

1 AN ACT concerning drilling operations.

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

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

6 (5 ILCS 80/4.18)

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 Acts repealed January 1, 2008.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8 Acts are repealed on January 1, 2008:

9 The Acupuncture Practice Act.

10 The Clinical Social Work and Social Work Practice Act.

11 The Home Medical Equipment and Services Provider License  
12 Act.

13 The Nursing and Advanced Practice Nursing Act.

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

15 The Illinois Speech-Language Pathology and Audiology  
16 Practice Act.

17 The Marriage and Family Therapy Licensing Act.

18 The Nursing Home Administrators Licensing and Disciplinary  
19 Act.

20 The Pharmacy Practice Act of 1987.

21 The Physician Assistant Practice Act of 1987.

22 The Podiatric Medical Practice Act of 1987.

23 The Structural Pest Control Act.

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

25 (5 ILCS 80/4.26)

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 Acts ~~Act~~ repealed on January 1, 2016.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27 following Acts are ~~Act is~~ repealed on January 1, 2016:

28 The Illinois Athletic Trainers Practice Act.

29 The Illinois Roofing Industry Licensing Act.

30 The Illinois Dental Practice Act.

31 The Collection Agency Act.

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

3 The Respiratory Care Practice Act.

4 The Hearing Instrument Consumer Protection Act.

5 The Illinois Physical Therapy Act.

6 The Professional Geologist Licensing Act.

7 The Illinois Petroleum Education and Marketing Act.

8 (Source: P.A. 94-246, eff. 1-1-06; 94-254, eff. 7-19-05;  
9 94-409, eff. 12-31-05; 94-414, eff. 12-31-05; 94-451, eff.  
10 12-31-05; 94-523, eff. 1-1-06; 94-527, eff. 12-31-05; 94-651,  
11 eff. 1-1-06; 94-708, eff. 12-5-05; revised 12-8-05.)

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

15 (225 ILCS 728/5)

16 (Section scheduled to be repealed on January 1, 2008)

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

18 "Board" means the Illinois Petroleum Resources Board.

19 "Department" means the Department of Natural Resources.

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

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

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

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

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

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

2 (225 ILCS 728/10)

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

4 Sec. 10. Illinois Petroleum Resources Board.

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

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

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

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

24 (c) A member of the Board shall:

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

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

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

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

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

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

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

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

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

10 (225 ILCS 728/15)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 (225 ILCS 728/27 new)

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

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

8 (225 ILCS 728/30)

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

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

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

15 (b) The assessment levied by subsection (a) of this Section  
16 shall be deducted from the proceeds of production and collected  
17 by the first purchaser. The assessment, which is imposed on the  
18 interest owner, shall be remitted to the Board ~~Department of~~  
19 ~~Revenue~~ by the first purchaser on an assessment form provided  
20 by the Board, along with any other requested production records  
21 in compliance with assessment payments and enforcement  
22 provisions of this Act and rules adopted by the Board. The  
23 remittance and specified data shall be delivered to the Board  
24 no later than the 15th day of each month following the end of  
25 the month in which the assessment was collected. The Board  
26 shall deposit the assessment into accounts, operating or  
27 reserve, to be used as authorized by this Act ~~a tax return~~  
28 ~~filed no later than the 15th day of each month following the~~  
29 ~~end of the month in which the assessment was collected. To~~  
30 ~~defray the costs of receiving and depositing the assessments~~  
31 ~~levied by this Section, the Department of Revenue shall retain~~  
32 ~~\$750 per month of the assessments received for deposit into the~~  
33 ~~Tax Compliance and Administration Fund. The remaining moneys~~  
34 ~~received by the Department of Revenue pursuant to this Section~~  
35 ~~shall be deposited into the Illinois Petroleum Resources~~

1 ~~Revolving Fund.~~

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

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

6 (225 ILCS 728/35)

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

8 Sec. 35. Refunds.

9 (a) Any person subject to the assessment levied by Section  
10 30 of this Act may request a refund as provided in this Section  
11 of the assessment paid on production for the preceding calendar  
12 year. Upon compliance with the provisions of this Section and  
13 rules adopted by the Board to implement this Section, the Board  
14 shall refund to each person requesting a refund the amount of  
15 the assessment paid by or on behalf of the person during the  
16 preceding calendar year. Refunds made to producers will include  
17 interest earned at the rate equal to the average United States  
18 Treasury bill rate of the preceding calendar year as documented  
19 from government sources ~~certified by the State Treasurer.~~

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

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

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

1 serve as a member of the Board.

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

3 (225 ILCS 728/45)

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

5 Sec. 45. Use of funds.

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

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

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

14 (30 ILCS 105/5.482 rep.)

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

17 (225 ILCS 728/25 rep.)

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

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