



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0385

Introduced 1/25/2005, by Rep. William B. Black

SYNOPSIS AS INTRODUCED:

220 ILCS 5/9-222.1

from Ch. 111 2/3, par. 9-222.1

Amends the Public Utilities Act. Authorizes the Department of Commerce and Economic Opportunity to establish by rule certain criteria for the certification of an exemption from certain additional charges added to the utility bills of a business enterprise that is located within an area designated by a county or a municipality as an enterprise zone under the Illinois Enterprise Zone Act or located in a federally-designated Foreign Trade Zone or Sub-Zone. Provides that any business enterprise that previously qualified for and received the exemption, but that was denied the exemption upon re-application, shall receive no more than one further exemption and shall only receive the exemption if it makes the level of capital investment or creates the number of full-time equivalent jobs expressly specified by the Department of Commerce and Economic Opportunity. Effective immediately.

LRB094 06731 MKM 36830 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning utilities.

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

4 Section 5. The Public Utilities Act is amended by changing
5 Section 9-222.1 as follows:

6 (220 ILCS 5/9-222.1) (from Ch. 111 2/3, par. 9-222.1)

7 Sec. 9-222.1. Business enterprises located in enterprise
8 zones; exemption from additional charges.

9 (a) Except as otherwise provided in subsection (b), a A
10 business enterprise which is located within an area designated
11 by a county or municipality as an enterprise zone pursuant to
12 the Illinois Enterprise Zone Act or located in a federally
13 designated Foreign Trade Zone or Sub-Zone shall be exempt from
14 the additional charges added to the business enterprise's
15 utility bills as a pass-on of municipal and State utility taxes
16 under Sections 9-221 and 9-222 of this Act, to the extent such
17 charges are exempted by ordinance adopted in accordance with
18 paragraph (e) of Section 8-11-2 of the Illinois Municipal Code
19 in the case of municipal utility taxes, and to the extent such
20 charges are exempted by the percentage specified by the
21 Department of Commerce and Economic Opportunity Community
22 ~~Affairs~~ in the case of State utility taxes, provided such
23 business enterprise meets the following criteria:

24 (1) it either (i) makes investments which cause the
25 creation of a minimum of 200 full-time equivalent jobs in
26 Illinois; (ii) makes investments of at least \$175,000,000
27 which cause the creation of a minimum of 150 full-time
28 equivalent jobs in Illinois; or (iii) makes investments
29 which cause the retention of a minimum of 1,000 full-time
30 jobs in Illinois; and

31 (2) it is either (i) located in an Enterprise Zone
32 established pursuant to the Illinois Enterprise Zone Act or

1 (ii) it is located in a federally designated Foreign Trade
2 Zone or Sub-Zone and is designated a High Impact Business
3 by the Department of Commerce and Economic Opportunity
4 ~~Community Affairs~~; and

5 (3) it is certified by the Department of Commerce and
6 Economic Opportunity ~~Community Affairs~~ as complying with
7 the requirements specified in clauses (1) and (2) of this
8 subsection ~~Section~~.

9 (b) A business enterprise that does not meet the criteria
10 in subsection (a), but that is located within an area
11 designated by a county or municipality as an enterprise zone
12 pursuant to the Illinois Enterprise Zone Act or located in a
13 federally-designated Foreign Trade Zone or Sub-Zone shall be
14 exempt from the additional charges added to the business
15 enterprise's utility bills as a pass-on of municipal and State
16 utility taxes under Sections 9-221 and 9-222 of this Act, to
17 the extent that those charges are exempted by ordinance adopted
18 in accordance with paragraph (e) of Section 8-11-2 of the
19 Illinois Municipal Code in the case of municipal utility taxes,
20 and to the extent those charges are exempted by the percentage
21 specified by the Department of Commerce and Economic
22 Opportunity in the case of State utility taxes, provided that
23 the business enterprise meets the following criteria:

24 (1) it either (i) makes investments that cause the
25 creation or retention of a minimum number of full-time
26 equivalent jobs in Illinois, as expressly specified by the
27 Department; or (ii) makes capital investments at a minimum
28 level, as expressly specified by the Department of Commerce
29 and Economic Opportunity; and

30 (2) it is either (i) located in an Enterprise Zone
31 established pursuant to the Illinois Enterprise Zone Act or
32 (ii) it is located in a federally designated Foreign Trade
33 Zone or Sub-Zone and is designated a High Impact Business
34 by the Department of Commerce and Economic Opportunity; and

35 (3) it is certified by the Department of Commerce and
36 Economic Opportunity as complying with the requirements

1 specified in clauses (1) and (2) of this subsection.

2 The amount of the exemption under this subsection may be
3 pro rated in accordance with the value of the economic impact
4 of the business enterprise's job creation or capital
5 investments on the enterprise zone.

6 (c) Notwithstanding any other provision of law to the
7 contrary, if a business enterprise that previously qualified
8 for and received an exemption under this Section is denied an
9 exemption upon re-application, it shall receive no more than
10 one further exemption. This exemption shall only be certified
11 by the Department of Commerce and Economic Opportunity and
12 awarded to the business enterprise if the business enterprise
13 makes the level of capital investment or creates the number of
14 full-time equivalent jobs as expressly specified by the
15 Department of Commerce and Economic Opportunity.

16 (d) The Department of Commerce and Economic Opportunity
17 ~~Community Affairs~~ shall determine the period during which such
18 exemption from the charges imposed under Section 9-222 is in
19 effect which shall not exceed 30 years or the certified term of
20 the enterprise zone, whichever period is shorter.

21 (e) The Department of Commerce and Economic Opportunity
22 ~~Community Affairs~~ shall have the power to promulgate rules and
23 regulations to carry out the provisions of this Section
24 including procedures for complying with the requirements
25 specified in subsections (a) and (b) clauses (1) and (2) of
26 ~~this Section~~ and procedures for applying for the exemptions
27 authorized under this Section; to define the amounts and types
28 of eligible investments which business enterprises must make in
29 order to receive State utility tax exemptions pursuant to
30 Sections 9-222 and 9-222.1 of this Act; to approve such utility
31 tax exemptions for business enterprises whose investments are
32 not yet placed in service; and to require that business
33 enterprises granted tax exemptions repay the exempted tax
34 should the business enterprise fail to comply with the terms
35 and conditions of the certification. However, no business
36 enterprise shall be required, as a condition for certification

1 ~~under subsection (a) or (b) under clause (3) of this Section,~~
2 to attest that its decision to invest under clause (1) of
3 ~~subsection (a) or (b) this Section~~ and to locate under clause
4 (2) of subsection (a) and (b) ~~this Section~~ is predicated upon
5 the availability of the exemptions authorized by this Section.

6 A business enterprise shall be exempt, in whole or in part,
7 from the pass-on charges of municipal utility taxes imposed
8 under Section 9-221, only if it meets the criteria specified in
9 subsections (a) or (b) ~~clauses (1) through (3)~~ of this Section
10 and the municipality has adopted an ordinance authorizing the
11 exemption under paragraph (e) of Section 8-11-2 of the Illinois
12 Municipal Code. Upon certification of the business enterprises
13 by the Department of Commerce and Economic Opportunity
14 ~~Community Affairs~~, the Department of Commerce and Economic
15 Opportunity ~~Community Affairs~~ shall notify the Department of
16 Revenue of such certification. The Department of Revenue shall
17 notify the public utilities of the exemption status of business
18 enterprises from the pass-on charges of State and municipal
19 utility taxes. Such exemption status shall be effective within
20 3 months after certification of the business enterprise.

21 (Source: P.A. 91-567, eff. 8-14-99; 92-777, eff. 1-1-03;
22 revised 12-6-03.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.