.829. The Riverfront Development Fund.

1 Section 15. The Prevailing Wage Act is amended by changing
2 Section 2 as follows:

3 (820 ILCS 130/2) (from Ch. 48, par. 39s-2)

4 Sec. 2. This Act applies to the wages of laborers,
5 mechanics and other workers employed in any public works, as
6 hereinafter defined, by any public body and to anyone under
7 contracts for public works. This includes any maintenance,
8 repair, assembly, or disassembly work performed on equipment
9 whether owned, leased, or rented.

10 As used in this Act, unless the context indicates
11 otherwise:

12 "Public works" means all fixed works constructed or
13 demolished by any public body, or paid for wholly or in part
14 out of public funds. "Public works" as defined herein includes
15 all projects financed in whole or in part with bonds, grants,
16 loans, or other funds made available by or through the State or
17 any of its political subdivisions, including but not limited
18 to: bonds issued under the Industrial Project Revenue Bond Act
19 (Article 11, Division 74 of the Illinois Municipal Code), the
20 Industrial Building Revenue Bond Act, the Illinois Finance
21 Authority Act, the Illinois Sports Facilities Authority Act, or
22 the Build Illinois Bond Act; loans or other funds made
23 available pursuant to the Build Illinois Act; loans or other
24 funds made available pursuant to the Riverfront Development
25 Fund under Section 10-15 of the River Edge Redevelopment Zone

1 Act; or funds from the Fund for Illinois' Future under Section
2 6z-47 of the State Finance Act, funds for school construction
3 under Section 5 of the General Obligation Bond Act, funds
4 authorized under Section 3 of the School Construction Bond Act,
5 funds for school infrastructure under Section 6z-45 of the
6 State Finance Act, and funds for transportation purposes under
7 Section 4 of the General Obligation Bond Act. "Public works"
8 also includes (i) all projects financed in whole or in part
9 with funds from the Department of Commerce and Economic
10 Opportunity under the Illinois Renewable Fuels Development
11 Program Act for which there is no project labor agreement; (ii)
12 all work performed pursuant to a public private agreement under
13 the Public Private Agreements for the Illiana Expressway Act;
14 and (iii) all projects undertaken under a public-private
15 agreement under the Public-Private Partnerships for
16 Transportation Act. "Public works" also includes all projects
17 at leased facility property used for airport purposes under
18 Section 35 of the Local Government Facility Lease Act. "Public
19 works" also includes the construction of a new wind power
20 facility by a business designated as a High Impact Business
21 under Section 5.5(a) (3) (E) of the Illinois Enterprise Zone Act.
22 "Public works" does not include work done directly by any
23 public utility company, whether or not done under public
24 supervision or direction, or paid for wholly or in part out of
25 public funds. "Public works" does not include projects
26 undertaken by the owner at an owner-occupied single-family

1 residence or at an owner-occupied unit of a multi-family
2 residence.

3 "Construction" means all work on public works involving
4 laborers, workers or mechanics. This includes any maintenance,
5 repair, assembly, or disassembly work performed on equipment
6 whether owned, leased, or rented.

7 "Locality" means the county where the physical work upon
8 public works is performed, except (1) that if there is not
9 available in the county a sufficient number of competent
10 skilled laborers, workers and mechanics to construct the public
11 works efficiently and properly, "locality" includes any other
12 county nearest the one in which the work or construction is to
13 be performed and from which such persons may be obtained in
14 sufficient numbers to perform the work and (2) that, with
15 respect to contracts for highway work with the Department of
16 Transportation of this State, "locality" may at the discretion
17 of the Secretary of the Department of Transportation be
18 construed to include two or more adjacent counties from which
19 workers may be accessible for work on such construction.

20 "Public body" means the State or any officer, board or
21 commission of the State or any political subdivision or
22 department thereof, or any institution supported in whole or in
23 part by public funds, and includes every county, city, town,
24 village, township, school district, irrigation, utility,
25 reclamation improvement or other district and every other
26 political subdivision, district or municipality of the state

1 whether such political subdivision, municipality or district
2 operates under a special charter or not.

3 The terms "general prevailing rate of hourly wages",
4 "general prevailing rate of wages" or "prevailing rate of
5 wages" when used in this Act mean the hourly cash wages plus
6 fringe benefits for training and apprenticeship programs
7 approved by the U.S. Department of Labor, Bureau of
8 Apprenticeship and Training, health and welfare, insurance,
9 vacations and pensions paid generally, in the locality in which
10 the work is being performed, to employees engaged in work of a
11 similar character on public works.

12 (Source: P.A. 96-28, eff. 7-1-09; 96-58, eff. 1-1-10; 96-186,
13 eff. 1-1-10; 96-913, eff. 6-9-10; 96-1000, eff. 7-2-10; 97-502,
14 eff. 8-23-11.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.