

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

7 (20 ILCS 605/605-332)

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

10 (a) As used in this Section:

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

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

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

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

32 "New gasification facility" means a newly constructed coal

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

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

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

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

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

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

34 (1) the projected or actual completion date of the new  
35 facility for which financial assistance is sought;

36 (2) copies of documentation deemed acceptable by the

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

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

13 The Department shall determine the maximum amount of  
14 financial assistance for eligible businesses in accordance  
15 with this paragraph. The Department shall not provide financial  
16 assistance from general obligation bond funds to any eligible  
17 business unless it receives a written certification from the  
18 Director of the Bureau of the Budget (now Governor's Office of  
19 Management and Budget) that 80% of the State occupation and use  
20 tax receipts for a minimum of the preceding 4 calendar quarters  
21 for all eligible businesses or as included in projections on  
22 approved applications by eligible businesses equal or exceed  
23 110% of the maximum annual debt service required with respect  
24 to general obligation bonds issued for that purpose. The  
25 Department may provide financial assistance not to exceed the  
26 amount of State general obligation debt calculated as above,  
27 the amount of actual or projected capital investment in the  
28 facility, or \$100,000,000, whichever is less. Financial  
29 assistance received pursuant to this Section may be used for  
30 capital facilities consisting of buildings, structures,  
31 durable equipment, and land at the new facility. Subject to the  
32 provisions of the agreement covering the financial assistance,  
33 a portion of the financial assistance may be required to be  
34 repaid to the State if certain conditions for the governmental  
35 purpose of the assistance were not met.

36 An eligible business shall file a monthly report with the

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

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

25 (Source: P.A. 93-167, eff. 7-10-03; 93-1064, eff. 1-13-05;  
26 94-65, eff. 6-21-05.)

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