



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB2417

Introduced 2/15/2023, by Rep. Ryan Spain

#### SYNOPSIS AS INTRODUCED:

New Act

20 ILCS 605/605-1027 new

30 ILCS 105/5.990 new

30 ILCS 105/5.991 new

30 ILCS 105/5.992 new

35 ILCS 5/229.5 new

Creates the Illinois Biomanufacturing Act. Establishes the Illinois Biomanufacturing Institute. Directs the Institute to cooperate with biomanufacturing centers in Illinois with the goal of making those centers into incubators of local job creation. Authorizes the Institute to receive financing from the General Assembly. Directs the Institute to prepare an annual report to the Governor and the General Assembly concerning its operations and other relevant information. Creates the Biomanufacturing Initiative Task Force and describes the duties of the Task Force. Directs the Department of Commerce and Economic Opportunity to provide administrative support to the Task Force. Directs the Task Force to prepare for the Institute, the Governor, and the General Assembly an annual report offering its advice on biomanufacturing-related research and development and making related recommendations. Creates the Biomanufacturing Equity Investment Fund, the Biomanufacturing Loan Fund, and the Biomanufacturing Grant Fund as special funds in the State treasury for specified purposes concerning investment in and funding of biomanufacturing centers. Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Provides for tax credits for qualifying biomanufacturing centers. Provides further requirements concerning the issuance of the tax credit. Amends the State Finance Act to provide for specified special funds. Amends the Illinois Income Tax Act to provide for the biomanufacturing center tax credit. Defines terms. Effective immediately.

LRB103 05079 HLH 50093 b

1 AN ACT concerning State government.

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

4 Section 1. Short title. This Act may be cited as the  
5 Illinois Biomanufacturing Act.

6 Section 5. Definitions. As used in this Act:

7 "Biomanufacturing center" means a wholly-enclosed facility  
8 that contains tanks, boxes, or other sealed and enclosed  
9 spaces for biochemical production purposes and that has the  
10 primary purpose of using biological processes, entirely  
11 carried out in-house within the center, to manufacture  
12 products to be sold in a marketplace. "Biomanufacturing  
13 center" includes any production facility that complies with  
14 North American Industry Classification System (NAICS) codes  
15 325412 and 325414. "Biomanufacturing center" does not include  
16 a space used as a greenhouse or other space used to grow  
17 plants, such as cannabis or salad greens, that could  
18 physically be grown outdoors.

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

21 "Institute" means the Illinois Manufacturing Institute  
22 established under this Act.

23 "Task Force" means the Biomanufacturing Initiative Task

1 Force established under this Act.

2 Section 10. Illinois Biomanufacturing Institute.

3 (a) The Illinois Biomanufacturing Institute is hereby  
4 created and constituted as a public instrumentality under the  
5 jurisdiction of the Department of Commerce and Economic  
6 Opportunity. The exercise by the Institute of the powers  
7 conferred by this Act shall be considered to be the  
8 performance of an essential governmental function.

9 (b) The Institute shall be governed and its corporate  
10 powers exercised by a Board of Directors consisting of 7  
11 directors as follows: (i) the Director of Commerce and  
12 Economic Opportunity, or his or her designee; (ii) the  
13 President of the University of Illinois, or his or her  
14 designee; and (iii) 5 persons with a background in  
15 biomanufacturing and biotechnology and representing the  
16 biomanufacturing industry, who shall be appointed by the  
17 Governor.

18 The 5 directors appointed by the Governor shall constitute  
19 a quorum and the affirmative vote of a majority of directors  
20 present at a duly called meeting if a quorum is present shall  
21 be necessary for any action to be taken by the Board. Any  
22 action required or permitted to be taken at a meeting of the  
23 directors may be taken without a meeting if all of the  
24 directors consent in writing to that action and the written  
25 consent is filed with the records of the minutes of the

1 meetings of the Board. Such consent shall be treated for all  
2 purposes as a vote at a meeting.

3 The members of the Board shall serve without compensation,  
4 but each member shall be entitled to reimbursement for his or  
5 her actual and necessary expenses incurred in the performance  
6 of his or her official duties.

7 (c) The Institute shall be located in or near a major  
8 metropolitan area in the State that is easily accessible by  
9 common modes of transportation and has historic ties to  
10 biomanufacturing.

11 (d) The Institute shall cooperate with all of the  
12 tax-eligible biomanufacturing centers of Illinois, with the  
13 goal of making these centers into incubators of local job  
14 creation throughout the State. The Institute is also  
15 encouraged, but not required, to cooperate with all Illinois  
16 institutions of higher education, including faculties of  
17 biochemistry and faculties of medical research, to develop  
18 cooperative programs of Illinois-based research, development,  
19 and production.

20 (e) Subject to appropriation, the Institute shall receive  
21 funding for its start-up and operational purposes from funds  
22 made available for its purposes by the General Assembly, with  
23 the understanding that the Institute is mandated to take steps  
24 toward self-funding with the goal of becoming an autonomous,  
25 grant-supported think tank based in Illinois.

26 (f) The Institute shall provide an annual report to the

1 Governor and the General Assembly concerning its operations  
2 and any other information it deems relevant.

3 Section 15. Biomanufacturing Initiative Task Force.

4 (a) There is hereby created the Biomanufacturing  
5 Initiative Task Force. The Task Force shall represent the  
6 interests of institutions of higher education and the  
7 biomanufacturing industry, and advise the Institute on  
8 biomanufacturing-related research and development and provide  
9 recommendations.

10 (b) The Task Force shall, at a minimum, consist of members  
11 appointed by the Governor as follows: (i) a representative of  
12 Illinois universities; (ii) a representative of a public or  
13 private medical school; (iii) a representative of the Illinois  
14 biomanufacturing industry; and (iv) any other member that the  
15 Governor deems necessary and proper for the purposes of the  
16 Task Force. The Director of Commerce and Economic Opportunity,  
17 or his or her designee, shall also serve as a member of the  
18 Task Force. The Governor shall appoint a Chair for the Task  
19 Force.

20 (c) The Task Force shall meet at least quarterly for the  
21 purpose of its duties under this Section.

22 (d) Members of the Task Force shall serve without  
23 compensation.

24 (e) The Department of Commerce and Economic Opportunity  
25 shall provide administrative and other support to the Task

1 Force.

2 (f) The Task Force shall, at least annually and more  
3 frequently if it deems doing so is necessary, issue a report to  
4 the Institute, the Governor, and the General Assembly offering  
5 its advice on biomanufacturing-related research and  
6 development and making related recommendations.

7 Section 20. Biomanufacturing Equity Investment Fund. The  
8 Biomanufacturing Equity Investment Fund is created as a  
9 special fund in the State treasury and may receive funds from  
10 any source, public or private, including moneys appropriated  
11 for use by the Department of Commerce and Economic  
12 Opportunity. Subject to appropriation, moneys in the Fund  
13 shall be used by the Department and the Institute to make  
14 qualified equity investments in Illinois-based  
15 biomanufacturing centers.

16 Section 25. Biomanufacturing Loan Fund. The  
17 Biomanufacturing Loan Fund is created as a special fund in the  
18 State treasury and may receive funds from any source, public  
19 or private, including moneys appropriated for use by the  
20 Department of Commerce and Economic Opportunity. Subject to  
21 appropriation, moneys in the Fund shall be used by the  
22 Department and the Institute to make qualified loans to  
23 Illinois-based biomanufacturing centers for the start-up and  
24 operation of such centers, and for any other related purposes

1 as determined by the Department. The repayment of loans issued  
2 under this Section shall be as prescribed by the Department.

3 Section 30. Biomanufacturing Grant Fund. The  
4 Biomanufacturing Grant Fund is created as a special fund in  
5 the State treasury and may receive funds from any source,  
6 public or private, including moneys appropriated for use by  
7 the Department of Commerce and Economic Opportunity. Subject  
8 to appropriation, moneys in the Fund shall be used by the  
9 Department and the Institute to make grants to Illinois-based  
10 biomanufacturing centers to stimulate increased financing for  
11 biomanufacturing technology, research, and development, and  
12 for any other related purposes as determined by the  
13 Department.

14 Section 35. Rules. The Department shall adopt all rules  
15 necessary for the implementation of this Act.

16 Section 900. The Department of Commerce and Economic  
17 Opportunity Law of the Civil Administrative Code of Illinois  
18 is amended by adding Section 605-1027 as follows:

19 (20 ILCS 605/605-1027 new)

20 Sec. 605-1027. Biomanufacturing center investment.

21 (a) The Department shall issue a credit certification  
22 against the taxes imposed under subsections (a) and (b) of

1 Section 201 of the Illinois Income Tax Act to qualifying  
2 biomanufacturing centers. For taxable years beginning on or  
3 after January 1, 2023, the Department shall award credits, in  
4 an amount as determined by the Department, against the taxes  
5 imposed under subsections (a) and (b) of Section 201 of the  
6 Illinois Income Tax Act as provided in Section 229.5 of the  
7 Illinois Income Tax Act.

8 (b) For purposes of this Section:

9 "Biomanufacturing center" means a wholly-enclosed facility  
10 that contains tanks, boxes, or other sealed and enclosed  
11 spaces for biochemical production purposes and that has the  
12 primary purpose of using biological processes, entirely  
13 carried out in-house within the center, to manufacture  
14 products to be sold in a marketplace. "Biomanufacturing  
15 center" includes any production facility that complies with  
16 North American Industry Classification System (NAICS) codes  
17 325412 and 325414. "Biomanufacturing center" does not include  
18 a space used as a greenhouse or other space used to grow  
19 plants, such as cannabis or salad greens, that could  
20 physically be grown outdoors.

21 "Full-time equivalent job" means a job in which the new  
22 employee works for the owner, operator, contractor, or tenant  
23 of a biomanufacturing center or for a corporation under  
24 contract with the owner, operator, or tenant of a center for at  
25 least 35 hours per week.

26 "Qualifying biomanufacturing center" means a new or



1 existing biomanufacturing center that:

2 (1) is located in the State of Illinois;

3 (2) makes or has made a capital investment of at least  
4 \$2,000,000 collectively over a 2-year period;

5 (3) results, over a period of 5 years, in the creation  
6 of at least 20 full-time or full-time equivalent jobs that  
7 each have a total compensation that is equal to or greater  
8 than 120% of the average wage paid to full-time employees  
9 in the county where the data center is located, as  
10 determined using data supplied by the U.S. Bureau of Labor  
11 Statistics; and

12 (4) certifies to the Department, within 2 years after  
13 being placed in service, that it is carbon neutral or has  
14 attained green building standards certification from a  
15 Department-approved entity.

16 (c) Biomanufacturing centers seeking a tax credit  
17 certification shall apply to the Department in the manner  
18 specified by the Department. The Department and any center  
19 seeking the certification must enter into a memorandum of  
20 understanding that at a minimum provides:

21 (1) the details for determining the amount of capital  
22 investment to be made;

23 (2) the number of new jobs created;

24 (3) the timeline for achieving the capital investment  
25 and new job goals;

26 (4) the repayment obligation should those goals not be

1 achieved and any conditions under which repayment by the  
2 qualifying biomanufacturing center will be required; and

3 (5) other provisions deemed necessary by the  
4 Department.

5 (d) Any qualifying biomanufacturing center issued a tax  
6 credit certification under this Section must annually submit a  
7 private, sealed report on its operations to the Department.

8 The Department shall then issue an annual public report to the  
9 Governor and the General Assembly concerning the program  
10 established under this Section. The public report issued by  
11 the Department shall, at a minimum, contain cumulative data  
12 sets that will mask the specific data submitted by each  
13 biomanufacturing center about its own operations.

14 (e) In administering the requirements of this Section, the  
15 Department shall consult with the Illinois Biomanufacturing  
16 Institute and the Biomanufacturing Initiative Task Force  
17 created under the Illinois Biomanufacturing Act.

18 (f) The Department shall not issue any new tax credit  
19 certification under the provisions of this Section after tax  
20 year 2040, unless the General Assembly otherwise approves an  
21 extension of the tax credit provided under this Section.

22 (g) The Department shall adopt rules to implement and  
23 administer this Section.

24 Section 905. The State Finance Act is amended by adding  
25 Sections 5.990, 5.991, and 5.992 as follows:

1 (30 ILCS 105/5.990 new)

2 Sec. 5.990. The Biomanufacturing Equity Investment Fund.

3 (30 ILCS 105/5.991 new)

4 Sec. 5.991. The Biomanufacturing Loan Fund.

5 (30 ILCS 105/5.992 new)

6 Sec. 5.992. The Biomanufacturing Grant Fund.

7 Section 910. The Illinois Income Tax Act is amended by  
8 adding Section 229.5 as follows:

9 (35 ILCS 5/229.5 new)

10 Sec. 229.5. Biomanufacturing center tax credit.

11 (a) A taxpayer who has been awarded a credit by the  
12 Department of Commerce and Economic Opportunity under Section  
13 605-1027 of the Department of Commerce and Economic  
14 Opportunity Law of the Civil Administrative Code of Illinois  
15 is entitled to a credit against the taxes imposed under  
16 subsections (a) and (b) of Section 201 of this Act in an amount  
17 determined under that Act by the Department of Commerce and  
18 Economic Opportunity.

19 (b) If the taxpayer is a partnership, a Subchapter S  
20 corporation, or a limited liability company that has elected  
21 partnership tax treatment, the credit shall be allowed to the

1 partners, shareholders, or members in accordance with the  
2 determination of income and distributive share of income under  
3 Sections 702 and 704 and subchapter S of the Internal Revenue  
4 Code, as applicable.

5 (c) In no event shall a credit under this Section reduce  
6 the taxpayer's liability to less than zero. If the amount of  
7 the credit exceeds the tax liability for the year, then the  
8 excess credit shall be refunded to the taxpayer.

9 (d) No credit shall be allowed with respect to any  
10 certification for any taxable year ending after the revocation  
11 of the certification by the Department of Commerce and  
12 Economic Opportunity. Upon receiving notification by the  
13 Department of Commerce and Economic Opportunity of the  
14 revocation of certification, the Department shall notify the  
15 taxpayer that no credit is allowed for any taxable year ending  
16 after the revocation date, as stated in such notification. If  
17 any credit has been allowed with respect to a certification  
18 for a taxable year ending after the revocation date, any  
19 refund paid to the taxpayer for that taxable year shall, to the  
20 extent of that credit allowed, be an erroneous refund within  
21 the meaning of Section 912 of this Act.

22 (e) This Section is exempt from the provisions of Section  
23 250 of this Act.

24 (f) The Department, in cooperation with the Department of  
25 Commerce and Economic Opportunity, shall adopt rules to  
26 enforce and administer this Section.

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