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April 22, 2016 Volume 40, Issue 17

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INTRODUCTION

The Illinois Register is the official state document for publishing public notice of rulemaking activity initiated by State governmental agencies. The table of contents is arranged categorically by rulemaking activity and alphabetically by agency within each category.

Rulemaking activity consists of proposed or adopted new rules; amendments to or repealers of existing rules; and rules promulgated by emergency or preemptory action. Executive Orders and Proclamations issued by the Governor; notices of public information required by State Statute; and activities (meeting agendas; Statements of Objection or Recommendation, etc.) of the Joint Committee on Administrative Rules (JCAR), a legislative oversight committee which monitors the rulemaking activities of State Agencies; is also published in the Register.

The Register is a weekly update of the Illinois Administrative Code (a compilation of the rules adopted by State agencies). The most recent edition of the Code, along with the Register, comprise the most current accounting of State agencies' rulemakings.

The Illinois Register is the property of the State of Illinois, granted by the authority of the Illinois Administrative Procedure Act [5 ILCS 100/1-1, et seq.].

ILLINOIS REGISTER PUBLICATION SCHEDULE FOR 2016

Issue#	Rules Due Date	Date of Issue
1	December 21, 2015	January 4, 2016
2	December 28, 2015	January 8, 2016
3	January 4, 2016	January 15, 2016
4	January 11, 2016	January 22, 2016
5	January 19, 2016	January 29, 2016
6	January 25, 2016	February 5, 2016
7	February 1, 2016	February 16, 2016
8	February 8, 2016	February 19, 2016
9	February 16, 2016	February 26, 2016
10	February 22, 2016	March 4, 2016
11	February 29, 2016	March 11, 2016
12	March 7, 2016	March 18, 2016
13	March 14, 2016	March 25, 2016
14	March 21, 2016	April 1, 2016
15	March 28, 2016	April 8, 2016
16	April 4, 2016	April 15, 2016
17	April 11, 2016	April 22, 2016
18	April 18, 2016	April 29, 2016
19	April 25, 2016	May 6, 2016
20	May 2, 2016	May 13, 2016
21	May 9, 2016	May 20, 2016
22	May 16, 2016	May 27, 2016

23	May 23, 2016	June 3, 2016
24	May 31, 2016	June 10, 2016
25	June 6, 2016	June 17, 2016
26	June 13, 2016	June 24, 2016
27	June 20, 2016	July 1, 2016
28	June 27, 2016	July 8, 2016
29	July 5, 2016	July 15, 2016
30	July 11, 2016	July 22, 2016
31	July 18, 2016	July 29, 2016
32	July 25, 2016	August 5, 2016
33	August 1, 2016	August 12, 2016
34	August 8, 2016	August 19, 2016
35	August 15, 2016	August 26, 2016
36	August 22, 2016	September 2, 2016
37	August 29, 2016	September 9, 2016
38	September 6, 2016	September 16, 2016
39	September 12, 2016	September 23, 2016
40	September 19, 2016	September 30, 2016
41	September 26, 2016	October 7, 2016
42	October 3, 2016	October 14, 2016
43	October 11, 2016	October 21, 2016
44	October 17, 2016	October 28, 2016
45	October 24, 2016	November 4, 2016
46	October 31, 2016	November 14, 2016
47	November 7, 2016	November 18, 2016
48	November 14, 2016	November 28, 2016
49	November 21, 2016	December 2, 2016
50	November 28, 2016	December 9, 2016
51	December 5, 2016	December 16, 2016
52	December 12, 2016	December 27, 2016
53	December 19, 2016	December 30, 2016

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Enterprise Zone and High Impact Business Programs
- 2) Code Citation: 14 Ill. Adm. Code 520
- 3)

<u>Section Numbers</u> :	<u>Proposed Actions</u> :
520.100	Amendment
520.210	Amendment
520.250	Amendment
520.400	Amendment
520.930	Amendment
520.1030	Amendment
520.1630	Amendment
520.1800	New Section
520.1810	New Section
520.1820	New Section
520.1830	New Section
520.1840	New Section
- 4) Statutory Authority: Illinois Enterprise Zone Act [20 ILCS 655]
- 5) A Complete Description of the Subjects and Issues Involved: The purpose of this rulemaking is three-fold: (a) to make technical revisions to more accurately the reflect the practice of scoring Enterprise Zone applications under the amended statutory regime; (b) to address the continuation of tax exemptions for businesses located in Enterprise Zones successful in reapplying for designation; and (c) is to prescribe the requirement for applying for Enterprise Zone benefits as a certified aircraft maintenance facility, and to prescribe the compliance procedures after certification as an aircraft maintenance facility.
- 6) Any published studies or reports, along with the sources of underlying data, that were used when composing this rulemaking, in accordance with 1 Ill. Adm. Code 100.355: No
- 7) Will this proposed rulemaking replace an emergency rule currently in effect? No
- 8) Does this proposed rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any rulemakings pending on this Part? No

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- 11) Statement of Statewide Policy Objective: The rulemaking does not create or expand a State Mandate as defined in Section 3(b) of the State Mandate Act (30 ILCS 805).
- 12) Comments regarding this rulemaking should be presented in within 45 days after the date of this issue of the *Illinois Register* in writing to:

Jolene Clarke
Rules Administrator
Department of Commerce and Economic Opportunity
500 East Monroe
Springfield IL 62701

217/557-1820
217/524-3701
jolene.clarke@illinois.gov

- 13) Initial Regulatory Flexibility Analysis:
 - A) Types of small businesses and small municipalities affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: A certified company will be required to submit an application to be certified and then quarterly and annual performance reports after certification.
 - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: This rulemaking was not included on either of the two most recent agendas because the Department did not anticipate the changes.

The full text of the Proposed Amendments begins on the next page:

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NOTICE OF PROPOSED AMENDMENTS

TITLE 14: COMMERCE

SUBTITLE C: ECONOMIC DEVELOPMENT

CHAPTER I: DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

PART 520

ENTERPRISE ZONE AND HIGH IMPACT BUSINESS PROGRAMS

SUBPART A: ENTERPRISE ZONES IN ILLINOIS

Section
520.100 Definitions

SUBPART B: ENTERPRISE ZONE:
APPLICATION FOR CERTIFICATION

Section
520.200 Eligible Applicants
520.210 Eligibility Criteria
520.220 Form of Application
520.230 Application Procedures
520.240 Joint Application
520.250 Application Evaluation and Ranking

SUBPART C: ENTERPRISE ZONE:
AMENDMENT AND DECERTIFICATION

Section
520.300 Application to Amend an Ordinance
520.310 Application to Change Boundaries
520.315 Application to Change Incentives, Alter Termination Date, and Make Technical Corrections
520.320 Decertification

SUBPART D: ENTERPRISE ZONE:
LOCAL RESPONSIBILITIES

Section
520.400 Zone Administration
520.410 Reporting and Monitoring by Zone Administrators

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520.420 Business Cessation Notification

SUBPART E: ENTERPRISE ZONE:
DESIGNATED ZONE ORGANIZATIONS

Section

520.500 General
520.510 Project Eligibility and Approval
520.520 Charitable Contributions

SUBPART F: HIGH IMPACT BUSINESSES IN ILLINOIS

Section

520.600 Definitions
520.610 Eligible Applicants
520.620 Eligibility Criteria
520.630 Form of Application
520.640 Application Approval Process
520.650 Revocation of High Impact Business Designation

SUBPART G: TAX INCENTIVES FOR ENTERPRISE ZONES
AND HIGH IMPACT BUSINESSES

Section

520.700 List of Available Tax Incentives
520.710 Eligible Applicants (Repealed)
520.720 Eligibility Criteria (Repealed)
520.730 Form of Application (Repealed)
520.740 Application Review and Approval (Repealed)
520.750 Revocation of the High Impact Business Designation (Repealed)

SUBPART H: INVESTMENT TAX CREDIT

Section

520.800 General
520.810 Eligibility Criteria (Repealed)
520.820 Form of Application (Repealed)
520.830 Application Review and Approval Process (Repealed)

SUBPART I: UTILITY TAX EXEMPTION

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

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- Section
520.900 Definitions
520.910 Eligibility Criteria
520.920 Form of Application
520.930 Application Approval Process

SUBPART J: MACHINERY AND EQUIPMENT/POLLUTION CONTROL
FACILITIES SALES TAX EXEMPTION

- Section
520.1000 Definitions
520.1010 Eligibility Criteria
520.1020 Form of Application
520.1030 Application Approval Process

SUBPART K: BUILDING MATERIAL SALES TAX EXEMPTION

- Section
520.1100 General
520.1110 Eligibility Criteria (Repealed)
520.1120 Form of Application (Repealed)
520.1130 Application and Approval Process (Repealed)
520.1140 Use Tax Exemption (Repealed)

SUBPART L: JOBS TAX CREDIT

- Section
520.1200 General (Repealed)

SUBPART M: DIVIDEND INCOME DEDUCTION

- Section
520.1300 General

SUBPART N: INTEREST INCOME DEDUCTION FOR FINANCIAL INSTITUTIONS

- Section
520.1400 General

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SUBPART O: TELECOMMUNICATIONS EXCISE TAX EXEMPTION
ON ORIGINATING CALLS

Section
520.1500 General

SUBPART P: HIGH IMPACT SERVICE FACILITY MACHINERY AND
EQUIPMENT SALES TAX EXEMPTION

Section
520.1600 Definitions
520.1610 Eligibility Criteria
520.1620 Form of Application
520.1630 Application Approval Process
520.1640 Use Tax Exemption
520.1650 Revocation of the High Impact Service Facility Designation

SUBPART Q: AIRCRAFT SUPPORT CENTER SALES TAX EXEMPTION

Section
520.1700 Definitions
520.1710 Eligibility Criteria
520.1720 Form of Application
520.1730 Application and Approval Process
520.1740 Revocation of an Aircraft Support Center Designation

SUBPART R: AIRCRAFT MAINTENANCE FACILITY SALES TAX EXEMPTION

Section
520.1800 Definitions
520.1810 Eligibility Criteria
520.1820 Form of Application
520.1830 Application and Approval Process
520.1840 Revocation of an Aircraft Maintenance Facility Designation

AUTHORITY: Implementing the Illinois Enterprise Zone Act [20 ILCS 655]; Section 201(f), (g) and (h) of the Illinois Income Tax Act [35 ILCS 5/201(f), (g) and (h)]; Sections 1d-1f, 1i-1j and 1o of the Retailers' Occupation Tax Act [35 ILCS 120/1d-1f, 1i-1j, and 1o]; and Sections 9-

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221, 9-222, and 9-222.1 of the Public Utilities Act [220 ILCS 5/9-221, 9-222 and 9-222.1]; and authorized by Section 605-95 of the Civil Administrative Code of Illinois [20 ILCS 605/605-95].

SOURCE: Adopted at 9 Ill. Reg. 11790, effective July 24, 1985; emergency amendments at 10 Ill. Reg. 4936, effective March 11, 1986, for a maximum of 150 days; amended at 10 Ill. Reg. 7323, effective April 18, 1986; amended at 10 Ill. Reg. 12563, effective July 7, 1986; amended at 10 Ill. Reg. 12915, effective July 22, 1986; amended at 10 Ill. Reg. 15200, effective September 8, 1986; amended at 10 Ill. Reg. 16580, effective September 24, 1986; amended at 10 Ill. Reg. 19718, effective November 6, 1986; amended at 11 Ill. Reg. 11054, effective June 5, 1987; emergency amendments at 11 Ill. Reg. 11174, effective June 8, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 16091, effective September 29, 1987; amended at 12 Ill. Reg. 4115, effective February 8, 1988; amended at 12 Ill. Reg. 11201, effective June 17, 1988; amended at 12 Ill. Reg. 17823, effective October 21, 1988; emergency amendment at 13 Ill. Reg. 16117, effective October 2, 1989, for a maximum of 150 days; amended at 13 Ill. Reg. 19936, effective December 7, 1989; amended at 14 Ill. Reg. 3445, effective February 27, 1990; amended at 15 Ill. Reg. 8683, effective May 30, 1991; amended at 16 Ill. Reg. 89, effective December 20, 1991; amended at 17 Ill. Reg. 1837, effective February 1, 1993; amended at 18 Ill. Reg. 5172, effective March 21, 1994; amended at 27 Ill. Reg. 3282, effective February 14, 2002; amended at 27 Ill. Reg. 6165, effective March 28, 2003; amended at 35 Ill. Reg. 13125, effective August 1, 2011; amended at 36 Ill. Reg. 16067, effective October 26, 2012; emergency amendment at 37 Ill. Reg. 5006, effective March 28, 2013, for a maximum of 150 days; emergency amendment repealed at 37 Ill. Reg. 13457, effective August 2, 2013, for the remainder of the 150 days; emergency amendment at 37 Ill. Reg. 13502, effective August 2, 2013, for a maximum of 150 days; amended at 38 Ill. Reg. 457, effective December 20, 2013; amended at 40 Ill. Reg. _____, effective _____.

SUBPART A: ENTERPRISE ZONES IN ILLINOIS

Section 520.100 Definitions

"Act" means the Illinois Enterprise Zone Act [20 ILCS 655].

"Agency" means each officer, board, commission, and agency created by the Constitution in the executive branch of State government, other than the State Board of Elections; each officer, department, board, commission, agency, institution, authority, university, body politic and corporate of the State; and each administrative unit or corporate outgrowth of the State government that is created by or pursuant to statute, other than units of local government and their officers, school districts and boards of election commissioners; each administrative unit or

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corporate outgrowth of the above and as may be created by executive order of the Governor. No entity shall be considered an "agency" for the purposes of this Act unless authorized by law to make rules and regulations.

"Board" means the Enterprise Zone Board created in Section 5.2.1 of the Act.

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

"Designated Zone Organization" or "DZO" means an association or entity:

The Members of which are substantially all residents of the Enterprise Zone;

The Board of Directors of which is elected by the members of the organization;

Which satisfies the criteria set forth in section 501(c)(3) or 501(c)(4) of the Internal Revenue Code (26 USC 501(c)(3) or (4)); and

Which exists primarily for the purpose of performing within such area or zone for the benefit of the residents and businesses therein any of the functions set forth in Section 8 of the Act [20 ILCS 655/3].

For the purpose of this definition, "resident" means an individual whose place of residence is within the Enterprise Zone, or a partnership, corporation, association, or sole proprietorship whose principal business office is within the Enterprise Zone.

"Enabling ordinance" means a certified ordinance passed by a city or county to designate, establish and provide for an Enterprise Zone as specified in Section 5(c) of the Act.

"Enterprise Zone" means an area of the State certified by the Department as an Enterprise Zone pursuant to the Act.

"Full-time equivalent job" means a job in which the new employee works for the recipient or for a corporation under contract to the recipient at a rate of at least 35 hours per week. A recipient who employs labor or services at a specific site or facility under contract with another may declare one full-time, permanent job for

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every 1,820 man hours worked per year under that contract. Vacations, paid holidays, and sick time are included in this computation. Overtime is not considered a part of regular hours. [20 ILCS 655/3(i)]

"Full-time retained job" means any employee defined as having a full-time or full-time equivalent job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat, which shall be specified in the application for development assistance. A recipient who employs labor or services at a specific site or facility under contract with another may declare one retained employee per year for every 1,750 man hours worked per year under that contract, even if different individuals perform on-site labor or services. [20 ILCS 655/3(j)]

"General projections" means number of jobs and amount of investments that are determined based upon general economic forecasting models. Overall, these totals are estimates and would include indirect, direct and induced figures based on trend of past area job growth, which may or may not be a result of the Enterprise Zone Designation.

"Latest federal decennial census" means the most recent American Community Survey released by the U.S. Census Bureau or other appropriate data source produced by the U.S. Census Bureau.

"Local labor market area" means an economically integrated area within which individuals can reside and find employment within a reasonable distance or can readily change jobs without changing their place of residence. [20 ILCS 655/3(h)]
A local labor market area must be contiguous, compact and entirely within the State of Illinois and shall be, to the extent practicable, comprised of whole Census Tracts. A local labor market area must, at a minimum, contain the entire area within the boundaries of the Enterprise Zone to which it relates. A local labor market area may take into account communities of interest.

"New employee" means a full-time equivalent job that represents a net increase in the number of the recipient's employees statewide.

"New employee" includes an employee who previously filled a new employee position with the recipient who was rehired or called back from a layoff that occurs during or following the base years. The term "new employee" does not include any of the following:

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An employee of the recipient who performs a job that was previously performed by another employee in this State, if that job existed in this State for at least 6 months before hiring the employee;

Any individual who has a direct or indirect ownership interest of at least 5% in the profits, capital or value of any member of the recipient;

A child, grandchild, parent or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or indirect ownership interest of at least 5% in the profits, capital or value of any member of the recipient;

Employee positions being filled or refilled as a result of strikes or layoffs or replacement workers to replace recipient company locked out employees.

"Public infrastructure" means local roads and streets, access roads, bridges and sidewalks; waste disposal systems; water and sewer line extensions, water distribution and purification facilities, and sewage treatment facilities; rail or air or water port improvements; gas and electric utility facilities; transit capital facilities; development and improvement of publicly owned industrial and commercial sites; or other public capital improvements that are an essential precondition to business retention, development or expansion.

"Specific commitments" means a written commitment from a specific company that has agreed to invest, create and/or retain a certain number of jobs as a condition of the Enterprise Zone designation.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

SUBPART B: ENTERPRISE ZONE:
APPLICATION FOR CERTIFICATION

Section 520.210 Eligibility Criteria

A municipality or county may qualify an area for designation as an Enterprise Zone, subject to certification by the Department, in accordance with the criteria set forth in Section 4 of the Act and the following:

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- a) Contiguous Area. The area is contiguous, which means the area has a solid continuous boundary. Boundaries shall be clearly defined and follow natural or man-made entities such as rivers, highways, and boundaries of units of government. The zone area may exclude wholly surrounded territory within its boundaries.
- b) Calculating Total Area. For purposes of calculating total area, the minimum is one-half square mile and the maximum is 12 square miles, or 15 square miles if the zone is located within the jurisdiction of four or more counties or municipalities, excluding lakes or waterways. Where the Enterprise Zone is a joint effort of three or more units of government, or two or more units of government, if located in a township divided by a municipality of 1,000,000 or more inhabitants, and where the certification has been in effect at least one year, the minimum is one-half square mile and the maximum is 13 square miles, excluding lakes and waterways. Boundaries that are connecting strips shall be not less than three, nor more than 10, feet wide. Waterways shall not be used as connecting strips.
- c) Coverage of Area. The areas must:
 - 1) be entirely within a municipality; or
 - 2) be entirely within the unincorporated areas of a county, except when reasonable need is established for the zone to cover parts of more than one municipality or county; or
 - 3) comprise all or part of a municipality and an unincorporated area of a county.
- d) Required Tests. The area must meet at least three of the following tests:
 - 1) Unemployment: *All or part of the local labor market area has had an annual average unemployment rate of at least 120% of the State's annual average unemployment rate for the most recent calendar year or the most recent fiscal year as reported by the Department of Employment Security.*
[20 ILCS 655/4(1)(f)(1)]

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- 2) Employment Opportunities: *Designation will result in the development of substantial employment opportunities by creating or retaining a minimum aggregate of 1,000 full-time equivalent jobs due to an aggregate investment of \$100,000,000 or more, and will help alleviate the effects of poverty and unemployment within the local labor market area.* [20 ILCS 655/4(1)(f)(2)] Applicants shall specify the time periods over which full-time equivalent jobs will be created or retained and aggregate investments will be made. These time periods should not exceed 15 years from the expected date of designation. Applicants should submit as many written specific commitments as possible with respect to job creation or retention, as well as aggregate investment. While some consideration will be given to general projections, the Department allocates more weight for specific commitments. Applicants are encouraged to describe how the creation and retention of full-time equivalent jobs and new investment will help alleviate the effects of poverty and unemployment with the local labor market area.
- 3) Poverty: *All or part of the local labor market area has a poverty rate of at least 20% according to the latest data from the U.S. Census Bureau, 50% or more of children in the local labor market area are eligible to participate in the federal free or reduced-price meals program according to reported statistics from the State Board of Education, or 20% or more households in the local labor market area receive SNAP benefits according to the latest data from the U.S. Census Bureau.* [20 ILCS 655/4(1)(f)(3)]
- 4) Abandoned Coal Mine, Brownfield or Federal Disaster Area: *An abandoned coal mine or a brownfield (as defined in Section 58.2 of the Environmental Protection Act [415 ILCS 5]) is located in the proposed zone area, or all or a portion of the proposed zone was declared a federal disaster area in the 3 years preceding the date of application.* [20 ILCS 655/4(1)(f)(4)] To be considered an abandoned coal mine, the coal mine must be listed on the Illinois Department of Natural Resources Abandoned Mine Locator, or the federal Office of Surface Mining Reclamation and Enforcement's Abandoned Mine Lands Portal. To document that a portion of the proposed zone was declared a federal disaster area in the three years preceding the date of the application, the applicant must provide the major disaster declaration number, the area designated as adversely affected by the major disaster, and the date of the declaration.

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Applicants are encouraged to use copies of the appropriate notices in the Federal Register of a major disaster declaration and related determinations. This does not include emergency declarations or fire management assistance declarations. A brownfield site must be listed in the Illinois Environmental Protection Agency Site Remediation Program database. Applicants are encouraged to provide the 10-digit Illinois Environmental Protection Agency identification number (LPC #) for the site.

- 5) Large Scale Business Closings: *The local labor market area contains a presence of large employers that have downsized over the years, the local labor market area has experienced plant closures in the 5 years prior to the date of application affecting more than 50 workers, or the local labor market area has experienced State or federal facility closures in the 5 years prior to the date of application affecting more than 50 workers.* [20 ILCS 655/4(1)(f)(5)] Applicants are encouraged to use data from filings made pursuant to the Illinois Worker Adjustment and Retraining Notification Act [820 ILCS 65] and the State Facilities Closure Act [30 ILCS 608] as evidence of job losses under this test.
- 6) Vacant Structures: *Based on data from Multiple Listing information or other suitable sources, the local labor market area contains a high floor vacancy rate of industrial or commercial properties, vacant or demolished commercial and industrial structures are prevalent in the local labor market area, ~~or industrial structures in the local labor market area are not used because of age, deterioration, relocation of the former occupants, or cessation of operation.~~* [20 ILCS 655/4(1)(f)(6)] Vacancy prevalence rates are determined by dividing the total vacant and/or demolished square feet by the total square feet. The applicant's vacancy rate and prevalence must meet or exceed the state's annual average vacancy rate and minimum prevalence base for each category.
- 7) Tax Base Improvement 5 year Plan: *The applicant demonstrates a substantial plan, over the next five years from the date of designation, for using the designation to improve the State and local government tax base, including income, sales, and property taxes.* [20 ILCS 655/4(1)(f)(7)] Applicant should compare the current tax base to the final tax base after 5 years. Applicant must address each tax category: income, sales and property taxes.

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- 8) Public Infrastructure Improvement Plan: *Significant public infrastructure is present in the local labor market area in addition to a 5 year plan from date of designation for infrastructure development and improvement.* [20 ILCS 655/4(1)(f)(8)]
- 9) Career Skills Programs: *High schools or community colleges located within the local labor market area are engaged in ACT Work Keys, Manufacturing Skills Standard Certification, or industry-based credentials that prepare students for careers.* [20 ILCS 655/4(1)(f)(9)] The applicant must provide written documentation from more than one high school and/or community college within the local labor market area that the institution is providing ACT Work Keys, Manufacturing Skills Standard Certification, or industry-based credentials that prepare students for careers at some time during the current school year.
- 10) Equalized Assessed Valuation: *The increase in equalized assessed valuation of industrial and/or commercial properties in the 5 years prior to the date of application in the local labor market area is equal to or less than 50% of the State average increase in equalized assessed valuation for industrial and/or commercial properties, as applicable, for the same period of time as reported by the Illinois Department of Revenue [20 ILCS 655/4(1)(f)(10)]; however, if the change in EAV in the State of industrial and/or commercial properties in the 5 years prior to the date of application is negative, then the applicant should instead demonstrate that the decrease in EAV of industrial and/or commercial properties in the 5 years prior to the date of application in the local labor market area is equal to or greater than 50% of the State average decrease in EAV for industrial and/or commercial properties, as applicable, for the same period of time as reported by the Department of Revenue. Applicants are encouraged to use data on EAV of industrial and/or commercial properties in the local labor market area from the Illinois Department of Revenue, if the local labor market area is the entire county, or from the chief assessment official of the municipality, municipalities, county or counties in which at least a portion of the local labor market area is contained.*

(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 520.250 Application Evaluation and Ranking

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

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- a) All applications submitted on or before the deadline established in Section 520.230 shall receive an initial review by the Department. This initial review shall determine if the application contains all the information required pursuant to Section 520.220 and if the application meets at least three of the criteria in Section 520.210(d). Upon meeting the minimum eligibility thresholds, applications will compete in a formalized ranking system.
- b) The Department shall issue recommendations to the Board by assigning a score to each application. The scores will be determined by the Department, based on the extent to which an application meets the criteria under Section 520.210.
 - 1) *Up to 50 points for the extent to which the applicant meets or exceeds the criteria in Section 520.210(d)(1) with points awarded according to the severity of the unemployment as indicated by the percentage that the unemployment rate in the local labor market area exceeds 120% of the State's annual average unemployment rate for the most recent calendar year or the most recent fiscal year as reported by the Department of Employment Security. [20 ILCS 655/4.1(a)(1)]*
 - 2) *Up to 50 points for the extent to which the applicant meets or exceeds the criteria in Section 520.210(d)(2), with points awarded in accordance with the number of jobs created and retained and the aggregate amount of investment promised in the Enterprise Zone as well as the alleviation of the effects of poverty and unemployment within the local labor market area. [20 ILCS 655/4.1(a)(2)] [More points are awarded for specific commitments.](#)*
 - 3) *Up to 40 points for the extent to which the applicant meets or exceeds the criteria in Section 520.210(d)(3). [20 ILCS 655/4.1(a)(3)] Applicants will receive:*
 - A) up to 10 points for the poverty rate in the local labor market area, according to the latest data from the Census Bureau;
 - B) up to 10 points for the percentage of children in participating schools and institutions in the local labor market area are eligible for free and reduced-price meals under the National School Lunch

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Program according to the most recent data available from the Illinois State Board of Education;

- C) up to 10 points for the percentage of households in the local labor market area that receive SNAP benefits, according to the latest data from the Census Bureau; and
 - D) up to 10 points for the severity of the situations described in subsections (b)(3)(A) through (C).
- 4) *Up to 30 points for the extent to which the applicant meets or exceeds the criteria in Section 520.210(d)(4), with points awarded in accordance with the severity of the environmental impact of the abandoned coal mine, brownfield, or federal disaster area. [20 ILCS 655/4.1(a)(4)]* More points will be awarded for abandoned coal mines in the proposed Enterprise Zone that are a priority 1 or 2 site, as determined by the Illinois Department of Natural Resources, Office of Mines and Minerals, Division of Abandoned Mined Lands Reclamation [or Federal Office of Surface Mines](#). More points will be awarded for brownfields in the proposed Enterprise Zone that are listed on the U.S. Environmental Protection Agency's National Priorities List. Points will be awarded for major disaster declarations when a county or counties in the proposed Enterprise Zone are included in the Federal Emergency Management Agency (FEMA) individual assistance program, the FEMA public assistance program, or both programs. More points will be awarded for multiple major disaster declarations.
- 5) *Up to 50 points for the extent to which the applicant meets or exceeds the criteria in Section 520.210(d)(5), with points awarded in accordance with the severity of the applicable facility closures or downsizing. [20 ILCS 655/4.1(a)(5)]* Severity of the applicable facility closures or downsizing will be measured by the number of workers affected as shown by notices filed pursuant to the Illinois Worker Adjustment and Retraining Notification Act [820 ILCS 65] in the 10 years prior to the date of application, notices filed pursuant to the State Facilities Closure Act [30 ILCS 608] in the 5 years prior to the date of application, or reliable evidence of the number of workers affected by federal facility closures in the 5 years prior to the date of application.

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- 6) *Up to 40 points for the extent to which the applicant meets or exceeds the criteria in Section 520.210(d)(6) with points awarded in accordance with the severity and extent of the high floor vacancy or deterioration.* [20 ILCS 655/4.1(a)(6)] Applicants shall list affected commercial or industrial parcels and/or units and describe how those parcels or units were determined to be vacant or deteriorated. To show a vacancy rate or prevalence, applicants shall provide data of the total number or square feet of commercial and industrial parcels or units in the local labor market area in comparison to total number or square feet of vacant and demolished commercial and industrial parcels or units. Applicants shall describe how that data was collected or determined.
- 7) *Up to 30 points for the extent to which the applicant meets or exceeds the criteria in Section 520.210(d)(7) with points awarded in accordance with the extent to which the application addresses a plan to improve the State and local government tax base.* [20 ILCS 655/4.1(a)(7)] Applicants shall address the State and local sales tax base, the State income tax base, and the local property tax base.
- 8) *Up to 50 points for the extent to which the applicant meets or exceeds the criteria in Section 520.210(d)(8) with points awarded in accordance with the existence of significant public infrastructure* in addition to a plan for infrastructure development and improvement. [20 ILCS 655/4.1(a)(8)] Applicants shall provide an inventory of the public infrastructure that demonstrates that significant public infrastructure exists in the local labor market area to support economic development at the time of the application. Applicants shall provide a three-year public infrastructure improvement and development plan for each municipality and/or county applicant government that provides for large, physical improvements that are permanent in nature and that are needed for the functioning of the community, including transportation, utilities, etc. The plans shall include a listing of the capital improvement projects, the plan for financing the projects, a timetable for the construction or completion of the projects, and justification for the projects. Points will be awarded for both the inventory of existing public infrastructure and the public infrastructure improvement and development plan, with a majority of the points awarded based on the public infrastructure improvement and development plan.

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- 9) *Up to 40 points for the extent to which the applicant meets or exceeds the criteria in Section 520.210(d)(9) with points awarded in accordance with the extent to which educational programs exist for career preparation. Applicants shall list all high schools and community colleges in the local labor market area and indicate which high schools and community colleges are engaged in ACT Work Keys, Manufacturing Skills Standard Certification, or other industry-based credentials that prepare students for careers. Applicants shall provide documentation that high schools and community colleges in the local labor market are engaged in these programs. More points will be awarded to applicants with a higher percentage of high schools and community colleges engaged in ACT Work Keys, Manufacturing Skills Standard Certification, or other industry-based credentials that prepare students for careers. [20 ILCS 655/4.1(a)(9)]*
- 10) *Up to 40 points for the extent to which the applicant meets or exceeds the criteria in Section 520.210(d)(10) with points awarded according to the severity of the change in equalized assessed valuation. [20 ILCS 655/4.1(a)(10)]*
- A) If the change in statewide equalized assessed valuation in the State of industrial and/or commercial properties in the 5 years prior to the date of application is positive, the applicant should demonstrate that the increase in EAV of industrial and/or commercial properties in the 5 years prior to the date of application in the local labor market area is equal to or less than 50% of the State average increase in EAV for industrial and/or commercial properties, as applicable, for the same period of time as reported by the Department of Revenue.
- B) If the change in statewide EAV of industrial and/or commercial properties in the 5 years prior to the date of application is negative, the applicant should demonstrate that the decrease in EAV of industrial and/or commercial properties in the 5 years prior to the date of application in the local labor market area is equal to or greater than 50% of the statewide average decrease in EAV for industrial and/or commercial properties, as applicable, for the same period of time as reported by the Department of Revenue.

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- C) Applicants are encouraged to use data on EAV of industrial and/or commercial properties in the local labor market area from the Department of Revenue or from the chief assessment official of the [municipality, municipalities](#), county or counties in which at least a portion of the local labor market area is contained. Severity will be measured by the difference in the local labor market area's industrial and/or commercial EAV from the State average change in EAV for industrial and/or commercial properties beyond the threshold for this test.
- c) *No later than June 30, the Department shall notify all applicant municipalities and counties of the Department's determination of the qualification of their respective designated Enterprise Zone areas, and shall send qualifying applications, including the applicant's scores for the items listed in subsection (b) and the applicant's final score under this Section, to the Board for the Board's consideration, along with supporting documentation of the basis for the Department's decision. [20 ILCS 655/5.2(c)]*

(Source: Amended at 40 Ill. Reg. _____, effective _____)

SUBPART D: ENTERPRISE ZONE: LOCAL RESPONSIBILITIES

Section 520.400 Zone Administration

- a) The administration of an Enterprise Zone shall be under the jurisdiction of the designating municipality or county. Each designating municipality or county shall, by ordinance, designate a Zone Administrator for the certified zones within its jurisdiction. A Zone Administrator must be an officer or employee of the municipality or county. The Zone Administrator shall be the liaison between the designating municipality or county, the Department, and any Designated Zone Organizations within zones under his or her jurisdiction. Where there are two or more designating units of government for an Enterprise Zone, only one Zone Administrator is required for designation. The Zone Administrator must be an officer or employee of at least one of the designating units of government and must be selected in accordance with the intergovernmental agreement (see Section 520.240(c)).
- b) Each Zone Administrator *shall post a copy of the boundaries of the Enterprise Zone on its official Internet website and shall provide an electronic copy to the*

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Department. The Department shall post each copy of the boundaries of an Enterprise Zone that it receives from a Zone Administrator on its official Internet website. [20 ILCS 655/8.2(a)] Administrators are encouraged to submit geospatial data in the form of ESRI ARCGIS Shape files.

- c) *The Zone Administrator shall collect and aggregate the following information:*
- 1) *the estimated cost of each building project, broken down into labor and materials; and*
 - 2) *within 60 days after the end of the project, the estimated cost of each building project, broken down into labor and materials. [20 ILCS 655/8.2(b)]*
- d) *By April 1 of each year, each Zone Administrator shall file a copy of its fee schedule with the Department, and the Department shall post the fee schedule on its website. Zone Administrators shall charge no more than 0.5% of the cost of building materials of the project associated with the specific Enterprise Zone, with a maximum fee of no more than \$50,000. [20 ILCS 655/8.2(c)]*

(Source: Amended at 40 Ill. Reg. _____, effective _____)

SUBPART I: UTILITY TAX EXEMPTION

Section 520.930 Application Approval Process

- a) **Application Approval Requirements.** Applications shall be submitted to the Department, which shall approve or deny the application in writing within 90 days after receipt. The application shall be approved if it meets the requirements of Sections 520.910 and 520.920, utilizing one of the two following options:
- 1) **Investments Placed in Service.** The applicant has substantiated, in accordance with Section 520.920(a), that the eligible investment in qualified property has been placed in service; or
 - 2) **Spending Plan and Financial Commitments.** The applicant has not placed in service in qualified property the eligible investment. However, a spending plan and financial commitments for the proposed eligible investment have been submitted. The spending plan must include a

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detailed "project by project" description, as well as the estimated eligible investment for each specific project. The spending plan must further include the date when the eligible investment in each project will be placed in service. The applicant's financial commitments must include the sources of financing for the project. Should the applicant choose to follow this option, it must sign a written agreement with the Department obligating the business to place in service the eligible investment in qualified property within 12 months after certification pursuant to this Section. Should the business fail to place in service the eligible investment in qualified property within 12 months after certification pursuant to this Section, the business shall be decertified for the tax exemption and required to repay the exempted taxes. Should the business place in service the eligible investment subsequent to this decertification, the business may reapply to the Department for recertification. However, this reapplication must utilize the procedures set forth in subsection (a)(1) ~~of this Section~~, and contain the same information as required pursuant to Section 520.920.

- b) Application Denial Requirements. When the Department denies an application, it shall specify in writing the reasons for denial and allow the applicant 45 days from the date of application denial to amend and resubmit the application. Resubmitted applications shall be approved or denied in writing within 45 days after receipt.
- c) Certificates for "Investment" Applicants. Applicants determined eligible by the Department, in accordance with subsection (a)(1) ~~of this Section~~, will be issued a Certificate of Exemption. The exemption shall take effect six months after certification.
- d) Certificates for "Spending Plan" Applicants. Applicants determined eligible by the Department, in accordance with subsection (a)(2) ~~of this Section~~, will be issued a Certificate of Exemption 12 months prior to the eligible investment in qualified property being placed in service as set forth in the applicant's spending plan submitted pursuant to this Section.
- e) Department's Right to Inspect and Audit. The Department shall have the right to inspect and conduct its own audit of all books and records relied upon by the business to demonstrate that the eligible investment in qualified property has been placed in service. Certified businesses shall also submit information annually to

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the Department documenting the maintenance of the minimum job creation or job retention criterion. Certified businesses that fail to comply with this subsection shall be decertified for the tax exemption and shall repay the exempted taxes. The jobs created or retained must be documented through personnel records.

- f) Five-Year Exemption Period. All certified businesses shall receive a five-year exemption from the State utility tax.
- g) Additional Exemption Period for Certified Businesses. At the expiration of this initial five-year period, certified businesses may apply to the Department for renewals of the exemption for additional five-year time periods not to exceed the termination date of the Enterprise Zone. The Department shall grant an exemption to a certified business for an additional five-year period at 100% of the State utility taxes provided that at the time of the application for each renewal:
 - 1) Jobs Retained are in an Enterprise Zone. In the case of a business certified pursuant to the job creation criterion of Section 520.920, [thesueh](#) business has retained a minimum of 200 full-time equivalent jobs in Illinois; or in the case of a business certified pursuant to the job retention criterion of Section 520.910, [thesueh](#) business has retained a minimum of 1,000 full-time jobs in Illinois. A majority of the "jobs retained" must be in the Enterprise Zone in which the eligible investment is made.
 - 2) Business is Located in an Enterprise Zone. [TheSueh](#) business is located in an Enterprise Zone established pursuant to the Illinois Enterprise Zone Act [20 ILCS 655].
 - 3) Business Provides an Audited Financial Statement. [TheSueh](#) business provides a financial statement, including balance sheets and income statements, audited according to generally accepted auditing standards by a public accountant certified in the State of Illinois as contained in the publication entitled AICPA Professional Standards, American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York NY 10036-8775 (June 2011, no later editions are incorporated). In addition, the certified business' chief financial officer shall attest in writing that the certified business is not aware of a condition or occurrence that would result in a bankruptcy or closure.
 - 4) Maximum Period of Exemption. This exemption shall not be allowed

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beyond the term of the certified Enterprise Zone.

- h) Exemptions for Certified Businesses Located in Enterprise Zones Successful in Reapplying for Designation. Certified businesses located in Enterprise Zones that successfully reapplied for designation as an Enterprise Zone to be effective on or after January 1, 2016, and that expired or terminated solely by operation of Section 5.3(c) of the Act, shall continue to be eligible for the renewals of exemptions in accordance with subsection (g). Any Certificate of Exemption issued under this Section shall not, after taking into account the time for which the exemption existed under the prior zone designation, exceed a total of five years. Thereafter, certified businesses located in Enterprise Zones may apply to the Department in accordance with subsection (g).

(Source: Amended at 40 Ill. Reg. _____, effective _____)

SUBPART J: MACHINERY AND EQUIPMENT/POLLUTION CONTROL
FACILITIES SALES TAX EXEMPTION

Section 520.1030 Application Approval Process

- a) **Application Approval Requirements.** Applications shall be submitted to the Department, which shall approve or deny the application in writing within 90 days after receipt. The application shall be approved if it meets the requirements of Sections 520.1010 and 520.1020.
- b) **Application Denial Requirements.** When the Department denies an application, it shall specify in writing the reasons for denial and allow the applicant 45 days from the date of application denial to amend and resubmit the application. Resubmitted applications shall be approved or denied in writing within 45 days after receipt.
- c) **Certificates of Exemption.** Applicants determined eligible by the Department, in accordance with Section 520.1010, will be issued a Certificate of Exemption. A copy of the Certificate of Exemption will be filed by the Department with the Illinois Department of Revenue in accordance with Section 1f of the Retailers' Occupation Tax Act.
- d) **Exemption Includes.** Subject to Section 520.1010, and in accordance with Section 1d of the Retailers' Occupation Tax Act, this exemption includes:

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- 1) **Tangible Personal Property.** All tangible personal property used or consumed in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, or in the process of graphic arts production;
 - 2) **Repair and Replacement Parts.** Repair and replacement parts for machinery and equipment used in the manufacturing or assembling of tangible personal property, or in the process of graphic arts production for wholesale or retail sale or lease; and
 - 3) **Equipment Manufacturing, Etc.** Equipment, manufacturing or graphic arts fuels, material, and supplies for the maintenance, repair, or operation of such manufacturing or assembling or graphic arts machinery or equipment.
- e) **Department's Right to Inspect and Audit.** The Department shall have the right to inspect and conduct its own audit of all books and records relied upon by the business to demonstrate that the eligible investment in qualified property has been placed in service. Certified businesses shall also submit information annually to the Department documenting the maintenance of the minimum job creation or job retention criterion. Certified businesses that fail to comply with this subsection shall be decertified for the tax exemption and shall repay the exempted taxes. The jobs created or retained must be documented through personnel records.
- f) **Five-Year Exemption Period.** All certified businesses shall receive a five-year exemption from this tax.
- g) **Additional Exemption Period for Certified Businesses.** At the expiration of this initial five-year period, certified businesses may apply to the Department for renewals of the exemption for additional five-year time periods not to exceed the termination date of the Enterprise Zone. The Department shall grant an exemption to a certified business for an additional five-year period, provided that at the time of application for renewal:
- 1) **Job Creation/Retention Criteria.** The following job creation/retention criteria are met:
 - A) In the case of a business certified pursuant to the job creation

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criterion of Section 520.1010, the business has retained a minimum of 200 full-time equivalent jobs in Illinois.

- B) In the case of a business certified pursuant to the job retention criterion of Section 520.1010, the business has:
- i) Retained a minimum of 2,000 full-time jobs in Illinois; or
 - ii) Has made an eligible investment of \$40 million resulting in the retention of 90% of the full-time jobs in place on the date on which the exemption is granted for the duration of the exemption.
- C) A majority of the "jobs retained" must be in the Enterprise Zone in which the eligible investment is made.
- 2) Business is Located in an Enterprise Zone. The business is located in an Enterprise Zone established pursuant to the Illinois Enterprise Zone Act [20 ILCS 655].
- 3) Business Provides an Audited Financial Statement. The business provides an audited Financial Statement, including balance sheets and income statements, audited according to generally accepted auditing standards by a public accountant certified in the State of Illinois as contained in the publication entitled AICPA Professional Standards, American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York NY 10036-8775 (June 2011, no later editions are incorporated). In addition, the certified business' chief financial officer shall attest in writing that the certified business is not aware of a condition or occurrence that would result in a bankruptcy or closure.
- 4) Maximum Period of Exemption. This exemption shall not be allowed beyond the term of the certified Enterprise Zone.

h) [Exemptions for Certified Businesses Located in Enterprise Zones Successful in Reapplying for Designation. Certified businesses located in Enterprise Zones that successfully reapplied for designation as an Enterprise Zone to be effective on or after January 1, 2016, and that expired or terminated solely by operation of Section 5.3\(c\) of the Act, shall continue to be eligible for the renewals of](#)

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exemptions in accordance with subsection (g). Any Certificate of Exemption issued under this Section shall not, after taking into account the time for which the exemption existed under the prior zone designation, exceed a total of five years. Thereafter, certified businesses located in Enterprise Zones may apply to the Department in accordance with subsection (g).

(Source: Amended at 40 Ill. Reg. _____, effective _____)

SUBPART P: HIGH IMPACT SERVICE FACILITY MACHINERY AND
EQUIPMENT SALES TAX EXEMPTION

Section 520.1630 Application Approval Process

- a) **Application Approval Requirements.** Applications shall be submitted to the Department, which shall approve or deny the application in writing within 60 days after receipt. The application shall be approved if it meets the requirements of Sections 520.1610 and 520.1620 and the applicant has submitted a spending plan and financial commitments for the proposed eligible investment. The applicant must sign a written agreement with the Department obligating the business to place in service the eligible investment in qualified property within five years after the date of certification. Should the business fail to place in service the eligible investment in qualified property within five years following certification, the business shall be decertified for the tax exemption and required to repay the exempted taxes. Should the business place in service eligible investment subsequent to decertification, the business may reapply to the Department for recertification. However, this reapplication must utilize the procedures set forth in Section 520.1620, and contain the same information as required pursuant to Section 520.1610.
- b) **Application Denial Requirements.** When the Department denies an application, it shall specify in writing the reasons for denial and allow the applicant 15 days from the date of application denial to amend and resubmit the application. Resubmitted applications shall be approved or denied within 30 days after receipt.
- c) **Certificate of Eligibility for Exemption.** Applicants determined eligible by the Department in accordance with Sections 520.1610 and 520.1620 will be issued a Certificate of Eligibility for Exemption.
- d) **10-Year Exemption Period.** All certified businesses shall receive a 10-year

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exemption from the tax imposed by Section 2 of the Retailers' Occupation Tax Act on purchases of machinery and equipment used in the operation of a high impact service facility, as provided in Section 1j of the Retailers' Occupation Tax Act, and on purchases of jet fuel and petroleum products sold to and used in the conduct of its business of sorting, handling and redistribution of mail, freight, cargo or other parcels in the operation of a high impact service facility, defined in Section 1j of the Retailers' Occupation Tax Act.

- e) **Quarterly Reports Required.** All certified businesses shall submit quarterly reports describing the progress made toward the creation of 750 or more full-time or full-time equivalent jobs, and the investment of \$100 million in qualified property at the High Impact Service Facility.
- f) **Additional Exemption Periods.** At the expiration of this initial 10-year period, certified businesses may apply to the Department for renewals of the exemption for additional 5-year time periods. Any previously certified business that had its exemption expire for the sole reason that it could not seek an additional renewal under the previous version of this Section may apply to the Department for a renewal, and the Department may grant an exemption to the business and make that exemption retroactively effective as of the date of its previous expiration. The Department shall grant an exemption to a certified business for an additional 5-year period provided that, at the time of application for renewal:
 - 1) **Minimum Jobs Created.** The business has created a minimum of 750 or more full-time or full-time equivalent jobs at a High Impact Service Facility in Illinois.
 - 2) **Business is Located in an Enterprise Zone.** The business is located in an Enterprise Zone established pursuant to the Illinois Enterprise Zone Act [20 ILCS 655].
 - 3) **Business Provides an Audited Financial Statement.** The business provides a financial statement, including balance sheets and income statements, audited according to generally accepted auditing standards by a public accountant certified in the State of Illinois as contained in the publication entitled AICPA Professional Standards, American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York NY 10036-8775 (June 2011, no later editions are incorporated). In addition, the certified business chief financial officer shall attest in writing that the

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certified business is not aware of a condition or occurrence that would result in a bankruptcy or closure.

- 4) Maximum Period of Exemption. This exemption shall not be allowed beyond the term of the certified Enterprise Zone.

- g) Exemptions for Certified Businesses Located in Enterprise Zones Successful in Reapplying for Designation. Certified businesses located in Enterprise Zones that successfully reapplied for designation as an Enterprise Zone to be effective on or after January 1, 2016, and that expired or terminated solely by operation of Section 5.3(c) of the Act, shall continue to be eligible for the renewals of exemptions in accordance with subsection (f). Any Certificate of Exemption issued under this Section shall not, after taking into account the time for which the exemption existed under the prior zone designation, exceed a total of five years. Thereafter, certified businesses located in Enterprise Zones may apply to the Department in accordance with subsection (f).

(Source: Amended at 40 Ill. Reg. _____, effective _____)

SUBPART R: AIRCRAFT MAINTENANCE FACILITY SALES TAX EXEMPTIONSection 520.1800 Definitions

The following definitions are applicable to this Subpart R.

"Act" means Section 1k of the Retailers' Occupation Tax Act [35 ILCS 120/1k].

"Aircraft maintenance facility" means a facility operated by an interstate carrier for hire that is used primarily for the maintenance, rebuilding or repair of aircraft, aircraft parts and auxiliary equipment owned or leased by that carrier and used by that carrier as rolling stock moving in interstate commerce.

"Contractually obligated" means the business enterprise has entered into a legally binding agreement with the Department to comply with Section 1k of the Retailers' Occupation Tax Act.

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

"Eligible investments" means a \$400,000,000 investment in qualified property at

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an aircraft maintenance facility located in a county with population not less than 150,000 and not more than 200,000 and that contained three enterprise zones as of December 31, 1990. Qualified properties are statutorily defined in Section 201(f) of the Illinois Income Tax Act [35 ILCS 5/201(f)] or are noncapital/nonroutine investments, and associated service costs (direct labor or contractual fees) that will be placed in service at an aircraft maintenance facility.

"Full-time equivalent job" means a job in which the new employee works for the recipient or for a corporation under contract to the recipient at a rate of at least 35 hours per week. A recipient who employs labor or services at a specific site or facility under contract with another may declare one full-time, permanent job for every 1820 man hours worked per year under that contract. Vacations, paid holidays, and sick time are included in this computation. Overtime is not considered a part of regular hours. [20 ILCS 655/3(i)]

"Full-time retained job" means any employee defined as having a full-time or full-time equivalent job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat, which shall be specified in the application for development assistance. A recipient who employs labor or services at a specific site or facility under contract with another may declare one retained employee per year for every 1750 man hours worked per year under that contract, even if different individuals perform on-site labor or services. [20 ILCS 655/3(j)]

"Job creation" means at least 5000 full-time equivalent employees have been hired at an aircraft maintenance facility. Job titles being filled or refilled as a result of strikes cannot be computed as job creation.

"New employee" means a full-time equivalent job that represents a net increase in the number of the recipient's employees statewide. "New employee" includes an employee who previously filled a new employee position with the recipient who was rehired or called back from a layoff that occurs during or following the base years. The term "new employee" does not include any of the following:

An employee of the recipient who performs a job that was previously performed by another employee in this State, if that job existed in this State for at least 6 months before hiring the employee;

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Any individual who has a direct or indirect ownership interest of at least 5% in the profits, capital or value of any member of the recipient;

A child, grandchild, parent or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or indirect ownership interest of at least 5% in the profits, capital or value of any member of the recipient;

Employee positions being filled or refilled as a result of strikes or layoffs, or replacement workers used to replace recipient company locked out employees.

"Placed in service" means the state or condition of readiness and availability for a specifically assigned function as defined in 26 CFR 1.46-3(d). Eligible investments as defined in this Section shall be considered placed in service on the earlier of the date the property is placed in a condition of readiness and availability for use or the date on which the depreciation period of that property begins.

(Source: Added at 40 Ill. Reg. _____, effective _____)

Section 520.1810 Eligibility Criteria

The business enterprise must provide a written description of a spending plan and financial commitments for the proposed eligible investment that will demonstrate to the Department that the minimum eligible investment will be placed in service and the required number of jobs will be created within three years following the date of certification. This information must include a detailed "project by project" description, as well as the estimated eligible investment for each specific project that obligates the business enterprise to place in service the minimum eligible investment and create the required number of jobs.

(Source: Added at 40 Ill. Reg. _____, effective _____)

Section 520.1820 Form of Application

An application shall be submitted on the standard application form provided by the Department. An application shall include:

- a) Investment Information – a description of the eligible investment with

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documentation to substantiate that the planned investment is eligible (e.g., balance sheets, construction schedules, schematics and specifications, or lists and cost of equipment purchased); and a spending plan and financial commitments demonstrating that the business enterprise will place the investment in service within three years after certification;

- b) Job Information – information on new employment that will result at the aircraft maintenance facility, as a result of the investment, that includes by job titles the number of employees and an explanation of how and why the investment causes creation of full-time employees or full-time equivalent employees.
- c) Certification – a signed and dated statement verifying that the data and information in the application are true and correct, that the Department shall be provided access to any material, documentation or other data required to verify application information, and a statement that the number of jobs created shall be maintained for the term of the exemption.
- d) Legally Binding Agreement – a dated statement executed by the Chief Executive Officer of the business enterprise obligating the business enterprise to create 5000 or more full-time equivalent jobs and place in service, within three years, a minimum of \$400,000,000 in qualified property at an aircraft maintenance facility. The agreement shall state that, should the business fail to place in service the eligible investments in qualified property within three years following certification, the business shall be decertified for the tax exemption and required to repay the exempted taxes, plus any penalties and interest determined by the Department of Revenue. The agreement shall also state that the business shall submit quarterly progress reports describing the progress made toward the creation of 5000 or more full-time equivalent jobs and the investment of \$400,000,000 in qualified property at the aircraft maintenance facility, and that failure to do so shall result in termination of the exemption.

(Source: Added at 40 Ill. Reg. _____, effective _____)

Section 520.1830 Application and Approval Process

- a) Upon receipt of a complete application, the Department shall approve or deny the application in writing within 60 days after receipt. The application shall be approved if it meets the requirements of Sections 520.1810 and 520.1820 and the applicant has submitted a spending plan and financial commitments for the

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proposed eligible investment. The applicant must have a legally binding agreement (see Section 520.1820(d)) that obligates the business to place in service the eligible investments within three years after the date of certification. If the business fails to meet any of the conditions of the agreement, including, but not limited to, failure to place in service the eligible investments in qualified property within three years after the date of certification, the business may be decertified for the tax exemption and required to repay the exempted taxes. Should the business place in service eligible investments subsequent to decertification, the business may reapply to the Department for recertification. However, this reapplication must utilize the procedures set forth in Section 520.1820 and contain the same information as required by Section 520.1810.

- b) When the Department denies an application, it shall specify in writing the reasons for denial and allow the applicant 15 days from the date of application denial to amend and resubmit the application. Resubmitted applications shall be approved or denied within 30 days after receipt.
- c) Applicants determined eligible by the Department in accordance with Sections 520.1810 and 520.1820 shall be issued a Certificate of Eligibility for Exemption.
- d) All certified businesses shall receive a 10-year exemption from the tax imposed by Sections 1m and 1n of the Retailers' Occupation Tax Act [35 ILCS 120] on machinery and equipment used primarily to maintain, rebuild or repair aircraft used as rolling stock moving in interstate commerce for hire by the operator of the aircraft maintenance facility and all tangible personal property to be used or consumed, within an enterprise zone established pursuant to the Illinois Enterprise Zone Act, by any aircraft maintenance facility operator, directly in the process of maintaining, rebuilding or repairing aircraft, as provided in Sections 1n and 1o of the Retailers' Occupation Tax Act.
- e) All certified businesses shall submit quarterly reports describing the progress made toward the creation of 5000 or more full-time equivalent jobs and the investment of \$400,000,000 in qualified property at the aircraft maintenance facility.
- f) At the expiration of the initial 10-year period, certified businesses may apply to the Department for a renewal of the exemption for an additional 10-year time period. The Department shall grant an exemption to a certified business for an additional 10-year period, provided that, at the time of application for renewal:

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- 1) The business has created a minimum of 5000 or more full-time equivalent jobs and invested \$400,000,000 in qualified property for an aircraft maintenance facility.
- 2) The business is located in a county with population not less than 150,000 and not more than 200,000 and that contained three enterprise zones as of December 31, 1990.
- 3) The business provides an audited financial statement, including balance sheets and income statements, audited according to generally accepted auditing standards by a public accountant certified in the State of Illinois as contained in the publication entitled AICPA Professional Standards, American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York NY 10036-8775 (June 2014, no later editions are incorporated). In addition, the firm's chief financial officer shall attest in writing that the firm is not aware of a condition or occurrence that would result in bankruptcy or closure.
- 4) The total period of the exemption from the taxes imposed under the Act cannot exceed the life of the enterprise zone in which the business is located.

(Source: Added at 40 Ill. Reg. _____, effective _____)

Section 520.1840 Revocation of an Aircraft Maintenance Facility Designation

- a) If the business fails to meet any of the conditions of the legally binding agreement, including, but not limited to, failure to make the minimum eligible qualified investment and create or retain the requisite number of jobs, the business may be decertified for the tax exemption and required to repay the exempted taxes. The Department will contact the Director of the Illinois Department of Revenue and request that DOR begin proceedings to recover wrongfully exempted taxes, with interest as allowed by law.
- b) The Department shall revoke an aircraft maintenance facility designation if it is determined upon investigation that the business falsified application information in violation of Section 520.1820(d).

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- c) The Department shall notify a business designated as an aircraft maintenance facility in writing that it is subject to revocation in accordance with subsection (b). The notice shall include the reason for revocation and the date and location of a hearing to be held pursuant to 56 Ill. Adm. Code 2605 (Administrative Hearing Rules).
- d) Following revocation in accordance with subsection (b), the Department will contact the Director of the Illinois Department of Revenue and request that DOR begin proceedings to recover wrongfully exempted taxes, with interest as allowed by law.
- e) Any business whose aircraft maintenance facility designation is revoked shall be ineligible for all State funded Department programs for 10 years.

(Source: Added at 40 Ill. Reg. _____, effective _____)

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- 1) Heading of the Part: Hazardous Materials Emergency Response Reimbursement Standards
- 2) Code Citation: 41 Ill. Adm. Code 270
- 3)

<u>Section Numbers:</u>	<u>Proposed Actions:</u>
270.10	Amendment
270.20	Amendment
270.30	Amendment
270.40	Repealed
270.50	Amendment
270.60	Amendment
270.70	Amendment
270.80	Repealed
270.Appendix A	New Section
- 4) Statutory Authority: Implementing and authorized by Section 5 of the Hazardous Materials Emergency Response Reimbursement Act [430 ILCS 55/5]
- 5) A Complete Description of the Subjects and Issues Involved: This proposed rulemaking makes updates to 41 Ill. Adm. Code Part 270 as a result of PA 98-692 (effective July 1, 2014) that eliminated the Panel tasked with reviewing reimbursement applications and gave the Panel's responsibilities to the Fire Advisory Commission. The amendments also reflect the fact that PA 98-692 dissolved the Hazardous Material Emergency Response Reimbursement Fund and transferred the monies into the Fire Prevention Fund. The reimbursement form promulgated by the Agency has been included in a new Appendix A. The rulemaking also changes the percentage of the Emergency Response Agency's budget that must be expended to qualify for reimbursement from 5 percent to 2 percent. Finally, the amendments update the incorporation by reference and make other minor formatting and typographical changes.
- 6) Published Studies or Reports, and sources of underlying data used to compose this rulemaking: None
- 7) Will this proposed rulemaking replace an emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this proposed rulemaking contain incorporations by reference? Yes

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- 10) Are there any other rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objective: This rulemaking establishes the procedures for processing requests for reimbursement of expenses incurred by local emergency response agencies that have provided emergency action at or near the scene of a hazardous materials emergency incident if those expenses have not been reimbursed by the responsible party.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons wishing to comment on this proposed rulemaking may submit comments no later than 45 days after the publication of this Notice to:
- Deborah J. Williams
Division of Legal Counsel
Office of the State Fire Marshal
1035 Stevenson Dr.
Springfield IL 62703-4259
- 217-785-0978
- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not-for-profit corporations affected: These amendments could affect small municipalities and not for profit corporations that respond to hazardous materials emergencies if they are not reimbursed for their expenses by the responsible party and elect to seek reimbursement from the Office of the State Fire Marshal.
- B) Reporting, bookkeeping or other procedures required for compliance: Emergency response agencies seeking reimbursement will be required to fill out the application form promulgated by the Agency. These amendments do not change or expand these application requirements.
- C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: July 2015

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The full text of the Proposed Amendments begins on the next page:

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TITLE 41: FIRE PROTECTION
CHAPTER I: OFFICE OF THE STATE FIRE MARSHAL

PART 270

HAZARDOUS MATERIALS EMERGENCY RESPONSE REIMBURSEMENT STANDARDS

Section

270.10	Definitions
270.20	Application for Reimbursement
270.30	Eligible Costs for Reimbursement
270.40	Local Budgets (<u>Repealed</u>)
270.50	Review Process
270.60	Reimbursement to the Emergency Response Agency by Other Sources
270.70	Reimbursement to the Fund by Other Sources
270.80	Panel (<u>Repealed</u>)

270.APPENDIX A Application for Reimbursement Form

AUTHORITY: Implementing the Hazardous Materials Emergency Response Reimbursement Act [430 ILCS 55] and authorized by Section 5 of the Act.

SOURCE: Adopted at 16 Ill. Reg. 6842, effective April 13, 1992; amended at 40 Ill. Reg. _____, effective _____.

Section 270.10 Definitions

"Act-" ~~Act~~ means the Hazardous Materials Emergency Response Reimbursement Act [430 ILCS 55], ~~Ill. Rev. Stat. 1989, ch. 127½, par. 1001 et seq.~~

"Annual Budget-" ~~means the~~ *means the* cost to operate an Emergency Response Agency, excluding personnel costs (~~which include~~ *including, but not limited to,* salary, benefits, and training expenses) and costs to acquire capital equipment (~~including, but not limited to, buildings, vehicles, and other such major capital cost items~~).

"Chairman" means the Chair of the Illinois Fire Advisory Commission created by Section 3 of the State Fire Marshal Act [20 ILCS 2905/3].

"Emergency Action-" ~~means any~~ *means any* action taken at or near the scene of a

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~~hazardous materials~~Hazardous Materials emergency incident to prevent or minimize harm to human health, to property, or to the environment from the unintentional release ~~or threatened release of a hazardous material~~Hazardous Materials.

"Emergency Response Agency:" means a~~A~~ unit of local government, ~~or~~ volunteer fire protection organization, or the American Red Cross that provides ~~or procures~~ firefighting services, emergency rescue services, emergency medical services, ~~hazardous materials~~Hazardous Materials response teams, technical rescue teams or civil defense.

"Expended Materials" ~~Expended Materials~~ includes those replacement items, materials, or supplies that have been utilized, damaged, or destroyed (such as foam, absorbents, protective clothing, hoses, or other goods) in the mitigation of a ~~hazardous materials~~Hazardous Materials incident.

"Fund" means the Fire Prevention Fund created by Section 13.1 of the Fire Investigation Act [425 ILCS 25].

"Hazardous ~~Material~~Materials:" means a~~A~~ substance or material in a quantity and form determined by the United States Department of Transportation to be capable of posing an unreasonable risk to health and safety or property when transported in commerce. These materials are listed in 49 CFR ~~171 and~~172 (~~2015~~1994); no later additions or amendments are included.

"Panel." ~~The Panel appointed by the State Fire Marshal or his designee (who shall serve as Chairman) that is responsible for reviewing Applications for Reimbursement from the Fund.~~

"Person:" ~~Person~~ means an individual, a corporation, a partnership, an unincorporated association, or any unit of federal, ~~State~~state, or local government.

"Responsible Party:" means a person~~A Person~~ who:

owns or has custody of ~~hazardous materials~~Hazardous Materials involved in an incident requiring emergency action~~Emergency Action~~ by an emergency response agency~~Emergency Response Agency~~; or

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~~a Person who~~ owns or has custody of bulk or non-bulk packaging or a transport vehicle that contains ~~hazardous materials~~ Hazardous Materials involved in an ~~emergency response incident~~ requiring emergency action by an emergency response agency; ~~and~~ a Person

~~who causes or substantially contributes to the cause of~~ the incident requiring emergency action ~~an Emergency Action~~. (Section 3 of the Act) This term includes the plural.

"Office:" or "OSFM" means the Office of the State Fire Marshal.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 270.20 Application for Reimbursement

An emergency response agency ~~Emergency Response Agency~~ requesting reimbursement shall meet the following criteria:

- a) The emergency response agency ~~Emergency Response Agency~~ must attempt to contact the responsible party ~~Responsible Party~~ in writing for reimbursement prior to applying for reimbursement from the Fund.
- b) If, ~~after~~ 14 days ~~after~~ from the date the notification was mailed to the responsible party ~~Responsible Party~~, the emergency response agency ~~Emergency Response Agency~~ has not been reimbursed by the responsible party ~~Responsible Party~~, or the responsible party ~~Responsible Party~~ is not expeditiously cooperating or providing a reasonable effort to reimburse an emergency response agency ~~Emergency Response Agency~~, or if no responsible party ~~Responsible Party~~ can be identified, the emergency response agency ~~Emergency Response Agency~~ with jurisdiction over the location of the incident requiring emergency action may apply for reimbursement by submitting ~~submit~~ the following information to OSFM ~~the Office~~:
 - 1) The Application for Reimbursement form ~~Form~~ prescribed by OSFM in Appendix A ~~the Office~~.
 - A) Only ~~More than~~ one Application for Reimbursement may be filed per incident by the emergency response agency with jurisdiction over the location of the incident requiring emergency action and

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~~for different costs but~~ reimbursement is limited to the amount specified in Section 270.30(e). The application may be amended to add additional eligible costs if necessary.

- B) Reimbursement costs for separate incidents may not be filed on the same form.
- C) An emergency response agency with jurisdiction over the location of the incident requiring emergency action may apply for reimbursement of eligible costs incurred by other emergency response agencies in responding to the same incident if the emergency response agencies have entered into a written mutual aid agreement.
- 2) No later than 90 days after the date of the incident, the Application for Reimbursement form and documentation required ~~by Appendix A in these rules~~ and regulations shall be submitted to ~~OSFM the Office~~ at 1035 Stevenson Drive, Springfield, Illinois 62703-4259. ~~Applications for Reimbursement which have been filed in a timely manner may be amended at the discretion of the Panel.~~
- c) Applications~~For incidents after July 1, 1992, applications~~ for reimbursement will not be processed if received more than 90 days after the incident.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 270.30 Eligible Costs for Reimbursement

Eligible costs for reimbursement are subject to the following limitations:

- a) Replacement of ~~expended materials~~Expended Materials, including, but not limited to:
- 1) Specialized firefighting foam, absorbents.
 - 2) Damaged hoses, protective clothing, or other damaged equipment.
 - 3) Other~~Or other~~ reasonable and necessary equipment and/or supplies that have been used, expended, contracted for, damaged, or chemically

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contaminated, and includes disposal or costs for equipment, supplies, or materials.

- b) Repair or decontamination of equipment.
- c) The cost of the incident to the ~~emergency response agency~~Emergency Response Agency must exceed 5 percent of the ~~emergency response agency's annual budget~~Emergency Response Agency's Annual Budget.
- d) A minimum of \$500 must have been expended.
- e) A maximum of \$10,000 may be reimbursed per incident.
- f) *The response was made to an incident involving ~~hazardous materials~~Hazardous Materials facilities such as rolling stock ~~that~~which are not in a terminal and ~~that~~which are not included on the property tax ~~rolls~~roles for the jurisdiction where the incident occurred. (Section 5 of the Act)*
- g) A copy of the approved budget or appropriation ordinance must be submitted with the application and the head the emergency response agency must attest to the accuracy of the information provided.
- h) If the application for reimbursement includes costs incurred by an emergency response agency other than the applicant, a copy of the mutual aid agreement between the two emergency response agencies must be submitted.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 270.40 Local Budgets (Repealed)

- a) ~~The amount of reimbursed cost of supplies must exceed 5 percent of the Emergency Response Agency's Annual Budget for the fiscal year in which the incident occurred or commenced.~~
- b) ~~It is recognized that a single equipment purchase in a given year may not accurately portray a typical annual commodity or equipment line. The Emergency Response Agency may elect to use the average of the current year and two previous years' budgets.~~

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- e) ~~The chief fiscal officer of the Emergency Response Agency shall attest to the budgetary information provided. A certified copy of the tax levy and appropriation ordinance, audits, or similar documentation filed with a governmental agency should be submitted.~~

(Source: Repealed at 40 Ill. Reg. _____, effective _____)

Section 270.50 Review Process

The procedure to reimburse ~~emergency action~~Emergency Action costs:

- a) ~~The emergency response agency with jurisdiction over the location of the incident requiring emergency action must submit a completed Application for Reimbursement form (see Appendix A).~~
- b) Upon receipt of ~~an~~ Application for Reimbursement, ~~OSFM will~~the Office shall begin a preliminary review of the application and documentation within five working days. If deficiencies are found, ~~OSFM will~~the Office shall contact the applicant to resolve the problem.
- ~~cb)~~ If no deficiencies exist or the ~~emergency response agency~~Emergency Response Agency does not submit additional information, ~~OSFM will~~the Office shall forward the Application for Reimbursement to the Chairman for review.
- ~~de)~~ The Chairman, or his ~~or her~~ designee, shall send a copy of the Application for Reimbursement to the ~~Illinois Fire Advisory Commission (see 20 ILCS 2905/3) Panel~~ members for review. ~~At the next scheduled meeting, the Fire Advisory Commission shall and arrange a conference call within ten working days to discuss each Application for Reimbursement and~~ vote to approve or disapprove the request ~~to expedite processing~~. A quorum of members must exist. ~~If necessary, the Chairman has discretion to call an emergency meeting of the Fire Advisory Commission to consider the application. The Fire Advisory Commission will be responsible for:~~
- 1) ~~Reviewing claims made against the Fund and determining reasonable and necessary expenses to be reimbursed to an emergency response agency. A meeting may be called upon the request of two or more members.~~
 - 2) ~~Affirming that the emergency response agency has made a reasonable~~

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~~effort to recover expended costs from responsible parties. If approved, the Office shall process reimbursement to the Emergency Response Agency from the Fund.~~

- 3) ~~Advising the State Fire Marshal as to those claims against the Fund that merit reimbursement. If an Emergency Response Agency disagrees with the decision, it may request a hearing before the Panel within 30 days after the decision. The Panel shall give the approved Agency notice of the date and time of the hearing at least ten days in advance. The hearing shall be governed by the Illinois Administrative Procedure Act.~~
- 4) ~~Any reimbursement amount not in dispute will be processed by the Office for payment.~~
- d) ~~If Applications for Reimbursement are received within 30 calendar days before a scheduled Panel meeting, Application for Reimbursement may be held for formal action at the scheduled meeting.~~
- e) ~~The State Fire Marshal shall either accept or reject the Fire Advisory Commission's recommendations as to a claim's eligibility. The eligibility decision of the State Fire Marshal shall be a final administrative decision reviewable under the Administrative Review Law [735 ILCS 5/Art. III].~~
- f) ~~If the reimbursement is approved, OSFM will process the reimbursement to the emergency response agency from the Fund. If a partial reimbursement is approved, OSFM will process the reimbursement of the amount approved to the emergency response agency from the Fund.~~

(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 270.60 Reimbursement to the Emergency Response Agency by Other Sources

In the event the ~~emergency response agency~~ Emergency Response Agency receives payment from any ~~responsible party~~ Responsible Party or the federal government for all or part of any reimbursement, the ~~emergency response agency~~ Emergency Response Agency shall repay the Fund for the amount of ~~that such~~ payment or the amount paid by the Fund.

- a) ~~The~~ Such repayment shall be made by check or money order, made payable to the "~~Office of the State Fire Marshal~~ Hazardous Materials Emergency Response

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~~Reimbursement Fund."~~ .

- b) Repayment shall be made within 30 days after the date the payment from the other source was received.
- c) If the local ~~emergency response agency~~Emergency Response Agency receives payment from the ~~responsible party~~Responsible Party while the Application for Reimbursement is being processed by the ~~OSFM~~Office, the ~~emergency response agency~~Emergency Response Agency shall immediately notify ~~OSFM~~the Chairman.
- d) If the ~~emergency response agency~~Emergency Response Agency is reimbursed by the ~~responsible party~~Responsible Party for a part of the mitigation costs during the time in which ~~OSFM~~the Office is processing an application, the ~~emergency response agency~~Emergency Response Agency shall immediately notify ~~OSFM~~the Chairman.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 270.70 Reimbursement to the Fund by Other Sources

- a) In the event reimbursement is to be made to ~~OSFM~~the Office:
 - 1) Payment shall be made by check or money order payable to the "Office of the State Fire Marshal~~Hazardous Materials Emergency Response Reimbursement Fund."~~ .
 - 2) Payment may be made directly by the ~~responsible party~~Responsible Party.
- b) *A voluntary contribution to the Fund, or directly to an ~~emergency response agency~~Emergency Response Agency, does not constitute an admission of responsibility relative to ~~the~~this Act; or to any other ~~State~~state or federal laws or regulations. (Section 6 of the Act)*
- c) If no party to the incident provides reimbursement to the ~~emergency response agency~~Emergency Response Agency or to the Fund, the State Fire Marshal may request the Attorney General to initiate a civil action to recover costs.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

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Section 270.80 Panel (Repealed)

- a) ~~The Panel shall convene at quarterly intervals and, at the discretion of the Chairman, more often. The Chairman shall notify all Panel members of the meeting date, time, and location by U.S. Mail.~~
- b) ~~The Panel shall be responsible for:~~
 - 1) ~~Reviewing Applications for Reimbursement from the Fund to determine whether they were reasonable or necessary expenses.~~
 - 2) ~~Reviewing, on a per incident basis, whether the Emergency Response Agency has made a reasonable effort to receive expended cost from responsible parties.~~
- e) ~~Each Application for Reimbursement shall be examined on a case-by-case basis.~~

(Source: Repealed at 40 Ill. Reg. _____, effective _____)

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Section 270.APPENDIX A Application for Reimbursement Form

Hazardous Materials Emergency Response Reimbursement Application

SECTION 1 – APPLICANT INFORMATION

Organization Name _____

Address _____ Phone Number _____

Tax Identification Number _____ Fax Number _____

SECTION 2 – CONTACT INFORMATION

Name _____

Title _____ Work Phone _____

E-Mail _____ Cell Phone _____

SECTION 3 – RESPONSIBLE PARTY

If the responsible party is unknown, please check this box

Name _____

Address _____ Phone Number _____

_____ Fax Number _____

Date Notification for Reimbursement Provided to Responsible Party _____

SECTION 4 – INCIDENT NARRATIVE

Incident Date _____

(Application must be submitted within 90 days after the incident date)

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SECTION 5 – INCIDENT EXPENSES

You may claim expenses for a mutual aid responder if you have a mutual aid agreement. Indicate expenses of mutual aid responders in the column provided below and attach a copy of the mutual aid agreement to this application.

<u>Itemized List of Expenses</u>	<u>Mutual Aid Expense (Y or N)</u>	<u>Qty</u>	<u>Amount</u>
<u>TOTAL</u> (Must equal or exceed \$500. If not you are not eligible to apply)			

SECTION 6 – REIMBURSEMENT CALCULATION

Line 1: Total Annual Budget* _____

Line 2: Multiply Line 1 by 2% (Line 1 x 2% = Line 2) _____

Line 3: Cost of Incident Response (from Section 5) _____

If Line 3 is less than Line 2, STOP. You are not eligible to apply.

Line 4: Enter the amount from Line 3. If Line 3 is greater than \$10,000, then enter \$10,000. This is your reimbursement claim. _____

* Exclude personnel costs (i.e., salary, benefits, training expenses and any other personnel costs) and costs to acquire capital equipment (i.e., buildings, vehicles and other major capital cost items). A copy of your approved budget or appropriation ordinance must be attached to this application.

SECTION 7 – ATTESTATION AND SIGNATURES

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I attest that the information contained in this application is true and accurate to the best of my knowledge. (Signature should be from the head of the organization.)

Signature

Title

Date

Print Name

You MUST attach the following documentation to your application:
Copy of an approved budget or appropriation ordinance for your agency
Copy of mutual aid agreements (if applicable)

(Source: Added at 40 Ill. Reg. _____, effective _____)

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- 1) Heading of the Part: Income Tax
- 2) Code Citation: 86 Ill. Adm. Code 100
- 3) Section Number: Proposed Action:
100.5020 Amendment
- 4) Statutory Authority: 35 ILCS 5/505
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking amends the Section that provides automatic extensions of time for filing Illinois income tax returns. The Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 (Public Law 114-41) changed the due dates for filing federal income tax returns of corporations from the 15th day of the 3rd month after the end of the taxable year (March 15th for a calendar-year taxpayer) to 15th day of the 4th month after the end of the taxable year (April 15th for a calendar-year taxpayer). This change in the due date automatically changes the due date for Illinois income tax returns under IITA Section 505(a)(1), which provides that the due date for corporate income tax returns is 15th day of the 3rd month after the end of the taxable year "unless the income or loss of a taxpayer is reported for federal purposes on a return with a due date later than the 15th day of the 3rd month following the close of the taxable year, in which case the same due date shall apply to the corresponding Illinois return." The federal Act also changes the due date for partnership returns from the 15th day of the 4th month after the end of the taxable year (April 15th for a calendar-year taxpayer) to 15th day of the 3rd month after the end of the taxable year (March 15th for a calendar-year taxpayer). This change does not affect the due date for Illinois partnership returns. The language of the automatic extension provisions in Section 100.5020 allows all taxpayers a 6-month extension to file returns, except corporations are allowed a 7-month extension. Under this language, as it applied before the federal Act, calendar-year taxpayers all had an extended due date of October 15 for filing their Illinois returns. After the federal Act, a calendar-year corporation will have until November 15 to file its Illinois return. Also, should the General Assembly amend the IITA so that Illinois partnership returns will be due on the same date as their federal income tax returns, calendar year partnerships would have only until September 15 to file their returns. This rulemaking amends the extension language to grant a 6-month extension for returns otherwise due on the 15th day of the 4th month after the end of the taxable year and a 7-month extension for returns otherwise due on the 15th day of the 3rd month after the end of the taxable year, so that the extended due dates for calendar year filers will again be October 15th. The underscored language in the headers to Sections 100.5060, 100.5100 and 100.5130 in the Table of Contents are proposed

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amendments that were published in the April 15, 2016, Illinois Register, as noted in the response to Question 10.

- 6) Published studies or reports and sources of underlying data used to compose this rulemaking: None
- 7) Will this rulemaking replace any emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other rulemakings pending on this Part? Yes

<u>Section Numbers:</u>	<u>Proposed Actions:</u>	<u>Illinois Register Citation:</u>
100.8010	Amendment	40 Ill. Reg. 5174, March 25, 2016
100.9400	Amendment	40 Ill. Reg. 5174, March 25, 2016
100.9320	Amendment	40 Ill. Reg. 5823, April 8, 2016
100.9410	Amendment	40 Ill. Reg. 5823, April 8, 2016
100.5060	Amendment	40 Ill. Reg. 6540, April 15, 2016
100.5100	Amendment	40 Ill. Reg. 6540, April 15, 2016
100.5130	Amendment	40 Ill. Reg. 6540, April 15, 2016
100.7035	Amendment	40 Ill. Reg. 6540, April 15, 2016

- 11) Statement of Statewide Policy Objective: This rulemaking does not create a State mandate, nor does it modify any existing State mandates.
- 12) Time, Place and Manner in which interested persons may comment on this rulemaking: Persons who wish to submit comments on this rulemaking may submit them in writing by no later than 45 days after publication of this Notice to:

Brian Stocker
 Staff Attorney
 Illinois Department of Revenue
 Legal Services Office
 101 West Jefferson
 Springfield IL 62796

217/782-2844

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- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not-for-profit corporations affected: This rulemaking applies to all partnerships and Subchapter S corporations.
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: January 2016

The full text of the Proposed Amendment begins on the next page:

DEPARTMENT OF REVENUE

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TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUEPART 100
INCOME TAX

SUBPART A: TAX IMPOSED

Section

100.2000	Introduction
100.2050	Net Income (IITA Section 202)
100.2060	Compassionate Use of Medical Cannabis Pilot Program Act Surcharge (IITA Section 201(o))

SUBPART B: CREDITS

Section

100.2100	Replacement Tax Investment Credit Prior to January 1, 1994 (IITA Section 201(e))
100.2101	Replacement Tax Investment Credit (IITA 201(e))
100.2110	Investment Credit; Enterprise Zone and River Edge Redevelopment Zone (IITA Section 201(f))
100.2120	Jobs Tax Credit; Enterprise Zone and Foreign Trade Zone or Sub-Zone and River Edge Redevelopment Zone (IITA Section 201(g))
100.2130	Investment Credit; High Impact Business (IITA 201(h))
100.2140	Credit Against Income Tax for Replacement Tax (IITA 201(i))
100.2150	Training Expense Credit (IITA 201(j))
100.2160	Research and Development Credit (IITA Section 201(k))
100.2163	Environmental Remediation Credit (IITA 201(l))
100.2165	Education Expense Credit (IITA 201(m))
100.2170	Tax Credits for Coal Research and Coal Utilization Equipment (IITA 206)
100.2171	Angel Investment Credit (IITA 220)
100.2180	Credit for Residential Real Property Taxes (IITA 208)
100.2185	Film Production Services Credit (IITA Section 213)
100.2190	Tax Credit for Affordable Housing Donations (IITA Section 214)
100.2193	Student-Assistance Contributions Credit (IITA 218)
100.2195	Dependent Care Assistance Program Tax Credit (IITA 210)
100.2196	Employee Child Care Assistance Program Tax Credit (IITA Section 210.5)
100.2197	Foreign Tax Credit (IITA Section 601(b)(3))

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- 100.2198 Economic Development for a Growing Economy Credit (IITA 211)
100.2199 Illinois Earned Income Tax Credit (IITA Section 212)

SUBPART C: NET OPERATING LOSSES OF UNITARY BUSINESS GROUPS
OCCURRING PRIOR TO DECEMBER 31, 1986

Section

- 100.2200 Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group. (IITA Section 202) – Scope
- 100.2210 Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group (IITA Section 202) – Definitions
- 100.2220 Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group. (IITA Section 202) – Current Net Operating Losses: Offsets Between Members
- 100.2230 Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group. (IITA Section 202) – Carrybacks and Carryforwards
- 100.2240 Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group: (IITA Section 202) – Effect of Combined Net Operating Loss in Computing Illinois Base Income
- 100.2250 Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group: (IITA Section 202) – Deadline for Filing Claims Based on Net Operating Losses Carried Back From a Combined Apportionment Year

SUBPART D: ILLINOIS NET LOSS DEDUCTIONS FOR LOSSES
OCCURRING ON OR AFTER DECEMBER 31, 1986

Section

- 100.2300 Illinois Net Loss Deduction for Losses Occurring On or After December 31, 1986 (IITA 207)
- 100.2310 Computation of the Illinois Net Loss Deduction for Losses Occurring On or After December 31, 1986 (IITA 207)
- 100.2320 Determination of the Amount of Illinois Net Loss for Losses Occurring On or After December 31, 1986
- 100.2330 Illinois Net Loss Carrybacks and Net Loss Carryovers for Losses Occurring On or

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- After December 31, 1986
- 100.2340 Illinois Net Losses and Illinois Net Loss Deductions for Losses Occurring On or After December 31, 1986, of Corporations that are Members of a Unitary Business Group: Separate Unitary Versus Combined Unitary Returns
- 100.2350 Illinois Net Losses and Illinois Net Loss Deductions, for Losses Occurring On or After December 31, 1986, of Corporations that are Members of a Unitary Business Group: Changes in Membership

SUBPART E: ADDITIONS TO AND SUBTRACTIONS FROM TAXABLE INCOME OF INDIVIDUALS, CORPORATIONS, TRUSTS AND ESTATES AND PARTNERSHIPS

- Section
- 100.2405 Gross Income, Adjusted Gross Income, Taxable Income and Base Income Defined; Double Deductions Prohibited; Legislative Intention (IITA Section 203(e), (g) and (h))
- 100.2410 Net Operating Loss Carryovers for Individuals, and Capital Loss and Other Carryovers for All Taxpayers (IITA Section 203)
- 100.2430 Addition and Subtraction Modifications for Transactions with 80-20 and Noncombination Rule Companies
- 100.2435 Addition Modification for Student-Assistance Contribution Credit (IITA Sections 203(a)(2)(D-23), (b)(2)(E-16), (c)(2)(G-15), (d)(2)(D-10))
- 100.2450 IIT Refunds (IITA Section 203(a)(2)(H), (b)(2)(F), (c)(2)(J) and (d)(2)(F))
- 100.2455 Subtraction Modification: Federally Disallowed Deductions (IITA Sections 203(a)(2)(M), 203(b)(2)(I), 203(c)(2)(L) and 203(d)(2)(J))
- 100.2470 Subtraction of Amounts Exempt from Taxation by Virtue of Illinois Law, the Illinois or U.S. Constitutions, or by Reason of U.S. Treaties or Statutes (IITA Sections 203(a)(2)(N), 203(b)(2)(J), 203(c)(2)(K) and 203(d)(2)(G))
- 100.2480 Enterprise Zone and River Edge Redevelopment Zone Dividend Subtraction (IITA Sections 203(a)(2)(J), 203(b)(2)(K), 203(c)(2)(M) and 203(d)(2)(K))
- 100.2490 Foreign Trade Zone/High Impact Business Dividend Subtraction (IITA Sections 203(a)(2)(K), 203(b)(2)(L), 203(c)(2)(O), 203(d)(2)(M))

SUBPART F: BASE INCOME OF INDIVIDUALS

- Section
- 100.2510 Subtraction for Contributions to Illinois Qualified Tuition Programs (Section 529 Plans) (IITA Section 203(a)(2)(Y))
- 100.2580 Medical Care Savings Accounts (IITA Sections 203(a)(2)(D-5), 203(a)(2)(S) and 203(a)(2)(T))

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100.2590 Taxation of Certain Employees of Railroads, Motor Carriers, Air Carriers and Water Carriers

SUBPART H: BASE INCOME OF TRUSTS AND ESTATES

Section

100.2655 Subtraction Modification for Enterprise Zone and River Edge Redevelopment Zone Interest (IITA Section 203(b)(2)(M))

100.2657 Subtraction Modification for High Impact Business Interest (IITA Section 203(b)(2)(M-1))

100.2680 Capital Gain Income of Estates and Trusts Paid to or Permanently Set Aside for Charity (Repealed)

SUBPART J: GENERAL RULES OF ALLOCATION AND APPORTIONMENT OF BASE INCOME

Section

100.3000 Terms Used in Article 3 (IITA Section 301)

100.3010 Business and Nonbusiness Income (IITA Section 301)

100.3015 Business Income Election (IITA Section 1501)

100.3020 Resident (IITA Section 301)

SUBPART K: COMPENSATION

Section

100.3100 Compensation (IITA Section 302)

100.3110 State (IITA Section 302)

100.3120 Allocation of Compensation Paid to Nonresidents (IITA Section 302)

SUBPART L: NON-BUSINESS INCOME OF PERSONS OTHER THAN RESIDENTS

Section

100.3200 Taxability in Other State (IITA Section 303)

100.3210 Commercial Domicile (IITA Section 303)

100.3220 Allocation of Certain Items of Nonbusiness Income by Persons Other Than Residents (IITA Section 303)

SUBPART M: BUSINESS INCOME OF PERSONS OTHER THAN RESIDENTS

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Section	
100.3300	Allocation and Apportionment of Base Income (IITA Section 304)
100.3310	Business Income of Persons Other Than Residents (IITA Section 304) – In General
100.3320	Business Income of Persons Other Than Residents (IITA Section 304) – Apportionment (Repealed)
100.3330	Business Income of Persons Other Than Residents (IITA Section 304) – Allocation
100.3340	Business Income of Persons Other Than Residents (IITA Section 304)
100.3350	Property Factor (IITA Section 304)
100.3360	Payroll Factor (IITA Section 304)
100.3370	Sales Factor (IITA Section 304)
100.3371	Sales Factor for Telecommunications Services
100.3373	Sales Factor for Publishing
100.3380	Special Rules (IITA Section 304)
100.3390	Petitions for Alternative Allocation or Apportionment (IITA Section 304(f))
100.3400	Apportionment of Business Income of Financial Organizations for Taxable Years Ending Prior to December 31, 2008 (IITA Section 304(c))
100.3405	Apportionment of Business Income of Financial Organizations for Taxable Years Ending on or after December 31, 2008 (IITA Section 304(c))
100.3420	Apportionment of Business Income of Insurance Companies (IITA Section 304(b))
100.3450	Apportionment of Business Income of Transportation Companies (IITA Section 304(d))
100.3500	Allocation and Apportionment of Base Income by Nonresident Partners

SUBPART N: ACCOUNTING

Section	
100.4500	Carryovers of Tax Attributes (IITA Section 405)

SUBPART O: TIME AND PLACE FOR FILING RETURNS

Section	
100.5000	Time for Filing Returns (IITA Section 505)
100.5010	Place for Filing Returns: All Taxpayers (IITA Section 505)
100.5020	Extensions of Time for Filing Returns: All Taxpayers (IITA Section 505)
100.5030	Taxpayer's Notification to the Department of Certain Federal Changes Arising in Federal Consolidated Return Years, and Arising in Certain Loss Carryback Years

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	(IITA Section 506)
100.5040	Innocent Spouses
100.5050	Frivolous Returns
100.5060	Reportable Transactions (IITA Section 501(b))
100.5070	List of Investors in Potentially Abusive Tax Shelters and Reportable Transactions
100.5080	Registration of Tax Shelters (IITA Section 1405.5)

SUBPART P: COMPOSITE RETURNS

Section	
100.5100	Composite Returns: Eligibility (IITA Section 502(f))
100.5110	Composite Returns: Responsibilities of Authorized Agent
100.5120	Composite Returns: Individual Liability
100.5130	Composite Returns: Required forms and computation of Income (IITA Section 502(f))
100.5140	Composite Returns: Estimated Payments
100.5150	Composite Returns: Tax, Penalties and Interest
100.5160	Composite Returns: Credits on Separate Returns
100.5170	Composite Returns: Definition of a "Lloyd's Plan of Operation"
100.5180	Composite Returns: Overpayments and Underpayments

SUBPART Q: COMBINED RETURNS

Section	
100.5200	Filing of Combined Returns
100.5201	Definitions and Miscellaneous Provisions Relating to Combined Returns
100.5205	Election to File a Combined Return
100.5210	Procedures for Elective and Mandatory Filing of Combined Returns
100.5215	Filing of Separate Unitary Returns
100.5220	Designated Agent for the Members
100.5230	Combined Estimated Tax Payments
100.5240	Claims for Credit of Overpayments
100.5250	Liability for Combined Tax, Penalty and Interest
100.5260	Combined Amended Returns
100.5265	Common Taxable Year
100.5270	Computation of Combined Net Income and Tax
100.5280	Combined Return Issues Related to Audits

SUBPART R: PAYMENTS

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Section

100.6000 Payment on Due Date of Return (IITA Section 601)

SUBPART S: REQUIREMENT AND AMOUNT OF WITHHOLDING

Section

100.7000 Requirement of Withholding (IITA Section 701)
100.7010 Compensation Paid in this State (IITA Section 701)
100.7020 Transacting Business Within this State (IITA Section 701)
100.7030 Payments to Residents (IITA Section 701)
100.7035 Nonresident Partners, Subchapter S Corporation Shareholders, and Trust Beneficiaries (IITA Section 709.5)
100.7040 Employer Registration (IITA Section 701)
100.7050 Computation of Amount Withheld (IITA Section 702)
100.7060 Additional Withholding (IITA Section 701)
100.7070 Voluntary Withholding (IITA Section 701)
100.7080 Correction of Underwithholding or Overwithholding (IITA Section 701)
100.7090 Reciprocal Agreement (IITA Section 701)
100.7095 Cross References

SUBPART T: AMOUNT EXEMPT FROM WITHHOLDING

Section

100.7100 Withholding Exemption (IITA Section 702)
100.7110 Withholding Exemption Certificate (IITA Section 702)
100.7120 Exempt Withholding Under Reciprocal Agreements (IITA Section 702)

SUBPART U: INFORMATION STATEMENT

Section

100.7200 Reports for Employee (IITA Section 703)

SUBPART V: EMPLOYER'S RETURN AND PAYMENT OF TAX WITHHELD

Section

100.7300 Returns and Payments of Income Tax Withheld from Wages (IITA Sections 704 and 704A)
100.7310 Returns Filed and Payments Made on Annual Basis (IITA Sections 704 and

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	704A)
100.7320	Time for Filing Returns and Making Payments for Taxes Required to Be Withheld Prior to January 1, 2008 (IITA Section 704)
100.7325	Time for Filing Returns and Making Payments for Taxes Required to Be Withheld On or After January 1, 2008 (IITA Section 704A)
100.7330	Payment of Tax Required to be Shown Due on a Return (IITA Sections 704 and 704A)
100.7340	Correction of Underwithholding or Overwithholding (IITA Section 704)
100.7350	Domestic Service Employment (IITA Sections 704 and 704A)
100.7360	Definitions and Special Provisions Relating to Reporting and Payment of Income Tax Withheld (IITA Sections 704 and 704A)
100.7370	Penalty and Interest Provisions Relating to Reporting and Payment of Income Tax Withheld (IITA Sections 704 and 704A)
100.7380	Economic Development for a Growing Economy (EDGE) and Small Business Job Creation Credit (IITA Section 704A(g) and (h))

SUBPART W: ESTIMATED TAX PAYMENTS

Section	
100.8000	Payment of Estimated Tax (IITA Section 803)
100.8010	Failure to Pay Estimated Tax (IITA Sections 804 and 806)

SUBPART X: COLLECTION AUTHORITY

Section	
100.9000	General Income Tax Procedures (IITA Section 901)
100.9010	Collection Authority (IITA Section 901)
100.9020	Child Support Collection (IITA Section 901)

SUBPART Y: NOTICE AND DEMAND

Section	
100.9100	Notice and Demand (IITA Section 902)

SUBPART Z: ASSESSMENT

Section	
100.9200	Assessment (IITA Section 903)
100.9210	Waiver of Restrictions on Assessment (IITA Section 907)

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SUBPART AA: DEFICIENCIES AND OVERPAYMENTS

Section

- 100.9300 Deficiencies and Overpayments (IITA Section 904)
- 100.9310 Application of Tax Payments Within Unitary Business Groups (IITA Section 603)
- 100.9320 Limitations on Notices of Deficiency (IITA Section 905)
- 100.9330 Further Notices of Deficiency Restricted (IITA Section 906)

SUBPART BB: CREDITS AND REFUNDS

Section

- 100.9400 Credits and Refunds (IITA Section 909)
- 100.9410 Limitations on Claims for Refund (IITA Section 911)
- 100.9420 Recovery of Erroneous Refund (IITA Section 912)

SUBPART CC: INVESTIGATIONS AND HEARINGS

Section

- 100.9500 Access to Books and Records (IITA Section 913)
- 100.9505 Access to Books and Records – 60-Day Letters (IITA Section 913) (Repealed)
- 100.9510 Taxpayer Representation and Practice Requirements
- 100.9520 Conduct of Investigations and Hearings (IITA Section 914)
- 100.9530 Books and Records

SUBPART DD: JUDICIAL REVIEW

Section

- 100.9600 Administrative Review Law (IITA Section 1201)

SUBPART EE: DEFINITIONS

Section

- 100.9700 Unitary Business Group Defined (IITA Section 1501)
- 100.9710 Financial Organizations (IITA Section 1501)
- 100.9720 Nexus
- 100.9730 Investment Partnerships (IITA Section 1501(a)(11.5))
- 100.9750 Corporation, Subchapter S Corporation, Partnership and Trust Defined (IITA Section 1501)

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SUBPART FF: LETTER RULING PROCEDURES

Section

100.9800 Letter Ruling Procedures

SUBPART GG: MISCELLANEOUS

Section

100.9900 Tax Shelter Voluntary Compliance Program

100.APPENDIX A Business Income Of Persons Other Than Residents

100.TABLE A Example of Unitary Business Apportionment

100.TABLE B Example of Unitary Business Apportionment for Groups Which
Include Members Using Three-Factor and Single-Factor Formulas

AUTHORITY: Implementing the Illinois Income Tax Act [35 ILCS 5] and authorized by Section 1401 of the Illinois Income Tax Act [35 ILCS 5/1401].

SOURCE: Filed July 14, 1971, effective July 24, 1971; amended at 2 Ill. Reg. 49, p. 84, effective November 29, 1978; amended at 5 Ill. Reg. 813, effective January 7, 1981; amended at 5 Ill. Reg. 4617, effective April 14, 1981; amended at 5 Ill. Reg. 4624, effective April 14, 1981; amended at 5 Ill. Reg. 5537, effective May 7, 1981; amended at 5 Ill. Reg. 5705, effective May 20, 1981; amended at 5 Ill. Reg. 5883, effective May 20, 1981; amended at 5 Ill. Reg. 6843, effective June 16, 1981; amended at 5 Ill. Reg. 13244, effective November 13, 1981; amended at 5 Ill. Reg. 13724, effective November 30, 1981; amended at 6 Ill. Reg. 579, effective December 29, 1981; amended at 6 Ill. Reg. 9701, effective July 26, 1982; amended at 7 Ill. Reg. 399, effective December 28, 1982; amended at 8 Ill. Reg. 6184, effective April 24, 1984; codified at 8 Ill. Reg. 19574; amended at 9 Ill. Reg. 16986, effective October 21, 1985; amended at 9 Ill. Reg. 685, effective December 31, 1985; amended at 10 Ill. Reg. 7913, effective April 28, 1986; amended at 10 Ill. Reg. 19512, effective November 3, 1986; amended at 10 Ill. Reg. 21941, effective December 15, 1986; amended at 11 Ill. Reg. 831, effective December 24, 1986; amended at 11 Ill. Reg. 2450, effective January 20, 1987; amended at 11 Ill. Reg. 12410, effective July 8, 1987; amended at 11 Ill. Reg. 17782, effective October 16, 1987; amended at 12 Ill. Reg. 4865, effective February 25, 1988; amended at 12 Ill. Reg. 6748, effective March 25, 1988; amended at 12 Ill. Reg. 11766, effective July 1, 1988; amended at 12 Ill. Reg. 14307, effective August 29, 1988; amended at 13 Ill. Reg. 8917, effective May 30, 1989; amended at 13 Ill. Reg. 10952, effective June 26, 1989; amended at 14 Ill. Reg. 4558, effective March 8, 1990; amended at 14 Ill. Reg. 6810, effective April 19, 1990; amended at 14 Ill. Reg. 10082, effective June 7, 1990; amended at 14 Ill. Reg. 16012, effective September 17, 1990; emergency

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amendment at 17 Ill. Reg. 473, effective December 22, 1992, for a maximum of 150 days; amended at 17 Ill. Reg. 8869, effective June 2, 1993; amended at 17 Ill. Reg. 13776, effective August 9, 1993; recodified at 17 Ill. Reg. 14189; amended at 17 Ill. Reg. 19632, effective November 1, 1993; amended at 17 Ill. Reg. 19966, effective November 9, 1993; amended at 18 Ill. Reg. 1510, effective January 13, 1994; amended at 18 Ill. Reg. 2494, effective January 28, 1994; amended at 18 Ill. Reg. 7768, effective May 4, 1994; amended at 19 Ill. Reg. 1839, effective February 6, 1995; amended at 19 Ill. Reg. 5824, effective March 31, 1995; emergency amendment at 20 Ill. Reg. 1616, effective January 9, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 6981, effective May 7, 1996; amended at 20 Ill. Reg. 10706, effective July 29, 1996; amended at 20 Ill. Reg. 13365, effective September 27, 1996; amended at 20 Ill. Reg. 14617, effective October 29, 1996; amended at 21 Ill. Reg. 958, effective January 6, 1997; emergency amendment at 21 Ill. Reg. 2969, effective February 24, 1997, for a maximum of 150 days; emergency expired July 24, 1997; amended at 22 Ill. Reg. 2234, effective January 9, 1998; amended at 22 Ill. Reg. 19033, effective October 1, 1998; amended at 22 Ill. Reg. 21623, effective December 15, 1998; amended at 23 Ill. Reg. 3808, effective March 11, 1999; amended at 24 Ill. Reg. 10593, effective July 7, 2000; amended at 24 Ill. Reg. 12068, effective July 26, 2000; emergency amendment at 24 Ill. Reg. 17585, effective November 17, 2000, for a maximum of 150 days; amended at 24 Ill. Reg. 18731, effective December 11, 2000; amended at 25 Ill. Reg. 4640, effective March 15, 2001; amended at 25 Ill. Reg. 4929, effective March 23, 2001; amended at 25 Ill. Reg. 5374, effective April 2, 2001; amended at 25 Ill. Reg. 6687, effective May 9, 2001; amended at 25 Ill. Reg. 7250, effective May 25, 2001; amended at 25 Ill. Reg. 8333, effective June 22, 2001; amended at 26 Ill. Reg. 192, effective December 20, 2001; amended at 26 Ill. Reg. 1274, effective January 15, 2002; amended at 26 Ill. Reg. 9854, effective June 20, 2002; amended at 26 Ill. Reg. 13237, effective August 23, 2002; amended at 26 Ill. Reg. 15304, effective October 9, 2002; amended at 26 Ill. Reg. 17250, effective November 18, 2002; amended at 27 Ill. Reg. 13536, effective July 28, 2003; amended at 27 Ill. Reg. 18225, effective November 17, 2003; emergency amendment at 27 Ill. Reg. 18464, effective November 20, 2003, for a maximum of 150 days; emergency expired April 17, 2004; amended at 28 Ill. Reg. 1378, effective January 12, 2004; amended at 28 Ill. Reg. 5694, effective March 17, 2004; amended at 28 Ill. Reg. 7125, effective April 29, 2004; amended at 28 Ill. Reg. 8881, effective June 11, 2004; emergency amendment at 28 Ill. Reg. 14271, effective October 18, 2004, for a maximum of 150 days; amended at 28 Ill. Reg. 14868, effective October 26, 2004; emergency amendment at 28 Ill. Reg. 15858, effective November 29, 2004, for a maximum of 150 days; amended at 29 Ill. Reg. 2420, effective January 28, 2005; amended at 29 Ill. Reg. 6986, effective April 26, 2005; amended at 29 Ill. Reg. 13211, effective August 15, 2005; amended at 29 Ill. Reg. 20516, effective December 2, 2005; amended at 30 Ill. Reg. 6389, effective March 30, 2006; amended at 30 Ill. Reg. 10473, effective May 23, 2006; amended by 30 Ill. Reg. 13890, effective August 1, 2006; amended at 30 Ill. Reg. 18739, effective November 20, 2006; amended at 31 Ill. Reg. 16240, effective November 26, 2007; amended at 32 Ill. Reg. 872, effective January 7, 2008;

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amended at 32 Ill. Reg. 1407, effective January 17, 2008; amended at 32 Ill. Reg. 3400, effective February 25, 2008; amended at 32 Ill. Reg. 6055, effective March 25, 2008; amended at 32 Ill. Reg. 10170, effective June 30, 2008; amended at 32 Ill. Reg. 13223, effective July 24, 2008; amended at 32 Ill. Reg. 17492, effective October 24, 2008; amended at 33 Ill. Reg. 1195, effective December 31, 2008; amended at 33 Ill. Reg. 2306, effective January 23, 2009; amended at 33 Ill. Reg. 14168, effective September 28, 2009; amended at 33 Ill. Reg. 15044, effective October 26, 2009; amended at 34 Ill. Reg. 550, effective December 22, 2009; amended at 34 Ill. Reg. 3886, effective March 12, 2010; amended at 34 Ill. Reg. 12891, effective August 19, 2010; amended at 35 Ill. Reg. 4223, effective February 25, 2011; amended at 35 Ill. Reg. 15092, effective August 24, 2011; amended at 36 Ill. Reg. 2363, effective January 25, 2012; amended at 36 Ill. Reg. 9247, effective June 5, 2012; amended at 37 Ill. Reg. 5823, effective April 19, 2013; amended at 37 Ill. Reg. 20751, effective December 13, 2013; recodified at 38 Ill. Reg. 4527; amended at 38 Ill. Reg. 9550, effective April 21, 2014; amended at 38 Ill. Reg. 13941, effective June 19, 2014; amended at 38 Ill. Reg. 15994, effective July 9, 2014; amended at 38 Ill. Reg. 17043, effective July 23, 2014; amended at 38 Ill. Reg. 18568, effective August 20, 2014; amended at 38 Ill. Reg. 23158, effective November 21, 2014; emergency amendment at 39 Ill. Reg. 483, effective December 23, 2014, for a maximum of 150 days; amended at 39 Ill. Reg. 1768, effective January 7, 2015; amended at 39 Ill. Reg. 5057, effective March 17, 2015; amended at 39 Ill. Reg. 6884, effective April 29, 2015; amended at 39 Ill. Reg. 15594, effective November 18, 2015; amended at 40 Ill. Reg. 1848, effective January 5, 2016; amended at 40 Ill. Reg. _____, effective _____.

SUBPART O: TIME AND PLACE FOR FILING RETURNS

Section 100.5020 Extensions of Time for Filing Returns: All Taxpayers (IITA Section 505)

- a) Tentative Payments. An extension of time to file a return permitted under this Section is not to be construed as an extension by the Department of the time for payment of tax due on that return.
- b) Automatic Illinois Extensions. The Department will grant an automatic extension of 6 months to taxpayers whose returns are due on the fifteenth day of the fourth month after the end of the taxable year and ~~(7 months for all other taxpayerseorporations)~~ to file any Illinois income tax return except returns due under Article 7 of the IITA. No application form need be filed by a taxpayer to obtain this extension. If a balance of tentative tax is due, the taxpayer should transmit the payment with the appropriate form by the original filing due date in order to avoid the penalty for underpayment of tax (IITA Section 1005) and statutory interest (IITA Section 1003).

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- c) Additional Extensions Beyond the Automatic Extension Period. The Department will approve an additional extension ~~of more than 6 months (7 months for corporations)~~ if an extension ~~of more than 6 months~~ is granted by the Internal Revenue Service beyond the date of the automatic extension in subsection (b). For corporations, the additional Illinois extension will be one month beyond any approved federal extension ~~of longer than 6 months~~. For all other taxpayers, the additional extension will be for the length of time approved by the Internal Revenue Service. All taxpayers must attach a copy of the approved federal extension to their return when it is filed.
- d) Penalty and Interest on Underpayment of Tax
- 1) IITA Section 1005 Penalty
A penalty of 6% per annum on any tax underpayment shall be assessed if the amount of tax required to be shown on a return is not paid on or before the date required for filing the return (determined without regard to any extension of time to file) for returns due prior to January 1, 1994. For returns due on and after January 1, 1994, without regard to extensions, the penalty shall be determined in the manner and at the rate prescribed by the UPIA.
 - 2) IITA Section 1003 Interest
Interest at the rate of 9% per annum (or at the adjusted rate established under IRC section 6621(b)) will be assessed for the period from the due date of the return to the date of payment for any amount of tax not paid on or before the due date (determined without regard to any extension) for returns due before January 1, 1994. For returns due on and after January 1, 1994, without regard to extensions, the penalty shall be determined in the manner and at the rate prescribed by the UPIA.
- e) Late Filing Penalty
- 1) The Department will not assess an IITA Section 1001 late filing penalty for the period of any extension provided by the IITA and this Section.
 - 2) For returns due prior to January 1, 1994, *in case of failure to file any tax return required under this Act on the date prescribed therefor (determined with regard to any extensions of time for filing), unless it is shown that*

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such failure is due to reasonable cause (as defined in IRC section 6651) there shall be added as a penalty to the amount required to be shown as tax on such return 7.5% of the amount of such tax if the failure is not for more than one month, with an additional 7.5% for each additional month or fraction thereof during which such failure continues, not exceeding 37.5% in the aggregate. (Section 1001 of the IITA, effective until January 1, 1994)

- 3) For returns due on and after January 1, 1994, without regard to extensions, *in case of failure to file any tax return required under the IITA on the date prescribed therefor, (determined with regard to any extensions of time for filing) there shall be added as a penalty the amount prescribed by Section 3-3 of the UPIA. (Section 1001 of the IITA, effective January 1, 1994)*
- 4) No penalty is imposed if there was reasonable cause for the taxpayer's failure to timely file the return. (See IITA Section 1001 (as in effect prior to January 1, 1994) and UPIA Section 3-8.) If the due date for filing of any federal income tax return is extended for any reason (for example, as the result of another state's holiday, such as the Emancipation Day holiday observed in Washington, D.C., or because of natural disaster under IRC Section 7508A), a taxpayer who files his or her Illinois return after it is due under the IITA, but on or before the extended due date of the equivalent federal return, is deemed to have reasonable cause for the late filing.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

CHIEF PROCUREMENT OFFICER FOR
THE DEPARTMENT OF TRANSPORTATION

NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Chief Procurement Officer for the Department of Transportation – Contract Procurement
- 2) Code Citation: 44 Ill. Adm. Code 6
- 3)

<u>Section Numbers:</u>	<u>Adopted Actions:</u>
6.40	Amendment
6.90	Amendment
6.100	Amendment
6.120	Amendment
6.125	Amendment
6.180	Amendment
6.220	Amendment
6.510	Amendment
- 4) Statutory Authority: Implementing the Illinois Procurement Code [30 ILCS 500], Section 2705-600 of the Department of Transportation Law [20 ILCS 2705/2705-600], and the Public Private Agreements for the Illiana Expressway Act [605 ILCS 130] and authorized by Section 5-25 of the Illinois Procurement Code [30 ILCS 500/5-25], Section 2705-600(7) of the Department of Transportation Law [20 ILCS 2705/2705-600(7)], Section 25-101 of the Electronic Commerce Security Act [5 ILCS 175/25-101], and Section 15(a) of the Public Private Agreements for the Illiana Expressway Act [605 ILCS 130/15(a)]
- 5) Effective Date of Rules: April 7, 2016
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of these adopted rules, including any material incorporated by reference, is on file in the Department's Office of Chief Counsel and the Chief Procurement Office.
- 9) Notice of Proposal published in *Illinois Register*: 39 Ill. Reg. 15040; November 20, 2015
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No

CHIEF PROCUREMENT OFFICER FOR
THE DEPARTMENT OF TRANSPORTATION

NOTICE OF ADOPTED AMENDMENTS

- 11) Differences between Proposal and Final Version: Between proposal and final version, and in response to public comments from the Procurement Policy Board, the Department changed the small purchase threshold to \$100,000.00 for construction contracts and \$80,000.00 for supplies and services contracts. The Department also adding added two new sub-sections under Section 6.100 which explain the determination of small purchase status. Minor grammatical changes were also made.
- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No
- 15) Summary and Purpose of Rulemaking: The Department amended this Part to clarify and update provisions. In addition to the changes described in question number 11 above, the following are the significant changes made to this Part.

At Section 6.40, Definitions, the Department is adding a definition for "Satisfactory Evidence of Compliance." In addition, the Department is updating the website link under the definition of "Special Provisions."

At Section 6.90, Competitive Sealed Proposals, the Department is clarifying that contracts for professional and artistic serves are subject to and governed by the applicable Competitive Selection Procedures adopted by the CPO-GS with the applicable oversight by the CPO-IDOT.

At Section 6.100, Small Contracts, the Department is adding the following language from Section 20-20(c) of the Code: Each July 1, the small purchase maximum shall be adjusted for inflation as determined by the Consumer Price Index for All Urban Consumers as determined by the United States Department of Labor and rounded to the nearest \$100 by the CPO.

At Section 6.120, Emergency Contracts, the Department is updating the Part for consistency with the Code.

At Section 6.125, Small Business Set-Asides, the Department is updating the Part for consistency with the Code.

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At Section 6.180, Change or Withdrawal of Bids, the Department is clarifying that an authorized agent of a bidder may change or withdraw a bid if written or in-person notice of the change or withdrawal is received by the Department before the time specified for submission of bids.

At Section 6.220, Consideration of Bids, the Department is clarifying that after the bids are opened and recorded, the bids will be reviewed for satisfactory evidence of compliance.

At Section 6.510, the Department is clarifying that the determination may be predicated on evidence developed by means of an investigation conducted by the CPO or the Department.

- 16) Information and questions regarding these adopted rules shall be directed to:

Mr. Bill Grunloh, Chief Procurement Officer
Chief Procurement Office
Illinois Department of Transportation Construction
2300 S. Dirksen Parkway
Springfield IL 62764

217/558-5434

The full text of these Adopted Amendments begins on the next page:

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TITLE 44: GOVERNMENT CONTRACTS, GRANTMAKING,
PROCUREMENT AND PROPERTY MANAGEMENT
SUBTITLE A: PROCUREMENT AND CONTRACT PROVISIONS
CHAPTER III: CHIEF PROCUREMENT OFFICER FOR
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PART 6

CHIEF PROCUREMENT OFFICER FOR THE DEPARTMENT OF TRANSPORTATION
– CONTRACT PROCUREMENT

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- 6.10 Authority
- 6.20 Policy and Application
- 6.30 Purpose and Policy Interpretations
- 6.40 Definitions

SUBPART B: PUBLICATION OF PROCUREMENT INFORMATION

Section

- 6.50 Transportation Procurement Bulletin
- 6.55 Required Notices
- 6.60 Subscription Fees
- 6.70 Direct Solicitation

SUBPART C: METHODS OF PROCUREMENT

Section

- 6.80 Competitive Sealed Bids
- 6.90 Competitive Sealed Proposals
- 6.100 Small Contracts
- 6.110 Sole Source Contracts
- 6.120 Emergency Contracts
- 6.125 Small Business Set-Asides

SUBPART D: COMPETITIVE SEALED BID PROCEDURES

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6.130	General Conditions for Use
6.140	Invitations for Bids
6.150	Amendments to Invitations for Bids
6.160	Preparation of Bids
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6.180	Change or Withdrawal of Bids
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6.210	Public Opening of Bids
6.220	Consideration of Bids
6.230	Mistakes
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SUBPART E: COMPETITIVE SEALED PROPOSAL PROCEDURES

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Section

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AUTHORITY: Implementing the Illinois Procurement Code [30 ILCS 500], Section 2705-600 of the Department of Transportation Law [20 ILCS 2705/2705-600], and the Public Private Agreements for the Illiana Expressway Act [605 ILCS 130] and authorized by Section 5-25 of the Illinois Procurement Code [30 ILCS 500/5-25], Section 2705-600(7) of the Department of Transportation Law [20 ILCS 2705/2705-600(7)], Section 25-101 of the Electronic Commerce Security Act [5 ILCS 175/25-101], and Section 15(a) of the Public Private Agreements for the Illiana Expressway Act [605 ILCS 130/15(a)].

SOURCE: Adopted by emergency rulemaking at 22 Ill. Reg. 11602, effective July 1, 1998, for a maximum of 150 days; adopted at 22 Ill. Reg. 21060, effective November 25, 1998; emergency amendment at 29 Ill. Reg. 7832, effective May 12, 2005, for a maximum of 150 days; emergency expired October 8, 2005; amended at 29 Ill. Reg. 18147, effective October 19, 2005; recodified, pursuant to PA 96-795, from Department of Transportation, 44 Ill. Adm. Code 660, to Chief Procurement Officer for Department of Transportation, 44 Ill. Adm. Code 6, at 35 Ill. Reg. 10158; amended at 35 Ill. Reg. 16518, effective September 30, 2011; amended at 36 Ill. Reg. 230, effective December 21, 2011; expedited correction at 36 Ill. Reg. 14883, effective December 21, 2011; amended at 37 Ill. Reg. 5764, effective April 19, 2013; amended at 37 Ill. Reg. 15878, effective September 27, 2013; amended at 37 Ill. Reg. 19098, effective November 15, 2013; recodified Title of the Part at 39 Ill. Reg. 5903; amended at 40 Ill. Reg. 6693, effective April 7, 2016.

SUBPART A: GENERAL

Section 6.40 Definitions

As used throughout this Part, terms defined in the Illinois Procurement Code have the same meaning as in the Code and as further defined in this Section. Each term listed in this Section has the meaning set forth as follows unless its use clearly requires a different meaning. Terms

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may be defined in particular Sections for use in that Section.

"Bid" – An offer made by a bidder in response to a contract item advertised in an Invitation for Bids.

"Bidder" – Any person or entity that in fact submits a bid.

"Change Order" – A formal, written directive issued to a contractor or an agreement that amends a contract in order to address contingencies affecting the performance and completion of the contract, including but not limited to such matters as extra work, design changes or alterations to plans, or special provisions or specifications for which no provision is included in the original contract.

"Chief Procurement Officer" or "CPO" – The person appointed under Section 1-15.15(2) of the Code.

"Code" – The Illinois Procurement Code [30 ILCS 500].

"Construction Agency" – The Illinois Department of Transportation for construction or maintenance of roads, highways, bridges and airports as an agency that enters into construction contracts as authorized by law or by delegation from the CPO. (See Section 1-15.25 of the Code.)

"Contract" – In addition to the definition of contract set forth in Section 1-15.30 of the Code, a contract is the written agreement entered into at the discretion of the SPO between the Department and the contractor comprising such documents as set forth in each individual agreement, including change orders, contract adjustments, and renewals, and setting forth the obligations of the parties for the performance of the contract.

"Contract Adjustment" – A written price adjustment that adds to or deducts from a contract in accordance with provisions included in the original contract, including but not limited to increases or decreases in quantities, incentives, changed conditions and the addition of missing pay items called for in the specifications.

"Contractor" means any person, firm, corporation, organization, partnership or association, however organized, and its affiliates, including its owners, directors,

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officers, partners, managers, key employees and others engaged in primary managerial or supervisory positions.

"Day" – A calendar day.

"Department" – The Illinois Department of Transportation.

"Emergency Affidavit" – The affidavit filed by the CPO with the Procurement Policy Board and the Auditor General setting forth the actual or estimated amount expended, the name of the contractor involved, and the conditions and circumstances requiring the emergency procurement. (See Section 20-30(c) of the Code.)

"Emergency Contract" – The initial written agreement for an emergency procurement.

"Germane" – In relationship to the modification, alteration or amendment of the terms of a contract by change order, the term "germane" means a change that is related to the original terms of the contract but that is not so substantial a departure from the original as to constitute a new contract.

"Multi-year Contract" – A multi-year contract is a contract with a time of performance of more than 12 months.

"Offerors" – For purposes of this Part, the term "offerors" includes only persons or entities submitting proposals that are acceptable or potentially acceptable. The term does not include persons or entities who submitted unacceptable proposals.

"PPB" – The Procurement Policy Board created by Section 5-5 of the Code.

"Procurement Compliance Monitor" or "PCM" – the person appointed under Section 10-15 of the Code.

"Proposal" – A response to a Request for Proposals.

"Purchasing Agency" – A State agency that enters into a contract at the direction of a State purchasing officer or a chief procurement officer. (See Section 1-15.70 of the Code.)

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"Renewal" – An agreement between the parties to a contract to authorize an additional contract period under the terms and conditions of the renewal provision in the original contract.

"Responsible" – The capability, integrity and reliability of a bidder, offeror or contractor that, in all respects, will assure good faith performance to undertake and complete fully the requirements of a contract.

"Responsive" – In the context of bidding procedures, the compliance in all meaningful, material respects with the Invitation for Bids.

"Satisfactory Evidence of Compliance" – A bidder's certification or other assurance of compliance in the contract bid proposal will constitute satisfactory evidence of compliance and will allow a bidder to be considered a responsible bidder on a construction contract under Section 30-22 of the Code.

"Special Provisions" – Additions and revisions to the Standard Specifications for Road and Bridge Construction and the Supplemental Specifications and Recurring Special Provisions (see the Department's website at <http://www.idot.illinois.gov/home/resource/Manuals/Manuals-and-Guides>~~<http://www.dot.state.il.us/desenv/hwyspecs.html>~~) applicable to an individual contract.

"Specifications" – The body of directions, provisions, and requirements for performance of prescribed work. Specifications includes and may be referred to as the Standard Specifications, which is a Department publication of specifications approved for general application and repetitive use.

"State Purchasing Officer" or "SPO" – The person appointed under Section 10-10 of the Code.

"Subcontract" – A contractual agreement between a person or entity and a person or entity who has a contract subject to the Code and this Part, pursuant to which the subcontractor assumes obligation for performing specified work. (See Section 1-15.107 of the Code.)

"Subcontractor" – A person or entity that enters into a contractual agreement with

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a total annual value of \$50,000 or more with a contractor who has a contract subject to the Code. (See Section 1-15.108 of the Code.)

"Supplemental Specifications" – Additions and revisions to the Department's Standard Specifications.

(Source: Amended at 40 Ill. Reg. 6693, effective April 7, 2016)

SUBPART B: PUBLICATION OF PROCUREMENT INFORMATION

Section 6.90 Competitive Sealed Proposals

- a) Department contracts may be procured by competitive sealed proposals when the Department determines that competitive sealed bidding is either not practicable or not advantageous to the State. (See Section 20-15(a) of the Code.)
- b) The determination to use competitive sealed proposals will be made in writing on either a contract-by-contract or a category of contracts basis.
 - 1) "Practicable" Distinguished From "Advantageous." As used in this Subpart, the term "practicable" means that which may be accomplished or put into practical application, and "advantageous" means an assessment of what is in the State's best interest. Competitive sealed bidding may be practicable, that is, reasonably possible, but not necessarily advantageous, that is, in the State's best interest. Before a contract may be entered into by competitive sealed proposals, the Department will determine in writing that competitive sealed bidding is either not practicable or not advantageous to the State.
 - 2) If competitive sealed bidding is not practicable or is not advantageous, competitive sealed proposals may be used. The competitive sealed proposal method differs from competitive sealed bidding in two principal ways. First, it permits discussions with competing offerors and changes in their proposals, including price. Second, it allows comparative evaluations to be made when selecting among acceptable proposals for award of the contract. Where evaluation factors involve the relative abilities of offerors to perform, including degrees of experience or expertise, where the types of supplies or services may require the use of

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comparative evaluations to evaluate them adequately, or where the type of need to be satisfied involves weighing values other than price alone, or where prior procurement experience indicates that competitive sealed proposals may result in more beneficial contracts for the State, use of competitive sealed proposals is the appropriate procurement method.

- c) Contracts for professional and artistic services are subject to and governed by the applicable Competitive Selection Procedures (44 Ill. Adm. Code 2035) adopted by the CPO-GS with the applicable oversight by the CPO-DOT. ~~are subject to those procedures for procurement.~~

(Source: Amended at 40 Ill. Reg. 6693, effective April 7, 2016)

Section 6.100 Small Contracts

- a) Individual ~~purchases~~contracts for supplies or services from any one source that do not exceed ~~\$80,000~~10,000 may be made without notice, competition or use of any other method of procurement prescribed in the Code or this Part. (See Section 20-20(a) of the Code.) Contracts for professional and artistic services that do not exceed \$20,000 for a nonrenewable term of not more than one year will be procured in accordance with this Section.
- b) Construction ~~purchases~~contracts, construction supply contracts, and construction-related service contracts ~~and change orders made thereto~~ that do not exceed ~~\$100,000~~30,000 may be procured without notice, competition or use of any other method of procurement prescribed in the Code or this Part. (See Section 20-20 of the Code.)
- c) Estimated needs shall not be divided in any manner to avoid the use of an established method of procurement. (See Section 20-20(a) of the Code.)
- d) Determination of Small Purchase Status
- 1) In determining whether a contract is under the small purchase limit, the stated value of the supplies or services, plus any optional supplies and services, determined in good faith, shall be utilized. When the value is calculated month-to-month or in a similar fashion, the amount shall be calculated for a 12 month period.

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- 2) If only a unit price or hourly rate is known, the contract shall be considered small and shall have a not-to-exceed limit applicable to the type of procurement (see subsection (a)).
- 3) If, after signing the contract, the actual cost of completing the contract is determined to exceed the small purchase amount, and the SPO determines that a supplemental procurement is not economically feasible or practicable because of the immediacy of the agency's needs or other circumstances, the SPO must follow the procedures for sole source or emergency procurement, whichever is applicable, to complete the contract.
- e) The CPO may establish policies and procedures regarding the use of the small purchase method of source selection to ensure compliance with policies, including promotion of small business, diversity and transparency.
- f) Each July 1, the small purchase maximum shall be adjusted for inflation as determined by the Consumer Price Index for All Urban Consumers as determined by the United States Department of Labor and rounded to the nearest \$100 by the CPO. (See Section 20-20(c) of the Code.)

(Source: Amended at 40 Ill. Reg. 6693, effective April 7, 2016)

Section 6.120 Emergency Contracts

- a) A contract may be procured without the use of any other method of procurement prescribed in the Code or this Part when there exists a threat to public health or safety, or when an immediate contract is needed to repair State property in order to prevent or minimize further loss or damage to State property, or to prevent or minimize serious disruption in critical State services that affect health, safety or collection of substantial State revenues, including but not limited to completion of a defaulted contract, or to ensure the integrity of State records. (See Section 20-30(a) of the Code.)
- b) The term of an initial emergency contract will not exceed 90 days as the time reasonably needed for a competitive procurement. For the initial emergency contract:

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- 1) The emergency contract will provide a written description of the basis for the emergency and reasons for the selection of the particular contractor to be included in the contract file. (See Sections 20-30(a) and (c) of the Code.)
 - 2) Notice of the emergency contract will be provided to the PPB and published in the Bulletin no later than 5 calendar~~3 business~~ days after the contract is awarded. For purposes of this Section, "contract is awarded" means that the contractor has received notification to proceed, which may be oral, and has started the work.
 - 3) Within 10 days after the procurement, the emergency affidavit will also be posted to the Bulletin and filed with both the PPB and the Auditor General. (See Section 20-30(c) of the Code.) For purposes of this Section, "procurement" means that the contractor has received notification to proceed, which may be oral, and has started the work.
- c) An emergency contract may be extended beyond 90 days if the CPO determines additional time is necessary and that the contract scope and duration are limited to the emergency. The CPO will hold a public hearing in accordance with Section 20-30(a) of the Code.
- 1) Prior to the execution of an extension past 90 days, the CPO will hold a public hearing and provide written justification for the emergency contract. The Department may also provide written justification for the emergency contract.
 - 2) Notice of the hearing will be posted at least 14 calendar days prior to the emergency contract extension hearing date and prior to the expiration of the 90 day term of the initial emergency contract. The notice will include a description of the need for the emergency contract extension, the contractor, and the date, time and location of the public hearing.
 - 3) The PPB and members of the public may present testimony at the public hearing.
 - 4) A copy of the notice and documents provided at the hearing will be

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included in the subsequent Bulletin, along with the decision of the CPO to extend or not extend the emergency contract.

- d) For purposes of this Section, State property includes all property both real and personal. State records include all records regardless of the form of storage. State services include, but are not limited to, all activities committed by law to the jurisdiction or responsibility of the Department, whether provided directly or indirectly by means of contract or intergovernmental agreement.
- e) The Department will employ such competition as is practicable under the emergency circumstances to abate the emergency situation, including the use of existing contracts.
- f) Emergency contracts are exempt from the requirements of Section 20-80(d) of the Code as long as notice is filed with the PPB and published in the Bulletin, as required.

(Source: Amended at 40 Ill. Reg. 6693, effective April 7, 2016)

Section 6.125 Small Business Set-Asides

- a) The CPO, in consultation with the Department, may determine categories of construction, supply, and service procurements that will be set aside for small businesses. The set-aside designation may be made for current and future procurements for a fair proportion of a specific construction, supply, or service, or for a class of like construction, supplies or services. A fair proportion of construction contracts means no less than 25% nor more than 40% of the annual total contracts for construction. A set-aside designation may last indefinitely or for a stated period of time, as determined by the Department. (See Section 45-45(a) and (c) of the Code.)
- b) A business that meets the State (under Section 45-45(b) of the Code) or federal definition of a small business or small business concern on the day of bid or proposal opening will be considered a small business for the duration of the contract. The definition will be stated in the contract proposal.
- c) If the Department wishes to make a procurement covered by a small business set-aside designation, the solicitation will note that responses are limited to those

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from responsible small businesses. Bids or proposals received from businesses other than small businesses will be rejected as nonresponsive. (See Section 45-45(a) of the Code.)

- d) If the Department determines that acceptance of the best bid or proposal will result in the payment of an unreasonable price, the Department will reject all bids or proposals and withdraw the designation of small business set-aside for the procurement in question. When a small business set-aside is withdrawn, notification will be published in the Bulletin with an explanation. After withdrawal of the small business set-aside, the procurement will be conducted in accordance with the limitations of the Code and this Part. (See Section 45-45(d) of the Code.)
- e) Unless the Department provides a definition for a particular procurement that reflects industrial characteristics or uses a federal standard, a small business is one:
- 1) Independently owned and operated.
 - 2) Not dominant in its field of operations, which means the business does not exercise a controlling or major influence in a kind of business activity in which a number of business concerns are primarily engaged. In determining dominance, consideration will be given to all appropriate factors, including volume of business, number of employees, financial resources, competitive status or position, ownership or control of materials, processes, patents, license agreements, facilities, sales territory, and nature of business activity.
 - 3) With annual sales for most recently ended fiscal year no greater than:
 - A) ~~\$13,000,000~~\$10,000,000 for wholesale business;
 - B) ~~\$14,000,000~~\$10,000,000 for construction business; or
 - C) ~~\$8,000,000~~\$6,000,000 for retail business.
 - 4) With no more than 250 employees if a manufacturing business.

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- A) A manufacturing business shall calculate how many people it employs by determining its average full-time equivalent employment, based on the number of persons employed on a full-time, part-time, temporary or other basis, for its most recently ended fiscal year.
- B) If a manufacturing business has been in existence for less than a full fiscal year, its average employment should be calculated for the period through one month prior to the bid or proposal due date.
- 5) If the business is any combination of retailer, wholesaler or construction business, the annual sales for each component may not exceed the amounts shown in subsection (e)(3) ~~of this Section~~. For example, a business that is both a retailer and wholesaler may not have total sales exceeding ~~\$21,000,000~~ ~~16,000,000~~; the retail component may not exceed ~~\$8,000,000~~ ~~6,000,000~~; and the wholesale component may not exceed ~~\$13,000,000~~ ~~10,000,000~~. If the business is also a manufacturer, in addition to meeting the annual sales requirement, the number of manufacturing employees may not exceed the number shown in subsection (e)(4) ~~of this Section~~.
- 6) When computing the size of a business, the number of employees and annual sales and receipts, as applicable, of the business and all affiliates will be considered. Concerns are affiliates when either one directly or indirectly controls or has the power to control the other, or, when a third party or parties controls or has the power to control both. In determining whether concerns are independently owned and operated and whether affiliation exists, consideration will be given to all appropriate factors, including the use of common facilities, common ownership and management and contractual arrangements. However, a franchise relationship will not affect small business status if the franchise has the right to profit commensurate with ownership and bears the risk of loss or failure. (See Section 45-45(b) of the Code.)
- f) Contractors desiring to submit bids or proposals or to otherwise contract for items set aside for small businesses or small business concerns shall submit information verifying that the contractor qualifies as a small business. The Department may establish procedures for verifying such information.

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(Source: Amended at 40 Ill. Reg. 6693, effective April 7, 2016)

SUBPART D: COMPETITIVE SEALED BID PROCEDURES

Section 6.180 Change or Withdrawal of Bids

An authorized agent of a bidder may change or withdraw a bid if written or in-person notice of the change or withdrawal is received by the Department before the time specified for submission of bids. No change or withdrawal is allowed after bid opening except as provided in Section 6.230 ~~of this Part~~. Changes must be initialed in ink by the bidder. (See Section 20-10(f) of the Code.)

(Source: Amended at 40 Ill. Reg. 6693, effective April 7, 2016)

Section 6.220 Consideration of Bids

- a) After the bids are opened and recorded, the bids will be reviewed for responsiveness to the Invitation for Bids ~~and~~ conformity with all requirements prescribed in this Part, and satisfactory evidence of compliance. If unit prices are required, the bids will be compared on the basis of the summation of the products of the quantities shown in the bid schedule by the unit bid prices.
- b) The right is reserved by the Department to reject any or all bids, to waive minor informalities or technicalities, to advertise for new bids, or to request confirmation or clarification from any bidder regarding information contained in a bid.
- c) Reasons for rejection of all bids include but are not limited to:
 - 1) The object of the contract being procured is no longer required.
 - 2) The contract provisions require amendment.
 - 3) The solicitation did not provide for consideration of all factors of significance to the Department.
 - 4) The bid prices exceed available funds or the bid prices exceed the

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anticipated estimate of costs to the extent that, in the judgment of the Department, prices are unreasonable.

- 5) Evidence of collusion among bidders.
 - 6) Actions or events beyond the control of the Department, such as strikes, acts of God, material shortages, acts of the public enemy or litigation, would have an adverse effect on the completion of the anticipated contract.
- d) Reasons for rejection of any individual bids include but are not limited to:
- 1) More than one bid for the same contract item from a bidder under the same or different names.
 - 2) Evidence of collusion among bidders.
 - 3) Unbalanced bids in which the bid prices for some items are, in the judgment of the Department, out of proportion to the bid prices for other items.
 - 4) If the bid does not contain a unit price for each pay item listed, except in the case of authorized alternate pay items or lump sum pay items.
 - 5) If the bid form is other than that furnished or authorized by the Department, or if the form is altered or any part of the form is detached.
 - 6) If there are omissions, erasures, alterations, unauthorized additions, conditional or alternate bids, or irregularities of any kind that may tend, in the judgment of the Department, to make the bid incomplete, indefinite, or ambiguous as to its meaning.
 - 7) If the bidder adds any provisions reserving the right to accept or reject an award, or to enter into a contract pursuant to an award.
 - 8) If the bid is not accompanied by the proper bid bond or substitute guaranty.

CHIEF PROCUREMENT OFFICER FOR
THE DEPARTMENT OF TRANSPORTATION

NOTICE OF ADOPTED AMENDMENTS

- 9) If the bid is prepared in any manner other than as indicated in this Part or the Invitation for Bids making the bid not responsive.
- 10) If the bidder failed to incorporate relevant addenda or revisions.

(Source: Amended at 40 Ill. Reg. 6693, effective April 7, 2016)

SUBPART I: SUSPENSION OF CONTRACTORS OR SUBCONTRACTORS

Section 6.510 General

The CPO may suspend a contractor or subcontractor from participation on any contract or subcontract awarded by or requiring approval or concurrence of the Department upon a determination by the CPO based upon adequate evidence that the contractor or subcontractor has engaged in conduct proscribed by Section 6.520 ~~of this Subpart~~. This determination may be predicated on evidence developed by means of an investigation conducted by the CPO or the Department and procurement compliance monitors and the record of any hearing requested and conducted pursuant to this Subpart; by review of the public record containing a criminal conviction, a civil judgment, or an admission under oath of conduct evidencing proscribed conduct including a plea of nolo contendere; or the findings and decisions made in accordance with law by another public agency, or another appointed CPO, that the contractor or subcontractor has engaged in conduct proscribed by Section 6.520 ~~of this Subpart~~.

(Source: Amended at 40 Ill. Reg. 6693, effective April 7, 2016)

DEPARTMENT OF INSURANCE

NOTICE OF CORRECTION TO PROPOSED AMENDMENT

- 1) Heading of the Part for Which Proposed Rulemaking is Being Corrected: Accident and Health Reserves
- 2) Code Citation: 50 Ill. Adm. Code 2004
- 3) Illinois Register citation to Notice of Proposed Amendment: 40 Ill. Reg. 5802; April 8, 2016
- 4) Section being Corrected: 2004.10
- 5) Corrections being made: The proposed amendment to Section 2004.10(b)(4) currently reads "Policies issued and claims incurred on or after December 31, ~~2016~~2015 are subject to the standards prescribed in the March 2015 APPM.". It is being corrected to read "Policies issued and claims incurred on or after December 31, 2015 are subject to the standards prescribed in the March ~~2016~~2015 APPM."

DEPARTMENT OF INSURANCE

NOTICE OF CORRECTION TO PROPOSED AMENDMENT

TITLE 50: INSURANCE
CHAPTER I: DEPARTMENT OF INSURANCE
SUBCHAPTER Z: ACCIDENT AND HEALTH INSURANCEPART 2004
ACCIDENT AND HEALTH RESERVES

Section

2004.5	Authority
2004.7	Definitions
2004.10	Application and Effective Date
2004.20	Active Life Reserves – Individual Policies
2004.30	Active Life Reserves – Group Policies
2004.40	Claim Reserves – Present Value of Amounts Not Yet Due on Claims
2004.50	Policies Issued Prior to Operative Date of Section 353a

AUTHORITY: Implementing Section 353a and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/353a and 401].

SOURCE: Filed December 14, 1965, effective December 28, 1965; codified at 7 Ill. Reg. 4219; amended at 26 Ill. Reg. 3074, effective February 19, 2002; transferred from the Department of Insurance to the Department of Financial and Professional Regulation pursuant to Executive Order 2004-6 on July 1, 2004; amended at 30 Ill. Reg. 19360, effective November 29, 2006; amended at 32 Ill. Reg. 13191, effective July 25, 2008; recodified from the Department of Financial and Professional Regulation to the Department of Insurance pursuant to Executive Order 2009-04 at 39 Ill. Reg. 2804; amended at 40 Ill. Reg. 211, effective December 31, 2015; amended at 40 Ill. Reg. _____, effective _____.

Section 2004.10 Application and Effective Date

- a) This Part applies to all companies transacting in this State the kinds of business enumerated in clause (b) of Class 1 and clause (a) of Class 2 of Section 4 of the Code [215 ILCS 5/4], and it applies to all accident and health policies for which reserve standards are prescribed under Section 353a of the Code. The original standards created in this Part applied through 2001. Starting in 2002, the applicable standards have been those prescribed by the National Association of Insurance Commissioners (NAIC) in the Accounting Practices and Procedures Manual (APPM) (2301 McGee Street, Suite 800, Kansas City MO 64108-2662). The incorporations by reference of the APPM included in subsection (b) include

DEPARTMENT OF INSURANCE

NOTICE OF CORRECTION TO PROPOSED AMENDMENT

no later amendments or editions.

- b) APPM Applicability Dates
- 1) Policies issued and claims incurred on or after January 1, 2002 and before November 29, 2006 are subject to the standards prescribed in the March 2001 APPM.
 - 2) Policies issued and claims incurred on or after November 29, 2006 and before July 25, 2008 are subject to the standards prescribed in the March 2006 APPM.
 - 3) Policies issued and claims incurred on or after July 25, 2008 and before December 31, 2015 are subject to the standards prescribed in the March 2008 APPM.
 - 4) Policies issued and claims incurred on or after December 31, 2015 are subject to the standards prescribed in the March ~~2016~~2015 APPM.
- c) For claims incurred on or after January 1, 2002 and before December 31, 2015, the insurer may elect to calculate reserves for all open claims using a more recent standard required by subsection (b), but once a more recent standard is elected, all future valuations must be on that basis.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

SECOND NOTICES RECEIVED

The following second notices were received during the period of April 5, 2016 through April 11, 2016. The rulemakings are scheduled for review at the Committee's May 10, 2016 meeting. Other items not contained in this published list may also be considered. Members of the public wishing to express their views with respect to a rulemaking should submit written comments to the Committee at the following address: Joint Committee on Administrative Rules, 700 Stratton Bldg., Springfield IL 62706.

<u>Second Notice Expires</u>	<u>Agency and Rule</u>	<u>Start of First Notice</u>	<u>JCAR Meeting</u>
5/18/16	<u>Illinois Racing Board</u> , Entries, Subscriptions, and Declarations (11 Ill. Adm. Code 1413)	2/16/16 40 Ill. Reg.2907	5/10/16
5/18/16	<u>Illinois Racing Board</u> , Medication (11 Ill. Adm. Code 603)	2/16/16 40 Ill. Reg. 2892	5/10/16
5/21/16	<u>State Universities Retirement System</u> , Universities Retirement (80 Ill. Adm. Code 1600)	1/4/16 40 Ill. Reg. 187	5/10/16
5/22/16	<u>Department of Insurance</u> , Destruction of Records (50 Ill. Adm. Code 901)	11/6/15 39 Ill. Reg. 14218	5/10/16
5/25/16	<u>Illinois Health Facilities and Services Review Board</u> , Health Facilities and Services Financial and Economic Feasibility Review (77 Ill. Adm. Code 1120)	10/6/15 39 Ill. Reg. 13566	5/10/16

EXECUTIVE ORDER

2016-5
EXECUTIVE ORDER ESTABLISHING THE
HEALTH CARE FRAUD ELIMINATION TASK FORCE

WHEREAS, State government-administered health care programs should operate in a transparent and efficient manner with the goal of delivering quality services while providing value to taxpayers; and

WHEREAS, fraud, waste, and abuse in State-administered health care programs increase the State's health care costs, resulting in a bad deal for taxpayers and less resources for critical services; and

WHEREAS, in fiscal year 2015, the State of Illinois spent over \$19 billion on the State Employee Group Insurance Program and the State-administered Medicaid program; and

WHEREAS, the federal Department of Health and Human Services estimates that on a national level, over \$29 billion of taxpayer funds are spent each year on improper Medicaid payments; and

WHEREAS, the private sector, the federal government, and other states across the country are beginning to employ innovative and comprehensive strategies to reduce fraud, waste, and abuse in health care programs; and

WHEREAS, current efforts led by various units across State government have been successful in recouping or avoiding unnecessary spending in certain State agencies and certain State health care programs; and

WHEREAS, notwithstanding these successes, a more comprehensive and cross-disciplinary approach is needed to harness the State's various fraud-prevention resources to further prevent and eliminate fraud, waste, and abuse and ensure that taxpayers are receiving the best return on investment for the State's fraud prevention efforts;

THEREFORE, I, Bruce Rauner, Governor of Illinois, by virtue of the executive authority vested in me by Section 8 of Article V of the Constitution of the State of Illinois, do hereby order as follows:

I. CREATION

There is hereby established the Health Care Fraud Elimination Task Force (the "Task Force").

II. PURPOSE

The purpose of the Task Force is to develop and coordinate a comprehensive effort to prevent and eliminate health care fraud, waste, and abuse in State-administered health care programs using a

EXECUTIVE ORDER

cross-agency, data-driven approach. Building on anti-fraud work being done across State agencies, the Task Force will develop strategies to ensure that the State has the proper internal controls and analysis and enforcement tools to prevent and eliminate fraud, waste, and abuse in taxpayer-funded health care programs, including but not limited to the State Employees Group Insurance Program, the Workers' Compensation Program for State of Illinois agencies, boards, commissions, and universities, and the Illinois Medicaid system.

III. DUTIES

The Task Force shall:

1. Identify and catalog the forms of health care fraud existing within State-administered health care programs and identify all Executive Branch agencies and resources currently involved or that should be involved in health care fraud prevention and enforcement.
2. Review best practices being utilized in the private sector, the federal government, and other states to prevent and reduce health care fraud, waste, and abuse and assess how those best practices could be applied to anti-fraud, waste, and abuse efforts in Illinois.
3. Explore the use of data analysis, predictive analytics, trend evaluation, and modeling approaches to better analyze and target oversight of State-administered health care programs.
4. Identify priority prevention and enforcement areas in order to ensure that the State's fraud prevention and enforcement efforts are providing the best return on investment for taxpayers.
5. Collaborate with industry experts to develop a multifaceted strategy to reduce the State's exposure to health care fraud and recover taxpayer funds that have been wrongly paid out as a result of fraud, waste, or abuse.
6. Analyze patterns of system-wide fraud, waste, and abuse in order to make recommendations to State agencies for improved internal controls to prevent future wrongdoing.
7. Work with other State agencies, boards, commissions, and task forces to obtain information and records necessary to carry out its duties.
8. Periodically report to the Governor and the public on the Task Force's fraud, waste, and abuse identification, prevention, and elimination efforts and activities.

EXECUTIVE ORDER

IV. COMPOSITION AND FUNCTION

1. The Task Force shall consist of:
 - a. The Executive Inspector General for the Agencies of the Illinois Governor, who will serve as Chairman of the Task Force;
 - b. The Deputy Governor;
 - c. The Chief Compliance Officer;
 - d. The Special Counsel and Policy Advisor to the Governor for Healthcare and Human Services;
 - e. The Inspector General for the Department of Healthcare and Family Services;
 - f. The Director of the State Police Medicaid Fraud Control Unit;
 - g. The Director of the Department on Aging;
 - h. The Director of the Department of Central Management Services;
 - i. The Director of the Department of Healthcare and Family Services;
 - j. The Secretary of the Department of the Human Services;
 - k. The Secretary of the Department of Information Technology; and
 - l. The Director of the Department of Insurance.
2. A majority of the members of the Task Force shall constitute a quorum, and all recommendations of the Task Force shall require approval of a majority of the total members of the Task Force. The Task Force shall conduct at least one public meeting each quarter.
3. The Governor's Office shall provide administrative support to the Task Force as needed, including with respect to compliance with State ethics laws and the Freedom of Information Act.
4. The Task Force shall submit an initial report to the Governor within six months of this Executive Order, outlining its initial fraud, waste, and abuse identification efforts. Thereafter, the Task Force shall submit periodic reports to the Governor and the public outlining its progress in preventing and eliminating health care fraud, waste, and abuse.
5. The Task Force may adopt whatever policies and procedures are necessary to carry out its duties and functions.

V. TRANSPARENCY

In addition to whatever policies or procedures it may adopt, the Task Force shall be subject to the provisions of the Freedom of Information Act (5 ILCS 140). This section shall not be construed as to preclude other statutes from applying to the Task Force and its activities.

EXECUTIVE ORDER

VI. SAVINGS CLAUSE

This Executive Order does not contravene, and shall not be construed to contravene, any federal law, State statute, or collective bargaining agreement.

VII. PRIOR EXECUTIVE ORDERS

This Executive Order supersedes any contrary provision of any other prior Executive Order.

VIII. TERM

The Task Force shall be dissolved on June 30, 2019, subject to renewal by a succeeding Executive Order.

IX. SEVERABILITY CLAUSE

If any part of this Executive Order is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. The provisions of this Executive Order are severable.

X. EFFECTIVE DATE

This Executive Order shall take effect immediately upon filing with the Secretary of State.

Issued by Governor: April 5, 2016

Filed with Secretary of State: April 5, 2016

ILLINOIS ADMINISTRATIVE CODE
Issue Index - With Effective Dates

Rules acted upon in Volume 40, Issue 17 are listed in the Issues Index by Title number, Part number, Volume and Issue. Inquiries about the Issue Index may be directed to the Administrative Code Division at (217) 782-7017/18.

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