

AN ACT concerning State government.

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

Section 5. The Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois is amended by changing Section 605-332 as follows:

(20 ILCS 605/605-332)

Sec. 605-332. Financial assistance to energy generation facilities.

(a) As used in this Section:

"New electric generating facility" means a newly-constructed electric generation plant or a newly constructed generation capacity expansion at an existing facility, including the transmission lines and associated equipment that transfers electricity from points of supply to points of delivery, and for which foundation construction commenced not sooner than July 1, 2001, which is designed to provide baseload electric generation operating on a continuous basis throughout the year and:

(1) has an aggregate rated generating capacity of at least 400 megawatts for all new units at one site, uses coal or gases derived from coal as its primary fuel source, and supports the creation of at least 150 new Illinois coal mining jobs; or

(2) is funded through a federal Department of Energy grant before December 31, 2007 ~~July 1, 2006~~ and supports the creation of Illinois coal-mining jobs; or

(3) uses coal gasification or integrated gasification-combined cycle units that generate electricity or chemicals, or both, and supports the creation of Illinois coal-mining jobs.

"New gasification facility" means a newly constructed coal

gasification facility that generates chemical feedstocks or transportation fuels derived from coal (which may include, but are not limited to, methane, methanol, and nitrogen fertilizer), that supports the creation or retention of Illinois coal-mining jobs, and that qualifies for financial assistance from the Department before December 31, 2006. A new gasification facility does not include a pilot project located within Jefferson County or within a county adjacent to Jefferson County for synthetic natural gas from coal.

"New facility" means a new electric generating facility or a new gasification facility. A new facility does not include a pilot project located within Jefferson County or within a county adjacent to Jefferson County for synthetic natural gas from coal.

"Eligible business" means an entity that proposes to construct a new facility and that has applied to the Department to receive financial assistance pursuant to this Section. With respect to use and occupation taxes, wherever there is a reference to taxes, that reference means only those taxes paid on Illinois-mined coal used in a new facility.

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

(b) The Department is authorized to provide financial assistance to eligible businesses for new facilities from funds appropriated by the General Assembly as further provided in this Section.

An eligible business seeking qualification for financial assistance for a new facility, for purposes of this Section only, shall apply to the Department in the manner specified by the Department. Any projections provided by an eligible business as part of the application shall be independently verified in a manner as set forth by the Department. An application shall include, but not be limited to:

- (1) the projected or actual completion date of the new facility for which financial assistance is sought;
- (2) copies of documentation deemed acceptable by the

Department establishing either (i) the total State occupation and use taxes paid on Illinois-mined coal used at the new facility for a minimum of 4 preceding calendar quarters or (ii) the projected amount of State occupation and use taxes paid on Illinois-mined coal used at the new facility in 4 calendar year quarters after completion of the new facility. Bond proceeds subject to this Section shall not be allocated to an eligible business until the eligible business has demonstrated the revenue stream sufficient to service the debt on the bonds; and

(3) the actual or projected amount of capital investment by the eligible business in the new facility.

The Department shall determine the maximum amount of financial assistance for eligible businesses in accordance with this paragraph. The Department shall not provide financial assistance from general obligation bond funds to any eligible business unless it receives a written certification from the Director of the Bureau of the Budget (now Governor's Office of Management and Budget) that 80% of the State occupation and use tax receipts for a minimum of the preceding 4 calendar quarters for all eligible businesses or as included in projections on approved applications by eligible businesses equal or exceed 110% of the maximum annual debt service required with respect to general obligation bonds issued for that purpose. The Department may provide financial assistance not to exceed the amount of State general obligation debt calculated as above, the amount of actual or projected capital investment in the facility, or \$100,000,000, whichever is less. Financial assistance received pursuant to this Section may be used for capital facilities consisting of buildings, structures, durable equipment, and land at the new facility. Subject to the provisions of the agreement covering the financial assistance, a portion of the financial assistance may be required to be repaid to the State if certain conditions for the governmental purpose of the assistance were not met.

An eligible business shall file a monthly report with the

Illinois Department of Revenue stating the amount of Illinois-mined coal purchased during the previous month for use in the new facility, the purchase price of that coal, the amount of State occupation and use taxes paid on that purchase to the seller of the Illinois-mined coal, and such other information as that Department may reasonably require. In sales of Illinois-mined coal between related parties, the purchase price of the coal must have been determined in an arms-length transaction. The report shall be filed with the Illinois Department of Revenue on or before the 20th day of each month on a form provided by that Department. However, no report need be filed by an eligible business in a month when it made no reportable purchases of coal in the previous month. The Illinois Department of Revenue shall provide a summary of such reports to the Governor's Office of Management and Budget.

Upon granting financial assistance to an eligible business, the Department shall certify the name of the eligible business to the Illinois Department of Revenue. Beginning with the receipt of the first report of State occupation and use taxes paid by an eligible business and continuing for a 25-year period, the Illinois Department of Revenue shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business.

(Source: P.A. 93-167, eff. 7-10-03; 93-1064, eff. 1-13-05; 94-65, eff. 6-21-05.)

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