

AN ACT concerning drilling operations.

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

Section 5. The Regulatory Sunset Act is amended by changing Sections 4.18 and 4.26 as follows:

(5 ILCS 80/4.18)

Sec. 4.18. Acts repealed January 1, 2008. The following Acts are repealed on January 1, 2008:

The Acupuncture Practice Act.

The Clinical Social Work and Social Work Practice Act.

The Home Medical Equipment and Services Provider License Act.

The Nursing and Advanced Practice Nursing Act.

~~The Illinois Petroleum Education and Marketing Act.~~

The Illinois Speech-Language Pathology and Audiology Practice Act.

The Marriage and Family Therapy Licensing Act.

The Nursing Home Administrators Licensing and Disciplinary Act.

The Pharmacy Practice Act of 1987.

The Physician Assistant Practice Act of 1987.

The Podiatric Medical Practice Act of 1987.

The Structural Pest Control Act.

(Source: P.A. 94-754, eff. 5-10-06.)

(5 ILCS 80/4.26)

Sec. 4.26. Acts ~~Act~~ repealed on January 1, 2016. The following Acts are ~~Act is~~ repealed on January 1, 2016:

The Illinois Athletic Trainers Practice Act.

The Illinois Roofing Industry Licensing Act.

The Illinois Dental Practice Act.

The Collection Agency Act.

The Barber, Cosmetology, Esthetics, and Nail Technology Act of 1985.

The Respiratory Care Practice Act.

The Hearing Instrument Consumer Protection Act.

The Illinois Physical Therapy Act.

The Professional Geologist Licensing Act.

The Illinois Petroleum Education and Marketing Act.

(Source: P.A. 94-246, eff. 1-1-06; 94-254, eff. 7-19-05; 94-409, eff. 12-31-05; 94-414, eff. 12-31-05; 94-451, eff. 12-31-05; 94-523, eff. 1-1-06; 94-527, eff. 12-31-05; 94-651, eff. 1-1-06; 94-708, eff. 12-5-05; revised 12-8-05.)

Section 10. The Illinois Petroleum Education and Marketing Act is amended by changing Sections 5, 10, 15, 30, 35, and 45 and by adding Section 27 as follows:

(225 ILCS 728/5)

(Section scheduled to be repealed on January 1, 2008)

Sec. 5. Definitions. As used in this Act:

"Board" means the Illinois Petroleum Resources Board.

"Department" means the Department of Natural Resources.

"First purchaser" means any person who buys Illinois crude oil or Illinois gas.

"Interest owner" means a person who owns or possesses an interest in the gross production of oil or gas produced from a well in Illinois.

"Person" means an individual, group of individuals, partnership, corporation, association, limited liability company, cooperative, or any other entity or an employee of the entity.

"Producer" means a person who produces oil and gas or who derives a majority of his or her oil and gas income from working interest.

"Qualified producer association" means an entity that is organized and operating within the State and that represents oil and gas producers on a Statewide basis.

(Source: P.A. 92-610, eff. 7-1-02.)

(225 ILCS 728/10)

(Section scheduled to be repealed on January 1, 2008)

Sec. 10. Illinois Petroleum Resources Board.

(a) There is hereby created until January 1, 2016 ~~2008~~, the Illinois Petroleum Resources Board, which shall be subject to the provisions of the Regulatory Sunset Act. The purpose of the Board is to coordinate a program designed to demonstrate to the general public the importance of the Illinois oil and gas exploration and production industry, to encourage the wise and efficient use of energy, to promote environmentally sound production methods and technologies, to develop existing supplies of State oil and gas resources, and to support research and educational activities concerning the oil and gas exploration and production industry.

(b) The Board shall be composed of 12 members to be appointed as follows:

(1) Through December 31, 2006, by the Governor. ~~The Governor~~ shall make appointments from a list of names submitted by qualified producer associations, of which 10 shall be oil and gas producers.

(2) Beginning January 1, 2007, all appointments shall be made by the qualified producer associations.

(c) A member of the Board shall:

- (1) be at least 25 years of age;
- (2) be a resident of the State of Illinois; and
- (3) have at least 5 years of active experience in the oil industry.

(d) Members shall serve for a term of 3 years, except that of the initial appointments, 4 members shall serve for one year, 4 members for 2 years, and 4 members for 3 years.

(e) Vacancies shall be filled for the unexpired term of office in the same manner as the original appointment.

(f) The Board shall, at its first meeting, elect one of its members as chairperson, who shall preside over meetings of the

Board and perform other duties that may be required by the Board. The first meeting of the Board shall be called by the Governor.

(g) No member of the Board shall receive a salary or reimbursement for duties performed as a member of the Board, except that members are eligible to receive reimbursement for travel expenses incurred in the performance of Board duties.

(Source: P.A. 92-610, eff. 7-1-02; 92-651, eff. 7-11-02; revised 8-12-02.)

(225 ILCS 728/15)

(Section scheduled to be repealed on January 1, 2008)

Sec. 15. Board powers and duties. The Board shall have the following powers and duties:

(1) To administer and enforce the provisions of this Act.

(2) To establish an office for the Board within the State of Illinois.

(3) To elect a chairperson and any other officers that may be necessary to direct the operations of the Board.

(4) To employ personnel as shall be deemed necessary to carry out the purpose and provisions of this Act and to prescribe their duties and fix their compensation.

(5) To receive and administer all assessments, donations, grants, contributions, and gifts received by the Board pursuant to this Act and to deposit them into accounts maintained by the Board ~~the Petroleum Resources Revolving Fund.~~

(6) To annually establish priorities and approve a prepared ~~or disapprove the~~ budget consistent with estimated resources ~~of the Board.~~

(7) To adopt rules as it deems necessary to carry out the provisions of this Act.

(8) To enter into contracts or agreements for studies, research projects, experimental work, supplies, or other services to carry out the purposes of this Act and to incur

those expenses necessary to carry out those purposes. A contract or agreement entered into under this item shall provide that:

(A) the person entering the contract or agreement on behalf of the Board shall develop and submit to the Board a plan or project together with a budget that shows estimated costs to be incurred for the plan or project; and

(B) the person entering the contract or agreement shall keep accurate records of all of its transactions, account for funds received and expended, and make periodic reports to the Board of activities conducted and other reports that the Board may require.

(9) To keep accurate records of all financial transactions performed pursuant to this Act. These records shall be audited annually by an independent auditor who is a certified public accountant and has been selected by the Board, and an annual report shall be compiled and made available to any interest owner and filed with the Department ~~presented to the Governor.~~

(10) To cooperate with any private, local, state, or national commission, organization, agency, or group and to make contracts and agreements for joint programs beneficial to the oil and gas industry.

(11) To accept donations, grants, contributions, and gifts from any public or private source and deposit them into accounts maintained by the Board ~~the Petroleum Resources Revolving Fund.~~

(12) To keep an accurate record of all assessments collected.

(Source: P.A. 90-614, eff. 7-10-98.)

(225 ILCS 728/27 new)

Sec. 27. Petroleum Resources Revolving Fund abolished; moneys and assets transferred to Board. On January 1, 2007, or as soon thereafter as practical, the State Comptroller shall

direct and the State Treasurer shall pay the remaining balance in the Petroleum Revolving Fund to the Board. Upon the completion of this payment, the Fund is abolished, and any future deposits due to the Fund and any outstanding obligations or liabilities of the Fund pass to the Board. In addition, ownership of all assets in the possession of the Board that are property of the State shall be transferred to the Board.

(225 ILCS 728/30)

(Section scheduled to be repealed on January 1, 2008)

Sec. 30. Assessment on oil and gas production.

(a) To fund the activities of the Illinois Petroleum Resources Board, an assessment shall be levied in the amount of one-tenth of 1% of gross revenues of oil and gas produced from each well in the State of Illinois.

(b) The assessment levied by subsection (a) of this Section shall be deducted from the proceeds of production and collected by the first purchaser. The assessment, which is imposed on the interest owner, shall be remitted to the Board ~~Department of Revenue~~ by the first purchaser on an assessment form provided by the Board, along with any other requested production records in compliance with assessment payments and enforcement provisions of this Act and rules adopted by the Board. The remittance and specified data shall be delivered to the Board no later than the 15th day of each month following the end of the month in which the assessment was collected. The Board shall deposit the assessment into accounts, operating or reserve, to be used as authorized by this Act ~~a tax return filed no later than the 15th day of each month following the end of the month in which the assessment was collected. To defray the costs of receiving and depositing the assessments levied by this Section, the Department of Revenue shall retain \$750 per month of the assessments received for deposit into the Tax Compliance and Administration Fund. The remaining moneys received by the Department of Revenue pursuant to this Section shall be deposited into the Illinois Petroleum Resources~~

~~Revolving Fund.~~

(c) The Board shall be responsible for taking appropriate legal actions to collect any assessment which is not paid or is not properly paid.

(Source: P.A. 92-610, eff. 7-1-02.)

(225 ILCS 728/35)

(Section scheduled to be repealed on January 1, 2008)

Sec. 35. Refunds.

(a) Any person subject to the assessment levied by Section 30 of this Act may request a refund as provided in this Section of the assessment paid on production for the preceding calendar year. Upon compliance with the provisions of this Section and rules adopted by the Board to implement this Section, the Board shall refund to each person requesting a refund the amount of the assessment paid by or on behalf of the person during the preceding calendar year. Refunds made to producers will include interest earned at the rate equal to the average United States Treasury bill rate of the preceding calendar year as documented from government sources ~~certified by the State Treasurer.~~

(b) The request for a refund of the assessment paid on production for the preceding calendar year must be made during the first 3 calendar months following the calendar year for which the refund is requested. Failure to request a refund during this period shall terminate the right of any person to receive a refund for the assessment paid on production for the preceding calendar year. The Board shall give notice of the availability of the refund through press releases or another means it deems appropriate.

(c) Each person requesting a refund shall execute an affidavit showing the amount of refund requested and demonstrating that the affiant was the interest owner of the production for which the refund is requested. The Board may verify the accuracy of the request for refund.

(d) No entity or person requesting a refund under this Section shall be eligible to serve or have a representative

serve as a member of the Board.

(Source: P.A. 92-610, eff. 7-1-02.)

(225 ILCS 728/45)

(Section scheduled to be repealed on January 1, 2008)

Sec. 45. Use of funds.

(a) All interest earned on moneys received by the Board ~~shall be the property of the Board in the Petroleum Resources Revolving Fund shall remain in the Fund.~~

(b) The Board shall not utilize any funds collected under Section 30 of this Act for the purpose of influencing government action or policy, with the exception of recommending amendments to this Act.

(Source: P.A. 90-614, eff. 7-10-98.)

(30 ILCS 105/5.482 rep.)

Section 90. The State Finance Act is amended by repealing Section 5.482.

(225 ILCS 728/25 rep.)

Section 95. The Illinois Petroleum Education and Marketing Act is amended by repealing Section 25.

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