



Rep. Kam Buckner

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1 AMENDMENT TO HOUSE BILL 910

2 AMENDMENT NO. _____. Amend House Bill 910 by replacing
3 everything after the enacting clause with the following:

4 "Section 3. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois
6 is amended by adding Section 605-1119 as follows:

7 (20 ILCS 605/605-1119 new)

8 Sec. 605-1119. Megaproject building materials exemption.

9 (a) The Department may certify a taxpayer for an exemption
10 from any State or local use tax or retailers' occupation tax on
11 building materials that will be incorporated into real estate
12 as part of a building project at a megaproject site. The
13 taxpayer must meet all of the criteria for certification set
14 forth in Division 23 of Article 10 of the Property Tax Code.
15 This certification is in addition to and does not replace or
16 amend the megaproject certificate provisions under Division 23

1 of Article 10 of the Property Tax Code.

2 (b) The Department shall determine the period during which
3 the exemption from State and local use taxes and retailers'
4 occupation taxes is in effect, but in no event shall the
5 initial period exceed 10 years. The certificate may be renewed
6 for a period not to exceed 5 years. Upon certification by the
7 Department under this Section, the Department shall notify the
8 Department of Revenue of the certification. The exemption
9 status shall take effect within 3 months after certification
10 of the taxpayer and notice to the Department of Revenue by the
11 Department.

12 (c) If the taxpayer is not in compliance with Division 23
13 of Article 10 of the Property Tax Code, the Department shall
14 revoke the certification under this Section by written notice
15 to the taxpayer. The Department shall transmit a copy of the
16 revocation to the Department of Revenue. If the taxpayer's
17 certification is revoked, the taxpayer must repay any exempted
18 amount of State or local use tax or retailers' occupation tax
19 for purchases made during the period of noncompliance.

20 (d) The Department shall propose rules as are reasonable
21 and necessary to implement the provisions of this Section
22 within 45 days after the effective date of this amendatory Act
23 of the 104th General Assembly.

24 Section 5. The Use Tax Act is amended by changing Section
25 12 as follows:

1 (35 ILCS 105/12) (from Ch. 120, par. 439.12)

2 Sec. 12. Applicability of Retailers' Occupation Tax Act
3 and Uniform Penalty and Interest Act. All of the provisions of
4 Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12,
5 2-28, 2-29, 2-54, 2a, 2b, 2c, 3, 4 (except that the time
6 limitation provisions shall run from the date when the tax is
7 due rather than from the date when gross receipts are
8 received), 5 (except that the time limitation provisions on
9 the issuance of notices of tax liability shall run from the
10 date when the tax is due rather than from the date when gross
11 receipts are received and except that in the case of a failure
12 to file a return required by this Act, no notice of tax
13 liability shall be issued on and after each July 1 and January
14 1 covering tax due with that return during any month or period
15 more than 6 years before that July 1 or January 1,
16 respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5j, 5k, 5l, 5m,
17 5n, 7, 8, 9, 10, 11 and 12 of the Retailers' Occupation Tax Act
18 and Section 3-7 of the Uniform Penalty and Interest Act, which
19 are not inconsistent with this Act, shall apply, as far as
20 practicable, to the subject matter of this Act to the same
21 extent as if such provisions were included herein.

22 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;
23 103-595, eff. 6-26-24.)

24 Section 10. The Service Use Tax Act is amended by changing

1 Section 12 as follows:

2 (35 ILCS 110/12) (from Ch. 120, par. 439.42)

3 Sec. 12. Applicability of Retailers' Occupation Tax Act
4 and Uniform Penalty and Interest Act. All of the provisions of
5 Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12,
6 2-28, 2-29, 2-54, 2a, 2b, 2c, 3 (except as to the disposition
7 by the Department of the money collected under this Act), 4
8 (except that the time limitation provisions shall run from the
9 date when gross receipts are received), 5 (except that the
10 time limitation provisions on the issuance of notices of tax
11 liability shall run from the date when the tax is due rather
12 than from the date when gross receipts are received and except
13 that in the case of a failure to file a return required by this
14 Act, no notice of tax liability shall be issued on and after
15 July 1 and January 1 covering tax due with that return during
16 any month or period more than 6 years before that July 1 or
17 January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k,
18 5l, 5m, 5n, 6d, 7, 8, 9, 10, 11 and 12 of the Retailers'
19 Occupation Tax Act which are not inconsistent with this Act,
20 and Section 3-7 of the Uniform Penalty and Interest Act, shall
21 apply, as far as practicable, to the subject matter of this Act
22 to the same extent as if such provisions were included herein.
23 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;
24 103-595, eff. 6-26-24.)

1 Section 15. The Service Occupation Tax Act is amended by
2 changing Section 12 as follows:

3 (35 ILCS 115/12) (from Ch. 120, par. 439.112)

4 Sec. 12. All of the provisions of Sections 1d, 1e, 1f, 1i,
5 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12, 2-28, 2-29, 2-54, 2a, 2b,
6 2c, 3 (except as to the disposition by the Department of the
7 tax collected under this Act), 4 (except that the time
8 limitation provisions shall run from the date when the tax is
9 due rather than from the date when gross receipts are
10 received), 5 (except that the time limitation provisions on
11 the issuance of notices of tax liability shall run from the
12 date when the tax is due rather than from the date when gross
13 receipts are received), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k, 5l,
14 5m, 5n, 6d, 7, 8, 9, 10, 11, and 12 of the Retailers'
15 Occupation Tax Act which are not inconsistent with this Act,
16 and Section 3-7 of the Uniform Penalty and Interest Act shall
17 apply, as far as practicable, to the subject matter of this Act
18 to the same extent as if such provisions were included herein.
19 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;
20 103-595, eff. 6-26-24; 103-605, eff. 7-1-24.)

21 Section 20. The Retailers' Occupation Tax Act is amended
22 by adding Section 2-28 as follows:

23 (35 ILCS 120/2-28 new)

1 Sec. 2-28. Megaproject building materials exemption.

2 (a) Each retailer that makes a qualified sale of building
3 materials to be incorporated into real estate as part of a
4 building project at a megaproject site certified by the
5 Department of Commerce and Economic Opportunity under Section
6 605-1119 of the Department of Commerce and Economic
7 Opportunity Law of the Civil Administrative Code of Illinois
8 may deduct receipts from those sales when calculating the tax
9 imposed by this Act. Megaproject Building Materials Exemption
10 Certificates shall be issued by the Department for an initial
11 period not to exceed 10 years and may be renewed by the
12 Department for a period not to exceed 5 years.

13 (b) No retailer that is eligible for the deduction or
14 credit for a given sale under Section 5k of this Act related to
15 enterprise zones, Section 5l of this Act related to High
16 Impact Businesses, Section 5m of this Act related to REV
17 Illinois projects, Section 5n of this Act related to MICRO
18 Facilities, or Section 2-29 of this Act related to quantum
19 computing campuses shall be eligible for the deduction or
20 credit authorized under this Section for that same sale.

21 (c) A construction contractor or other entity shall not
22 make tax-free purchases unless it has an active Exemption
23 Certificate issued by the Department at the time of the
24 purchase.

25 (d) The Megaproject Administrator shall submit a request
26 to the Department for an initial certification or renewal of

1 the Megaproject Building Materials Exemption Certificate. Upon
2 request from the Megaproject Administrator, the Department
3 shall issue a Megaproject Building Materials Exemption
4 Certificate for each construction contractor or other entity
5 identified by the Megaproject Administrator. The Department
6 shall make the Megaproject Building Materials Exemption
7 Certificates available to each construction contractor or
8 other entity identified by the Megaproject Administrator and
9 to the Megaproject Administrator. Requests for Megaproject
10 Building Materials Exemption Certificates under this Section
11 must include the following information:

12 (1) the name and address of the construction
13 contractor or other entity;

14 (2) the name and location or address of the building
15 project site;

16 (3) the estimated amount of the exemption for each
17 construction contractor or other entity for which a
18 request for a Megaproject Building Materials Exemption
19 Certificate is made, based on a stated estimated average
20 tax rate and the percentage of the contract that consists
21 of building materials;

22 (4) the period of time during which supplies for the
23 project are expected to be purchased; and

24 (5) other reasonable information as the Department may
25 require, including, but not limited to, FEIN numbers, to
26 determine if the contractor or other entity, or any

1 partner, corporate officer, or, in the case of a limited
2 liability company, any manager or member of the
3 construction contractor or other entity is or has been the
4 owner, partner, corporate officer, or, in the case of a
5 limited liability company, manager or member of a person
6 that is in default for moneys due to the Department under
7 this Act or any other tax or fee Act administered by the
8 Department.

9 The Department, in its discretion, may require that the
10 request for a Megaproject Building Materials Exemption
11 Certificate be submitted electronically. The Department may,
12 in its discretion, issue Exemption Certificates
13 electronically.

14 (e) To document the exemption allowed under this Section,
15 the retailer must obtain from the purchaser the certification
16 required under this Section, which must contain the
17 Megaproject Building Materials Exemption Certificate number
18 issued to the purchaser by the Department. In addition, the
19 retailer must obtain a certification from the purchaser that
20 contains:

21 (1) a statement that the building materials are being
22 purchased for incorporation into real estate located in a
23 megaproject site;

24 (2) the location or address of the real estate into
25 which the building materials will be incorporated;

26 (3) the name of the megaproject in which that real

1 estate is located;

2 (4) a description of the building materials being
3 purchased;

4 (5) the purchaser's Megaproject Building Materials
5 Exemption Certificate number issued by the Department; and

6 (6) the purchaser's signature and date of purchase.

7 (f) The Department shall issue the Megaproject Building
8 Materials Exemption Certificates within 3 business days after
9 receipt of the request from the Megaproject Administrator.
10 This requirement does not apply if the Department, for
11 reasonable cause, is unable to issue the Exemption Certificate
12 within 3 business days. The Department may refuse to issue a
13 Megaproject Building Materials Exemption Certificate if any
14 owner, partner, or corporate officer, or, in the case of a
15 limited liability company, any manager or member, of the
16 construction contractor or other entity is or has been an
17 owner, partner, corporate officer, or, in the case of a
18 limited liability company, manager or member, of a person that
19 is in default for moneys due to the Department under this Act
20 or any other tax or fee Act administered by the Department.

21 (g) The Megaproject Building Materials Exemption
22 Certificate shall contain:

23 (1) a unique identifying number that shall be designed
24 in such a way that the Department is able to identify from
25 the unique number on the Exemption Certificate issued to a
26 given construction contractor or other entity the name of

1 the megaproject site and the construction contractor or
2 other entity to whom the Exemption Certificate is issued;

3 (2) the name of the construction contractor or entity
4 to whom the Exemption Certificate is issued;

5 (3) the issuance date, effective date, and expiration
6 date of the Exemption Certificate; and

7 (4) language stating that, if the construction
8 contractor or other entity who is issued the Exemption
9 Certificate makes a tax-exempt purchase, as described in
10 this Section, that is not eligible for exemption under
11 this Section or allows another person to make a tax-exempt
12 purchase, as described in this Section, that is not
13 eligible for exemption under this Section, then, in
14 addition to any tax or other penalty imposed, the
15 construction contractor or other entity is subject to a
16 penalty in an amount equal to the tax that would have been
17 paid by the retailer under this Act as well as any
18 applicable local retailers' occupation tax on the purchase
19 that is not eligible for the exemption.

20 (h) After the Department issues Exemption Certificates for
21 a given megaproject, the Megaproject Administrator may notify
22 the Department of additional construction contractors or other
23 entities that are eligible for a Megaproject Building
24 Materials Exemption Certificate. Upon receiving such a
25 notification and subject to the other provisions of this
26 Section, the Department shall issue a Megaproject Building

1 Materials Exemption Certificate to each additional
2 construction contractor or other entity so identified.

3 (i) A Megaproject Administrator may ask the Department to
4 rescind a Megaproject Building Materials Exemption Certificate
5 previously issued by the Department to a construction
6 contractor or other entity working at that certified
7 megaproject site if that Megaproject Building Materials
8 Exemption Certificate has not yet expired. Upon receiving such
9 a request and subject to the other provisions of this Section,
10 the Department shall issue the rescission of the Megaproject
11 Building Materials Exemption Certificate to the construction
12 contractor or other entity identified by the Megaproject
13 Administrator and provide a copy of the rescission to the
14 construction contractor or other entity and to the Megaproject
15 Administrator.

16 (j) If the Department of Revenue determines that a
17 construction contractor or other entity that was issued an
18 Exemption Certificate under this Section made a tax-exempt
19 purchase, as described in this Section, that was not eligible
20 for exemption under this Section or allowed another person to
21 make a tax-exempt purchase, as described in this Section, that
22 was not eligible for exemption under this Section, then, in
23 addition to any tax or other penalty imposed, the construction
24 contractor or other entity is subject to a penalty equal to the
25 tax that would have been paid by the retailer under this Act as
26 well as any applicable local retailers' occupation tax on the

1 purchase that was not eligible for the exemption.

2 (k) Each contractor or other entity that has been issued a
3 Megaproject Building Materials Exemption Certificate under
4 this Section shall annually report to the Department the total
5 value of the megaproject building materials exemption from
6 State taxes. Reports under this subsection shall contain
7 information reasonably required by the Department to enable it
8 to verify and calculate the total tax benefits for taxes
9 imposed by the State and shall be categorized by megaproject
10 site. Reports under this subsection are due no later than May
11 31 of each year and shall cover the previous calendar year.
12 Failure to report data may result in revocation of the
13 Megaproject Building Materials Exemption Certificate issued to
14 the contractor or other entity. The Department may adopt rules
15 governing revocation determinations, including the length of
16 revocation. Factors to be considered in revocations shall
17 include, but are not limited to, prior compliance with the
18 reporting requirements, cooperation in discontinuing and
19 correcting violations, and whether the certificate was used
20 unlawfully during the preceding year. The Department, in its
21 discretion, may require that the reports filed under this
22 Section be submitted electronically.

23 (l) The Department shall propose rules as are reasonable
24 and necessary to implement the provisions of this Section
25 within 45 days after the effective date of this amendatory Act
26 of the 104th General Assembly.

1 (m) This Section is exempt from the provisions of Section
2 2-70.

3 (n) The exemption set forth in this Section applies to the
4 Use Tax Act, the Service Use Tax Act, and the Service
5 Occupation Tax Act and is incorporated by reference in Section
6 12 of each of those respective Acts.

7 (o) As used in this Section, "qualified sale" means a sale
8 of building materials that will be incorporated into real
9 estate as part of a building project for which a Megaproject
10 Building Materials Exemption Certificate has been issued to
11 the purchaser by the Department.

12 Section 25. The Property Tax Code is amended by adding
13 Division 23 to Article 10 as follows:

14 (35 ILCS 200/Art. 10 Div. 23 heading new)

15 Division 23. Megaprojects

16 (35 ILCS 200/10-1010 new)

17 Sec. 10-1010. Megaproject Assessment Freeze and Payment
18 Law; definitions. This Division 23 may be cited as the
19 Megaproject Assessment Freeze and Payment Law.

20 As used in this Division:

21 "Assessment officer" means the chief county assessment
22 officer of the county in which the megaproject is located.

23 "Assessment period" means the period beginning on the

1 first day of the calendar year after the calendar year in which
2 a megaproject is placed in service and ending on the date when
3 the megaproject no longer qualifies as a megaproject under
4 this Division.

5 "Base year" means:

6 (1) the calendar year prior to the calendar year in
7 which the Department issues the megaproject certificate,
8 if the Department issues a megaproject certificate for a
9 project located on the property without granting
10 preliminary approval for the project under Section
11 10-1040; or

12 (2) the calendar year prior to the calendar year in
13 which the Department grants that preliminary approval, if
14 the Department grants preliminary approval under Section
15 10-1040 for a megaproject located on the property.

16 "Base year valuation" means the assessed value, in the
17 base year, of the property comprising the megaproject.

18 "Company" means one or more entities whose aggregate
19 investment in the megaproject meets the minimum investment
20 required under this Division. The term "company" includes a
21 company affiliate unless the context clearly indicates
22 otherwise.

23 "Company affiliate" means an entity that joins with or is
24 an affiliate of a company and that participates in the
25 investment in, or financing of, a megaproject.

26 "Consumer Price Index" means the index published by the

1 Bureau of Labor Statistics of the United States Department of
2 Labor that measures the average change in prices of goods and
3 services purchased by all urban consumers, United States city
4 average, all items, 1982-84 = 100.

5 "Department" means the Department of Commerce and Economic
6 Opportunity.

7 "Eligible costs" means all costs incurred by or on behalf
8 of, or allocated to, a company, prior to the Department's
9 issuance of the megaproject certificate or during the
10 investment period, to create or construct a megaproject.

11 "Eligible costs" includes, without limitation:

12 (1) the purchase, site preparation, renovation,
13 rehabilitation, and construction of land, buildings,
14 structures, equipment, and furnishings used for or in the
15 megaproject;

16 (2) any goods or services for the megaproject that are
17 purchased and capitalized under generally accepted
18 accounting principles, including any organizational costs
19 and research and development costs incurred in Illinois;

20 (3) capitalized lease costs for land, buildings,
21 structures, and equipment valued at their present value
22 using the interest rate at which the company borrows funds
23 prevailing at the time the company entered into the lease;

24 (4) infrastructure development costs;

25 (5) debt service and project financing costs;

26 (6) noncapitalized research and development costs;

1 (7) job training and education costs;

2 (8) lease and relocation costs; and

3 (9) remediation costs, as defined in Section 58.2 of
4 the Environmental Protection Act, incurred voluntarily as
5 a non-responsible party pursuant to Title XVII of the
6 Environmental Protection Act and rules adopted under that
7 Title.

8 "Entity" means a sole proprietor, partnership, firm,
9 corporation, limited liability company, association, or other
10 business enterprise.

11 "Full-time employee" means an individual who is employed
12 for consideration for at least 35 hours each week or who
13 renders any other standard of service generally accepted by
14 industry custom or practice as a full-time employee. An
15 individual for whom a W-2 is issued by a professional employer
16 organization is a full-time employee if he or she is employed
17 in the service of the applicant for at least 35 hours each week
18 or renders any other standard of service generally accepted by
19 industry custom or practice as a full-time employment. An
20 owner, operator, or tenant who employs labor or services at a
21 specific site or facility under contract with another may
22 declare one full-time job for every 1,820 man-hours worked per
23 year under the contract. Vacations, paid holidays, and sick
24 time are included in this computation, but overtime is not
25 considered a part of regular hours.

26 "Incentive agreement" means an agreement between a company

1 and a local municipality obligating the company to make the
2 special payment under this Division, in addition to paying
3 property taxes, during the incentive period for a megaproject.

4 "Incentive period" means the period beginning on the first
5 day of the calendar year after the calendar year in which the
6 megaproject is placed in service and each calendar year
7 thereafter until the earlier of (i) the termination date or
8 (ii) the revocation of the megaproject certificate.

9 "Investment period" means the period ending 7 years after
10 the date on which the Department issues the megaproject
11 certificate, or such other longer period of time as the local
12 municipality and the company may agree to, not to exceed an
13 initial period of 10 years.

14 "Local municipality" means the city, village, or
15 incorporated town in which the megaproject is located or, if
16 the megaproject is located in an unincorporated area, the
17 county in which the megaproject is located.

18 "Megaproject" means a project that satisfies the minimum
19 investment requirements; job creation requirements, if
20 applicable; investment period requirements; and other
21 requirements of this Division.

22 "Megaproject certificate" means a certificate issued by
23 the Department that authorizes an assessment freeze as
24 provided in this Division.

25 "Minimum investment" means an investment during the
26 investment period in the megaproject of at least:

1 (1) \$500,000,000 in eligible costs within the
2 investment period; or

3 (2) \$250,000,000 in eligible costs within the
4 investment period and the creation of 50 new full-time
5 employees; or

6 (3) \$100,000,000 in eligible costs within the
7 investment period and the creation of 100 new full-time
8 employees.

9 "Minority person" means a person who is a citizen or
10 lawful permanent resident of the United States and who is any
11 of the following:

12 (1) American Indian or Alaska Native (a person having
13 origins in any of the original peoples of North and South
14 America, including Central America, and who maintains
15 tribal affiliation or community attachment).

16 (2) Asian (a person having origins in any of the
17 original peoples of the Far East, Southeast Asia, or the
18 Indian subcontinent, including, but not limited to,
19 Cambodia, China, India, Japan, Korea, Malaysia, Pakistan,
20 the Philippine Islands, Thailand, and Vietnam).

21 (3) Black or African American (a person having origins
22 in any of the black racial groups of Africa).

23 (4) Hispanic or Latino (a person of Cuban, Mexican,
24 Puerto Rican, South or Central American, or other Spanish
25 culture or origin, regardless of race).

26 (5) Native Hawaiian or Other Pacific Islander (a

1 person having origins in any of the original peoples of
2 Hawaii, Guam, Samoa, or other Pacific Islands).

3 "Minority-owned business" means a business that is at
4 least 51% owned by one or more minority persons, or that, in
5 the case of a corporation, has at least 51% of its stock owned
6 by one or more minority persons, and that, in either case, is
7 managed and operated on a daily basis by one or more of the
8 minority individuals who own the business.

9 "New full-time employee" means a full-time employee who
10 first became employed by the owner, operator, contractor, or
11 tenant of the megaproject during the investment period and
12 whose hiring results in a net increase in the owner's,
13 operator's, contractor's, or tenant's total number of
14 full-time Illinois employees.

15 "New full-time employee" does not include:

16 (1) a person who was previously employed in Illinois
17 by the applicant or a related family member prior to the
18 onset of the investment or incentive period; or

19 (2) an individual who has a direct or indirect
20 ownership interest of at least 5% in the profits, capital,
21 or value of the applicant.

22 "Placed in service" means that the company has commenced
23 its business operations at the megaproject site and has met
24 its minimum investment and job creation requirements under
25 this Section, if applicable.

26 "Project" means land, buildings, and other improvements on

1 the land, including water facilities, sewage treatment and
2 disposal facilities, and all other machinery, apparatuses,
3 equipment, office facilities, related infrastructure, and
4 furnishings that are considered necessary, suitable, or useful
5 by a company and comprise the megaproject, including all of
6 that property that is subject to assessment under the Property
7 Tax Code.

8 "Special payment" means the annual amount paid in addition
9 to property taxes paid during the incentive period as provided
10 in the incentive agreement.

11 "Taxing district" has the meaning given to that term in
12 Section 1-150.

13 "Termination date" means the last day of a calendar year
14 that is no earlier than the 23rd year and no later than the
15 40th year following the first calendar year in which a
16 megaproject is placed in service; however, if the preparation
17 of the site required, or the company performed, environmental
18 remediation under any applicable State or federal laws, then
19 "termination date" means the last day of a calendar year that
20 is no later than the 45th year following the first calendar
21 year in which a megaproject is placed in service. If the
22 incentive agreement is terminated under Section 10-1037, then
23 the termination date is the date the agreement is terminated.

24 (35 ILCS 200/10-1015 new)

25 Sec. 10-1015. Valuation during incentive period;

1 eligibility.

2 (a) Property that receives a megaproject certificate from
3 the Department is eligible for an assessment freeze, as
4 provided in this Division, eliminating from consideration, for
5 assessment purposes during the incentive period, the value
6 added to the property by the project and limiting the total
7 valuation of the property during the incentive period to the
8 base year valuation. If the company does not anticipate
9 completing the project within the investment period, then the
10 local municipality may approve one or more extensions of time
11 to complete the project. However, the local municipality may
12 not extend the project for a period that exceeds 5 years after
13 the last day of the investment period. Unless approved as part
14 of the original incentive agreement, the corporate authorities
15 of the local municipality may approve an extension under this
16 subsection by resolution, a copy of which must be delivered to
17 the Department within 30 days after the date the resolution is
18 adopted.

19 (b) To qualify for the assessment freeze, the company
20 must:

21 (1) make the minimum investment in the megaproject
22 during the investment period;

23 (2) enter into an incentive agreement with the local
24 municipality as described in this Division;

25 (3) enter into a project labor agreement with the
26 applicable local building trades council prior to the

1 commencement of any demolition, building construction, or
2 building renovation related to the megaproject;

3 (4) establish the goal of awarding 20% of the total
4 dollar amount of contracts that are related to the
5 megaproject and are awarded by the company during each
6 calendar year to minority-owned businesses; and

7 (5) if applicable as part of the minimum investment
8 criteria, create the applicable number of new full-time
9 jobs as a result of the megaproject.

10 (c) For purposes of this Division, if a single company
11 enters into a financing arrangement of the type described in
12 subsection (b) of Section 10-1050, the investment in or
13 financing of the property by a developer, lessor, financing
14 entity, or other third party in accordance with this
15 arrangement is considered investment by the company.
16 Investment by a related person to the company is considered
17 investment by the company.

18 (35 ILCS 200/10-1020 new)

19 Sec. 10-1020. Incentive agreement; assessment freeze for
20 megaprojects; incentive period; location of the project;
21 criteria to qualify.

22 (a) To obtain the benefits provided in this Division, the
23 company shall apply in writing to the local municipality to
24 enter into an incentive agreement with the municipality, in
25 the form and manner required by the local municipality, and

1 shall certify to the facts asserted in the application.

2 (b) The corporate authorities of the local municipality,
3 prior to entering into an incentive agreement under this
4 Section, shall hold a public hearing to consider the
5 application. The amount and terms of the proposed special
6 payment and the duration of the incentive agreement shall be
7 considered at the public hearing.

8 (c) The local municipality may not enter into, alter, or
9 amend an incentive agreement under this Division unless and
10 until all of the following are considered and approved by a
11 majority of the members of a local review board, in accordance
12 with the weighted vote set forth below:

13 (1) the base year;

14 (2) the base year valuation;

15 (3) the amount of the special payment, including the
16 manner in which the payment will adjust over time; and

17 (4) the manner in which sufficient revenues will be
18 generated and provided, either by the megaproject or by
19 alternative sources, to address extraordinary capital
20 needs of the local school districts that will be incurred
21 to meet the demands of students who reside on a
22 megaproject site and attend a school under the
23 jurisdiction of a local school district.

24 As duly elected officials representing their respective
25 bodies, local review board members are entrusted to keep in
26 mind the best interests of the entire affected community area

1 of the project for the short and long term. Members are
2 expected to review the project reports and information, where
3 provided and applicable, on behalf of the constituents they
4 represent. The board may request additional documentation from
5 the applicant to inform its review as the board deems
6 necessary to render a decision. The local review board shall
7 consist of one representative of each of the following: (i)
8 the local municipality; (ii) each local school district in
9 which the property is located; (iii) each local park district
10 in which the property is located; and (iv) each other taxing
11 district that levies property taxes over any portion of the
12 proposed site of the megaproject. The vote of the local review
13 board shall be weighted in proportion to each voting member's
14 taxing district's share of property taxes levied on the
15 proposed site of the megaproject, and each taxing district's
16 vote shall be weighted on a 100-point scale to reflect its
17 proportionate share of the applicable property taxes. All plan
18 documents relied upon by the municipality in its review of the
19 application for an incentive agreement under this Division
20 shall be provided to the local review board. The local review
21 board may make reasonable requests of the municipality for
22 additional documents related to the megaproject. All meetings
23 of the local review board shall be open to the public and
24 subject to the requirements of the Open Meetings Act.

25 (d) The company and the local municipality shall enter
26 into an incentive agreement requiring the special payment

1 described in Section 10-1025. The corporate authorities of the
2 local municipality shall adopt an ordinance approving the
3 incentive agreement.

4 (35 ILCS 200/10-1025 new)

5 Sec. 10-1025. Contents of incentive agreement.

6 (a) The incentive agreement under Section 10-1020 must
7 require the company to pay, or be responsible for the payment
8 of, an annual special payment to the local municipality,
9 beginning with the first tax year for which the assessment
10 freeze under this Division is applied to the megaproject. The
11 amount of the special payment shall be established in the
12 incentive agreement and may be a fixed amount for the duration
13 of the incentive period or may be subject to adjustment
14 downward or upward based on factors memorialized in the
15 incentive agreement. The amount of the special payment may
16 exceed but shall be not less than 10% of the property tax
17 levied against the megaproject property for the year
18 immediately preceding the base year; provided, however, that
19 this requirement shall not apply to any project with a total
20 investment exceeding \$2,000,000,000.

21 (b) The incentive agreement shall obligate the company to
22 operate the megaproject at the designated project location for
23 a minimum of 20 years.

24 (c) The incentive agreement may contain such other terms
25 and conditions as are mutually agreeable to the local

1 municipality and the company and are consistent with the
2 requirements of this Division, including, without limitation,
3 operational and job creation requirements.

4 (d) In addition, all incentive agreements entered into
5 under Section 10-1020 must include, as the first portion of
6 the document, a recapitulation of the remaining contents of
7 the document, which shall include the following:

8 (1) the legal name of each party to the agreement;

9 (2) the street address of the project and the property
10 subject to the agreement;

11 (3) the agreed minimum investment;

12 (3.5) the agreed number of new full-time employees to
13 be employed, if applicable;

14 (4) the term of the agreement;

15 (5) a schedule showing the amount of the special
16 payment and its calculation for each year of the
17 agreement;

18 (6) a schedule showing the amount to be distributed
19 annually to each taxing district, as set forth in the
20 incentive agreement;

21 (7) any other feature or aspect of the agreement which
22 may affect the calculation of items (5) and (6) of this
23 subsection;

24 (8) the party or parties to the agreement who are
25 responsible for updating the information contained in the
26 summary document;

1 (9) a requirement that the company submit a
2 third-party agreed-upon procedures report verifying that
3 the project has been placed in service and that the
4 minimum investment and job creation requirements under
5 this Division have been met; and

6 (10) after the project has been placed in service, a
7 requirement that the company submit annual reports
8 demonstrating that it has maintained the agreed number of
9 new full-time employees at the megaproject site, if
10 applicable under the minimum investment criteria.

11 (35 ILCS 200/10-1027 new)

12 Sec. 10-1027. Minimum job creation requirements.

13 (a) If applicable under the minimum investment criteria of
14 this Division, the new full-time employees must be hired to
15 support the business operations of the megaproject and be
16 located within the State of Illinois.

17 (b) A company may not satisfy the requirements of this
18 Section by relocating jobs from one site in Illinois to
19 another site in Illinois.

20 (35 ILCS 200/10-1030 new)

21 Sec. 10-1030. Installment bills; distribution of special
22 payments.

23 (a) The local municipality shall prepare a bill for the
24 company for each installment of the special payment according

1 to the schedule set forth in paragraph (5) of subsection (d) of
2 Section 10-1025, or as modified pursuant to paragraph (7) of
3 subsection (d) of Section 10-1025. The company shall pay the
4 special payment to the municipality, and the municipality
5 shall distribute the special payment to each affected taxing
6 district in an amount equal to the taxing district's
7 proportionate share of property taxes due and payable for the
8 megaproject site, as evidenced by the most recent property tax
9 bill issued for the megaproject site.

10 (b) Distribution to the taxing districts of the special
11 payment associated with the megaproject must be made within 60
12 days after receipt by the local municipality of the special
13 payment amounts.

14 (c) Misallocations of the special payments may be
15 corrected by adjusting later distributions, but these
16 adjustments must be made in the next succeeding year following
17 identification and resolution of the misallocation. To the
18 extent that distributions have been made improperly in
19 previous years, claims for adjustment must be made within one
20 year of the distribution.

21 (d) A taxing district that receives and retains revenues
22 from a special payment under this Division may, in its
23 discretion and in accordance with applicable law, use all or a
24 portion of the revenues for the purposes of financing the
25 issuance of revenue bonds.

1 (35 ILCS 200/10-1037 new)

2 Sec. 10-1037. Termination of incentive agreement;
3 automatic termination; minimum level of investment and new job
4 creation required to remain qualified for assessment freeze.

5 (a) The local municipality and the company may mutually
6 agree to terminate the incentive agreement at any time. From
7 the date of termination, the megaproject is subject to
8 assessment on the basis of the then-current fair cash value.

9 (b) An incentive agreement shall be terminated if the
10 company fails to satisfy the minimum investment level or the
11 job creation requirements, if applicable, provided in this
12 Division. If the incentive agreement is terminated under this
13 subsection, the megaproject is subject to assessment on the
14 basis of the then-current fair cash value beginning in the tax
15 year during which the termination occurs.

16 (c) An incentive agreement shall terminate if, at any
17 time, the company no longer has the minimum level of new job
18 creation, if applicable, or investment as provided in this
19 Division, without regard to depreciation.

20 (35 ILCS 200/10-1038 new)

21 Sec. 10-1038. Megaproject administration. The
22 administration of a megaproject shall be under the
23 jurisdiction of the local municipality that approved the
24 incentive agreement by ordinance. Each local municipality that
25 approves an incentive agreement by ordinance shall, by

1 ordinance, designate a Megaproject Administrator for the
2 megaproject within its jurisdiction. A Megaproject
3 Administrator must be an officer or employee of the local
4 municipality. The Megaproject Administrator shall be the
5 liaison between the local municipality, the Department, and
6 the Department of Revenue. The Megaproject Administrator shall
7 be responsible for ensuring the company is complying with the
8 terms of the incentive agreement. The Megaproject
9 Administrator shall notify the county assessor once the
10 project is placed in service and is eligible for the property
11 tax assessment freeze pursuant to Section 10-1015.

12 (35 ILCS 200/10-1040 new)

13 Sec. 10-1040. Megaproject applications; certification as a
14 megaproject and revocation of certification.

15 (a) The Department shall receive applications for
16 megaproject certificates under this Division. The Department
17 shall promptly notify the assessment officer when the
18 Department receives an application under this Section.

19 (b) An applicant for a megaproject certificate under this
20 Division must provide evidence to the Department of a fully
21 executed incentive agreement between the company and the local
22 municipality, as described in this Division, and the
23 Department shall verify that the incentive agreement meets the
24 requirements of Section 10-1025.

25 (c) An applicant for a megaproject certificate under this

1 Division must provide evidence to the Department of a fully
2 executed project labor agreement entered into with the
3 applicable local building trades council prior to the
4 commencement of any demolition, building construction, or
5 building renovation at the project. The Department may approve
6 an application prior to the execution of the project labor
7 agreement, but the applicant shall provide evidence of a fully
8 executed project labor agreement prior to any demolition,
9 building construction, or building renovation at the project.

10 (d) An applicant for a megaproject certificate under this
11 Division must provide evidence to the Department that the
12 company has established the goal of awarding 20% of the total
13 dollar amount of contracts awarded during each calendar year
14 by the company, that are related to the project, to
15 minority-owned businesses.

16 (e) No project that contains any residential dwelling
17 units may be certified as a megaproject under this Division.

18 (f) The Department shall approve an application for a
19 megaproject certificate if the Department finds that the
20 project meets the requirements of this Division.

21 (g) Upon approval of the application, the Department shall
22 issue a megaproject certificate to the applicant and transmit
23 a copy to the assessment officer and the Department of
24 Revenue. The certificate shall identify the property on which
25 the megaproject is located and state that the property is
26 eligible for the property tax assessment freeze pursuant to

1 Section 10-1015 once the project is placed in service.

2 (h) On May 1 of each calendar year following issuance of
3 the megaproject certificate, until the minimum investment and
4 new job creation requirements, if applicable, have been met
5 and the megaproject has been placed in service, the company
6 shall deliver a report to the Department and Megaproject
7 Administrator on the status of construction or creation of the
8 megaproject and the amount of minimum investment made in the
9 megaproject during the preceding calendar year. If a project
10 for which a certificate has been issued has not met the minimum
11 investment and, if applicable, job creation requirements of
12 this Division within the investment period, the Department
13 shall revoke the certificate by written notice to the taxpayer
14 of record and transmit a copy of the revocation to the
15 assessment officer.

16 (i) If the local municipality notifies the Department that
17 the incentive agreement between the company and the local
18 municipality has been terminated, the Department shall revoke
19 the certificate by written notice to the taxpayer of record
20 and transmit a copy of the revocation to the assessment
21 officer.

22 (35 ILCS 200/10-1045 new)

23 Sec. 10-1045. Computation of valuation.

24 (a) Upon receipt of the megaproject certificate from the
25 Department, the assessment officer shall set the assessment of

1 the megaproject property based upon the terms of the incentive
2 agreement and shall make a notation on each statement of
3 assessment during the assessment period that the valuation of
4 the project is based upon the issuance of a megaproject
5 certificate.

6 (b) Upon revocation of a megaproject certificate, the
7 assessment officer shall compute the assessed valuation of the
8 project on the basis of the then-current fair cash value of the
9 property.

10 (35 ILCS 200/10-1050 new)

11 Sec. 10-1050. Transfers of interest in a megaproject;
12 sale-leaseback arrangement; requirements.

13 (a) Subject to the terms of the incentive agreement
14 between the company and the local municipality, ownership of
15 or any interest in the megaproject and any and all related
16 megaproject property, including, without limitation, transfers
17 of indirect beneficial interests and equity interests in a
18 company owning a megaproject, shall not affect the assessment
19 freeze or the validity of the megaproject certificate issued
20 under this Division. Notwithstanding the provisions of this
21 subsection, the incentive agreement shall be a covenant
22 running with the land.

23 (b) A company may enter into lending, financing, security,
24 leasing, or similar arrangements, or a succession of such
25 arrangements, with a financing entity concerning all or part

1 of a project, including, without limitation, a sale-leaseback
2 arrangement, equipment lease, build-to-suit lease, synthetic
3 lease, nordic lease, defeased tax benefit, or transfer lease,
4 an assignment, sublease, or similar arrangement, or succession
5 of those arrangements, with one or more financing entities
6 concerning all or part of a project, regardless of the
7 identity of the income tax or fee owner of the megaproject.
8 Neither the original transfer to the financing entity nor the
9 later transfer from the financing entity back to the company,
10 under terms in the sale-leaseback agreement, shall affect the
11 assessment freeze or the validity of the megaproject
12 certificate issued under this Division, regardless of whether
13 the income tax basis is changed for income tax purposes.

14 (c) The Department must receive notice of all transfers
15 undertaken with respect to other projects to effect a
16 financing. Notice shall be made in writing within 60 days
17 after the transfer, shall identify each transferee, and shall
18 contain other information required by the Department with the
19 appropriate returns. Failure to meet this notice requirement
20 does not adversely affect the assessment freeze.

21 (35 ILCS 200/10-1055 new)

22 Sec. 10-1055. Minimum investment by company affiliates. To
23 be eligible for the benefits of this Division, a company must
24 invest the minimum investment. Investments by company
25 affiliates during the investment period for the project may be

1 applied toward the minimum investment under this Division
2 regardless of whether the company affiliate was part of the
3 project. To qualify for the assessment freeze, the minimum
4 investment must be made in connection with the megaproject.

5 (35 ILCS 200/10-1060 new)

6 Sec. 10-1060. Projects to be valued at fair cash value for
7 purposes of bonded indebtedness and limitations on property
8 tax extensions. Projects to which an assessment freeze applies
9 pursuant to this Division shall be valued at their fair cash
10 value for purposes of calculating a municipality's general
11 obligation bond limits and a taxing district's limitation on
12 tax extensions.

13 (35 ILCS 200/10-1065 new)

14 Sec. 10-1065. Abatements. Any taxing district, upon a
15 majority vote of its governing authority, may, after the
16 determination of the assessed valuation as set forth in this
17 Division, order the clerk of the appropriate municipality or
18 county to abate any portion of real property taxes otherwise
19 levied or extended by the taxing district on a megaproject.

20 (35 ILCS 200/10-1070 new)

21 Sec. 10-1070. Filing of returns, contracts, and other
22 information; due date of payments and returns.

23 (a) The company and the local municipality shall file

1 notices, reports, and other information as required by the
2 Department.

3 (b) Special payments are due at the same time as property
4 tax payments and property tax returns are due for the
5 megaproject property.

6 (c) Failure to make a timely special payment results in
7 the assessment of penalties as if the payment were a
8 delinquent property tax payment or return.

9 (d) Within 30 days after the date of execution of an
10 incentive agreement, a copy of the incentive agreement must be
11 filed with the chief county assessment officer and the county
12 auditor for the county in which the megaproject is located.

13 (35 ILCS 200/10-1080 new)

14 Sec. 10-1080. Rules. The Department may adopt rules as
15 necessary to carry out the purpose of this Division.

16 (35 ILCS 200/10-1085 new)

17 Sec. 10-1085. Prohibition on multiple credits, exemptions,
18 and freezes. An applicant for a megaproject certificate who
19 qualifies for an assessment freeze under this Section is not
20 entitled to any other property tax credits, exemptions, or
21 assessment freezes relating to the megaproject.

22 (35 ILCS 200/10-1087 new)

23 Sec. 10-1087. Building materials exemption for

1 megaprojects. An applicant that is eligible for a megaproject
2 certificate under this Division 23 of Article 10 is also
3 eligible for the building materials exemption under Section
4 605-1119 of the Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois.

6 (35 ILCS 200/10-1095 new)

7 Sec. 10-1095. Tax Increment Financing districts. Land,
8 including improvements thereon, designated as a megaproject
9 site under this Division 23 that is located within a
10 redevelopment project area designated under Division 74.4 of
11 Article 11 of the Illinois Municipal Code is not eligible to
12 receive any of the benefits afforded property under Division
13 74.4 of Article 11 of the Illinois Municipal Code.

14 (35 ILCS 200/10-1098 new)

15 Sec. 10-1098. Invalidity. If all or any part of this
16 Division is determined to be unconstitutional or otherwise
17 unenforceable by a court of competent jurisdiction, a company
18 has 180 days from the date of the determination to transfer the
19 megaproject's title to an authorized economic development
20 authority, which may qualify for property tax assessment under
21 this Division or which may be exempt from property taxes.

22 Section 97. Severability. The provisions of this Act are
23 severable under Section 1.31 of the Statute on Statutes.

1 Section 999. Effective date. This Act takes effect upon
2 becoming law.".