



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB5460

Introduced 1/31/2022, by Rep. Ryan Spain

SYNOPSIS AS INTRODUCED:

New Act

- 20 ILCS 605/605-1027 new
- 30 ILCS 105/5.970 new
- 30 ILCS 105/5.971 new
- 30 ILCS 105/5.972 new
- 35 ILCS 5/229.5 new

Creates the Illinois Biomanufacturing Act. Provides for the creation of the Illinois Biomanufacturing Institute. Provides for the Board of Directors of the Institute. Provides for the duties of the Institute. Provides for funding of the Institute. Provides Institute reporting requirements. Creates the Biomanufacturing Initiative Task Force. Provides purpose and duties of the Task Force. Provides for Task Force membership. Provides for meetings of the Task Force. Provides for administrative support for the Task Force. Provides Task Force reporting requirements. 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.

LRB102 25473 RJF 34760 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 has the primary purpose of using biological processes,
9 entirely carried out in-house within the center, to
10 manufacture products to be sold in a marketplace, which
11 contains tanks, boxes, or other sealed and enclosed spaces for
12 biochemical production purposes. "Biomanufacturing center"
13 includes any production facility that complies with North
14 American Industry Classification System (NAICS) codes 325412
15 and 325414. "Biomanufacturing center" does not include a space
16 used as a greenhouse or other space used to grow plants, such
17 as cannabis or salad greens, that could physically be grown
18 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) There is hereby created the Illinois Biomanufacturing
4 Institute. The Institute is hereby constituted a public
5 instrumentality under the jurisdiction of the Department of
6 Commerce and Economic Opportunity, and the exercise by the
7 Institute of the powers conferred by this Act shall be
8 considered to be the performance of an essential governmental
9 function.

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

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 such action and such 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
5 actual and necessary expenses incurred in the performance of
6 his official duties.

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

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 would be mandated to take
24 steps toward self-funding with the goal of becoming an
25 autonomous, 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 as
3 otherwise frequently as it deems necessary, issue a report to
4 the Institute, the Governor, and the General Assembly
5 detailing its advisements on biomanufacturing-related research
6 and development, and any 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 100. 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 has the primary purpose of using biological processes,
11 entirely carried out in-house within the center, to
12 manufacture products to be sold in a marketplace, which
13 contains tanks, boxes, or other sealed and enclosed spaces for
14 biochemical production purposes. "Biomanufacturing center"
15 includes any production facility that complies with North
16 American Industry Classification System (NAICS) codes 325412
17 and 325414. "Biomanufacturing center" does not include a space
18 used as a greenhouse or other space used to grow plants, such
19 as cannabis or salad greens, that could physically be grown
20 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 at a
25 rate of at 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 in the creation of at least 20 full-time
6 or full-time equivalent jobs over a period of 5 years.
7 These jobs must have a total compensation equal to or
8 greater than 120% of the average wage paid to full-time
9 employees in the county where the data center is located,
10 as determined by the U.S. Bureau of Labor Statistics; and

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

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

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

22 (2) the number of new jobs created;

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

25 (4) the repayment obligation should those goals not be
26 achieved and any conditions under which repayment by the

1 qualifying biomanufacturing center will be required; and

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

4 (d) Any qualifying biomanufacturing center issued a tax
5 credit certification under this Section must annually submit a
6 private, sealed report to the Department on its operations.
7 The Department shall then issue an annual public report to the
8 Governor and the General Assembly concerning the program
9 established under this Section. The public report issued by
10 the Department shall, at a minimum, contain cumulative data
11 sets that will mask the specific data submitted by each
12 biomanufacturing center about its own operations.

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

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

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

23 Section 105. The State Finance Act is amended by adding
24 Sections 5.970, 5.971, and 5.972 as follows:

1 (30 ILCS 105/5.970 new)

2 Sec. 5.970. The Biomanufacturing Equity Investment Fund.

3 (30 ILCS 105/5.971 new)

4 Sec. 5.971. The Biomanufacturing Loan Fund.

5 (30 ILCS 105/5.972 new)

6 Sec. 5.972. The Biomanufacturing Grant Fund.

7 Section 110. 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
22 partners, shareholders, or members in accordance with the

1 determination of income and distributive share of income under
2 Sections 702 and 704 and subchapter S of the Internal Revenue
3 Code, as applicable.

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

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

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

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