



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4696

by Rep. Michael K. Smith

SYNOPSIS AS INTRODUCED:

20 ILCS 689/15
20 ILCS 689/15.1 new
20 ILCS 689/15.2 new
20 ILCS 689/15.3 new
20 ILCS 689/20
30 ILCS 105/5.708 new
30 ILCS 105/6z-70 new

Amends the Illinois Renewable Fuels Development Program Act. Provides that facilities that produce ethanol for gasohol or majority blended ethanol fuel shall receive a grant equal to 10 cents per gallon of annual production capacity, not to exceed \$10,000,000 for each facility. Provides that the Department of Commerce and Economic Opportunity must establish the Renewable Fuels Majority Blended Ethanol Infrastructure Program for the purpose of providing grants to units of local government and gasoline stations or service stations offering to the public retail sales of motor fuel. Creates the Renewable Fuels Competitive Commercialization Grant Oversight Committee. Sets forth the membership of the Committee. Provides that the Department of Commerce and Economic Opportunity must establish the Renewable Fuels Rail Infrastructure Assistance Program. Provides that grants awarded from the Renewable Fuels Development Program Fund are subject to certain limitations. Amends the State Finance Act to make conforming changes. Effective immediately.

LRB095 15446 HLH 41438 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 5. The Illinois Renewable Fuels Development
5 Program Act is amended by changing Sections 15, 20, and 25 and
6 by adding Sections 15.1, 15.2, and 15.3 as follows:

7 (20 ILCS 689/15)

8 Sec. 15. Illinois Renewable Fuels Development Program.

9 (a) The Department must develop and administer the Illinois
10 Renewable Fuels Development Program to assist in the
11 construction, modification, alteration, or retrofitting of
12 renewable fuel plants in Illinois. The recipient of a grant
13 under this Section must:

14 (1) be constructing, modifying, altering, or
15 retrofitting a plant in the State of Illinois;

16 (2) be constructing, modifying, altering, or
17 retrofitting a plant that has a base total annual
18 production capacity of no less than 30,000,000 gallons of
19 renewable fuel per year; and

20 (3) enter into a project labor agreement as prescribed
21 by Section 25 of this Act.

22 (b) Grant applications must be made on forms provided by
23 and in accordance with procedures established by the

1 Department.

2 (c) The Department must give preference to applicants that
3 use Illinois agricultural products in the production of
4 renewable fuel at the plant for which the grant is being
5 requested.

6 (d) Facilities that produce ethanol for gasohol or majority
7 blended ethanol fuel shall receive a grant equal to 10 cents
8 per gallon of annual production capacity, not to exceed
9 \$10,000,000 for each facility.

10 (Source: P.A. 93-15, eff. 6-11-03.)

11 (20 ILCS 689/15.1 new)

12 Sec. 15.1. Renewable Fuels Majority Blended Ethanol
13 Infrastructure Program. The Department must establish and
14 administer the Renewable Fuels Majority Blended Ethanol
15 Program to encourage the construction, installation, and
16 marketing of majority blended ethanol, as defined in Section
17 3-44 of the Use Tax Act. The Renewable Fuels Majority Blended
18 Ethanol Program shall provide financial assistance for units of
19 local government and petroleum distribution centers to install
20 the necessary infrastructure for the use of majority blended
21 ethanol.

22 The Department must establish the program for the purpose
23 of providing grants to units of local government and gasoline
24 stations or service stations offering to the public retail
25 sales of motor fuel that operate or will be operating majority

1 blended ethanol fueling distribution infrastructure. A unit of
2 local government applying for a grant under this program shall
3 receive a matching grant equaling 50% of the total cost of
4 installation of a majority blended ethanol distribution pump,
5 but not to exceed \$40,000. Gasoline stations or service
6 stations shall be eligible to receive a matching grant equal to
7 50% the cost of installation per pump location, but not to
8 exceed a total of \$250,000 in grants annually for each gasoline
9 station or service station retailer for locations in the
10 gasoline station or service station retailer's ownership and
11 control. The Department shall adopt necessary rules and forms
12 for the implementation of this Section.

13 (20 ILCS 689/15.2 new)

14 Sec. 15.2. Renewable Fuels Competitive Commercialization
15 Program. The Department must develop and administer the
16 Renewable Fuels Competitive Commercialization Program to
17 coordinate renewable fuel research and distribution of grant
18 funds to bring the State to the forefront of renewable fuel
19 development. The Renewable Fuels Competitive Commercialization
20 Grant Oversight Committee is established to review the grants
21 and make recommendations to the Director for awarding grants as
22 provided in this Section. The oversight committee shall be
23 comprised of 11 members. The members shall be appointed as
24 follows: the Director, or his or her designee; the Speaker of
25 the House of Representatives, or his or her designee; the

1 President of the Senate, or his or her designee; the Minority
2 Leader of the House of Representatives, or his or her designee;
3 the Minority Leader of the Senate, or his or her designee; and
4 the following members to be appointed by the Director:

5 (1) one member representing a general statewide
6 agricultural association;

7 (2) one member representing an association representing
8 producers of corn;

9 (3) one member representing an association representing
10 producers of soybeans;

11 (4) 2 members representing labor organizations affiliated
12 with the Illinois AFL-CIO; and

13 (5) one member representing renewable fuels production
14 facilities.

15 The Department must solicit proposals for grants that
16 provide funds for projects, including but limited not to,
17 adding value to bio-fuel co-products (such as Distillers Dried
18 Grain with solubles (DDGs)), increasing vehicle mileage, and
19 reducing the water usage in manufacturing bio-fuel to increase
20 the competitiveness of renewable fuels produced in the State.
21 Preference shall be given to projects in partnership with
22 industry or pilot-scale demonstration projects that advance
23 the State's leadership in the development of a bio-based
24 economy.

1 Sec. 15.3. Renewable Fuels Rail Infrastructure Assistance
2 Program. The Department must establish and administer the
3 Renewable Fuels Rail Infrastructure Assistance Program to
4 assist in the construction and installation of (i) railroad
5 side track and turnouts to provide rail service to renewable
6 fuels facilities, (ii) side track and turnouts for railroad
7 storage and collection areas for renewable fuels and renewable
8 fuel inputs, and (iii) side track, turnouts, and other
9 necessary infrastructure for renewable fuel and renewable fuel
10 co-products container shipping. Only one grant for the purpose
11 stated under item (iii) of this Section shall be awarded each
12 year. The recipient of a grant under this Section must enter
13 into a project labor agreement for the rail infrastructure
14 project as provided in Section 25 of this Act. Grant
15 applications shall be submitted on forms prescribed by the
16 Department.

17 (20 ILCS 689/20)

18 Sec. 20. Grants. Subject to appropriation, the Director is
19 authorized to award Renewable Fuels Development Program Fund
20 grants to eligible applicants. The annual aggregate amount of
21 grants awarded under this Section is subject to the following
22 limits:

23 (1) grants awarded under the Illinois Renewable Fuels
24 Development Program awarded shall not exceed \$30,000,000
25 annually in fiscal years 2009 and 2010 and \$15,000,000

1 thereafter; no more than \$5,000,000 annually of these grant
2 funds may be used for bio-diesel plants; ~~\$20,000,000.~~

3 (2) grants awarded under the Renewable Fuels Majority
4 Blended Ethanol Infrastructure Program may not exceed
5 \$3,500,000 annually for fiscal years 2009 through 2014;

6 (3) grants awarded under the Renewable Fuels
7 Competitive Commercialization Program may not exceed
8 \$1,000,000 annually in fiscal years 2009, 2010, and 2011;
9 and

10 (4) grants awarded under the Renewable Fuels Rail
11 Infrastructure Assistance Program may not exceed
12 \$5,000,000 annually for fiscal years 2009 through 2012.

13 (Source: P.A. 93-15, eff. 6-11-03; 93-618, eff. 12-11-03;
14 94-839, eff. 6-6-06.)

15 Section 10. The State Finance Act is amended by adding
16 Section 5.708 and 6z-70 as follows:

17 (30 ILCS 105/5.708 new)

18 Sec. 5.708. The Renewable Fuels Development Program Fund.

19 (30 ILCS 105/6z-70 new)

20 Sec. 6z-70. Renewable Fuels Development Program Fund. The
21 Renewable Fuels Development Program Fund is created as a
22 special fund in the State treasury. Moneys in the Fund may be
23 used by the Department of Commerce and Economic Opportunity,

1 subject to appropriation, for the Illinois Renewable Fuels
 2 Development Program, the Renewable Fuels Majority Blended
 3 Ethanol Infrastructure Program, the Renewable Fuels
 4 Competitive Commercialization Program, the Renewable Fuels
 5 Rail Infrastructure Assistance Program, and other renewable
 6 energy programs as set forth in Section 20 of the Illinois
 7 Renewable Fuels Development Program Act.

8 Moneys received for the purposes of this Section,
 9 including, without limitation, fund transfers, gifts, grants,
 10 and awards from any public or private entity, must be deposited
 11 into the Fund. Any interest earned on moneys in the Fund must
 12 be deposited into the Fund.

13 There shall be deposited into the Renewable Fuels
 14 Development Program Fund such bond proceeds and other moneys as
 15 may, from time to time, be provided by law. If the moneys
 16 provided by law are not sufficient to provide the annual
 17 funding level in the Renewable Fuels Development Program Fund
 18 at the levels prescribed below, the State Comptroller must
 19 direct the State Treasurer to transfer from the General Revenue
 20 Fund to the Renewable Fuels Development Program Fund, no later
 21 than February 1, 2009 and on December 1 each year thereafter
 22 the necessary amount to provide the funds at the level
 23 specified for each fiscal year below:

<u>Fiscal Year</u>	<u>Amount</u>
<u>2009 through 2010</u>	<u>\$39,500,000</u>
<u>2011</u>	<u>\$24,500,000</u>

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 25
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1	<u>2012</u>	<u>\$23,500,000</u>
2	<u>2013 and 2014</u>	<u>\$18,500,000</u>
3	<u>2015</u>	<u>\$15,000,000</u>

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.