



Sen. Gary Forby

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LRB094 04539 RAS 57739 a

1 AMENDMENT TO SENATE BILL 928

2 AMENDMENT NO. _____. Amend Senate Bill 928 by replacing
3 everything after the enacting clause with the following:

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

7 (225 ILCS 728/5)

8 (Section scheduled to be repealed on January 1, 2008)

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

10 "Board" means the Illinois Petroleum Resources Board.

11 "Department" means the Illinois Department of Natural
12 Resources.

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

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

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

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

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

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

5 (225 ILCS 728/10)

6 (Section scheduled to be repealed on January 1, 2008)

7 Sec. 10. Illinois Petroleum Resources Board.

8 (a) There is hereby created until January 1, 2015 ~~2008~~, the
9 Illinois Petroleum Resources Board which shall be subject to
10 the provisions of the Regulatory Sunset Act. The purpose of the
11 Board is to coordinate a program designed to demonstrate to the
12 general public the importance of the Illinois oil exploration
13 and production industry, to encourage the wise and efficient
14 use of energy, to promote environmentally sound production
15 methods and technologies, to develop existing supplies of State
16 oil resources, and to support research and educational
17 activities concerning the oil exploration and production
18 industry.

19 (b) The Board shall be composed of 12 members to be
20 appointed by the Governor. The Governor shall make appointments
21 from a list of names submitted by qualified producer
22 associations, of which 10 shall be oil and gas producers.

23 (c) A member of the Board shall:

24 (1) be at least 25 years of age;

25 (2) be a resident of the State of Illinois; and

26 (3) have at least 5 years of active experience in the
27 oil industry.

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

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

33 (f) The Board shall, at its first meeting, elect one of its

1 members as chairperson, who shall preside over meetings of the
2 Board and perform other duties that may be required by the
3 Board. The first meeting of the Board shall be called by the
4 Governor.

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

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

11 (225 ILCS 728/15)

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

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

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

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

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

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

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

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

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

1 (8) To enter into contracts or agreements for studies,
2 research projects, experimental work, supplies, or other
3 services to carry out the purposes of this Act and to incur
4 those expenses necessary to carry out those purposes. A
5 contract or agreement entered into under this item shall
6 provide that:

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

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

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

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

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

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

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

1 (225 ILCS 728/27 new)

2 Sec. 27. Petroleum Resources Revolving Fund abolished;
3 moneys and assets transferred to Board. On June 30, 2006, the
4 Petroleum Resources Revolving Fund shall be abolished. Any
5 balance remaining in the Fund, including interest that has
6 accrued, shall be transferred to the Board for its authorized
7 use. All moneys received from assessments and collected
8 pursuant to Section 30 of this Act and all donations, grants,
9 contributions, other assets, and gifts received from any public
10 or private source on or after June 30, 2006 shall be paid and
11 distributed to the Board. All payments and distributions owed
12 to the Fund shall be made to the Board within 60 days after the
13 abolishment of the Fund.

14 (225 ILCS 728/30)

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

16 Sec. 30. Assessment on oil and gas production.

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

21 (b) The assessment levied by subsection (a) of this Section
22 shall be deducted from the proceeds of production and collected
23 by the first purchaser. The assessment, which is imposed on the
24 interest owner, shall be remitted to the Board ~~Department of~~
25 ~~Revenue~~ by the first purchaser on an assessment form provided
26 by the Board, along with any other requested production records
27 in compliance with assessment payments and enforcement
28 provisions of this Act and rules adopted by the Board. The
29 remittance and specified data shall be delivered to the Board
30 no later than the 15th day of each month following the end of
31 the month in which the assessment was collected. The Board
32 shall deposit the assessment into accounts, operating or

1 ~~reserve, to be used as authorized by this Act a tax return~~
2 ~~filed no later than the 15th day of each month following the~~
3 ~~end of the month in which the assessment was collected. To~~
4 ~~defray the costs of receiving and depositing the assessments~~
5 ~~levied by this Section, the Department of Revenue shall retain~~
6 ~~\$750 per month of the assessments received for deposit into the~~
7 ~~Tax Compliance and Administration Fund. The remaining moneys~~
8 ~~received by the Department of Revenue pursuant to this Section~~
9 ~~shall be deposited into the Illinois Petroleum Resources~~
10 ~~Revolving Fund.~~

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

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

15 (225 ILCS 728/35)

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

17 Sec. 35. Refunds.

18 (a) Any person subject to the assessment levied by Section
19 30 of this Act may request a refund as provided in this Section
20 of the assessment paid on production for the preceding calendar
21 year. Upon compliance with the provisions of this Section and
22 rules adopted by the Board to implement this Section, the Board
23 shall refund to each person requesting a refund the amount of
24 the assessment paid by or on behalf of the person during the
25 preceding calendar year. Refunds made to producers will include
26 interest earned at the rate equal to the average United States
27 Treasury bill rate of the preceding calendar year as documented
28 from government sources ~~certified by the State Treasurer.~~

29 (b) The request for a refund of the assessment paid on
30 production for the preceding calendar year must be made during
31 the first 3 calendar months following the calendar year for
32 which the refund is requested. Failure to request a refund
33 during this period shall terminate the right of any person to

1 receive a refund for the assessment paid on production for the
2 preceding calendar year. The Board shall give notice of the
3 availability of the refund through press releases or another
4 means it deems appropriate.

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

10 (d) No entity or person requesting a refund under this
11 Section shall be eligible to serve or have a representative
12 serve as a member of the Board.

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

14 (225 ILCS 728/45)

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

16 Sec. 45. Use of funds.

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

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

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

25 (30 ILCS 105/5.482 rep.)

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

28 (225 ILCS 728/25 rep.)

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

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