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1 AN ACT concerning revenue.

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

4 Article 1. Illinois Energy Transition Zone Act

5 Section 1-1. Short title. This Article may be cited as the
6 Illinois Energy Transition Zone Act. References in this
7 Article to "this Act" mean this Article.

8 Section 1-5. Findings. The General Assembly finds and
9 declares that the health, safety, and welfare of the people of
10 this State are dependent upon a healthy economy and vibrant
11 communities; that the closure of coal energy plants, coal
12 mines, and nuclear energy plants across the state are
13 detrimental to maintaining a healthy economy and vibrant
14 communities; that the expansion of green energy creates
15 significant job growth and contributes significantly to the
16 health, safety, and welfare of the people of this State; that
17 the continual encouragement, development, growth and expansion
18 of green energy within the State requires a cooperative and
19 continuous partnership between government and the green energy
20 sector; and that there are certain depressed areas in this
21 State that have lost jobs due to the closure of coal energy
22 plants, coal mines, and nuclear energy plants and need the

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1 particular attention of government, labor and the citizens of
2 Illinois to help attract green energy investment into these
3 areas and directly aid the local community and its residents.
4 Therefore, it is declared to be the purpose of this Act to
5 explore ways of stimulating the growth of green energy in the
6 State and to foster job growth in areas depressed by the
7 closure of coal energy plants, coal mines and nuclear energy
8 plants.

9 Section 1-10. Definitions. As used in this Act, unless the
10 context otherwise requires:

11 "Agency" means a "State agency", as defined in Section 1-7
12 of the Illinois State Auditing Act.

13 "Board" means the Energy Transition Zone Board created in
14 Section 1-45.

15 "Department" means the Department of Commerce and Economic
16 Opportunity.

17 "Depressed area" means an area in which pervasive poverty,

18 unemployment, and economic distress exist.
19 "Energy Transition Zone" means an area of the State
20 certified by the Department as an Energy Transition Zone
21 pursuant to this Act.
22 "Full-time equivalent job" means a job in which the new
23 employee works for the recipient or for a corporation under
24 contract to the recipient at a rate of at least 35 hours per
25 week for a wage that meets or exceeds the prevailing wage for

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1 the locality in which the work is performed, as determined
2 under Section 4 of the Prevailing Wage Act. A recipient who
3 employs labor or services at a specific site or facility under
4 contract with another may declare one full-time, permanent job
5 for every 1,820 man hours worked per year under that contract.
6 Vacations, paid holidays, and sick time are included in this
7 computation. Overtime is not considered a part of regular
8 hours.
9 "Full-time retained job" means any employee defined as
10 having a full-time or full-time equivalent job preserved at a
11 specific facility or site, the continuance of which is
12 threatened by a specific and demonstrable threat, which shall
13 be specified in the application for development assistance. A
14 recipient who employs labor or services at a specific site or
15 facility under contract with another may declare one retained
16 employee per year for every 1,750 man hours worked per year
17 under that contract, even if different individuals perform
18 on-site labor or services.
19 "Green energy enterprise" means a company that is engaged
20 in the production of solar energy, wind energy, water energy,
21 geothermal energy, bioenergy, or hydrogen fuel and cells.
22 "Green energy project" means a project conducted by a
23 green energy enterprise for the purpose of generating solar
24 energy, wind energy, water energy, geothermal energy,
25 bioenergy, or hydrogen fuel and cells.
26 "Local labor market area" means an economically integrated

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1 area within which individuals can reside and find employment
2 within a reasonable distance or can readily change jobs
3 without changing their place of residence.
4 "Rule" has the meaning provided in Section 1-70 of the
5 Illinois Administrative Procedure Act.

6 Section 1-15. Qualifications for Energy Transition Zones.

7 An area is qualified to become an Energy Transition Zone

8 which:

9 (1) is a contiguous area, provided that a Zone area

10 may exclude wholly surrounded territory within its

11 boundaries;

12 (2) comprises a minimum of one-half square mile and

13 not more than 12 square miles, exclusive of lakes and

14 waterways;

15 (3) is entirely within a single municipality;

16 (4) satisfies any additional criteria established by

17 the Department consistent with the purposes of this Act;

18 and

19 (5) meets one or more of the following:

20 (A) the area contains a coal energy plant that was

21 retired from service within 10 years of application

22 for designation;

23 (B) the area contains a coal mine that was closed

24 within 10 years of application for designation;

25 (C) the area contains a nuclear energy plant that

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1 was retired from service within 10 years of

2 application for designation; or

3 (D) the area contains a nuclear plant that was

4 decommissioned but continued storing nuclear waste

5 prior to the effective date of this Act.

6 Section 1-20. Entities eligible to receive tax benefits.

7 Green energy enterprises are eligible to receive certain tax

8 benefits under this Act for green energy projects conducted

9 within an Energy Transition Zone.

10 Section 1-25. Incentives for green energy enterprises

11 located within an Energy Transition Zone.

12 (a) Green energy enterprises located in Energy Transition

13 Zones are eligible to apply for a State income tax credit under

14 the Energy Transition Zone Tax Credit Act.

15 (b) Green energy enterprises located in Energy Transition

16 Zones will be eligible to receive an investment credit subject

17 to the requirements of Section 232 of the Illinois Income Tax

18 Act.

19 (c) Green energy enterprises are eligible to purchase

20 building materials exempt from use and occupation taxes to be

21 incorporated into their green energy projects within the

22 Energy Transition Zone when purchased from a retailer within

23 the Energy Transition Zone pursuant to Section 5k-1 of the
24 Retailers' Occupation Tax Act.

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1 (d) Green energy enterprises located in an Energy
2 Transition Zone that meet the qualifications of Section
3 9-222.1B of the Illinois Public Utilities Act are exempt, in
4 part or whole, from State and local taxes on gas and
5 electricity.

6 (e) Green energy enterprise projects receiving incentives
7 under this Act shall comply with the requirements of the
8 Prevailing Wage Act.

9 Section 1-30. Initiation of Energy Transition Zones by
10 municipality or county.

11 (a) No area may be designated as an Energy Transition Zone
12 except pursuant to an initiating ordinance adopted in
13 accordance with this Section.

14 (b) A municipality may by ordinance designate an area
15 within its jurisdiction as an Energy Transition Zone, subject
16 to the certification of the Department in accordance with this
17 Act, if:

18 (1) the area is qualified in accordance with Section
19 1-15; and

20 (2) the municipality has conducted at least one public
21 hearing within the proposed Zone area considering all of
22 the following questions: whether to create the Zone; what
23 local plans, tax incentives and other programs should be
24 established in connection with the Zone; and what the
25 boundaries of the Zone should be; public notice of the

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1 hearing shall be published in at least one newspaper of
2 general circulation within the Zone area, not more than 20
3 days nor less than 5 days before the hearing.

4 (c) An ordinance designating an area as an Energy
5 Transition Zone shall set forth:

6 (1) a precise description of the area comprising the
7 Zone, either in the form of a legal description or by
8 reference to roadways, lakes and waterways, and township,
9 county boundaries;

10 (2) a finding that the Zone area meets the
11 qualifications of Section 1-15;

12 (3) provisions for any tax incentives or reimbursement

13 for taxes, which pursuant to State and federal law apply
14 to green energy enterprises within the Zone at the
15 election of the designating municipality, and which are
16 not applicable throughout the municipality;
17 (4) a designation of the area as an Energy Transition
18 Zone, subject to the approval of the Department in
19 accordance with this Act; and
20 (5) the duration or term of the Energy Transition
21 Zone.
22 (d) This Section does not prohibit a municipality from
23 extending additional tax incentives or reimbursement for
24 business enterprises in Energy Transition Zones or throughout
25 their territory by separate ordinance.

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1 Section 1-35. Application to Department. A municipality
2 that has adopted an ordinance designating an area as an Energy
3 Transition Zone shall make written application to the
4 Department to have such proposed Energy Transition Zone
5 certified by the Department as an Energy Transition Zone. The
6 application shall include:
7 (1) a certified copy of the ordinance designating the
8 proposed Zone;
9 (2) a map of the proposed Energy Transition Zone,
10 showing existing streets and highways;
11 (3) an analysis, and any appropriate supporting
12 documents and statistics, demonstrating that the proposed
13 Zone area is qualified in accordance with Section 1-15;
14 (4) a statement detailing any tax, grant, and other
15 financial incentives or benefits, and any programs, to be
16 provided by the municipality or county to green energy
17 enterprises within the Zone, other than those provided in
18 the designating ordinance, which are not to be provided
19 throughout the municipality or county;
20 (5) a statement setting forth the economic development
21 and planning objectives for the Zone;
22 (6) an estimate of the economic impact of the Zone,
23 considering all of the tax incentives, financial benefits
24 and programs contemplated, upon the revenues of the
25 municipality or county;
26 (7) a transcript of all public hearings on the Zone;

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1 and
2 (8) such additional information as the Department may
3 by rule require.
4 Section 1-40. Department review of Energy Transition Zone
5 applications.
6 (a) All applications that are to be considered and acted
7 upon by the Department during a calendar year must be received
8 by the Department no later than December 31 of the preceding
9 calendar year.
10 Any application received after December 31 of any calendar
11 year shall be held by the Department for consideration and
12 action during the following calendar year. Each Energy
13 Transition Zone application shall include a specific
14 definition of the applicant's local labor market area.
15 (a-5) The Department shall, no later than July 31, 2021,
16 develop an application process for an Energy Transition Zone
17 application. The Department has emergency rulemaking authority
18 for the purpose of application development only until 12
19 months after the effective date of this Act under subsection
20 (ee) of Section 5-45 of the Illinois Administrative Procedure
21 Act.
22 (b) Upon receipt of an application from a municipality,
23 the Department shall review the application to determine
24 whether the designated area qualifies as an Energy Transition
25 Zone under Section 1-15 of this Act.

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1 (c) No later than June 30, the Department shall notify all
2 applicant municipalities of the Department's determination of
3 the qualification of their respective designated energy
4 transition Zone areas, along with supporting documentation of
5 the basis for the Department's decision.
6 (d) If any such designated area is found to be qualified to
7 be an Energy Transition Zone by the Department under
8 subsection (c) of this Section, the Department shall, no later
9 than July 15, send a letter of notification to each member of
10 the General Assembly whose legislative district or
11 representative district contains all or part of the designated
12 area and publish a notice in at least one newspaper of general
13 circulation within the proposed Zone area to notify the
14 general public of the application and their opportunity to
15 comment. Such notice shall include a description of the area
16 and a brief summary of the application and shall indicate
17 locations where the applicant has provided copies of the

18 application for public inspection. The notice shall also
19 indicate appropriate procedures for the filing of written
20 comments from Zone residents, business, civic and other
21 organizations and property owners to the Department.
22 Section 1-45. Energy Transition Zone Board.
23 (a) An Energy Transition Zone Board is hereby created
24 within the Department.
25 (b) The Board shall consist of the following 5 members:

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1 (1) the Director of Commerce and Economic Opportunity,
2 or his or her designee, who shall serve as chairperson;
3 (2) the Director of Revenue, or his or her designee;
4 and
5 (3) 3 members appointed by the Governor, with the
6 advice and consent of the Senate.
7 Board members shall serve without compensation but may be
8 reimbursed for necessary expenses incurred in the performance
9 of their duties from funds appropriated for that purpose.
10 (c) Each member appointed under paragraph (3) of
11 subsection (b) shall have at least 5 years of experience in
12 business, economic development, or site location.
13 (d) Of the initial members appointed under paragraph (3)
14 of subsection (b): one member shall serve for a term of 2
15 years; one member shall serve for a term of 3 years; and one
16 member shall serve for a term of 4 years. Thereafter, all
17 members appointed under paragraph (3) of subsection (b) shall
18 serve for terms of 4 years. Members appointed under paragraph
19 (3) of subsection (b) may be reappointed. The Governor may
20 remove a member appointed under paragraph (3) of subsection
21 (b) for incompetence, neglect of duty, or malfeasance in
22 office.
23 (e) By September 30, all applications filed by December 31
24 of the preceding calendar year and deemed qualified by the
25 Department shall be approved or denied by the Board. If such
26 application is not approved by September 30, the application

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1 shall be considered denied. If an application is denied, the
2 Board shall inform the applicant of the specific reasons for
3 the denial.
4 (f) A majority of the Board shall determine whether an
5 application is approved or denied.

6 Section 1-50. Certification of Energy Transition Zones;
7 effective date.
8 (a) Certification of Board-approved designated Energy
9 Transition Zones shall be made by the Department by
10 certification of the designating ordinance. The Department
11 shall promptly issue a certificate for each Energy Transition
12 Zone upon approval by the Board. The certificate shall be
13 signed by the Director of the Department, shall make specific
14 reference to the designating ordinance, which shall be
15 attached thereto, and shall be filed in the office of the
16 Secretary of State. A certified copy of the Energy Transition
17 Zone Certificate, or a duplicate original thereof, shall be
18 recorded in the office of recorder of deeds of the county in
19 which the Energy Transition Zone lies.
20 (b) An Energy Transition Zone shall be effective on the
21 date of the Department's certification. The Department shall
22 transmit a copy of the certification to the Department of
23 Revenue, and to the designating municipality.
24 (c) Upon certification of an Energy Transition Zone, the
25 terms and provisions of the designating ordinance shall be in

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1 effect, and may not be amended or repealed except in
2 accordance with Section 1-55.
3 (d) Energy Transition Zone designation will last for 13
4 years from the effective date of such designation and shall be
5 subject to review by the Board after 13 years for an additional
6 10-year designation beginning on the expiration date of the
7 Energy Transition Zone. During the review process, the Board
8 shall consider the costs incurred by the State and units of
9 local government as a result of tax benefits received by the
10 Energy Transition Zone. Energy Transition Zones shall
11 terminate at midnight of December 31 of the final calendar
12 year of the certified term, except as provided in Section
13 1-55.
14 (e) Each Energy Transition Zone that reapplies for
15 certification but does not receive a new certification shall
16 expire on its scheduled termination date.
17 Section 1-55. Amendment and decertification of Energy
18 Transition Zones.
19 (a) The terms of a certified Energy Transition Zone
20 designating ordinance may be amended to:
21 (1) alter the boundaries of the Energy Transition
22 Zone;

23 (2) expand, limit, or repeal tax incentives or
24 benefits provided in the ordinance;
25 (3) alter the termination date of the Zone;

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1 (4) make technical corrections in the Energy
2 Transition Zone designating ordinance; but such amendment
3 shall not be effective unless the Department issues an
4 amended certificate for the Energy Transition Zone
5 approving the amended designating ordinance. Upon the
6 adoption of any ordinance amending or repealing the terms
7 of a certified Energy Transition Zone designating
8 ordinance, the municipality or county shall promptly file
9 with the Department an application for approval thereof,
10 containing substantially the same information as required
11 for an application under Section 1-35 insofar as material
12 to the proposed changes. The municipality or county must
13 hold a public hearing on the proposed changes; or
14 (5) include an area within another municipality or
15 county as part of the designated Energy Transition Zone
16 provided the requirements of Section 1-15 are complied
17 with.
18 (b) The Department shall approve or disapprove a proposed
19 amendment to a certified Energy Transition Zone within 90 days
20 of its receipt of the application from the municipality. The
21 Department may not approve changes in a Zone which are not in
22 conformity with this Act, as now or hereafter amended, or with
23 other applicable laws. If the Department issues an amended
24 certificate for an Energy Transition Zone, the amended
25 certificate, together with the amended Zone designating
26 ordinance, shall be filed, recorded, and transmitted as

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1 provided in this Act.
2 (c) An Energy Transition Zone may be decertified by joint
3 action of the Department and the designating municipality in
4 accordance with this Section. The designating municipality
5 shall conduct at least one public hearing within the Zone
6 prior to its adoption of an ordinance of de-designation. The
7 mayor of the designating municipality shall execute a joint
8 decertification agreement with the Department. A
9 decertification of an Energy Transition Zone shall not become
10 effective until at least 6 months after the execution of the

11 decertification agreement, which shall be filed in the office
12 of the Secretary of State.

13 (d) An Energy Transition Zone may be decertified for cause
14 by the Department in accordance with this Section. Prior to
15 decertification: (1) the Department shall notify the chief
16 elected official of the designating municipality in writing of
17 the specific deficiencies which provide cause for
18 decertification; (2) the Department shall place the
19 designating municipality on probationary status for at least 6
20 months during which time corrective action may be achieved in
21 the Energy Transition Zone by the designating municipality;
22 and (3) the Department shall conduct at least one public
23 hearing within the Zone. If such corrective action is not
24 achieved during the probationary period, the Department shall
25 issue an amended certificate signed by the Director of the
26 Department decertifying the Energy Transition Zone, which

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1 certificate shall be filed in the office of the Secretary of
2 State. A certified copy of the amended Energy Transition Zone
3 certificate, or a duplicate original thereof, shall be
4 recorded in the office of recorder of the county in which the
5 Energy Transition Zone lies, and shall be provided to the
6 chief elected official of the designating municipality.

7 Decertification of an Energy Transition Zone shall not become
8 effective until 60 days after the date of filing.

9 (e) In the event of a decertification, an amendment
10 reducing the length of the term or the area of an Energy
11 Transition Zone, or the adoption of an ordinance reducing or
12 eliminating tax benefits in an Energy Transition Zone, all
13 benefits previously extended within the Zone pursuant to this
14 Act or pursuant to any other Illinois law providing benefits
15 specifically to or within Energy Transition Zones shall remain
16 in effect for the original stated term of the Energy
17 Transition Zone, with respect to green energy enterprises
18 within the Zone on the effective date of such decertification
19 or amendment.

20 Section 1-60. Powers and duties of Department.

21 (a) The Department shall administer this Act and shall
22 have the following powers and duties:

23 (1) to monitor the implementation of this Act and
24 submit reports evaluating the effectiveness of the program
25 and any suggestions for legislation to the Governor and

1 General Assembly by October 1 of every year preceding a
2 regular Session of the General Assembly and to annually
3 report to the General Assembly initial and current
4 population, employment, per capita income, number of
5 business establishments, dollar value of new construction
6 and improvements, and the aggregate value of each tax
7 incentive, based on information provided by the Department
8 of Revenue for each Energy Transition Zone; and
9 (2) to adopt all necessary rules to carry out the
10 purposes of this Act in accordance with the Illinois
11 Administrative Procedure Act.

12 (b) The Department shall have all of the following
13 specific duties:

14 (1) The Department shall provide information and
15 appropriate assistance to persons desiring to locate and
16 engage in business in an Energy Transition Zone and to
17 persons engaged in green energy in an Energy Transition
18 Zone.

19 (2) The Department shall, in cooperation with
20 appropriate units of local government and State agencies,
21 coordinate and streamline existing State business
22 assistance programs and permit and license application
23 procedures for Energy Transition Zone green energy
24 enterprises.

25 (3) The Department shall publicize existing tax
26 incentives and economic development programs within the

1 Zone and upon request, offer technical assistance in
2 abatement and alternative revenue source development to
3 local units of government which have Energy Transition
4 Zones within their jurisdiction.

5 (4) The Department shall work together with the
6 responsible State and federal agencies to promote the
7 coordination of other relevant programs, including but not
8 limited to housing, community and economic development,
9 small business, banking, financial assistance, and
10 employment training programs which are carried on in an
11 Energy Transition Zone.

12 (5) In order to stimulate employment opportunities for
13 Zone residents, the Department, in cooperation with the
14 Department of Human Services and the Department of
15 Employment Security, is to initiate a test of the

16 following 2 programs within the 12-month period following
17 designation and approval by the Department of the first
18 Energy Transition Zones: (i) the use of aid to families
19 with dependent children benefits payable under Article IV
20 of the Illinois Public Aid Code, General Assistance
21 benefits payable under Article VI of the Illinois Public
22 Aid Code, the unemployment insurance benefits payable
23 under the Unemployment Insurance Act as training or
24 employment subsidies leading to unsubsidized employment;
25 and (ii) a program for voucher reimbursement of the cost
26 of training Zone residents eligible under the Targeted

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1 Jobs Tax Credit provisions of the Internal Revenue Code
2 for employment in private industry. These programs shall
3 not be designed to subsidize businesses, but are intended
4 to open up job and training opportunities not otherwise
5 available. Nothing in this paragraph (5) shall be deemed
6 to require Zone businesses to utilize these programs.
7 These programs should be designed (i) for those
8 individuals whose opportunities for job-finding are
9 minimal without program participation, (ii) to minimize
10 the period of benefit collection by such individuals, and
11 (iii) to accelerate the transition of those individuals to
12 unsubsidized employment. The Department is to seek
13 agreement with business, organized labor, and the
14 appropriate State Departments and agencies on the design,
15 operation, and evaluation of the test programs.
16 (c) A report with recommendations including representative
17 comments of these groups shall be submitted by the Department
18 to the county or municipality that designated the area as an
19 Energy Transition Zone, the Governor, and the General Assembly
20 not later than 12 months after such test programs have
21 commenced, or not later than 3 months following the
22 termination of such test programs, whichever first occurs.
23 Section 1-65. State incentives regarding public services
24 and physical infrastructure.
25 (a) This Act does not restrict tax incentive financing

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1 pursuant to the Tax Increment Allocation Redevelopment Act in
2 the Illinois Municipal Code.
3 (b) The State Treasurer is authorized and encouraged to

4 place deposits of State funds with financial institutions
5 doing business in an Energy Transition Zone.

6 Section 1-70. Zone administration. The administration of
7 an Energy Transition Zone shall be under the jurisdiction of
8 the designating municipality. Each designating municipality
9 shall, by ordinance, designate a Zone Administrator for the
10 certified Zones within its jurisdiction. A Zone Administrator
11 must be an officer or employee of the municipality. The Zone
12 Administrator shall be the liaison between the designating
13 municipality, the Department, and any designated Zone
14 organizations within zones under his jurisdiction.

15 Section 1-75. Accounting.

16 (a) Any business receiving tax incentives due to its
17 location within an Energy Transition Zone must annually report
18 to the Department of Revenue information reasonably required
19 by the Department of Revenue to enable the Department to
20 verify and calculate the total Energy Transition Zone tax
21 benefits for property taxes and taxes imposed by the State
22 that are received by the business, broken down by incentive
23 category and Energy Transition Zone, if applicable. Reports
24 are due no later than May 31 of each year and shall cover the

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1 previous calendar year. The first report will be for the 2022
2 calendar year and is due no later than May 31, 2023.

3 (b) Green energy enterprises shall report their job
4 creation, retention, and capital investment numbers within the
5 Zone annually to the Department of Revenue no later than May 31
6 of each calendar year.

7 (c) The Department of Revenue shall aggregate and collect
8 the tax, job, and capital investment data by Energy Transition
9 Zone and report this information, formatted to exclude
10 company-specific proprietary information, to the Department
11 and the Board by August 1, 2023, and by August 1 of every
12 calendar year thereafter. The Department shall include this
13 information in their required reports under this Act.

14 (d) The Department of Revenue, in its discretion, may
15 require that the reports filed under this Section be submitted
16 electronically.

17 (e) If the Department determines that 80% or more of the
18 businesses receiving tax incentives because of their location
19 within a particular Energy Transition Zone failed to submit
20 the information required under subsection (a) to the
21 Department of Revenue in any calendar year, then the Energy

22 Transition Zone may be decertified by the Department. If the
23 Department is able to determine that specific businesses are
24 failing to submit to the Zone Administrator the information
25 required under subsection (a) to be submitted to the
26 Department of Revenue, regardless of the Administrator's

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1 efforts to enforce reporting, the Department may, in its
2 discretion, suspend the benefits to the specific business
3 rather than decertifying the particular Energy Transition
4 Zone.
5 (f) The Department of Revenue shall have the authority to
6 adopt rules as are reasonable and necessary to implement the
7 provisions of this Section.
8 Section 1-80. Zone Administrator.
9 (a) Each Zone Administrator shall post a copy of the
10 boundaries of the Energy Transition Zone on its official
11 Internet website and shall provide an electronic copy to the
12 Department. The Department shall post each copy of the
13 boundaries of an Energy Transition Zone that it receives from
14 a Zone Administrator on its official Internet website.
15 (b) The Zone Administrator shall collect and aggregate the
16 following information:
17 (1) the estimated cost of each building project,
18 broken down into labor and materials; and
19 (2) within 60 days after the end of the project, the
20 estimated cost of each building project, broken down into
21 labor and materials.
22 (c) By April 1 of each year, each Zone Administrator shall
23 file a copy of its fee schedule with the Department, and the
24 Department shall post the fee schedule on its website. Zone
25 Administrators shall charge no more than 0.5% of the cost of

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1 building materials of the project associated with the specific
2 Energy Transition Zone, with a maximum fee of no more than
3 \$50,000.
4 Section 1-85. State regulatory exemptions in Energy
5 Transition Zones.
6 (a) The Department shall conduct an ongoing review of such
7 agency rules as may be identified by the Department or
8 representatives of designating municipalities and counties as
9 green energy enterprises and preliminarily appearing to the

10 Department to:

11 (1) affect the conduct of business, industry and

12 commerce;

13 (2) impose excessive costs on either the creation or

14 conduct of such enterprises; and

15 (3) inhibit the development and expansions of

16 enterprises within Energy Transition Zones.

17 The Department shall conduct hearings, pursuant to public

18 notice, to solicit public comment on such identified rules as

19 part of this review process.

20 (b) No later than August 1 of each calendar year, the

21 Department shall publish in the Illinois Register a list of

22 such rules identified pursuant to subsection (a). The

23 Department shall transmit a copy of the list to each agency

24 which has adopted rules on the list.

25 (c) Within 90 days of the publication of the list by the

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1 Department, each agency which adopted rules identified therein

2 shall file a written report with the Department detailing for

3 each identified rule:

4 (1) the need or justification;

5 (2) whether the rule is mandated by State or federal

6 law, or is discretionary, and to what extent;

7 (3) a synopsis of the history of the rule, including

8 any internal agency review after its original adoption;

9 and

10 (4) any appropriate explanation of its relationship to

11 other regulatory requirements.

12 The agency that adopted the rules shall also include any

13 available data, analysis and studies concerning the economic

14 impact of the identified rules. The agency responses shall be

15 public records.

16 (d) No later than January 1 of the following calendar

17 year, the Department shall file proposed rules exempting green

18 energy enterprises within Energy Transition Zones from those

19 agency rules contained in the published list, for which the

20 Department finds that the job creation or business development

21 incentives for Energy Transition Zone development engendered

22 by the exemption outweigh the need and justification for the

23 rule. In making its findings, the Department shall consider

24 all information, data, and opinions submitted to it by the

25 public, as well as by adopting agencies, as well as

26 information otherwise available to it.

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1 (e) The proposed rules adopted by the Department shall be
2 in the form of amendments to the existing rules to be affected,
3 and shall be subject to the Illinois Administrative Procedure
4 Act.

5 (f) Upon its effective date, any exempting rule of the
6 Department shall supersede the exempted agency rule in
7 accordance with the terms of the exemption. Such exemptions
8 may apply only to green energy enterprises within Energy
9 Transition Zones during the effective term of the respective
10 Zones. Agencies may not adopt emergency rules to circumvent an
11 exemption affected by a Department exemption rule; any such
12 emergency rules shall not be effective within Energy
13 Transition Zones to the extent inconsistent with the terms of
14 such an exemption.

15 Section 1-90. State and local regulatory alternatives.

16 (a) Agencies may provide in their rules for:

17 (1) the exemption of green energy enterprises within
18 Energy Transition Zones; or

19 (2) modifications or alternatives specifically
20 applicable to green energy enterprises within Energy
21 Transition Zones, which impose less stringent standards or
22 alternative standards for compliance (including, but not
23 limited to, performance-based standards as a substitute
24 for specific mandates of methods, procedures or
25 equipment).

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1 Such exemptions, modifications, or alternatives shall
2 become effective by rule adopted in accordance with the
3 Illinois Administrative Procedure Act. The Agency adopting
4 such exemptions, modifications or alternatives shall file with
5 its proposed rule its findings that the proposed rule provides
6 economic incentives within Energy Transition Zones which
7 promote the purposes of this Act, and which, to the extent they
8 include any exemptions or reductions in regulatory standards
9 or requirements, outweigh the need or justification for the
10 existing rule.

11 (b) If any agency adopts a rule pursuant to paragraph (a)
12 affecting a rule contained on the list published by the
13 Department, prior to the completion of the rulemaking process
14 for the Department's rules under that Section, the agency
15 shall immediately transmit a copy of its proposed rule to the

16 Department, together with a statement of reasons as to why the
17 Department should defer to the agency's proposed rule. Agency
18 rules adopted under subsection (a) shall, however, be subject
19 to the exemption rules adopted by the Department.
20 (c) Within Energy Transition Zones, the designating
21 municipality may modify all local ordinances and regulations
22 regarding (i) zoning; (ii) licensing; (iii) building codes,
23 excluding however, any regulations treating building defects;
24 or (iv) price controls (except for the minimum wage).
25 Notwithstanding any shorter statute of limitation to the
26 contrary, actions against any contractor or architect who

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1 designs, constructs or rehabilitates a building or structure
2 in an Energy Transition Zone in accordance with local
3 standards specifically applicable within Zones which have been
4 relaxed may be commenced within 10 years from the time of
5 beneficial occupancy of the building or use of the structure.
6 Section 1-95. Exemptions from regulatory relaxation.
7 Sections 1-85 and 1-90 do not apply to rules adopted pursuant
8 to:
9 (1) the Environmental Protection Act;
10 (2) the Illinois Historic Preservation Act;
11 (3) the Illinois Human Rights Act;
12 (4) any successor Acts to any of the foregoing; or
13 (5) any other Acts whose purpose is the protection of
14 the environment, the preservation of historic places and
15 landmarks, or the protection of persons against
16 discrimination on the basis of race, color, religion, sex,
17 marital status, national origin, or physical or mental
18 disability.
19 (b) No exemption, modification, or alternative to any
20 agency rule shall be effective which:
21 (1) presents a significant risk to the health or
22 safety of persons resident in or employed within an Energy
23 Transition Zone;
24 (2) would conflict with federal law such that the
25 State, or any unit of local government or school district,

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1 or any area of the State other than Energy Transition
2 Zones, or any business enterprise located outside of an
3 Energy Transition Zone would be disqualified from a

4 federal program or from federal tax or other benefits;
5 (3) would suspend or modify an agency rule mandated by
6 law; or
7 (4) would eliminate or reduce benefits to individuals
8 who are residents of or employed within a Zone.
9 Section 1-100. Business notifications. Any business
10 located within the Energy Transition Zone which has received
11 tax credits or exemptions, regulatory relief or any other
12 benefits under this Act shall notify the Department and the
13 county and municipal officials in which the Energy Transition
14 Zone is located within 60 days of the cessation of any business
15 operations conducted within the Energy Transition Zone. The
16 Department shall adopt rules to carry out this Section.
17 Article 5. Energy Transition Tax Credit Act
18 Section 5-1. Short title. This Article may be cited as the
19 Energy Transition Tax Credit Act. References in this Article
20 to "this Act" mean this Article.
21 Section 5-5. Purpose. The General Assembly finds and
22 declares that the health, safety, and welfare of the people of

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1 this State are dependent upon a healthy economy and vibrant
2 communities; that the closure of coal plants, coal mines, and
3 nuclear energy plants across the states are detrimental to
4 maintaining a healthy economy and vibrant communities; that
5 the expansion of green energy creates significant job growth
6 and contributes significantly to the health, safety, and
7 welfare of the people of this State; that the continual
8 encouragement, development, growth and expansion of green
9 energy within the State requires a cooperative and continuous
10 partnership between government and the green energy sector;
11 and that there are certain depressed areas in this State that
12 have lost jobs due to the closure of coal plants, coal mines,
13 and nuclear energy plants and need the particular attention of
14 government, labor and the citizens of Illinois to help attract
15 green energy investment into these areas and directly aid the
16 local community and its residents. Therefore, it is declared
17 to be the purpose of this Act, in conjunction with the Energy
18 Transition Zone Act, to provide green energy enterprises an
19 incentive to stimulate the growth of green energy in the State
20 and to foster job growth in areas depressed by the closure of
21 coal plants, coal mines, and nuclear energy plants.
22 Section 5-10. Definitions. As used in this Act:
23 "Agreement" means the Agreement between a Taxpayer and the

24 Department under the provisions of Section 5-55 of this Act.

25 "Applicant" means a Taxpayer operating a green energy

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1 enterprise, as determined by the Energy Transition Zone Act,
2 located within or that the green energy enterprise plans to
3 locate within an Energy Transition Zone. "Applicant" does not
4 include a Taxpayer who closes or substantially reduces an
5 operation at one location in the State and relocates
6 substantially the same operation to a location in an Energy
7 Transition Zone. This does not prohibit a Taxpayer from
8 expanding its operations at a location in an Energy Transition
9 Zone, provided that existing operations of a similar nature
10 located within the State are not closed or substantially
11 reduced. This also does not prohibit a Taxpayer from moving
12 its operations from one location in the State to an Energy
13 Transition Zone for the purpose of expanding the operation
14 provided that the Department determines that expansion cannot
15 reasonably be accommodated within the municipality in which
16 the business is located, or in the case of a business located
17 in an incorporated area of the county, within the county in
18 which the business is located, after conferring with the chief
19 elected official of the municipality or county and taking into
20 consideration any evidence offered by the municipality or
21 county regarding the ability to accommodate expansion within
22 the municipality or county.

23 "Committee" means the Energy Transition Investment
24 Committee created under Section 5-25 of this Act within the
25 Illinois Economic Development Board.

26 "Credit" means the amount agreed to between the Department

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1 and the Applicant under this Act, but not to exceed the lesser
2 of: (1) the sum of (i) 50% of the Incremental Income Tax
3 attributable to New Employees at the Applicant's project and
4 (ii) 10% of the training costs of New Employees; or (2) 100% of
5 the Incremental Income Tax attributable to New Employees at
6 the Applicant's project. However, if the project is located in
7 an underserved area, then the amount of the Credit may not
8 exceed the lesser of: (1) the sum of (i) 75% of the Incremental
9 Income Tax attributable to New Employees at the Applicant's
10 project and (ii) 10% of the training costs of New Employees; or
11 (2) 100% of the Incremental Income Tax attributable to New

12 Employees at the Applicant's project. If an Applicant agrees
13 to hire the required number of New Employees, then the maximum
14 amount of the Credit for that Applicant may be increased by an
15 amount not to exceed 25% of the Incremental Income Tax
16 attributable to retained employees at the Applicant's project;
17 provided that, in order to receive the increase for retained
18 employees, the Applicant must provide the additional evidence
19 required under paragraph (3) of subsection (b) of Section
20 5-30.

21 "Department" means the Department of Commerce and Economic
22 Opportunity.

23 "Director" means the Director of Commerce and Economic
24 Opportunity.

25 "Full-time Employee" means an individual who is employed
26 for consideration for at least 35 hours each week or who

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1 renders any other standard of service generally accepted by
2 industry custom or practice as full-time employment. An
3 individual for whom a W-2 is issued by a Professional Employer
4 Organization (PEO) is a full-time employee if employed in the
5 service of the Applicant for consideration for at least 35
6 hours each week or who renders any other standard of service
7 generally accepted by industry custom or practice as full-time
8 employment to Applicant.

9 "Green energy" means solar energy, wind energy, water
10 energy, geothermal energy, bioenergy, or hydrogen fuel and
11 cells.

12 "Green energy production facility" means a facility owned
13 by a green energy enterprise (as defined in the Illinois
14 Energy Transition Zone Act) that is used in the production of
15 solar energy, wind energy, water energy, geothermal energy,
16 bioenergy, or hydrogen fuel and cells."Incremental Income Tax"
17 means the total amount withheld during the taxable year from
18 the compensation of New Employees and, if applicable, retained
19 employees under Article 7 of the Illinois Income Tax Act
20 arising from employment at a project that is the subject of an
21 Agreement.

22 "New Employee" means a full-time employee first employed
23 by a taxpayer in the project that is the subject of an
24 agreement and who is hired after the taxpayer enters into the
25 agreement. The term "New Employee" does not include:
26 (1) an employee of the Taxpayer who performs a job

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1 that was previously performed by another employee, if that
2 job existed for at least 6 months before hiring the
3 employee;

4 (2) an employee of the Taxpayer who was previously
5 employed in Illinois by a Related Member of the Taxpayer
6 and whose employment was shifted to the Taxpayer after the
7 Taxpayer entered into the Agreement; or

8 (3) a child, grandchild, parent, or spouse, other than
9 a spouse who is legally separated from the individual, of
10 any individual who has a direct or an indirect ownership
11 interest of at least 5% in the profits, capital, or value
12 of the taxpayer.

13 Notwithstanding any other provisions of this Section, an
14 employee may be considered a New Employee under the Agreement
15 if the employee performs a job that was previously performed
16 by an employee who was:

17 (1) treated under the Agreement as a New Employee; and
18 (2) promoted by the Taxpayer to another job.

19 Notwithstanding any other provisions of this Section, the
20 Department may award a Credit to an Applicant with respect to
21 an employee hired prior to the date of the Agreement if:

22 (1) the Applicant is in receipt of a letter from the
23 Department stating an intent to enter into a credit
24 Agreement;

25 (2) the letter described in paragraph (1) is issued by
26 the Department not later than 15 days after the effective

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1 date of this Act; and

2 (3) the employee was hired after the date the letter
3 described in paragraph (1) was issued.

4 "Noncompliance Date" means, in the case of a Taxpayer that
5 is not complying with the requirements of the Agreement or the
6 provisions of this Act, the day following the last date upon
7 which the Taxpayer was in compliance with the requirements of
8 the Agreement and the provisions of this Act, as determined by
9 the Director, pursuant to Section 5-75.

10 "Pass through entity" means an entity that is exempt from
11 the tax under subsection (b) or (c) of Section 205 of the
12 Illinois Income Tax Act.

13 "Related Member" means a person that, with respect to the
14 Taxpayer during any portion of the taxable year, is any one of
15 the following:

16 (1) An individual stockholder, if the stockholder and
17 the members of the stockholder's family (as defined in
18 Section 318 of the Internal Revenue Code) own directly,
19 indirectly, beneficially, or constructively, in the
20 aggregate, at least 50% of the value of the Taxpayer's
21 outstanding stock.
22 (2) A partnership, estate, or trust and any partner or
23 beneficiary, if the partnership, estate, or trust, and its
24 partners or beneficiaries own directly, indirectly,
25 beneficially, or constructively, in the aggregate, at
26 least 50% of the profits, capital, stock, or value of the

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1 Taxpayer.
2 (3) A corporation, and any party related to the
3 corporation in a manner that would require an attribution
4 of stock from the corporation to the party or from the
5 party to the corporation under the attribution rules of
6 Section 318 of the Internal Revenue Code, if the Taxpayer
7 owns directly, indirectly, beneficially, or constructively
8 at least 50% of the value of the corporation's outstanding
9 stock.
10 (4) A corporation and any party related to that
11 corporation in a manner that would require an attribution
12 of stock from the corporation to the party or from the
13 party to the corporation under the attribution rules of
14 Section 318 of the Internal Revenue Code, if the
15 corporation and all such related parties own in the
16 aggregate at least 50% of the profits, capital, stock, or
17 value of the Taxpayer.
18 (5) A person to or from whom there is attribution of
19 stock ownership in accordance with Section 1563(e) of the
20 Internal Revenue Code, except, for purposes of determining
21 whether a person is a Related Member under this paragraph,
22 20% shall be substituted for 5% wherever 5% appears in
23 Section 1563(e) of the Internal Revenue Code.
24 "Taxpayer" means an individual, corporation, partnership,
25 or other entity that has any Illinois income tax liability.
26 "Underserved area" means a geographic area that meets one

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1 or more of the following conditions:
2 (1) the area has a poverty rate of at least 20%

3 according to the latest federal decennial census;
4 (2) 75% or more of the children in the area
5 participate in the federal free lunch program according to
6 reported statistics from the State Board of Education;
7 (3) at least 20% of the households in the area receive
8 assistance under the Supplemental Nutrition Assistance
9 Program (SNAP); or
10 (4) the area has an average unemployment rate, as
11 determined by the Illinois Department of Employment
12 Security, that is more than 120% of the national
13 unemployment average, as determined by the U.S. Department
14 of Labor, for a period of at least 2 consecutive calendar
15 years preceding the date of the application.
16 Section 5-15. Powers of the Department. The Department, in
17 addition to those powers granted under the Civil
18 Administrative Code of Illinois, is granted and shall have all
19 the powers necessary or convenient to carry out and effectuate
20 the purposes and provisions of this Act, including, but not
21 limited to, power and authority to:
22 (1) Adopt rules deemed necessary and appropriate for
23 the administration of the programs; establish forms for
24 applications, notifications, contracts, or any other
25 agreements; and accept applications at any time during the

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1 year.
2 (2) Provide and assist Taxpayers pursuant to the
3 provisions of this Act, and cooperate with Taxpayers that
4 are parties to Agreements to promote, foster, and support
5 economic development, capital investment, and job creation
6 or retention within the Energy Transition Zone.
7 (c) Enter into agreements and memoranda of
8 understanding for participation of and engage in
9 cooperation with agencies of the federal government, local
10 units of government, universities, research foundations or
11 institutions, regional economic development corporations,
12 or other organizations for the purposes of this Act.
13 (4) Gather information and conduct inquiries, in the
14 manner and by the methods as it deems desirable, including
15 without limitation, gathering information with respect to
16 Applicants for the purpose of making any designations or
17 certifications necessary or desirable or to gather
18 information to assist the Committee with any
19 recommendation or guidance in the furtherance of the

20 purposes of this Act.

21 (5) Establish, negotiate and effectuate any term,
22 agreement or other document with any person, necessary or
23 appropriate to accomplish the purposes of this Act; and to
24 consent, subject to the provisions of any Agreement with
25 another party, to the modification or restructuring of any
26 Agreement to which the Department is a party.

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1 (6) Fix, determine, charge, and collect any premiums,
2 fees, charges, costs, and expenses from Applicants,
3 including, without limitation, any application fees,
4 commitment fees, program fees, financing charges, or
5 publication fees as deemed appropriate to pay expenses
6 necessary or incident to the administration, staffing, or
7 operation in connection with the Department's or
8 Committee's activities under this Act, or for preparation,
9 implementation, and enforcement of the terms of the
10 Agreement, or for consultation, advisory and legal fees,
11 and other costs; however, all fees and expenses incident
12 thereto shall be the responsibility of the Applicant.

13 (7) Provide for sufficient personnel to permit
14 administration, staffing, operation, and related support
15 required to adequately discharge its duties and
16 responsibilities described in this Act from funds made
17 available through charges to Applicants or from funds as
18 may be appropriated by the General Assembly for the
19 administration of this Act.

20 (8) Require Applicants, upon written request, to issue
21 any necessary authorization to the appropriate federal,
22 state, or local authority for the release of information
23 concerning a project being considered under the provisions
24 of this Act, with the information requested to include,
25 but not be limited to, financial reports, returns, or
26 records relating to the Taxpayer or its project.

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1 (9) Require that a Taxpayer shall at all times keep
2 proper books of record and account in accordance with
3 generally accepted accounting principles consistently
4 applied, with the books, records, or papers related to the
5 Agreement in the custody or control of the Taxpayer open
6 for reasonable Department inspection and audits, and

7 including, without limitation, the making of copies of the
8 books, records, or papers, and the inspection or appraisal
9 of any of the Taxpayer or project assets.

10 (10) Take whatever actions are necessary or
11 appropriate to protect the State's interest in the event
12 of bankruptcy, default, foreclosure, or noncompliance with
13 the terms and conditions of financial assistance or
14 participation required under this Act, including the power
15 to sell, dispose, lease, or rent, upon terms and
16 conditions determined by the Director to be appropriate,
17 real or personal property that the Department may receive
18 as a result of these actions.

19 Section 5-20. Tax credit awards.

20 (a) Subject to the conditions set forth in this Act, a
21 Taxpayer is entitled to a Credit against or, as described in
22 subsection (f) of this Section, a payment towards taxes
23 imposed pursuant to subsections (a) and (b) of Section 201 of
24 the Illinois Income Tax Act that may be imposed on the Taxpayer
25 for a taxable year beginning on or after January 1, 2022, if

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1 the Taxpayer is awarded a Credit by the Department under this
2 Act for that taxable year.

3 The Department shall make Credit awards under this Act to
4 foster job creation and the development of green energy in
5 Energy Transition Zones.

6 (b) A person that proposes a project to create new jobs and
7 to invest in the development of a green energy production
8 facility in an Energy Transition Zone must enter into an
9 Agreement with the Department for the Credit under this Act

10 (c) The Credit shall be claimed for the taxable years
11 specified in the Agreement.

12 (d) The Credit shall not exceed the Incremental Income Tax
13 attributable to the project that is the subject of the
14 Agreement.

15 (e) Nothing herein shall prohibit a Tax Credit Award to an
16 Applicant that uses a PEO if all other award criteria are
17 satisfied.

18 (f) This Section is exempt from the provisions of Section
19 250 of the Illinois Income Tax Act.

20 Section 5-25. Application for a project to create and
21 retain new jobs and to develop green energy.

22 (a) Any green energy enterprise proposing a project to
23 build a green energy production facility located or planned to

24 be located in an Energy Transition Zone may request
25 consideration for designation of its project, by formal

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1 written letter of request or by formal application to the
2 Department, in which the Applicant states its intent to make
3 at least a specified level of investment and intends to hire or
4 retain a specified number of full-time employees at a
5 designated location in Illinois. As circumstances require, the
6 Department may require a formal application from an Applicant
7 and a formal letter of request for assistance.

8 (b) In order to qualify for Credits under this Act, an
9 Applicant's project must:

10 (1) be for the purpose of producing green energy;
11 (2) if the Applicant has more than 100 employees,
12 involve an investment of at least \$2,500,000 in capital
13 improvements to be placed in service within an Energy
14 Transition Zone as a direct result of the project; if the
15 Applicant has 100 or fewer employees, then there is no
16 capital investment requirement; and
17 (3) if the Applicant has more than 100 employees,
18 employ a number of new employees in the Energy Transition
19 Zone equal to the lesser of (A) 10% of the number of
20 full-time employees employed by the applicant world-wide
21 on the date the application is filed with the Department
22 or (B) 50 New Employees; and, if the Applicant has 100 or
23 fewer employees, employ a number of new employees in the
24 State equal to the lesser of (A) 5% of the number of
25 full-time employees employed by the applicant world-wide
26 on the date the application is filed with the Department

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1 or (B) 50 New Employees;
2 (c) After receipt of an application, the Department may
3 enter into an Agreement with the Applicant if the application
4 is accepted in accordance with Section 5-25.
5 Section 5-30. Review of application.
6 (a) In addition to those duties granted under the Illinois
7 Economic Development Board Act, the Illinois Economic
8 Development Board shall form an Energy Transition Investment
9 Committee for the purpose of making recommendations for
10 applications. At the request of the Board, the Director of
11 Commerce and Economic Opportunity or his or her designee, the

12 Director of the Governor's Office of Management and Budget or
13 his or her designee, the Director of Revenue or his or her
14 designee, the Director of Employment Security or his or her
15 designee, and an elected official of the affected locality,
16 such as the chair of the county board or the mayor, may serve
17 as members of the Committee to assist with its analysis and
18 deliberations.

19 (b) At the Department's request, the Committee shall
20 convene, make inquiries, and conduct studies in the manner and
21 by the methods as it deems desirable, review information with
22 respect to Applicants, and make recommendations for projects
23 to benefit an Energy Transition Zone. In making its
24 recommendation that an Applicant's application for Credit
25 should or should not be accepted, which shall occur within a

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1 reasonable time frame as determined by the nature of the
2 application, the Committee shall determine that all the
3 following conditions exist:

4 (1) The Applicant's project intends, as required by
5 subsection (b) of Section 5, to make the required
6 investment in the Energy Transition Zone and intends to
7 hire the required number of New Employees in the Energy
8 Transition Zone as a result of that project.

9 (2) The Applicant's project is economically sound and
10 will benefit the people of the Energy Transition Zone by
11 increasing opportunities for employment and engaging in
12 the development of green energy.

13 (3) That, if not for the Credit, the project would not
14 occur in Illinois, which may be demonstrated by evidence
15 that receipt of the Credit is essential to the Applicant's
16 decision to create new jobs in the State, such as the
17 magnitude of the cost differential between Illinois and a
18 competing State; in addition, if the Applicant is seeking
19 an increase in the maximum amount of the Credit for
20 retained employees, the Applicant must provide evidence
21 the Applicant has multi-state location options and could
22 reasonably and efficiently locate outside of the State or
23 demonstrate that at least one other state is being
24 considered for the project.

25 (4) A cost differential is identified, using best
26 available data, in the projected costs for the Applicant's

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1 project compared to the costs in the competing state,
2 including the impact of the competing state's incentive
3 programs. The competing state's incentive programs shall
4 include state, local, private, and federal funds
5 available.

6 (5) The political subdivisions affected by the project
7 have committed local incentives with respect to the
8 project, considering local ability to assist.

9 (6) Awarding the Credit will result in an overall
10 positive fiscal impact to the State, as certified by the
11 Committee using the best available data.

12 (7) The Credit is not otherwise prohibited by this
13 Act.

14 Section 5-35. Limitation to amount of costs of specified
15 items. The total amount of the Credit allowed during all tax
16 years may not exceed the aggregate amount of costs incurred by
17 the Taxpayer during all prior tax years for the following
18 items, to the extent provided in the Agreement:

- 19 (1) capital investment, including, but not limited to,
20 equipment, buildings, or land;
21 (2) infrastructure development;
22 (3) debt service, except refinancing of current debt;
23 (4) research and development;
24 (5) job training and education;
25 (6) lease costs; or

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1 (7) relocation costs.
2 Section 5-40. Relocation of jobs to Energy Transition
3 Zone. A taxpayer is not entitled to claim the credit provided
4 by this Act with respect to any jobs that the taxpayer
5 relocates from one site in Illinois to another site in an
6 Energy Transition Zone. Moreover, any full-time employee of an
7 eligible green energy enterprise relocated to an Energy
8 Transition Zone in connection with that qualifying project is
9 deemed to be a new employee for purposes of this Act.
10 Determinations under this Section shall be made by the
11 Department.
12 Section 5-45. Determination of amount of the Credit. In
13 determining the amount of the Credit that should be awarded,
14 the Committee shall provide guidance on, and the Department
15 shall take into consideration, all of the following factors:
16 (1) The number and location of jobs created and
17 retained in relation to the economy of the Energy

18 Transition Zone where the projected investment is to
19 occur.

20 (2) The potential impact on the economy of the Energy
21 Transition Zone.

22 (3) The advancement of green energy in the Energy
23 Transition Zone.

24 (4) The incremental payroll attributable to the

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1 project.

2 (5) The capital investment attributable to the
3 project.

4 (6) The amount of the average wage and benefits paid
5 by the Applicant in relation to the wage and benefits of
6 the Energy Transition Zone.

7 (7) The costs to Illinois and the affected political
8 subdivisions with respect to the project.

9 (8) The financial assistance that is otherwise
10 provided by Illinois and the affected political
11 subdivisions.

12 Section 5-50. Amount and duration of credit.

13 (a) The Department shall determine the amount and duration
14 of the credit awarded under this Act. The duration of the
15 credit may not exceed 10 taxable years. The credit may be
16 stated as a percentage of the Incremental Income Tax
17 attributable to the applicant's project and may include a
18 fixed dollar limitation. An Agreement for the credit must be
19 finalized and signed by all parties while the area in which the
20 project is located is designated an Energy Transition Zone.
21 The credit may last longer than the applicable Energy
22 Transition Zone designation. Agreements entered into prior to
23 the de-designation of an Energy Transition Zone will be
24 honored for the length of the Agreement.

25 (b) The tax credit may not reduce the taxpayer's liability

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1 to less than zero. If the amount of tax credit exceeds the
2 liability for the year, the excess may be carried forward and
3 applied to the tax liability of the 5 taxable years following
4 the excess credit year. The credit must be applied to the
5 earliest year for which there is a tax liability. If there are
6 credits from more than one tax year that are available to
7 offset a liability, then the earlier credit will be applied

8 first.

9 Section 5-55. Contents of Agreements with Applicants. The
10 Department shall enter into an Agreement with an Applicant
11 that is awarded a Credit under this Act. The Agreement must
12 include all of the following:

13 (1) A detailed description of the project that is the
14 subject of the Agreement, including the location and
15 amount of the investment and jobs created or retained.

16 (2) The duration of the Credit and the first taxable
17 year for which the Credit may be claimed.

18 (3) The Credit amount that will be allowed for each
19 taxable year.

20 (4) A requirement that the Taxpayer shall maintain
21 operations at the project location that shall be stated as
22 a minimum number of years not to exceed 10.

23 (5) A specific method for determining the number of
24 New Employees employed during a taxable year.

25 (6) A requirement that the Taxpayer shall annually

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1 report to the Department the number of New Employees, the
2 Incremental Income Tax withheld in connection with the New
3 Employees, and any other information the Director needs to
4 perform the Director's duties under this Act.

5 (7) A requirement that the Director is authorized to
6 verify with the appropriate State agencies the amounts
7 reported under paragraph (6), and after doing so shall
8 issue a certificate to the Taxpayer stating that the
9 amounts have been verified.

10 (8) A requirement that the Taxpayer shall provide
11 written notification to the Director not more than 30 days
12 after the Taxpayer makes or receives a proposal that would
13 transfer the Taxpayer's State tax liability obligations to
14 a successor Taxpayer.

15 (9) A detailed description of the number of New
16 Employees to be hired, and the occupation and payroll of
17 the full-time jobs to be created or retained as a result of
18 the project.

19 (10) The minimum investment the green energy
20 enterprise will make in capital improvements, the time
21 period for placing the property in service, and the
22 designated green energy production of the project.

23 (11) A requirement that the Taxpayer shall provide
24 written notification to the Director and the Committee not

25 more than 30 days after the Taxpayer determines that the
26 minimum job creation or retention, employment payroll, or

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1 investment no longer is being or will be achieved or
2 maintained as set forth in the terms and conditions of the
3 Agreement.

4 (12) A provision that, if the total number of New
5 Employees falls below a specified level, the allowance of
6 Credit shall be suspended until the number of New
7 Employees equals or exceeds the Agreement amount.

8 (13) A detailed description of the items for which the
9 costs incurred by the Taxpayer will be included in the
10 limitation on the Credit provided in Section 5-40.

11 (14) A provision that, if the Taxpayer never meets
12 either the investment or job creation and retention
13 requirements specified in the Agreement during the entire
14 5-year period beginning on the first day of the first
15 taxable year in which the Agreement is executed and ending
16 on the last day of the fifth taxable year after the
17 Agreement is executed, then the Agreement is automatically
18 terminated on the last day of the fifth taxable year after
19 the Agreement is executed and the Taxpayer is not entitled
20 to the award of any credits for any of that 5-year period.

21 (15) A provision specifying that, if the Taxpayer
22 ceases principal operations with the intent to shut down
23 the project in the Energy Transition Zone permanently
24 during the term of the Agreement, then the entire credit
25 amount awarded to the Taxpayer prior to the date the
26 Taxpayer ceases principal operations shall be returned to

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1 the Department.

2 (16) Any other performance conditions or contract
3 provisions as the Department determines are appropriate.
4 The Department shall post on its website the terms of each
5 Agreement entered into under this Act. Such information
6 shall be posted within 10 days after entering into the
7 Agreement and must include the following:

- 8 (A) the name of the recipient business;
- 9 (B) the location of the project;
- 10 (C) the estimated value of the credit;
- 11 (D) the number of new jobs and, if applicable,

12 retained jobs pledged as a result of the project; and
13 (E) whether or not the project is located in an
14 underserved area.
15 Section 5-60. Certificate of verification; submission to
16 the Department of Revenue. A Taxpayer claiming a Credit under
17 this Act shall submit to the Department of Revenue a copy of
18 the Director's certificate of verification under this Act for
19 the taxable year.
20 For a Taxpayer to be eligible for a certificate of
21 verification, the Taxpayer shall provide proof as required by
22 the Department prior to the end of each calendar year,
23 including, but not limited to, attestation by the Taxpayer
24 that:
25 (1) The project has substantially achieved the level

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1 of new full-time jobs in the Energy Transition Zone, as
2 specified in its Agreement.
3 (2) The project has substantially achieved the level
4 of annual payroll in the Energy Transition Zone, as
5 specified in its Agreement.
6 (3) The project has substantially achieved the level
7 of capital investment in the Energy Transition Zone, as
8 specified in its Agreement;
9 (4) The project has assisted in the development of
10 green energy production in the Energy Transition Zone, as
11 specified in its Agreement.
12 Section 5-65. Supplier diversity. Each taxpayer claiming
13 a credit under this Act shall, no later than April 15 of each
14 taxable year for which the taxpayer claims a credit under this
15 Act, submit to the Department of Commerce and Economic
16 Opportunity an annual report containing the information
17 described in subsections (b), (c), (d), and (e) of Section
18 5-117 of the Public Utilities Act. Those reports shall be
19 submitted in the form and manner required by the Department of
20 Commerce and Economic Opportunity.
21 Section 5-70. Pass through entities.
22 (a) For partners, shareholders of Subchapter S
23 corporations, and owners of limited liability companies, if
24 the liability company is treated as a partnership for purposes

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1 of federal and State income taxation, there is allowed a

2 credit under this Section to be determined in accordance with
3 the determination of income and distributive share of income
4 under Sections 702 and 704 and Subchapter S of the Internal
5 Revenue Code.

6 (b) The Credit provided under subsection (a) is in
7 addition to any Credit to which a shareholder or partner is
8 otherwise entitled under a separate Agreement under this Act.
9 A pass through entity and a shareholder or partner of the pass
10 through entity may not claim more than one Credit under the
11 same Agreement.

12 Section 5-75. Noncompliance; notice; assessment. If the
13 Director determines that a Taxpayer who has received a Credit
14 under this Act is not complying with the requirements of the
15 Agreement or all of the provisions of this Act, the Director
16 shall provide notice to the Taxpayer of the alleged
17 noncompliance, and allow the Taxpayer a hearing under the
18 provisions of the Illinois Administrative Procedure Act. If,
19 after such notice and any hearing, the Director determines
20 that a noncompliance exists, the Director shall issue to the
21 Department of Revenue notice to that effect, stating the
22 Noncompliance Date. If, during the term of an Agreement, the
23 Taxpayer ceases operations at a project location that is the
24 subject of that Agreement with the intent to terminate
25 operations in the Energy Transition Zone, the Department and

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1 the Department of Revenue shall recapture from the Taxpayer
2 the entire Credit amount awarded under that Agreement prior to
3 the date the taxpayer ceases operations. The Department shall,
4 subject to appropriation, reallocate the recaptured amounts to
5 the local workforce investment area in which the project was
6 located for the purposes of workforce development, expanded
7 opportunities for unemployed persons, and expanded
8 opportunities for women and minorities in the workforce.
9 Section 5-80. Annual report. On or before July 1 each
10 year, the Committee shall submit a report to the Department on
11 the tax credit program under this Act to the Governor and the
12 General Assembly. The report shall include information on the
13 number of Agreements that were entered into under this Act
14 during the preceding calendar year, a description of the
15 project that is the subject of each Agreement, an update on the
16 status of projects under Agreements entered into before the
17 preceding calendar year, and the sum of the Credits awarded
18 under this Act. A copy of the report shall be delivered to the

19 Governor and to each member of the General Assembly.
20 The report must include, for each Agreement:
21 (1) the original estimates of the value of the Credit
22 and the number of new jobs to be created and, if
23 applicable, the number of retained jobs;
24 (2) any relevant modifications to existing Agreements;
25 (3) a statement of the progress made by each Taxpayer

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1 in meeting the terms of the original Agreement;
2 (4) a statement of wages paid to New Employees and, if
3 applicable, retained employees in the State;
4 (5) any information reported under Section 5-65 of
5 this Act; and
6 (6) a copy of the original Agreement.
7 Section 5-85. Evaluation of tax credit program. On a
8 biennial basis, the Department shall evaluate the tax credit
9 program. The evaluation shall include an assessment of the
10 effectiveness of the program in creating new jobs in Illinois
11 and of the revenue impact of the program, and may include a
12 review of the practices and experiences of other states with
13 similar programs. The Director shall submit a report on the
14 evaluation to the Governor and the General Assembly after June
15 30 and before November 1 in each odd-numbered year.
16 Section 5-90. Adoption of rules. The Department may adopt
17 rules necessary to implement this Act. The rules may provide
18 for recipients of Credits under this Act to be charged fees to
19 cover administrative costs of the tax credit program. Fees
20 collected shall be deposited into the Energy Transition Fund.
21 Section 5-95. The Energy Transition Fund.
22 (a) The Energy Transition Fund is established as a special
23 fund within the State treasury to be used exclusively for the

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1 purposes of this Act, including paying for the costs of
2 administering this Act. The Fund shall be administered by the
3 Department.
4 (b) The Fund consists of collected fees, appropriations
5 from the General Assembly, and gifts and grants to the Fund.
6 (c) The State Treasurer shall invest the money in the Fund
7 not currently needed to meet the obligations of the Fund in the
8 same manner as other public funds may be invested. Interest
9 that accrues from these investments shall be deposited into

10 the Fund.

11 (d) The money in the Fund at the end of a State fiscal year
12 remains in the Fund to be used exclusively for the purposes of
13 this Act. Expenditures from the Fund are subject to
14 appropriation by the General Assembly.

15 Section 5-100. Program terms and conditions.

16 (a) Any documentary materials or data made available or
17 received by any member of a Committee or any agent or employee
18 of the Department shall be deemed confidential and shall not
19 be deemed public records to the extent that the materials or
20 data consists of trade secrets, commercial or financial
21 information regarding the operation of the business conducted
22 by the Applicant for or recipient of any tax credit under this
23 Act, or any information regarding the competitive position of
24 a business in a particular field of endeavor.

25 (b) Nothing in this Act shall be construed as creating any

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1 rights in any Applicant to enter into an Agreement or in any
2 person to challenge the terms of any Agreement.

3 Article 10. Amendatory Provisions

4 Section 10-5. The Illinois Administrative Procedure Act is
5 amended by changing Section 5-45 as follows:

6 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

7 Sec. 5-45. Emergency rulemaking.

8 (a) "Emergency" means the existence of any situation that
9 any agency finds reasonably constitutes a threat to the public
10 interest, safety, or welfare.

11 (b) If any agency finds that an emergency exists that
12 requires adoption of a rule upon fewer days than is required by
13 Section 5-40 and states in writing its reasons for that
14 finding, the agency may adopt an emergency rule without prior
15 notice or hearing upon filing a notice of emergency rulemaking
16 with the Secretary of State under Section 5-70. The notice
17 shall include the text of the emergency rule and shall be
18 published in the Illinois Register. Consent orders or other
19 court orders adopting settlements negotiated by an agency may
20 be adopted under this Section. Subject to applicable
21 constitutional or statutory provisions, an emergency rule
22 becomes effective immediately upon filing under Section 5-65
23 or at a stated date less than 10 days thereafter. The agency's

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1 finding and a statement of the specific reasons for the
2 finding shall be filed with the rule. The agency shall take
3 reasonable and appropriate measures to make emergency rules
4 known to the persons who may be affected by them.
5 (c) An emergency rule may be effective for a period of not
6 longer than 150 days, but the agency's authority to adopt an
7 identical rule under Section 5-40 is not precluded. No
8 emergency rule may be adopted more than once in any 24-month
9 period, except that this limitation on the number of emergency
10 rules that may be adopted in a 24-month period does not apply
11 to (i) emergency rules that make additions to and deletions
12 from the Drug Manual under Section 5-5.16 of the Illinois
13 Public Aid Code or the generic drug formulary under Section
14 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
15 emergency rules adopted by the Pollution Control Board before
16 July 1, 1997 to implement portions of the Livestock Management
17 Facilities Act, (iii) emergency rules adopted by the Illinois
18 Department of Public Health under subsections (a) through (i)
19 of Section 2 of the Department of Public Health Act when
20 necessary to protect the public's health, (iv) emergency rules
21 adopted pursuant to subsection (n) of this Section, (v)
22 emergency rules adopted pursuant to subsection (o) of this
23 Section, or (vi) emergency rules adopted pursuant to
24 subsection (c-5) of this Section. Two or more emergency rules
25 having substantially the same purpose and effect shall be
26 deemed to be a single rule for purposes of this Section.

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1 (c-5) To facilitate the maintenance of the program of
2 group health benefits provided to annuitants, survivors, and
3 retired employees under the State Employees Group Insurance
4 Act of 1971, rules to alter the contributions to be paid by the
5 State, annuitants, survivors, retired employees, or any
6 combination of those entities, for that program of group
7 health benefits, shall be adopted as emergency rules. The
8 adoption of those rules shall be considered an emergency and
9 necessary for the public interest, safety, and welfare.
10 (d) In order to provide for the expeditious and timely
11 implementation of the State's fiscal year 1999 budget,
12 emergency rules to implement any provision of Public Act
13 90-587 or 90-588 or any other budget initiative for fiscal
14 year 1999 may be adopted in accordance with this Section by the
15 agency charged with administering that provision or
16 initiative, except that the 24-month limitation on the

17 adoption of emergency rules and the provisions of Sections
18 5-115 and 5-125 do not apply to rules adopted under this
19 subsection (d). The adoption of emergency rules authorized by
20 this subsection (d) shall be deemed to be necessary for the
21 public interest, safety, and welfare.
22 (e) In order to provide for the expeditious and timely
23 implementation of the State's fiscal year 2000 budget,
24 emergency rules to implement any provision of Public Act 91-24
25 or any other budget initiative for fiscal year 2000 may be
26 adopted in accordance with this Section by the agency charged

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1 with administering that provision or initiative, except that
2 the 24-month limitation on the adoption of emergency rules and
3 the provisions of Sections 5-115 and 5-125 do not apply to
4 rules adopted under this subsection (e). The adoption of
5 emergency rules authorized by this subsection (e) shall be
6 deemed to be necessary for the public interest, safety, and
7 welfare.
8 (f) In order to provide for the expeditious and timely
9 implementation of the State's fiscal year 2001 budget,
10 emergency rules to implement any provision of Public Act
11 91-712 or any other budget initiative for fiscal year 2001 may
12 be adopted in accordance with this Section by the agency
13 charged with administering that provision or initiative,
14 except that the 24-month limitation on the adoption of
15 emergency rules and the provisions of Sections 5-115 and 5-125
16 do not apply to rules adopted under this subsection (f). The
17 adoption of emergency rules authorized by this subsection (f)
18 shall be deemed to be necessary for the public interest,
19 safety, and welfare.
20 (g) In order to provide for the expeditious and timely
21 implementation of the State's fiscal year 2002 budget,
22 emergency rules to implement any provision of Public Act 92-10
23 or any other budget initiative for fiscal year 2002 may be
24 adopted in accordance with this Section by the agency charged
25 with administering that provision or initiative, except that
26 the 24-month limitation on the adoption of emergency rules and

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1 the provisions of Sections 5-115 and 5-125 do not apply to
2 rules adopted under this subsection (g). The adoption of
3 emergency rules authorized by this subsection (g) shall be

4 deemed to be necessary for the public interest, safety, and
5 welfare.

6 (h) In order to provide for the expeditious and timely
7 implementation of the State's fiscal year 2003 budget,
8 emergency rules to implement any provision of Public Act
9 92-597 or any other budget initiative for fiscal year 2003 may
10 be adopted in accordance with this Section by the agency
11 charged with administering that provision or initiative,
12 except that the 24-month limitation on the adoption of
13 emergency rules and the provisions of Sections 5-115 and 5-125
14 do not apply to rules adopted under this subsection (h). The
15 adoption of emergency rules authorized by this subsection (h)
16 shall be deemed to be necessary for the public interest,
17 safety, and welfare.

18 (i) In order to provide for the expeditious and timely
19 implementation of the State's fiscal year 2004 budget,
20 emergency rules to implement any provision of Public Act 93-20
21 or any other budget initiative for fiscal year 2004 may be
22 adopted in accordance with this Section by the agency charged
23 with administering that provision or initiative, except that
24 the 24-month limitation on the adoption of emergency rules and
25 the provisions of Sections 5-115 and 5-125 do not apply to
26 rules adopted under this subsection (i). The adoption of

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1 emergency rules authorized by this subsection (i) shall be
2 deemed to be necessary for the public interest, safety, and
3 welfare.

4 (j) In order to provide for the expeditious and timely
5 implementation of the provisions of the State's fiscal year
6 2005 budget as provided under the Fiscal Year 2005 Budget
7 Implementation (Human Services) Act, emergency rules to
8 implement any provision of the Fiscal Year 2005 Budget
9 Implementation (Human Services) Act may be adopted in
10 accordance with this Section by the agency charged with
11 administering that provision, except that the 24-month
12 limitation on the adoption of emergency rules and the
13 provisions of Sections 5-115 and 5-125 do not apply to rules
14 adopted under this subsection (j). The Department of Public
15 Aid may also adopt rules under this subsection (j) necessary
16 to administer the Illinois Public Aid Code and the Children's
17 Health Insurance Program Act. The adoption of emergency rules
18 authorized by this subsection (j) shall be deemed to be
19 necessary for the public interest, safety, and welfare.

20 (k) In order to provide for the expeditious and timely
21 implementation of the provisions of the State's fiscal year
22 2006 budget, emergency rules to implement any provision of
23 Public Act 94-48 or any other budget initiative for fiscal
24 year 2006 may be adopted in accordance with this Section by the
25 agency charged with administering that provision or
26 initiative, except that the 24-month limitation on the

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1 adoption of emergency rules and the provisions of Sections
2 5-115 and 5-125 do not apply to rules adopted under this
3 subsection (k). The Department of Healthcare and Family
4 Services may also adopt rules under this subsection (k)
5 necessary to administer the Illinois Public Aid Code, the
6 Senior Citizens and Persons with Disabilities Property Tax
7 Relief Act, the Senior Citizens and Disabled Persons
8 Prescription Drug Discount Program Act (now the Illinois
9 Prescription Drug Discount Program Act), and the Children's
10 Health Insurance Program Act. The adoption of emergency rules
11 authorized by this subsection (k) shall be deemed to be
12 necessary for the public interest, safety, and welfare.
13 (l) In order to provide for the expeditious and timely
14 implementation of the provisions of the State's fiscal year
15 2007 budget, the Department of Healthcare and Family Services
16 may adopt emergency rules during fiscal year 2007, including
17 rules effective July 1, 2007, in accordance with this
18 subsection to the extent necessary to administer the
19 Department's responsibilities with respect to amendments to
20 the State plans and Illinois waivers approved by the federal
21 Centers for Medicare and Medicaid Services necessitated by the
22 requirements of Title XIX and Title XXI of the federal Social
23 Security Act. The adoption of emergency rules authorized by
24 this subsection (l) shall be deemed to be necessary for the
25 public interest, safety, and welfare.
26 (m) In order to provide for the expeditious and timely

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1 implementation of the provisions of the State's fiscal year
2 2008 budget, the Department of Healthcare and Family Services
3 may adopt emergency rules during fiscal year 2008, including
4 rules effective July 1, 2008, in accordance with this
5 subsection to the extent necessary to administer the
6 Department's responsibilities with respect to amendments to

7 the State plans and Illinois waivers approved by the federal
8 Centers for Medicare and Medicaid Services necessitated by the
9 requirements of Title XIX and Title XXI of the federal Social
10 Security Act. The adoption of emergency rules authorized by
11 this subsection (m) shall be deemed to be necessary for the
12 public interest, safety, and welfare.

13 (n) In order to provide for the expeditious and timely
14 implementation of the provisions of the State's fiscal year
15 2010 budget, emergency rules to implement any provision of
16 Public Act 96-45 or any other budget initiative authorized by
17 the 96th General Assembly for fiscal year 2010 may be adopted
18 in accordance with this Section by the agency charged with
19 administering that provision or initiative. The adoption of
20 emergency rules authorized by this subsection (n) shall be
21 deemed to be necessary for the public interest, safety, and
22 welfare. The rulemaking authority granted in this subsection
23 (n) shall apply only to rules promulgated during Fiscal Year
24 2010.

25 (o) In order to provide for the expeditious and timely
26 implementation of the provisions of the State's fiscal year

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1 2011 budget, emergency rules to implement any provision of
2 Public Act 96-958 or any other budget initiative authorized by
3 the 96th General Assembly for fiscal year 2011 may be adopted
4 in accordance with this Section by the agency charged with
5 administering that provision or initiative. The adoption of
6 emergency rules authorized by this subsection (o) is deemed to
7 be necessary for the public interest, safety, and welfare. The
8 rulemaking authority granted in this subsection (o) applies
9 only to rules promulgated on or after July 1, 2010 (the
10 effective date of Public Act 96-958) through June 30, 2011.

11 (p) In order to provide for the expeditious and timely
12 implementation of the provisions of Public Act 97-689,
13 emergency rules to implement any provision of Public Act
14 97-689 may be adopted in accordance with this subsection (p)
15 by the agency charged with administering that provision or
16 initiative. The 150-day limitation of the effective period of
17 emergency rules does not apply to rules adopted under this
18 subsection (p), and the effective period may continue through
19 June 30, 2013. The 24-month limitation on the adoption of
20 emergency rules does not apply to rules adopted under this
21 subsection (p). The adoption of emergency rules authorized by
22 this subsection (p) is deemed to be necessary for the public

23 interest, safety, and welfare.

24 (q) In order to provide for the expeditious and timely
25 implementation of the provisions of Articles 7, 8, 9, 11, and
26 12 of Public Act 98-104, emergency rules to implement any

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1 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104
2 may be adopted in accordance with this subsection (q) by the
3 agency charged with administering that provision or
4 initiative. The 24-month limitation on the adoption of
5 emergency rules does not apply to rules adopted under this
6 subsection (q). The adoption of emergency rules authorized by
7 this subsection (q) is deemed to be necessary for the public
8 interest, safety, and welfare.

9 (r) In order to provide for the expeditious and timely
10 implementation of the provisions of Public Act 98-651,
11 emergency rules to implement Public Act 98-651 may be adopted
12 in accordance with this subsection (r) by the Department of
13 Healthcare and Family Services. The 24-month limitation on the
14 adoption of emergency rules does not apply to rules adopted
15 under this subsection (r). The adoption of emergency rules
16 authorized by this subsection (r) is deemed to be necessary
17 for the public interest, safety, and welfare.

18 (s) In order to provide for the expeditious and timely
19 implementation of the provisions of Sections 5-5b.1 and 5A-2
20 of the Illinois Public Aid Code, emergency rules to implement
21 any provision of Section 5-5b.1 or Section 5A-2 of the
22 Illinois Public Aid Code may be adopted in accordance with
23 this subsection (s) by the Department of Healthcare and Family
24 Services. The rulemaking authority granted in this subsection
25 (s) shall apply only to those rules adopted prior to July 1,
26 2015. Notwithstanding any other provision of this Section, any

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1 emergency rule adopted under this subsection (s) shall only
2 apply to payments made for State fiscal year 2015. The
3 adoption of emergency rules authorized by this subsection (s)
4 is deemed to be necessary for the public interest, safety, and
5 welfare.

6 (t) In order to provide for the expeditious and timely
7 implementation of the provisions of Article II of Public Act
8 99-6, emergency rules to implement the changes made by Article
9 II of Public Act 99-6 to the Emergency Telephone System Act may

10 be adopted in accordance with this subsection (t) by the
11 Department of State Police. The rulemaking authority granted
12 in this subsection (t) shall apply only to those rules adopted
13 prior to July 1, 2016. The 24-month limitation on the adoption
14 of emergency rules does not apply to rules adopted under this
15 subsection (t). The adoption of emergency rules authorized by
16 this subsection (t) is deemed to be necessary for the public
17 interest, safety, and welfare.

18 (u) In order to provide for the expeditious and timely
19 implementation of the provisions of the Burn Victims Relief
20 Act, emergency rules to implement any provision of the Act may
21 be adopted in accordance with this subsection (u) by the
22 Department of Insurance. The rulemaking authority granted in
23 this subsection (u) shall apply only to those rules adopted
24 prior to December 31, 2015. The adoption of emergency rules
25 authorized by this subsection (u) is deemed to be necessary
26 for the public interest, safety, and welfare.

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1 (v) In order to provide for the expeditious and timely
2 implementation of the provisions of Public Act 99-516,
3 emergency rules to implement Public Act 99-516 may be adopted
4 in accordance with this subsection (v) by the Department of
5 Healthcare and Family Services. The 24-month limitation on the
6 adoption of emergency rules does not apply to rules adopted
7 under this subsection (v). The adoption of emergency rules
8 authorized by this subsection (v) is deemed to be necessary
9 for the public interest, safety, and welfare.

10 (w) In order to provide for the expeditious and timely
11 implementation of the provisions of Public Act 99-796,
12 emergency rules to implement the changes made by Public Act
13 99-796 may be adopted in accordance with this subsection (w)
14 by the Adjutant General. The adoption of emergency rules
15 authorized by this subsection (w) is deemed to be necessary
16 for the public interest, safety, and welfare.

17 (x) In order to provide for the expeditious and timely
18 implementation of the provisions of Public Act 99-906,
19 emergency rules to implement subsection (i) of Section
20 16-115D, subsection (g) of Section 16-128A, and subsection (a)
21 of Section 16-128B of the Public Utilities Act may be adopted
22 in accordance with this subsection (x) by the Illinois
23 Commerce Commission. The rulemaking authority granted in this
24 subsection (x) shall apply only to those rules adopted within
25 180 days after June 1, 2017 (the effective date of Public Act

26 99-906). The adoption of emergency rules authorized by this

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1 subsection (x) is deemed to be necessary for the public
2 interest, safety, and welfare.
3 (y) In order to provide for the expeditious and timely
4 implementation of the provisions of Public Act 100-23,
5 emergency rules to implement the changes made by Public Act
6 100-23 to Section 4.02 of the Illinois Act on the Aging,
7 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
8 Section 55-30 of the Alcoholism and Other Drug Abuse and
9 Dependency Act, and Sections 74 and 75 of the Mental Health and
10 Developmental Disabilities Administrative Act may be adopted
11 in accordance with this subsection (y) by the respective
12 Department. The adoption of emergency rules authorized by this
13 subsection (y) is deemed to be necessary for the public
14 interest, safety, and welfare.
15 (z) In order to provide for the expeditious and timely
16 implementation of the provisions of Public Act 100-554,
17 emergency rules to implement the changes made by Public Act
18 100-554 to Section 4.7 of the Lobbyist Registration Act may be
19 adopted in accordance with this subsection (z) by the
20 Secretary of State. The adoption of emergency rules authorized
21 by this subsection (z) is deemed to be necessary for the public
22 interest, safety, and welfare.
23 (aa) In order to provide for the expeditious and timely
24 initial implementation of the changes made to Articles 5, 5A,
25 12, and 14 of the Illinois Public Aid Code under the provisions
26 of Public Act 100-581, the Department of Healthcare and Family

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1 Services may adopt emergency rules in accordance with this
2 subsection (aa). The 24-month limitation on the adoption of
3 emergency rules does not apply to rules to initially implement
4 the changes made to Articles 5, 5A, 12, and 14 of the Illinois
5 Public Aid Code adopted under this subsection (aa). The
6 adoption of emergency rules authorized by this subsection (aa)
7 is deemed to be necessary for the public interest, safety, and
8 welfare.
9 (bb) In order to provide for the expeditious and timely
10 implementation of the provisions of Public Act 100-587,
11 emergency rules to implement the changes made by Public Act
12 100-587 to Section 4.02 of the Illinois Act on the Aging,

13 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
14 subsection (b) of Section 55-30 of the Alcoholism and Other
15 Drug Abuse and Dependency Act, Section 5-104 of the
16 Specialized Mental Health Rehabilitation Act of 2013, and
17 Section 75 and subsection (b) of Section 74 of the Mental
18 Health and Developmental Disabilities Administrative Act may
19 be adopted in accordance with this subsection (bb) by the
20 respective Department. The adoption of emergency rules
21 authorized by this subsection (bb) is deemed to be necessary
22 for the public interest, safety, and welfare.
23 (cc) In order to provide for the expeditious and timely
24 implementation of the provisions of Public Act 100-587,
25 emergency rules may be adopted in accordance with this
26 subsection (cc) to implement the changes made by Public Act

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1 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois
2 Pension Code by the Board created under Article 14 of the Code;
3 Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by
4 the Board created under Article 15 of the Code; and Sections
5 16-190.5 and 16-190.6 of the Illinois Pension Code by the
6 Board created under Article 16 of the Code. The adoption of
7 emergency rules authorized by this subsection (cc) is deemed
8 to be necessary for the public interest, safety, and welfare.
9 (dd) In order to provide for the expeditious and timely
10 implementation of the provisions of Public Act 100-864,
11 emergency rules to implement the changes made by Public Act
12 100-864 to Section 3.35 of the Newborn Metabolic Screening Act
13 may be adopted in accordance with this subsection (dd) by the
14 Secretary of State. The adoption of emergency rules authorized
15 by this subsection (dd) is deemed to be necessary for the
16 public interest, safety, and welfare.
17 (ee) In order to provide for the expeditious and timely
18 implementation of the provisions of Public Act 100-1172,
19 emergency rules implementing the Illinois Underground Natural
20 Gas Storage Safety Act may be adopted in accordance with this
21 subsection by the Department of Natural Resources. The
22 adoption of emergency rules authorized by this subsection is
23 deemed to be necessary for the public interest, safety, and
24 welfare.
25 (ff) In order to provide for the expeditious and timely
26 initial implementation of the changes made to Articles 5A and

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1 14 of the Illinois Public Aid Code under the provisions of
2 Public Act 100-1181, the Department of Healthcare and Family
3 Services may on a one-time-only basis adopt emergency rules in
4 accordance with this subsection (ff). The 24-month limitation
5 on the adoption of emergency rules does not apply to rules to
6 initially implement the changes made to Articles 5A and 14 of
7 the Illinois Public Aid Code adopted under this subsection
8 (ff). The adoption of emergency rules authorized by this
9 subsection (ff) is deemed to be necessary for the public
10 interest, safety, and welfare.
11 (gg) In order to provide for the expeditious and timely
12 implementation of the provisions of Public Act 101-1,
13 emergency rules may be adopted by the Department of Labor in
14 accordance with this subsection (gg) to implement the changes
15 made by Public Act 101-1 to the Minimum Wage Law. The adoption
16 of emergency rules authorized by this subsection (gg) is
17 deemed to be necessary for the public interest, safety, and
18 welfare.
19 (hh) In order to provide for the expeditious and timely
20 implementation of the provisions of Public Act 101-10,
21 emergency rules may be adopted in accordance with this
22 subsection (hh) to implement the changes made by Public Act
23 101-10 to subsection (j) of Section 5-5.2 of the Illinois
24 Public Aid Code. The adoption of emergency rules authorized by
25 this subsection (hh) is deemed to be necessary for the public
26 interest, safety, and welfare.

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1 (ii) In order to provide for the expeditious and timely
2 implementation of the provisions of Public Act 101-10,
3 emergency rules to implement the changes made by Public Act
4 101-10 to Sections 5-5.4 and 5-5.4i of the Illinois Public Aid
5 Code may be adopted in accordance with this subsection (ii) by
6 the Department of Public Health. The adoption of emergency
7 rules authorized by this subsection (ii) is deemed to be
8 necessary for the public interest, safety, and welfare.
9 (jj) In order to provide for the expeditious and timely
10 implementation of the provisions of Public Act 101-10,
11 emergency rules to implement the changes made by Public Act
12 101-10 to Section 74 of the Mental Health and Developmental
13 Disabilities Administrative Act may be adopted in accordance
14 with this subsection (jj) by the Department of Human Services.
15 The adoption of emergency rules authorized by this subsection
16 (jj) is deemed to be necessary for the public interest,

17 safety, and welfare.

18 (kk) In order to provide for the expeditious and timely
19 implementation of the Cannabis Regulation and Tax Act and
20 Public Act 101-27, the Department of Revenue, the Department
21 of Public Health, the Department of Agriculture, the
22 Department of State Police, and the Department of Financial
23 and Professional Regulation may adopt emergency rules in
24 accordance with this subsection (kk). The rulemaking authority
25 granted in this subsection (kk) shall apply only to rules
26 adopted before December 31, 2021. Notwithstanding the

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1 provisions of subsection (c), emergency rules adopted under
2 this subsection (kk) shall be effective for 180 days. The
3 adoption of emergency rules authorized by this subsection (kk)
4 is deemed to be necessary for the public interest, safety, and
5 welfare.

6 (ll) In order to provide for the expeditious and timely
7 implementation of the provisions of the Leveling the Playing
8 Field for Illinois Retail Act, emergency rules may be adopted
9 in accordance with this subsection (ll) to implement the
10 changes made by the Leveling the Playing Field for Illinois
11 Retail Act. The adoption of emergency rules authorized by this
12 subsection (ll) is deemed to be necessary for the public
13 interest, safety, and welfare.

14 (mm) In order to provide for the expeditious and timely
15 implementation of the provisions of Section 25-70 of the
16 Sports Wagering Act, emergency rules to implement Section
17 25-70 of the Sports Wagering Act may be adopted in accordance
18 with this subsection (mm) by the Department of the Lottery as
19 provided in the Sports Wagering Act. The adoption of emergency
20 rules authorized by this subsection (mm) is deemed to be
21 necessary for the public interest, safety, and welfare.

22 (nn) In order to provide for the expeditious and timely
23 implementation of the Sports Wagering Act, emergency rules to
24 implement the Sports Wagering Act may be adopted in accordance
25 with this subsection (nn) by the Illinois Gaming Board. The
26 adoption of emergency rules authorized by this subsection (nn)

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1 is deemed to be necessary for the public interest, safety, and
2 welfare.

3 (oo) In order to provide for the expeditious and timely

4 implementation of the provisions of subsection (c) of Section
5 20 of the Video Gaming Act, emergency rules to implement the
6 provisions of subsection (c) of Section 20 of the Video Gaming
7 Act may be adopted in accordance with this subsection (oo) by
8 the Illinois Gaming Board. The adoption of emergency rules
9 authorized by this subsection (oo) is deemed to be necessary
10 for the public interest, safety, and welfare.
11 (pp) In order to provide for the expeditious and timely
12 implementation of the provisions of Section 50 of the Sexual
13 Assault Evidence Submission Act, emergency rules to implement
14 Section 50 of the Sexual Assault Evidence Submission Act may
15 be adopted in accordance with this subsection (pp) by the
16 Department of State Police. The adoption of emergency rules
17 authorized by this subsection (pp) is deemed to be necessary
18 for the public interest, safety, and welfare.
19 (qq) In order to provide for the expeditious and timely
20 implementation of the provisions of the Illinois Works Jobs
21 Program Act, emergency rules may be adopted in accordance with
22 this subsection (qq) to implement the Illinois Works Jobs
23 Program Act. The adoption of emergency rules authorized by
24 this subsection (qq) is deemed to be necessary for the public
25 interest, safety, and welfare.
26 (rr) In order to provide for the expeditious and timely

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1 implementation of the Illinois Energy Transition Zone Act,
2 emergency rules to implement the provisions of subsection
3 (a-5) of Section 1-40 of the Illinois Energy Transition Zone
4 Act may be adopted in accordance with this subsection (aa) by
5 the Department of Commerce and Economic Opportunity for period
6 of 12 months after the effective date of the Illinois Energy
7 Transition Zone Act. The adoption of emergency rules
8 authorized by this subsection (aa) is deemed to be necessary
9 for the public interest, safety, and welfare.
10 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;
11 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.
12 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18;
13 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff.
14 3-8-19; 101-1, eff. 2-19-19; 101-10, Article 20, Section 20-5,
15 eff. 6-5-19; 101-10, Article 35, Section 35-5, eff. 6-5-19;
16 101-27, eff. 6-25-19; 101-31, Article 15, Section 15-5, eff.
17 6-28-19; 101-31, Article 25, Section 25-900, eff. 6-28-19;
18 101-31, Article 35, Section 35-3, eff. 6-28-19; 101-377, eff.
19 8-16-19; 101-601, eff. 12-10-19.)

20 Section 10-10. The State Finance Act is amended by adding
21 Section 5.935 as follows:
22 (30 ILCS 105/5.935 new)
23 Sec. 5.935. The Energy Transition Fund.

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1 Section 10-15. The State Mandates Act is amended by adding
2 Section 8.45 as follows:
3 (30 ILCS 805/8.45 new)
4 Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and
5 8 of this Act, no reimbursement by the State is required for
6 the implementation of any mandate created by this amendatory
7 Act of the 102nd General Assembly.
8 Section 10-20. The Illinois Income Tax Act is amended by
9 adding Sections 232 and 233 as follows:
10 (35 ILCS 5/232 new)
11 Sec. 232. Investment credit; Energy Transition Zone.
12 (a) For tax years beginning on or after January 1, 2022, a
13 taxpayer shall be allowed a credit against the tax imposed by
14 subsections (a) and (b) of Section 201 for investment in
15 qualified property which is placed in service for the use of
16 the production of green energy by a green energy enterprise in
17 an Energy Transition Zone created pursuant to the Illinois
18 Energy Transition Zone Act. For partners, shareholders of
19 Subchapter S corporations, and owners of limited liability
20 companies, if the liability company is treated as a
21 partnership for purposes of federal and State income taxation,
22 there shall be allowed a credit under this Section to be
23 determined in accordance with the determination of income and

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1 distributive share of income under Sections 702 and 704 and
2 Subchapter S of the Internal Revenue Code. The credit shall be
3 0.5% of the basis for such property. The credit shall be
4 available only in the taxable year in which the property is
5 placed in service in the Energy Transition Zone and shall not
6 be allowed to the extent that it would reduce a taxpayer's
7 liability for the tax imposed by subsections (a) and (b) of
8 Section 201 to below zero. The credit shall be allowed for the
9 tax year in which the property is placed in service, or, if the
10 amount of the credit exceeds the tax liability for that year,
11 whether it exceeds the original liability or the liability as
12 later amended, such excess may be carried forward and applied

13 to the tax liability of the 5 taxable years following the
14 excess credit year. The credit shall be applied to the
15 earliest year for which there is a liability. If there is
16 credit from more than one tax year that is available to offset
17 a liability, the credit accruing first in time shall be
18 applied first.

19 (b) The term "qualified property" means property which:
20 (1) is tangible, whether new or used, including
21 buildings and structural components of buildings;
22 (2) is depreciable pursuant to Section 167 of the
23 Internal Revenue Code, except that "3-year property" as
24 defined in Section 168(c)(2)(A) of that Code is not
25 eligible for the credit provided by this subsection (f-1).;
26 (3) is acquired by purchase as defined in Section

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1 179(d) of the Internal Revenue Code;
2 (4) is used in the Energy Transition Zone by the
3 taxpayer in relation to producing green energy; and
4 (5) has not been previously used in Illinois in such a
5 manner and by such a person as would qualify for the credit
6 provided by this Section.
7 (c) The basis of qualified property shall be the basis
8 used to compute the depreciation deduction for federal income
9 tax purposes.
10 (d) If the basis of the property for federal income tax
11 depreciation purposes is increased after it has been placed in
12 service in the Energy Transition Zone by the taxpayer, the
13 amount of such increase shall be deemed property placed in
14 service on the date of such increase in basis.
15 (e) The term "placed in service" shall have the same
16 meaning as under Section 46 of the Internal Revenue Code.
17 (f) If during any taxable year, any property ceases to be
18 qualified property in the hands of the taxpayer within 48
19 months after being placed in service, or the situs of any
20 qualified property is moved outside the Energy Transition Zone
21 within 48 months after being placed in service, the tax
22 imposed under subsections (a) and (b) of Section 201 for such
23 taxable year shall be increased. Such increase shall be
24 determined by (i) recomputing the investment credit which
25 would have been allowed for the year in which credit for such
26 property was originally allowed by eliminating such property

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1 from such computation, and (ii) subtracting such recomputed
2 credit from the amount of credit previously allowed. For the
3 purposes of this subsection, a reduction of the basis of
4 qualified property resulting from a redetermination of the
5 purchase price shall be deemed a disposition of qualified
6 property to the extent of such reduction.
7 (g.) The Department of Commerce and Economic Opportunity
8 shall provide a tax credit certificate indicating the credit
9 amount and the year in which the property is placed in service.
10 (35 ILCS 5/233 new)
11 Sec. 233. Energy Transition Tax Credit Act. For tax years
12 beginning on or after January 1, 2022, a taxpayer who
13 qualifies for a credit under the Energy Transition Tax Credit
14 Act is entitled to a credit against the taxes imposed under
15 subsections (a) and (b) of Section 201 of this Act as provided
16 in that Act.
17 Section 10-25. The Retailers' Occupation Tax Act is
18 amended by adding Section 5k-1 as follows:
19 (35 ILCS 120/5k-1 new)
20 Sec. 5k-1. Building materials exemption; Energy Transition
21 Zone.
22 (a) Each retailer who makes a qualified sale of building
23 materials to be incorporated into a green energy project, as

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1 defined in the Energy Transition Zone Act, being built by a
2 green energy enterprise in an Energy Transition Zone
3 established by or municipality under the Illinois Energy
4 Transition Zone Act by remodeling, rehabilitation or new
5 construction, may deduct receipts from such sales when
6 calculating the tax imposed by this Act. For purposes of this
7 Section, "qualified sale" means a sale of building materials
8 that will be incorporated into real estate as part of a
9 building project for which an Energy Transition Zone Building
10 Materials Exemption Certificate has been issued to the
11 purchaser by the Department. A construction contractor or
12 other entity shall not make tax-free purchases unless it has
13 an active Energy Transition Zone Building Materials Exemption
14 Certificate issued by the Department at the time of the
15 purchase.
16 (b) To document the exemption allowed under this Section,
17 the retailer must obtain from the purchaser the certification
18 required under subsection (c), which must contain the Energy
19 Transition Zone Building Materials Exemption Certificate

20 number issued to the purchaser by the Department. Upon request
21 from the Energy Transition Zone Administrator, the Department
22 shall issue an Energy Transition Zone Building Materials
23 Exemption Certificate for each construction contractor or
24 other entity identified by the Energy Transition Zone
25 Administrator. The Department shall make the Energy Transition
26 Zone Building Materials Exemption Certificates available

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1 directly to each Energy Transition Zone Administrator,
2 construction contractor, or other entity. The request for
3 Energy Transition Zone Building Materials Exemption
4 Certificates from the Energy Transition Zone Administrator to
5 the Department must include the following information:
6 (1) the name and address of the construction
7 contractor or other entity;
8 (2) the name and number of the Energy Transition Zone;
9 (3) the name and location or address of the green
10 energy enterprise;
11 (4) the estimated amount of the exemption for each
12 construction contractor or other entity for which a
13 request for Energy Transition Zone Building Materials
14 Exemption Certificate is made, based on a stated estimated
15 average tax rate and the percentage of the contract that
16 consists of materials;
17 (5) the period of time over which supplies for the
18 project are expected to be purchased; and
19 (6) other reasonable information as the Department may
20 require, including, but not limited to FEIN numbers, to
21 determine if the contractor or other entity, or any
22 partner, or a corporate officer, and in the case of a
23 limited liability company, any manager or member, of the
24 construction contractor or other entity, is or has been
25 the owner, a partner, a corporate officer, and in the case
26 of a limited liability company, a manager or member, of a

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1 person that is in default for moneys due to the Department
2 under this Act or any other tax or fee Act administered by
3 the Department.
4 The Department shall issue the Energy Transition Zone
5 Building Materials Exemption Certificates within 3 business
6 days after receipt of request from the Zone Administrator.

7 This requirement does not apply in circumstances where the
8 Department, for reasonable cause, is unable to issue the
9 Energy Transition Zone Building Materials Exemption
10 Certificate within 3 business days. The Department may refuse
11 to issue an Energy Transition Zone Building Materials
12 Exemption Certificate if the owner, any partner, or a
13 corporate officer, and in the case of a limited liability
14 company, any manager or member, of the construction contractor
15 or other entity is or has been the owner, a partner, a
16 corporate officer, and in the case of a limited liability
17 company, a manager or member, of a person that is in default
18 for moneys due to the Department under this Act or any other
19 tax or fee Act administered by the Department. The Energy
20 Transition Zone Building Materials Exemption Certificate shall
21 contain language stating that if the construction contractor
22 or other entity who is issued the Energy Transition Zone
23 Building Materials Exemption Certificate makes a tax-exempt
24 purchase, as described in this Section, that is not eligible
25 for exemption under this Section or allows another person to
26 make a tax-exempt purchase, as described in this Section, that

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1 is not eligible for exemption under this Section, then, in
2 addition to any tax or other penalty imposed, the construction
3 contractor or other entity is subject to a penalty equal to the
4 tax that would have been paid by the retailer under this Act as
5 well as any applicable local retailers' occupation tax on the
6 purchase that is not eligible for the exemption.
7 The Department, in its discretion, may require that the
8 request for Energy Transition Zone Building Materials
9 Exemption Certificates be submitted electronically. The
10 Department may, in its discretion, issue the Energy Transition
11 Zone Building Materials Exemption Certificates electronically.
12 The Energy Transition Zone Building Materials Exemption
13 Certificate number shall be designed in such a way that the
14 Department can identify from the unique number on the Energy
15 Transition Zone Building Materials Exemption Certificate
16 issued to a given construction contractor or other entity, the
17 name of the Energy Transition Zone, the project for which the
18 Energy Transition Zone Building Materials Exemption
19 Certificate is issued, and the construction contractor or
20 other entity to whom the Energy Transition Zone Building
21 Materials Exemption Certificate is issued. The Energy
22 Transition Zone Building Materials Exemption Certificate shall

23 contain an expiration date, which shall be no more than 2 years
24 after the date of issuance. At the request of the Zone
25 Administrator, the Department may renew an Energy Transition
26 Zone Building Materials Exemption Certificate. After the

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1 Department issues Energy Transition Zone Building Materials
2 Exemption Certificates for a given Energy Transition Zone
3 project, the Energy Transition Zone Administrator may notify
4 the Department of additional construction contractors or other
5 entities eligible for an Energy Transition Zone Building
6 Materials Exemption Certificate. Upon notification by the
7 Energy Transition Zone Administrator and subject to the other
8 provisions of this subsection (b), the Department shall issue
9 an Energy Transition Zone Building Materials Exemption
10 Certificate to each additional construction contractor or
11 other entity identified by the Energy Transition Zone
12 Administrator. An Energy Transition Zone Administrator may
13 notify the Department to rescind an Energy Transition Zone
14 Building Materials Exemption Certificate previously issued by
15 the Department but that has not yet expired. Upon notification
16 by the Energy Transition Zone Administrator and subject to the
17 other provisions of this subsection (b), the Department shall
18 issue the rescission of the Energy Transition Zone Building
19 Materials Exemption Certificate to the construction contractor
20 or other entity identified by the Energy Transition Zone
21 Administrator and provide a copy to the Energy Transition Zone
22 Administrator.
23 If the Department of Revenue determines that a
24 construction contractor or other entity that was issued an
25 Energy Transition Zone Building Materials Exemption
26 Certificate under this subsection (b) made a tax-exempt

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1 purchase, as described in this Section, that was not eligible
2 for exemption under this Section or allowed another person to
3 make a tax-exempt purchase, as described in this Section, that
4 was not eligible for exemption under this Section, then, in
5 addition to any tax or other penalty imposed, the construction
6 contractor or other entity is subject to a penalty equal to the
7 tax that would have been paid by the retailer under this Act as
8 well as any applicable local retailers' occupation tax on the
9 purchase that was not eligible for the exemption.

10 (c) In addition, the retailer must obtain certification
11 from the purchaser that contains:
12 (1) a statement that the building materials are being
13 purchased for incorporation into a green energy project
14 located in an Illinois Energy Transition Zone;
15 (2) the location or address of the real estate into
16 which the building materials will be incorporated;
17 (3) the name of the Energy Transition Zone in which
18 that real estate is located;
19 (4) a description of the building materials being
20 purchased;
21 (5) the purchaser's Energy Transition Zone Building
22 Materials Exemption Certificate number issued by the
23 Department; and
24 (6) the purchaser's signature and date of purchase.
25 (d) The deduction allowed by this Section for the sale of
26 building materials may be limited, to the extent authorized by

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1 ordinance by the municipality or county that created the
2 Energy Transition Zone into which the building materials will
3 be incorporated. The ordinance, however, may neither require
4 nor prohibit the purchase of building materials from any
5 retailer or class of retailers in order to qualify for the
6 exemption allowed under this Section. The provisions of this
7 Section are exempt from Section 2-70.
8 Section 10-30. The Illinois Municipal Code is amended by
9 changing Section 8-11-2 as follows:
10 (65 ILCS 5/8-11-2) (from Ch. 24, par. 8-11-2)
11 Sec. 8-11-2. The corporate authorities of any municipality
12 may tax any or all of the following occupations or privileges:
13 1. (Blank).
14 2. Persons engaged in the business of distributing,
15 supplying, furnishing, or selling gas for use or
16 consumption within the corporate limits of a municipality
17 of 500,000 or fewer population, and not for resale, at a
18 rate not to exceed 5% of the gross receipts therefrom.
19 2a. Persons engaged in the business of distributing,
20 supplying, furnishing, or selling gas for use or
21 consumption within the corporate limits of a municipality
22 of over 500,000 population, and not for resale, at a rate
23 not to exceed 8% of the gross receipts therefrom. If
24 imposed, this tax shall be paid in monthly payments.

1 3. The privilege of using or consuming electricity
2 acquired in a purchase at retail and used or consumed
3 within the corporate limits of the municipality at rates
4 not to exceed the following maximum rates, calculated on a
5 monthly basis for each purchaser:

- 6 (i) For the first 2,000 kilowatt-hours used or
7 consumed in a month; 0.61 cents per kilowatt-hour;
8 (ii) For the next 48,000 kilowatt-hours used or
9 consumed in a month; 0.40 cents per kilowatt-hour;
10 (iii) For the next 50,000 kilowatt-hours used or
11 consumed in a month; 0.36 cents per kilowatt-hour;
12 (iv) For the next 400,000 kilowatt-hours used or
13 consumed in a month; 0.35 cents per kilowatt-hour;
14 (v) For the next 500,000 kilowatt-hours used or
15 consumed in a month; 0.34 cents per kilowatt-hour;
16 (vi) For the next 2,000,000 kilowatt-hours used or
17 consumed in a month; 0.32 cents per kilowatt-hour;
18 (vii) For the next 2,000,000 kilowatt-hours used
19 or consumed in a month; 0.315 cents per kilowatt-hour;
20 (viii) For the next 5,000,000 kilowatt-hours used
21 or consumed in a month; 0.31 cents per kilowatt-hour;
22 (ix) For the next 10,000,000 kilowatt-hours used
23 or consumed in a month; 0.305 cents per kilowatt-hour;
24 and
25 (x) For all electricity used or consumed in excess
26 of 20,000,000 kilowatt-hours in a month, 0.30 cents

1 per kilowatt-hour.
2 If a municipality imposes a tax at rates lower than
3 either the maximum rates specified in this Section or the
4 alternative maximum rates promulgated by the Illinois
5 Commerce Commission, as provided below, the tax rates
6 shall be imposed upon the kilowatt-hour categories set
7 forth above with the same proportional relationship as
8 that which exists among such maximum rates.
9 Notwithstanding the foregoing, until December 31, 2008, no
10 municipality shall establish rates that are in excess of
11 rates reasonably calculated to produce revenues that equal
12 the maximum total revenues such municipality could have
13 received under the tax authorized by this subparagraph in
14 the last full calendar year prior to August 1, 1998 (the
15 effective date of Section 65 of Public Act 90-561);

16 provided that this shall not be a limitation on the amount
17 of tax revenues actually collected by such municipality.
18 Upon the request of the corporate authorities of a
19 municipality, the Illinois Commerce Commission shall,
20 within 90 days after receipt of such request, promulgate
21 alternative rates for each of these kilowatt-hour
22 categories that will reflect, as closely as reasonably
23 practical for that municipality, the distribution of the
24 tax among classes of purchasers as if the tax were based on
25 a uniform percentage of the purchase price of electricity.
26 A municipality that has adopted an ordinance imposing a

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1 tax pursuant to subparagraph 3 as it existed prior to
2 August 1, 1998 (the effective date of Section 65 of Public
3 Act 90-561) may, rather than imposing the tax permitted by
4 Public Act 90-561, continue to impose the tax pursuant to
5 that ordinance with respect to gross receipts received
6 from residential customers through July 31, 1999, and with
7 respect to gross receipts from any non-residential
8 customer until the first bill issued to such customer for
9 delivery services in accordance with Section 16-104 of the
10 Public Utilities Act but in no case later than the last
11 bill issued to such customer before December 31, 2000. No
12 ordinance imposing the tax permitted by Public Act 90-561
13 shall be applicable to any non-residential customer until
14 the first bill issued to such customer for delivery
15 services in accordance with Section 16-104 of the Public
16 Utilities Act but in no case later than the last bill
17 issued to such non-residential customer before December
18 31, 2000.
19 4. Persons engaged in the business of distributing,
20 supplying, furnishing, or selling water for use or
21 consumption within the corporate limits of the
22 municipality, and not for resale, at a rate not to exceed
23 5% of the gross receipts therefrom.
24 None of the taxes authorized by this Section may be
25 imposed with respect to any transaction in interstate commerce
26 or otherwise to the extent to which the business or privilege

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1 may not, under the constitution and statutes of the United
2 States, be made the subject of taxation by this State or any

3 political sub=division thereof; nor shall any persons engaged
4 in the business of distributing, supplying, furnishing,
5 selling or transmitting gas, water, or electricity, or using
6 or consuming electricity acquired in a purchase at retail, be
7 subject to taxation under the provisions of this Section for
8 those transactions that are or may become subject to taxation
9 under the provisions of the Municipal Retailers' Occupation
10 Tax Act authorized by Section 8-11-1; nor shall any tax
11 authorized by this Section be imposed upon any person engaged
12 in a business or on any privilege unless the tax is imposed in
13 like manner and at the same rate upon all persons engaged in
14 businesses of the same class in the municipality, whether
15 privately or municipally owned or operated, or exercising the
16 same privilege within the municipality.
17 Any of the taxes enumerated in this Section may be in
18 addition to the payment of money, or value of products or
19 services furnished to the municipality by the taxpayer as
20 compensation for the use of its streets, alleys, or other
21 public places, or installation and maintenance therein,
22 thereon or thereunder of poles, wires, pipes, or other
23 equipment used in the operation of the taxpayer's business.
24 (a) If the corporate authorities of any home rule
25 municipality have adopted an ordinance that imposed a tax on
26 public utility customers, between July 1, 1971, and October 1,

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1 1981, on the good faith belief that they were exercising
2 authority pursuant to Section 6 of Article VII of the 1970
3 Illinois Constitution, that action of the corporate
4 authorities shall be declared legal and valid, notwithstanding
5 a later decision of a judicial tribunal declaring the
6 ordinance invalid. No municipality shall be required to
7 rebate, refund, or issue credits for any taxes described in
8 this paragraph, and those taxes shall be deemed to have been
9 levied and collected in accordance with the Constitution and
10 laws of this State.
11 (b) In any case in which (i) prior to October 19, 1979, the
12 corporate authorities of any municipality have adopted an
13 ordinance imposing a tax authorized by this Section (or by the
14 predecessor provision of the Revised Cities and Villages Act)
15 and have explicitly or in practice interpreted gross receipts
16 to include either charges added to customers' bills pursuant
17 to the provision of paragraph (a) of Section 36 of the Public
18 Utilities Act or charges added to customers' bills by

19 taxpayers who are not subject to rate regulation by the
20 Illinois Commerce Commission for the purpose of recovering any
21 of the tax liabilities or other amounts specified in such
22 paragraph (a) of Section 36 of that Act, and (ii) on or after
23 October 19, 1979, a judicial tribunal has construed gross
24 receipts to exclude all or part of those charges, then neither
25 that municipality nor any taxpayer who paid the tax shall be
26 required to rebate, refund, or issue credits for any tax

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1 imposed or charge collected from customers pursuant to the
2 municipality's interpretation prior to October 19, 1979. This
3 paragraph reflects a legislative finding that it would be
4 contrary to the public interest to require a municipality or
5 its taxpayers to refund taxes or charges attributable to the
6 municipality's more inclusive interpretation of gross receipts
7 prior to October 19, 1979, and is not intended to prescribe or
8 limit judicial construction of this Section. The legislative
9 finding set forth in this subsection does not apply to taxes
10 imposed after January 1, 1996 (the effective date of Public
11 Act 89-325).

12 (c) The tax authorized by subparagraph 3 shall be
13 collected from the purchaser by the person maintaining a place
14 of business in this State who delivers the electricity to the
15 purchaser. This tax shall constitute a debt of the purchaser
16 to the person who delivers the electricity to the purchaser
17 and if unpaid, is recoverable in the same manner as the
18 original charge for delivering the electricity. Any tax
19 required to be collected pursuant to an ordinance authorized
20 by subparagraph 3 and any such tax collected by a person
21 delivering electricity shall constitute a debt owed to the
22 municipality by such person delivering the electricity,
23 provided, that the person delivering electricity shall be
24 allowed credit for such tax related to deliveries of
25 electricity the charges for which are written off as
26 uncollectible, and provided further, that if such charges are

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1 thereafter collected, the delivering supplier shall be
2 obligated to remit such tax. For purposes of this subsection
3 (c), any partial payment not specifically identified by the
4 purchaser shall be deemed to be for the delivery of
5 electricity. Persons delivering electricity shall collect the

6 tax from the purchaser by adding such tax to the gross charge
7 for delivering the electricity, in the manner prescribed by
8 the municipality. Persons delivering electricity shall also be
9 authorized to add to such gross charge an amount equal to 3% of
10 the tax to reimburse the person delivering electricity for the
11 expenses incurred in keeping records, billing customers,
12 preparing and filing returns, remitting the tax and supplying
13 data to the municipality upon request. If the person
14 delivering electricity fails to collect the tax from the
15 purchaser, then the purchaser shall be required to pay the tax
16 directly to the municipality in the manner prescribed by the
17 municipality. Persons delivering electricity who file returns
18 pursuant to this paragraph (c) shall, at the time of filing
19 such return, pay the municipality the amount of the tax
20 collected pursuant to subparagraph 3.

21 (d) For the purpose of the taxes enumerated in this
22 Section:

23 "Gross receipts" means the consideration received for
24 distributing, supplying, furnishing or selling gas for use or
25 consumption and not for resale, and the consideration received
26 for distributing, supplying, furnishing or selling water for

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1 use or consumption and not for resale, and for all services
2 rendered in connection therewith valued in money, whether
3 received in money or otherwise, including cash, credit,
4 services and property of every kind and material and for all
5 services rendered therewith, and shall be determined without
6 any deduction on account of the cost of the service, product or
7 commodity supplied, the cost of materials used, labor or
8 service cost, or any other expenses whatsoever. "Gross
9 receipts" shall not include that portion of the consideration
10 received for distributing, supplying, furnishing, or selling
11 gas or water to business enterprises or green energy
12 enterprises described in paragraph (e) of this Section to the
13 extent and during the period in which the exemption authorized
14 by paragraph (e) is in effect or for school districts or units
15 of local government described in paragraph (f) during the
16 period in which the exemption authorized in paragraph (f) is
17 in effect.

18 For utility bills issued on or after May 1, 1996, but
19 before May 1, 1997, and for receipts from those utility bills,
20 "gross receipts" does not include one-third of (i) amounts
21 added to customers' bills under Section 9-222 of the Public

22 Utilities Act, or (ii) amounts added to customers' bills by
23 taxpayers who are not subject to rate regulation by the
24 Illinois Commerce Commission for the purpose of recovering any
25 of the tax liabilities described in Section 9-222 of the
26 Public Utilities Act. For utility bills issued on or after May

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1 1, 1997, but before May 1, 1998, and for receipts from those
2 utility bills, "gross receipts" does not include two-thirds of
3 (i) amounts added to customers' bills under Section 9-222 of
4 the Public Utilities Act, or (ii) amount added to customers'
5 bills by taxpayers who are not subject to rate regulation by
6 the Illinois Commerce Commission for the purpose of recovering
7 any of the tax liabilities described in Section 9-222 of the
8 Public Utilities Act. For utility bills issued on or after May
9 1, 1998, and for receipts from those utility bills, "gross
10 receipts" does not include (i) amounts added to customers'
11 bills under Section 9-222 of the Public Utilities Act, or (ii)
12 amounts added to customers' bills by taxpayers who are not
13 subject to rate regulation by the Illinois Commerce Commission
14 for the purpose of recovering any of the tax liabilities
15 described in Section 9-222 of the Public Utilities Act.
16 For purposes of this Section "gross receipts" shall not
17 include amounts added to customers' bills under Section 9-221
18 of the Public Utilities Act. This paragraph is not intended to
19 nor does it make any change in the meaning of "gross receipts"
20 for the purposes of this Section, but is intended to remove
21 possible ambiguities, thereby confirming the existing meaning
22 of "gross receipts" prior to January 1, 1996 (the effective
23 date of Public Act 89-325).
24 "Person" as used in this Section means any natural
25 individual, firm, trust, estate, partnership, association,
26 joint stock company, joint adventure, corporation, limited

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1 liability company, municipal corporation, the State or any of
2 its political subdivisions, any State university created by
3 statute, or a receiver, trustee, guardian or other
4 representative appointed by order of any court.
5 "Person maintaining a place of business in this State"
6 shall mean any person having or maintaining within this State,
7 directly or by a subsidiary or other affiliate, an office,
8 generation facility, distribution facility, transmission

9 facility, sales office or other place of business, or any
10 employee, agent, or other representative operating within this
11 State under the authority of the person or its subsidiary or
12 other affiliate, irrespective of whether such place of
13 business or agent or other representative is located in this
14 State permanently or temporarily, or whether such person,
15 subsidiary or other affiliate is licensed or qualified to do
16 business in this State.

17 "Public utility" shall have the meaning ascribed to it in
18 Section 3-105 of the Public Utilities Act and shall include
19 alternative retail electric suppliers as defined in Section
20 16-102 of that Act.

21 "Purchase at retail" shall mean any acquisition of
22 electricity by a purchaser for purposes of use or consumption,
23 and not for resale, but shall not include the use of
24 electricity by a public utility directly in the generation,
25 production, transmission, delivery or sale of electricity.

26 "Purchaser" shall mean any person who uses or consumes,

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1 within the corporate limits of the municipality, electricity
2 acquired in a purchase at retail.

3 (e) Any municipality that imposes taxes upon public
4 utilities or upon the privilege of using or consuming
5 electricity pursuant to this Section whose territory includes
6 any part of an enterprise zone, Energy Transition Zone, or
7 federally designated Foreign Trade Zone or Sub-Zone may, by a
8 majority vote of its corporate authorities, exempt from those
9 taxes for a period not exceeding 20 years any specified
10 percentage of gross receipts of public utilities received
11 from, or electricity used or consumed by, business enterprises
12 or green energy enterprises that:

13 (1) either (i) make investments that cause the
14 creation of a minimum of 200 full-time equivalent jobs in
15 Illinois, (ii) make investments of at least \$175,000,000
16 that cause the creation of a minimum of 150 full-time
17 equivalent jobs in Illinois, or (iii) make investments
18 that cause the retention of a minimum of 1,000 full-time
19 jobs in Illinois; and

20 (2) are either (i) located in an Enterprise Zone
21 established pursuant to the Illinois Enterprise Zone Act
22 or (ii) Department of Commerce and Economic Opportunity
23 designated High Impact Businesses located in a federally
24 designated Foreign Trade Zone or Sub-Zone; or (iii).

25 located in an Energy Transition Zone established pursuant
26 to the Illinois Energy Transition Zone Act; and

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1 (3) are certified by the Department of Commerce and
2 Economic Opportunity as complying with the requirements
3 specified in clauses (1) and (2) of this paragraph (e).
4 Upon adoption of the ordinance authorizing the exemption,
5 the municipal clerk shall transmit a copy of that ordinance to
6 the Department of Commerce and Economic Opportunity. The
7 Department of Commerce and Economic Opportunity shall
8 determine whether the business enterprises or green energy
9 enterprises located in the municipality meet the criteria
10 prescribed in this paragraph. If the Department of Commerce
11 and Economic Opportunity determines that the business
12 enterprises or green energy enterprises meet the criteria, it
13 shall grant certification. The Department of Commerce and
14 Economic Opportunity shall act upon certification requests
15 within 30 days after receipt of the ordinance.
16 Upon certification of the business enterprise or green
17 energy enterprises by the Department of Commerce and Economic
18 Opportunity, the Department of Commerce and Economic
19 Opportunity shall notify the Department of Revenue of the
20 certification. The Department of Revenue shall notify the
21 public utilities of the exemption status of the gross receipts
22 received from, and the electricity used or consumed by, the
23 certified business enterprises and certified green energy
24 enterprises. Such exemption status shall be effective within 3
25 months after certification.
26 (f) A municipality that imposes taxes upon public

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1 utilities or upon the privilege of using or consuming
2 electricity under this Section and whose territory includes
3 part of another unit of local government or a school district
4 may by ordinance exempt the other unit of local government or
5 school district from those taxes.
6 (g) The amendment of this Section by Public Act 84-127
7 shall take precedence over any other amendment of this Section
8 by any other amendatory Act passed by the 84th General
9 Assembly before August 1, 1985 (the effective date of Public
10 Act 84-127).
11 (h) In any case in which, before July 1, 1992, a person

12 engaged in the business of transmitting messages through the
13 use of mobile equipment, such as cellular phones and paging
14 systems, has determined the municipality within which the
15 gross receipts from the business originated by reference to
16 the location of its transmitting or switching equipment, then
17 (i) neither the municipality to which tax was paid on that
18 basis nor the taxpayer that paid tax on that basis shall be
19 required to rebate, refund, or issue credits for any such tax
20 or charge collected from customers to reimburse the taxpayer
21 for the tax and (ii) no municipality to which tax would have
22 been paid with respect to those gross receipts if the
23 provisions of Public Act 87-773 had been in effect before July
24 1, 1992, shall have any claim against the taxpayer for any
25 amount of the tax.
26 (Source: P.A. 100-201, eff. 8-18-17.)

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1 Section 10-35. The Public Utilities Act is amended by
2 changing Sections 9-221 and 9-222 and by adding Section
3 9-222.1b as follows:
4 (220 ILCS 5/9-221) (from Ch. 111 2/3, par. 9-221)
5 Sec. 9-221. Whenever a municipality pursuant to Section
6 8-11-2 of the Illinois Municipal Code, as heretofore and
7 hereafter amended, imposes a tax on any public utility, such
8 utility may charge its customers, other than customers who are
9 certified business enterprises or certified green energy
10 enterprises under paragraph (e) of Section 8-11-2 of the
11 Illinois Municipal Code or are exempted from those taxes under
12 paragraph (f) of that Section, to the extent of such exemption
13 and during the period in which such exemption is in effect, in
14 addition to any rate authorized by this Act, an additional
15 charge equal to the sum of (1) an amount equal to such
16 municipal tax, or any part thereof (2) 3% of such tax, or any
17 part thereof, as the case may be, to cover costs of accounting,
18 and (3) an amount equal to the increase in taxes and other
19 payments to governmental bodies resulting from the amount of
20 such additional charge. Such utility shall file with the
21 Commission a true and correct copy of the municipal ordinance
22 imposing such tax; and also shall file with the Commission a
23 supplemental schedule applicable to such municipality which
24 shall specify such additional charge and which shall become

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1 effective upon filing without further notice. Such additional
2 charge shall be shown separately on the utility bill to each
3 customer. The Commission shall have power to investigate
4 whether or not such supplemental schedule correctly specifies
5 such additional charge, but shall have no power to suspend
6 such supplemental schedule. If the Commission finds, after a
7 hearing, that such supplemental schedule does not correctly
8 specify such additional charge, it shall by order require a
9 refund to the appropriate customers of the excess, if any,
10 with interest, in such manner as it shall deem just and
11 reasonable, and in and by such order shall require the utility
12 to file an amended supplemental schedule corresponding to the
13 finding and order of the Commission.

14 (Source: P.A. 87-895; 88-132.)

15 (220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

16 Sec. 9-222. Whenever a tax is imposed upon a public
17 utility engaged in the business of distributing, supplying,
18 furnishing, or selling gas for use or consumption pursuant to
19 Section 2 of the Gas Revenue Tax Act, or whenever a tax is
20 required to be collected by a delivering supplier pursuant to
21 Section 2-7 of the Electricity Excise Tax Act, or whenever a
22 tax is imposed upon a public utility pursuant to Section 2-202
23 of this Act, such utility may charge its customers, other than
24 customers who are high impact businesses under Section 5.5 of
25 the Illinois Enterprise Zone Act, or certified business

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1 enterprises under Section 9-222.1 of this Act, or certified
2 green energy enterprises under Section 9-221.B. to the extent
3 of such exemption and during the period in which such
4 exemption is in effect, in addition to any rate authorized by
5 this Act, an additional charge equal to the total amount of
6 such taxes. The exemption of this Section relating to high
7 impact businesses shall be subject to the provisions of
8 subsections (a), (b), and (b-5) of Section 5.5 of the Illinois
9 Enterprise Zone Act. This requirement shall not apply to taxes
10 on invested capital imposed pursuant to the Messages Tax Act,
11 the Gas Revenue Tax Act and the Public Utilities Revenue Act.
12 Such utility shall file with the Commission a supplemental
13 schedule which shall specify such additional charge and which
14 shall become effective upon filing without further notice.
15 Such additional charge shall be shown separately on the
16 utility bill to each customer. The Commission shall have the
17 power to investigate whether or not such supplemental schedule

18 correctly specifies such additional charge, but shall have no
19 power to suspend such supplemental schedule. If the Commission
20 finds, after a hearing, that such supplemental schedule does
21 not correctly specify such additional charge, it shall by
22 order require a refund to the appropriate customers of the
23 excess, if any, with interest, in such manner as it shall deem
24 just and reasonable, and in and by such order shall require the
25 utility to file an amended supplemental schedule corresponding
26 to the finding and order of the Commission. Except with

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1 respect to taxes imposed on invested capital, such tax
2 liabilities shall be recovered from customers solely by means
3 of the additional charges authorized by this Section.
4 (Source: P.A. 91-914, eff. 7-7-00; 92-12, eff. 7-1-01.)
5 (220 ILCS 5/9-222.1b new)
6 Sec. 9-222.1b. Green energy enterprises. A green energy
7 enterprise as defined in the Illinois Energy Transition Zone
8 Act, which is located within an area designated by a county or
9 municipality as an Energy Transition Zone pursuant to the
10 Illinois Energy Transition Zone Act shall be exempt from the
11 additional charges added to the green energy enterprise's
12 utility bills as a pass-on of municipal and State utility
13 taxes under Sections 9-221 and 9-222 of this Act, to the extent
14 such charges are exempted by ordinance adopted in accordance
15 with paragraph (e) of Section 8-11-2 of the Illinois Municipal
16 Code in the case of municipal utility taxes, and to the extent
17 such charges are exempted by the percentage specified by the
18 Department of Commerce and Economic Opportunity in the case of
19 State utility taxes, provided such green energy enterprise
20 meets the following criteria:
21 (1) it (i) makes investments which cause the creation
22 of a minimum of 200 full-time equivalent jobs in an Energy
23 Transition Zone; (ii) makes investments of at least
24 \$175,000,000 which cause the creation of a minimum of 150
25 full-time equivalent jobs in an Energy Transition Zone; or

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1 (iii) makes investments which cause the retention of a
2 minimum of 1,000 full-time jobs in an Energy Transition
3 Zone; and
4 (2) it is located in an Energy Transition Zone
5 established pursuant to the Illinois Energy Transition

6 Zone Act; and
7 (3) it is certified by the Department of Commerce and
8 Economic Opportunity as complying with the requirements
9 specified in clauses (1) and (2) of this Section.
10 The Department of Commerce and Economic Opportunity shall
11 determine the period during which such exemption from the
12 charges imposed under Section 9-222 is in effect which shall
13 not exceed 30 years or the certified term of the energy
14 transition Zone, whichever period is shorter.
15 The Department of Commerce and Economic Opportunity shall
16 have the power to adopt rules to carry out the provisions of
17 this Section including procedures for complying with the
18 requirements specified in clauses (1) and (2) of this Section
19 and procedures for applying for the exemptions authorized
20 under this Section; to define the amounts and types of
21 eligible investments which green energy enterprises must make
22 in order to receive State utility tax exemptions pursuant to
23 Sections 9-222 and 9-222.1B of this Act; to approve such
24 utility tax exemptions for green energy enterprises whose
25 investments are not yet placed in service; and to require that
26 green energy enterprises granted tax exemptions repay the

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1 exempted tax should the green energy enterprise fail to comply
2 with the terms and conditions of the certification. However,
3 no green energy enterprise shall be required, as a condition
4 for certification under clause (3) of this Section, to attest
5 that its decision to invest under clause (1) of this Section
6 and to locate under clause (2) of this Section is predicated
7 upon the availability of the exemptions authorized by this
8 Section.
9 A green energy enterprise shall be exempt, in whole or in
10 part, from the pass-on charges of municipal utility taxes
11 imposed under Section 9-221, only if it meets the criteria
12 specified in clauses (1) through (3) of this Section and the
13 municipality has adopted an ordinance authorizing the
14 exemption under paragraph (e) of Section 8-11-2 of the
15 Illinois Municipal Code. Upon certification of the green
16 energy enterprises by the Department of Commerce and Economic
17 Opportunity, the Department of Commerce and Economic
18 Opportunity shall notify the Department of Revenue of such
19 certification. The Department of Revenue shall notify the
20 public utilities of the exemption status of green energy
21 enterprises from the pass-on charges of State and municipal

22 utility taxes. Such exemption status shall be effective within
23 3 months after certification of the green energy enterprise.
24 Section 10-40. The Prevailing Wage Act is amended by
25 changing Section 2 as follows:

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1 (820 ILCS 130/2) (from Ch. 48, par. 39s-2)
2 Sec. 2. This Act applies to the wages of laborers,
3 mechanics and other workers employed in any public works, as
4 hereinafter defined, by any public body and to anyone under
5 contracts for public works. This includes any maintenance,
6 repair, assembly, or disassembly work performed on equipment
7 whether owned, leased, or rented.
8 As used in this Act, unless the context indicates
9 otherwise:
10 "Public works" means all fixed works constructed or
11 demolished by any public body, or paid for wholly or in part
12 out of public funds. "Public works" as defined herein includes
13 all projects financed in whole or in part with bonds, grants,
14 loans, or other funds made available by or through the State or
15 any of its political subdivisions, including but not limited
16 to: bonds issued under the Industrial Project Revenue Bond Act
17 (Article 11, Division 74 of the Illinois Municipal Code), the
18 Industrial Building Revenue Bond Act, the Illinois Finance
19 Authority Act, the Illinois Sports Facilities Authority Act,
20 or the Build Illinois Bond Act; loans or other funds made
21 available pursuant to the Build Illinois Act; loans or other
22 funds made available pursuant to the Riverfront Development
23 Fund under Section 10-15 of the River Edge Redevelopment Zone
24 Act; or funds from the Fund for Illinois' Future under Section
25 6z-47 of the State Finance Act, funds for school construction

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1 under Section 5 of the General Obligation Bond Act, funds
2 authorized under Section 3 of the School Construction Bond
3 Act, funds for school infrastructure under Section 6z-45 of
4 the State Finance Act, and funds for transportation purposes
5 under Section 4 of the General Obligation Bond Act. "Public
6 works" also includes (i) all projects financed in whole or in
7 part with funds from the Department of Commerce and Economic
8 Opportunity under the Illinois Renewable Fuels Development
9 Program Act for which there is no project labor agreement;
10 (ii) all work performed pursuant to a public private agreement

11 under the Public Private Agreements for the Illiana Expressway
12 Act or the Public-Private Agreements for the South Suburban
13 Airport Act; and (iii) all projects undertaken under a
14 public-private agreement under the Public-Private Partnerships
15 for Transportation Act. "Public works" also includes all
16 projects at leased facility property used for airport purposes
17 under Section 35 of the Local Government Facility Lease Act.
18 "Public works" also includes the construction of a new wind
19 power facility by a business designated as a High Impact
20 Business under Section 5.5(a)(3)(E) of the Illinois Enterprise
21 Zone Act. "Public works" also includes projects qualifying for
22 incentives under the Illinois Energy Transition Zone Act.
23 "Public works" does not include work done directly by any
24 public utility company, whether or not done under public
25 supervision or direction, or paid for wholly or in part out of
26 public funds. "Public works" also includes any corrective

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1 action performed pursuant to Title XVI of the Environmental
2 Protection Act for which payment from the Underground Storage
3 Tank Fund is requested. "Public works" does not include
4 projects undertaken by the owner at an owner-occupied
5 single-family residence or at an owner-occupied unit of a
6 multi-family residence. "Public works" does not include work
7 performed for soil and water conservation purposes on
8 agricultural lands, whether or not done under public
9 supervision or paid for wholly or in part out of public funds,
10 done directly by an owner or person who has legal control of
11 those lands.
12 "Construction" means all work on public works involving
13 laborers, workers or mechanics. This includes any maintenance,
14 repair, assembly, or disassembly work performed on equipment
15 whether owned, leased, or rented.
16 "Locality" means the county where the physical work upon
17 public works is performed, except (1) that if there is not
18 available in the county a sufficient number of competent
19 skilled laborers, workers and mechanics to construct the
20 public works efficiently and properly, "locality" includes any
21 other county nearest the one in which the work or construction
22 is to be performed and from which such persons may be obtained
23 in sufficient numbers to perform the work and (2) that, with
24 respect to contracts for highway work with the Department of
25 Transportation of this State, "locality" may at the discretion
26 of the Secretary of the Department of Transportation be

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1 construed to include two or more adjacent counties from which
2 workers may be accessible for work on such construction.
3 "Public body" means the State or any officer, board or
4 commission of the State or any political subdivision or
5 department thereof, or any institution supported in whole or
6 in part by public funds, and includes every county, city,
7 town, village, township, school district, irrigation, utility,
8 reclamation improvement or other district and every other
9 political subdivision, district or municipality of the state
10 whether such political subdivision, municipality or district
11 operates under a special charter or not.
12 "Labor organization" means an organization that is the
13 exclusive representative of an employer's employees recognized
14 or certified pursuant to the National Labor Relations Act.
15 The terms "general prevailing rate of hourly wages",
16 "general prevailing rate of wages" or "prevailing rate of
17 wages" when used in this Act mean the hourly cash wages plus
18 annualized fringe benefits for training and apprenticeship
19 programs approved by the U.S. Department of Labor, Bureau of
20 Apprenticeship and Training, health and welfare, insurance,
21 vacations and pensions paid generally, in the locality in
22 which the work is being performed, to employees engaged in
23 work of a similar character on public works.
24 (Source: P.A. 100-1177, eff. 6-1-19.)

25 Article 99. Effective date

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1 Section 99-99. Effective date. This Act takes effect upon
2 becoming law.