



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

SB2861

Introduced 2/15/2008, by Sen. Deanna Demuzio

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Renewable Fuels Development Program Act. Provides that facilities that produce ethanol for gasohol or majority blended ethanol fuel shall receive a grant and provides limitations for the grants awarded. Establishes the Renewable Fuels Majority Blended Ethanol Infrastructure Program to provide financial assistance for units of local government and petroleum distribution centers to install the necessary infrastructure for the use of majority blended ethanol. Sets out the details of the program. Establishes the Renewable Fuels Competitive Commercialization Program and the Renewable Fuels Competitive Commercialization Grant Oversight Committee. Sets out the details of the program and the composition of the committee. Establishes the Renewable Fuels Rail Infrastructure Assistance Program. Sets out the purpose of the program. Authorizes the Department of Commerce and Economic Opportunity to administer the programs. Sets limits for the amount of grants to be awarded under the programs. Amends the State Finance Act. Creates the Renewable Fuels Development Program Fund. Provides that moneys in the Fund may be used by the Department, subject to appropriation, for the Illinois Renewable Fuels Development Program, the Renewable Fuels Majority Blended Ethanol Infrastructure Program, the Renewable Fuels Competitive Commercialization Program, the Renewable Fuels Rail Infrastructure Assistance Program, and other renewable energy programs. Makes other changes. Effective July 1, 2008.

LRB095 19593 RCE 45926 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning agriculture.

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

4 Section 5. The Illinois Renewable Fuels Development  
5 Program Act is amended by changing Sections 15 and 20 and by  
6 adding Sections 15.1, 15.2, and 15.3 as follows:

7 (20 ILCS 689/15)

8 Sec. 15. Illinois Renewable Fuels Development Program.

9 (a) The Department must develop and administer the Illinois  
10 Renewable Fuels Development Program to assist in the  
11 construction, modification, alteration, or retrofitting of  
12 renewable fuel plants in Illinois. The recipient of a grant  
13 under this Section must:

14 (1) be constructing, modifying, altering, or  
15 retrofitting a plant in the State of Illinois;

16 (2) be constructing, modifying, altering, or  
17 retrofitting a plant that has annual production capacity of  
18 no less than 30,000,000 gallons of renewable fuel per year;  
19 and

20 (3) enter into a project labor agreement as prescribed  
21 by Section 25 of this Act.

22 (b) Grant applications must be made on forms provided by  
23 and in accordance with procedures established by the

1 Department.

2 (c) The Department must give preference to applicants that  
3 use Illinois agricultural products in the production of  
4 renewable fuel at the plant for which the grant is being  
5 requested.

6 (d) Facilities that produce ethanol for gasohol or majority  
7 blended ethanol fuel shall receive a grant equal to 10 cents  
8 per gallon of annual production capacity, not to exceed  
9 \$10,000,000 for each facility.

10 (Source: P.A. 93-15, eff. 6-11-03.)

11 (20 ILCS 689/15.1 new)

12 Sec. 15.1. Renewable Fuels Majority Blended Ethanol  
13 Infrastructure Program. The Department shall establish and  
14 administer the Renewable Fuels Majority Blended Ethanol  
15 Program to encourage the construction, installation, and  
16 marketing of majority blended ethanol, as defined in Section  
17 3-44 of the Use Tax Act. The Renewable Fuels Majority Blended  
18 Ethanol Program shall provide financial assistance for units of  
19 local government and petroleum distribution centers to install  
20 the necessary infrastructure for the use of majority blended  
21 ethanol.

22 The Department shall establish the program for the purpose  
23 of providing grants to units of local government and motor fuel  
24 delivering suppliers, as defined in Section 5-5 of the Gas Use  
25 Tax Law, that operate or will be operating majority blended

1 ethanol fueling distribution infrastructure. A unit of local  
2 government applying for a grant under this program shall  
3 receive a matching grant equaling 50% of the total cost of  
4 installation of a majority blended ethanol distribution pump,  
5 but not to exceed \$40,000. Delivering suppliers shall be  
6 eligible to receive a matching grant equal to 50% of the cost  
7 of installation per pump location, but not to exceed a total of  
8 \$250,000 in grants annually for each delivering supplier for  
9 locations in the supplier's ownership and control. The  
10 Department shall adopt necessary rules and forms for the  
11 implementation of this Section.

12 (20 ILCS 689/15.2 new)

13 Sec. 15.2. Renewable Fuels Competitive Commercialization  
14 Program. The Department shall develop and administer the  
15 Renewable Fuels Competitive Commercialization Program to  
16 coordinate renewable fuel research and distribution of grant  
17 funds to bring the State to the forefront of renewable fuel  
18 development. The Renewable Fuels Competitive Commercialization  
19 Grant Oversight Committee is established to review the grants  
20 and make recommendations to the Director for awarding grants.  
21 The oversight committee shall be comprised of 9 members. The  
22 members shall be appointed as follows: the Director, or his or  
23 her designee; the Speaker of the House of Representatives; the  
24 President of the Senate; the Minority Leader of the House of  
25 Representatives; the Minority Leader of the Senate; and one

1 member representing each of the following, to be appointed by  
2 the Director:

3 (1) a general statewide agricultural association;

4 (2) an association representing producers of corn;

5 (3) an association representing producers of soybeans; and

6 (4) renewable fuels production facilities.

7 The Department shall solicit proposals for grants that  
8 provide funds for projects, including but not limited to,  
9 adding value to bio-fuel co-products (such as Distillers Dried  
10 Grain with solubles (DDGs)), increasing vehicle mileage, and  
11 reducing the water usage in manufacturing bio-fuel to increase  
12 the competitiveness of renewable fuels produced in the State.  
13 Preference shall be given to projects in partnership with  
14 industry or for project pilot scale demonstrations that advance  
15 the State's leadership in the development of a bio-based  
16 economy.

17 (20 ILCS 689/15.3 new)

18 Sec. 15.3. Renewable Fuels Rail Infrastructure Assistance  
19 Program. The Department shall establish and administer the  
20 Renewable Fuels Rail Infrastructure Assistance Program to  
21 assist in the construction and installation of (i) railroad  
22 side track and turnouts to provide rail service to renewable  
23 fuels facilities, (ii) side track and turnouts for railroad  
24 storage and collection areas for renewable fuels and renewable  
25 fuel inputs, and (iii) side track, turnouts, and other

1 necessary infrastructure for renewable fuel and renewable fuel  
2 co-products container shipping. Only one grant for the purpose  
3 stated under item (iii) of this Section shall be awarded each  
4 year. Grant applications shall be submitted on forms prescribed  
5 by the Department.

6 (20 ILCS 689/20)

7 Sec. 20. Grants. Subject to appropriation, the Director is  
8 authorized to award Renewable Fuels Development Program Fund  
9 grants to eligible applicants. The annual aggregate amount of  
10 grants awarded under this Section is subject to the following  
11 limits:

12 (1) grants awarded under the Illinois Renewable Fuels  
13 Development Program ~~awarded~~ shall not exceed \$30,000,000  
14 annually in fiscal years 2009, 2010, and 2011 and  
15 \$15,000,000 thereafter; no more than \$5,000,000 annually  
16 of these grant funds may be used for a bio-diesel plant;  
17 ~~\$20,000,000.~~

18 (2) grants awarded under the Renewable Fuels Majority  
19 Blended Ethanol Infrastructure Program shall not exceed  
20 \$3,500,000 annually for fiscal years 2009 through 2015;

21 (3) grants awarded under the Renewable Fuels  
22 Competitive Commercialization Program shall not exceed  
23 \$1,000,000 annually in fiscal years 2009, 2010, 2011, and  
24 2012; and

25 (4) grants awarded under the Renewable Fuels Rail

1       Infrastructure Assistance Program shall not exceed  
2       \$5,000,000 annually for fiscal years 2009 through 2013.

3       (Source: P.A. 93-15, eff. 6-11-03; 93-618, eff. 12-11-03;  
4       94-839, eff. 6-6-06.)

5       Section 10. The State Finance Act is amended by adding  
6       Sections 5.708 and 6z-76 as follows:

7             (30 ILCS 105/5.708 new)

8       Sec. 5.708. The Renewable Fuels Development Program Fund.

9             (30 ILCS 105/6z-76 new)

10       Sec. 6z-76. Renewable Fuels Development Program Fund. The  
11       Renewable Fuels Development Program Fund is created as a  
12       special fund in the State treasury. Moneys in the Fund may be  
13       used by the Department of Commerce and Economic Opportunity,  
14       subject to appropriation, for the Illinois Renewable Fuels  
15       Development Program, the Renewable Fuels Majority Blended  
16       Ethanol Infrastructure Program, the Renewable Fuels  
17       Competitive Commercialization Program, the Renewable Fuels  
18       Rail Infrastructure Assistance Program, and other renewable  
19       energy programs as set forth in Section 20 of the Illinois  
20       Renewable Fuels Development Program Act.

21       Moneys received for the purposes of this Section,  
22       including, without limitation, fund transfers, gifts, grants,  
23       and awards from any public or private entity, must be deposited

1 into the Fund. Any interest earned on moneys in the Fund must  
2 be deposited into the Fund.

3 The State Comptroller and State Treasurer shall  
4 automatically transfer on the last day of each month, beginning  
5 on July 30, 2008, from the General Revenue Fund to the  
6 Renewable Fuels Development Program Fund, an amount equal to  
7 one twelfth of the amount set forth below in each of the  
8 specified fiscal years:

9 <u>Fiscal Year</u>	<u>Amount</u>
10 <u>2009 through 2011</u>	<u>\$39,500,000</u>
11 <u>2012</u>	<u>\$24,500,000</u>
12 <u>2013</u>	<u>\$23,500,000</u>
13 <u>2014 and 2015</u>	<u>\$18,500,000</u>
14 <u>2016</u>	<u>\$15,000,000</u>

15 There shall be deposited into the Renewable Fuels  
16 Development Program Fund such bond proceeds and other moneys as  
17 may, from time to time, be provided by law.

18 Section 99. Effective date. This Act takes effect July 1,  
19 2008.



1 INDEX

2 Statutes amended in order of appearance

3 20 ILCS 689/15

4 20 ILCS 689/15.1 new

5 20 ILCS 689/15.2 new

6 20 ILCS 689/15.3 new

7 20 ILCS 689/20

8 30 ILCS 105/5.708 new

9 30 ILCS 105/6z-76 new