

1 AN ACT concerning finance.

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

4 Section 5. The Illinois Finance Authority Act is amended by
5 changing Sections 801-10, 801-55, 825-12, 825-65, 825-95,
6 825-110, 830-10, and 830-15 as follows:

7 (20 ILCS 3501/801-10)

8 Sec. 801-10. Definitions. The following terms, whenever
9 used or referred to in this Act, shall have the following
10 meanings, except in such instances where the context may
11 clearly indicate otherwise:

12 (a) The term "Authority" means the Illinois Finance
13 Authority created by this Act.

14 (b) The term "project" means an industrial project,
15 conservation project, housing project, public purpose project,
16 higher education project, health facility project, cultural
17 institution project, municipal bond program project,
18 agricultural facility or agribusiness, and "project" may
19 include any combination of one or more of the foregoing
20 undertaken jointly by any person with one or more other
21 persons.

22 (c) The term "public purpose project" means any project or
23 facility including without limitation land, buildings,

1 structures, machinery, equipment and all other real and
2 personal property, which is authorized or required by law to be
3 acquired, constructed, improved, rehabilitated, reconstructed,
4 replaced or maintained by any unit of government or any other
5 lawful public purpose which is authorized or required by law to
6 be undertaken by any unit of government.

7 (d) The term "industrial project" means the acquisition,
8 construction, refurbishment, creation, development or
9 redevelopment of any facility, equipment, machinery, real
10 property or personal property for use by any instrumentality of
11 the State or its political subdivisions, for use by any person
12 or institution, public or private, for profit or not for
13 profit, or for use in any trade or business including, but not
14 limited to, any industrial, manufacturing or commercial
15 enterprise that is located within or outside the State,
16 provided that, with respect to a project involving property
17 located outside the State, the property must be owned,
18 operated, leased or managed by an entity located within the
19 State or an entity affiliated with an entity located within the
20 State, and which is (1) a capital project including but not
21 limited to: (i) land and any rights therein, one or more
22 buildings, structures or other improvements, machinery and
23 equipment, whether now existing or hereafter acquired, and
24 whether or not located on the same site or sites; (ii) all
25 appurtenances and facilities incidental to the foregoing,
26 including, but not limited to utilities, access roads, railroad

1 sidings, track, docking and similar facilities, parking
2 facilities, dockage, wharfage, railroad roadbed, track,
3 trestle, depot, terminal, switching and signaling or related
4 equipment, site preparation and landscaping; and (iii) all
5 non-capital costs and expenses relating thereto or (2) any
6 addition to, renovation, rehabilitation or improvement of a
7 capital project or (3) any activity or undertaking within or
8 outside the State, provided that, with respect to a project
9 involving property located outside the State, the property must
10 be owned, operated, leased or managed by an entity located
11 within the State or an entity affiliated with an entity located
12 within the State, which the Authority determines will aid,
13 assist or encourage economic growth, development or
14 redevelopment within the State or any area thereof, will
15 promote the expansion, retention or diversification of
16 employment opportunities within the State or any area thereof
17 or will aid in stabilizing or developing any industry or
18 economic sector of the State economy. The term "industrial
19 project" also means the production of motion pictures.

20 (e) The term "bond" or "bonds" shall include bonds, notes
21 (including bond, grant or revenue anticipation notes),
22 certificates and/or other evidences of indebtedness
23 representing an obligation to pay money, including refunding
24 bonds.

25 (f) The terms "lease agreement" and "loan agreement" shall
26 mean: (i) an agreement whereby a project acquired by the

1 Authority by purchase, gift or lease is leased to any person,
2 corporation or unit of local government which will use or cause
3 the project to be used as a project as heretofore defined upon
4 terms providing for lease rental payments at least sufficient
5 to pay when due all principal of, interest and premium, if any,
6 on any bonds of the Authority issued with respect to such
7 project, providing for the maintenance, insuring and operation
8 of the project on terms satisfactory to the Authority,
9 providing for disposition of the project upon termination of
10 the lease term, including purchase options or abandonment of
11 the premises, and such other terms as may be deemed desirable
12 by the Authority, or (ii) any agreement pursuant to which the
13 Authority agrees to loan the proceeds of its bonds issued with
14 respect to a project or other funds of the Authority to any
15 person which will use or cause the project to be used as a
16 project as heretofore defined upon terms providing for loan
17 repayment installments at least sufficient to pay when due all
18 principal of, interest and premium, if any, on any bonds of the
19 Authority, if any, issued with respect to the project, and
20 providing for maintenance, insurance and other matters as may
21 be deemed desirable by the Authority.

22 (g) The term "financial aid" means the expenditure of
23 Authority funds or funds provided by the Authority through the
24 issuance of its bonds, notes or other evidences of indebtedness
25 or from other sources for the development, construction,
26 acquisition or improvement of a project.

1 (h) The term "person" means an individual, corporation,
2 unit of government, business trust, estate, trust, partnership
3 or association, 2 or more persons having a joint or common
4 interest, or any other legal entity.

5 (i) The term "unit of government" means the federal
6 government, the State or unit of local government, a school
7 district, or any agency or instrumentality, office, officer,
8 department, division, bureau, commission, college or
9 university thereof.

10 (j) The term "health facility" means: (a) any public or
11 private institution, place, building, or agency required to be
12 licensed under the Hospital Licensing Act; (b) any public or
13 private institution, place, building, or agency required to be
14 licensed under the Nursing Home Care Act, the Specialized
15 Mental Health Rehabilitation Act, or the ID/DD Community Care
16 Act; (c) any public or licensed private hospital as defined in
17 the Mental Health and Developmental Disabilities Code; (d) any
18 such facility exempted from such licensure when the Director of
19 Public Health attests that such exempted facility meets the
20 statutory definition of a facility subject to licensure; (e)
21 any other public or private health service institution, place,
22 building, or agency which the Director of Public Health attests
23 is subject to certification by the Secretary, U.S. Department
24 of Health and Human Services under the Social Security Act, as
25 now or hereafter amended, or which the Director of Public
26 Health attests is subject to standard-setting by a recognized

1 public or voluntary accrediting or standard-setting agency;
2 (f) any public or private institution, place, building or
3 agency engaged in providing one or more supporting services to
4 a health facility; (g) any public or private institution,
5 place, building or agency engaged in providing training in the
6 healing arts, including but not limited to schools of medicine,
7 dentistry, osteopathy, optometry, podiatry, pharmacy or
8 nursing, schools for the training of x-ray, laboratory or other
9 health care technicians and schools for the training of
10 para-professionals in the health care field; (h) any public or
11 private congregate, life or extended care or elderly housing
12 facility or any public or private home for the aged or infirm,
13 including, without limitation, any Facility as defined in the
14 Life Care Facilities Act; (i) any public or private mental,
15 emotional or physical rehabilitation facility or any public or
16 private educational, counseling, or rehabilitation facility or
17 home, for those persons with a developmental disability, those
18 who are physically ill or disabled, the emotionally disturbed,
19 those persons with a mental illness or persons with learning or
20 similar disabilities or problems; (j) any public or private
21 alcohol, drug or substance abuse diagnosis, counseling
22 treatment or rehabilitation facility, (k) any public or private
23 institution, place, building or agency licensed by the
24 Department of Children and Family Services or which is not so
25 licensed but which the Director of Children and Family Services
26 attests provides child care, child welfare or other services of

1 the type provided by facilities subject to such licensure; (l)
2 any public or private adoption agency or facility; and (m) any
3 public or private blood bank or blood center. "Health facility"
4 also means a public or private structure or structures suitable
5 primarily for use as a laboratory, laundry, nurses or interns
6 residence or other housing or hotel facility used in whole or
7 in part for staff, employees or students and their families,
8 patients or relatives of patients admitted for treatment or
9 care in a health facility, or persons conducting business with
10 a health facility, physician's facility, surgicenter,
11 administration building, research facility, maintenance,
12 storage or utility facility and all structures or facilities
13 related to any of the foregoing or required or useful for the
14 operation of a health facility, including parking or other
15 facilities or other supporting service structures required or
16 useful for the orderly conduct of such health facility. "Health
17 facility" also means, with respect to a project located outside
18 the State, any public or private institution, place, building,
19 or agency which provides services similar to those described
20 above, provided that such project is owned, operated, leased or
21 managed by a participating health institution located within
22 the State, or a participating health institution affiliated
23 with an entity located within the State.

24 (k) The term "participating health institution" means (i) a
25 private corporation or association or (ii) a public entity of
26 this State, in either case authorized by the laws of this State

1 or the applicable state to provide or operate a health facility
2 as defined in this Act and which, pursuant to the provisions of
3 this Act, undertakes the financing, construction or
4 acquisition of a project or undertakes the refunding or
5 refinancing of obligations, loans, indebtedness or advances as
6 provided in this Act.

7 (l) The term "health facility project", means a specific
8 health facility work or improvement to be financed or
9 refinanced (including without limitation through reimbursement
10 of prior expenditures), acquired, constructed, enlarged,
11 remodeled, renovated, improved, furnished, or equipped, with
12 funds provided in whole or in part hereunder, any accounts
13 receivable, working capital, liability or insurance cost or
14 operating expense financing or refinancing program of a health
15 facility with or involving funds provided in whole or in part
16 hereunder, or any combination thereof.

17 (m) The term "bond resolution" means the resolution or
18 resolutions authorizing the issuance of, or providing terms and
19 conditions related to, bonds issued under this Act and
20 includes, where appropriate, any trust agreement, trust
21 indenture, indenture of mortgage or deed of trust providing
22 terms and conditions for such bonds.

23 (n) The term "property" means any real, personal or mixed
24 property, whether tangible or intangible, or any interest
25 therein, including, without limitation, any real estate,
26 leasehold interests, appurtenances, buildings, easements,

1 equipment, furnishings, furniture, improvements, machinery,
2 rights of way, structures, accounts, contract rights or any
3 interest therein.

4 (o) The term "revenues" means, with respect to any project,
5 the rents, fees, charges, interest, principal repayments,
6 collections and other income or profit derived therefrom.

7 (p) The term "higher education project" means, in the case
8 of a private institution of higher education, an educational
9 facility to be acquired, constructed, enlarged, remodeled,
10 renovated, improved, furnished, or equipped, or any
11 combination thereof.

12 (q) The term "cultural institution project" means, in the
13 case of a cultural institution, a cultural facility to be
14 acquired, constructed, enlarged, remodeled, renovated,
15 improved, furnished, or equipped, or any combination thereof.

16 (r) The term "educational facility" means any property
17 located within the State, or any property located outside the
18 State, provided that, if the property is located outside the
19 State, it must be owned, operated, leased or managed by an
20 entity located within the State or an entity affiliated with an
21 entity located within the State, in each case constructed or
22 acquired before or after the effective date of this Act, which
23 is or will be, in whole or in part, suitable for the
24 instruction, feeding, recreation or housing of students, the
25 conducting of research or other work of a private institution
26 of higher education, the use by a private institution of higher

1 education in connection with any educational, research or
2 related or incidental activities then being or to be conducted
3 by it, or any combination of the foregoing, including, without
4 limitation, any such property suitable for use as or in
5 connection with any one or more of the following: an academic
6 facility, administrative facility, agricultural facility,
7 assembly hall, athletic facility, auditorium, boating
8 facility, campus, communication facility, computer facility,
9 continuing education facility, classroom, dining hall,
10 dormitory, exhibition hall, fire fighting facility, fire
11 prevention facility, food service and preparation facility,
12 gymnasium, greenhouse, health care facility, hospital,
13 housing, instructional facility, laboratory, library,
14 maintenance facility, medical facility, museum, offices,
15 parking area, physical education facility, recreational
16 facility, research facility, stadium, storage facility,
17 student union, study facility, theatre or utility.

18 (s) The term "cultural facility" means any property located
19 within the State, or any property located outside the State,
20 provided that, if the property is located outside the State, it
21 must be owned, operated, leased or managed by an entity located
22 within the State or an entity affiliated with an entity located
23 within the State, in each case constructed or acquired before
24 or after the effective date of this Act, which is or will be,
25 in whole or in part, suitable for the particular purposes or
26 needs of a cultural institution, including, without

1 limitation, any such property suitable for use as or in
2 connection with any one or more of the following: an
3 administrative facility, aquarium, assembly hall, auditorium,
4 botanical garden, exhibition hall, gallery, greenhouse,
5 library, museum, scientific laboratory, theater or zoological
6 facility, and shall also include, without limitation, books,
7 works of art or music, animal, plant or aquatic life or other
8 items for display, exhibition or performance. The term
9 "cultural facility" includes buildings on the National
10 Register of Historic Places which are owned or operated by
11 nonprofit entities.

12 (t) "Private institution of higher education" means a
13 not-for-profit educational institution which is not owned by
14 the State or any political subdivision, agency,
15 instrumentality, district or municipality thereof, which is
16 authorized by law to provide a program of education beyond the
17 high school level and which:

18 (1) Admits as regular students only individuals having
19 a certificate of graduation from a high school, or the
20 recognized equivalent of such a certificate;

21 (2) Provides an educational program for which it awards
22 a bachelor's degree, or provides an educational program,
23 admission into which is conditioned upon the prior
24 attainment of a bachelor's degree or its equivalent, for
25 which it awards a postgraduate degree, or provides not less
26 than a 2-year program which is acceptable for full credit

1 toward such a degree, or offers a 2-year program in
2 engineering, mathematics, or the physical or biological
3 sciences which is designed to prepare the student to work
4 as a technician and at a semiprofessional level in
5 engineering, scientific, or other technological fields
6 which require the understanding and application of basic
7 engineering, scientific, or mathematical principles or
8 knowledge;

9 (3) Is accredited by a nationally recognized
10 accrediting agency or association or, if not so accredited,
11 is an institution whose credits are accepted, on transfer,
12 by not less than 3 institutions which are so accredited,
13 for credit on the same basis as if transferred from an
14 institution so accredited, and holds an unrevoked
15 certificate of approval under the Private College Act from
16 the Board of Higher Education, or is qualified as a "degree
17 granting institution" under the Academic Degree Act; and

18 (4) Does not discriminate in the admission of students
19 on the basis of race or color. "Private institution of
20 higher education" also includes any "academic
21 institution".

22 (u) The term "academic institution" means any
23 not-for-profit institution which is not owned by the State or
24 any political subdivision, agency, instrumentality, district
25 or municipality thereof, which institution engages in, or
26 facilitates academic, scientific, educational or professional

1 research or learning in a field or fields of study taught at a
2 private institution of higher education. Academic institutions
3 include, without limitation, libraries, archives, academic,
4 scientific, educational or professional societies,
5 institutions, associations or foundations having such
6 purposes.

7 (v) The term "cultural institution" means any
8 not-for-profit institution which is not owned by the State or
9 any political subdivision, agency, instrumentality, district
10 or municipality thereof, which institution engages in the
11 cultural, intellectual, scientific, educational or artistic
12 enrichment of the people of the State. Cultural institutions
13 include, without limitation, aquaria, botanical societies,
14 historical societies, libraries, museums, performing arts
15 associations or societies, scientific societies and zoological
16 societies.

17 (w) The term "affiliate" means, with respect to financing
18 of an agricultural facility or an agribusiness, any lender, any
19 person, firm or corporation controlled by, or under common
20 control with, such lender, and any person, firm or corporation
21 controlling such lender.

22 (x) The term "agricultural facility" means land, any
23 building or other improvement thereon or thereto, and any
24 personal properties deemed necessary or suitable for use,
25 whether or not now in existence, in farming, ranching, the
26 production of agricultural commodities (including, without

1 limitation, the products of aquaculture, hydroponics and
2 silviculture) or the treating, processing or storing of such
3 agricultural commodities when such activities are customarily
4 engaged in by farmers as a part of farming and which land,
5 building, improvement or personal property is located within
6 the State, or is located outside the State, provided, that if
7 such property is located outside the State, it must be owned,
8 operated, leased, or managed by an entity located within the
9 State or an entity affiliated with an entity located within the
10 State.

11 (y) The term "lender" with respect to financing of an
12 agricultural facility or an agribusiness, means any federal or
13 State chartered bank, Federal Land Bank, Production Credit
14 Association, Bank for Cooperatives, federal or State chartered
15 savings and loan association or building and loan association,
16 Small Business Investment Company or any other institution
17 qualified within this State to originate and service loans,
18 including, but without limitation to, insurance companies,
19 credit unions and mortgage loan companies. "Lender" also means
20 a wholly owned subsidiary of a manufacturer, seller or
21 distributor of goods or services that makes loans to businesses
22 or individuals, commonly known as a "captive finance company".

23 (z) The term "agribusiness" means any sole proprietorship,
24 limited partnership, co-partnership, joint venture,
25 corporation or cooperative which operates or will operate a
26 facility located within the State or outside the State,

1 provided, that if any facility is located outside the State, it
2 must be owned, operated, leased, or managed by an entity
3 located within the State or an entity affiliated with an entity
4 located within the State, of Illinois that is related to the
5 processing of agricultural commodities (including, without
6 limitation, the products of aquaculture, hydroponics and
7 silviculture) or the manufacturing, production or construction
8 of agricultural buildings, structures, equipment, implements,
9 and supplies, or any other facilities or processes used in
10 agricultural production. Agribusiness includes but is not
11 limited to the following:

12 (1) grain handling and processing, including grain
13 storage, drying, treatment, conditioning, mailing and
14 packaging;

15 (2) seed and feed grain development and processing;

16 (3) fruit and vegetable processing, including
17 preparation, canning and packaging;

18 (4) processing of livestock and livestock products,
19 dairy products, poultry and poultry products, fish or
20 apiarian products, including slaughter, shearing,
21 collecting, preparation, canning and packaging;

22 (5) fertilizer and agricultural chemical
23 manufacturing, processing, application and supplying;

24 (6) farm machinery, equipment and implement
25 manufacturing and supplying;

26 (7) manufacturing and supplying of agricultural

1 commodity processing machinery and equipment, including
2 machinery and equipment used in slaughter, treatment,
3 handling, collecting, preparation, canning or packaging of
4 agricultural commodities;

5 (8) farm building and farm structure manufacturing,
6 construction and supplying;

7 (9) construction, manufacturing, implementation,
8 supplying or servicing of irrigation, drainage and soil and
9 water conservation devices or equipment;

10 (10) fuel processing and development facilities that
11 produce fuel from agricultural commodities or byproducts;

12 (11) facilities and equipment for processing and
13 packaging agricultural commodities specifically for
14 export;

15 (12) facilities and equipment for forestry product
16 processing and supplying, including sawmilling operations,
17 wood chip operations, timber harvesting operations, and
18 manufacturing of prefabricated buildings, paper, furniture
19 or other goods from forestry products;

20 (13) facilities and equipment for research and
21 development of products, processes and equipment for the
22 production, processing, preparation or packaging of
23 agricultural commodities and byproducts.

24 (aa) The term "asset" with respect to financing of any
25 agricultural facility or any agribusiness, means, but is not
26 limited to the following: cash crops or feed on hand; livestock

1 held for sale; breeding stock; marketable bonds and securities;
2 securities not readily marketable; accounts receivable; notes
3 receivable; cash invested in growing crops; net cash value of
4 life insurance; machinery and equipment; cars and trucks; farm
5 and other real estate including life estates and personal
6 residence; value of beneficial interests in trusts; government
7 payments or grants; and any other assets.

8 (bb) The term "liability" with respect to financing of any
9 agricultural facility or any agribusiness shall include, but
10 not be limited to the following: accounts payable; notes or
11 other indebtedness owed to any source; taxes; rent; amounts
12 owed on real estate contracts or real estate mortgages;
13 judgments; accrued interest payable; and any other liability.

14 (cc) The term "Predecessor Authorities" means those
15 authorities as described in Section 845-75.

16 (dd) The term "housing project" means a specific work or
17 improvement located within the State or outside the State and
18 undertaken to provide residential dwelling accommodations,
19 including the acquisition, construction or rehabilitation of
20 lands, buildings and community facilities and in connection
21 therewith to provide nonhousing facilities which are part of
22 the housing project, including land, buildings, improvements,
23 equipment and all ancillary facilities for use for offices,
24 stores, retirement homes, hotels, financial institutions,
25 service, health care, education, recreation or research
26 establishments, or any other commercial purpose which are or

1 are to be related to a housing development, provided that any
2 work or improvement located outside the State is owned,
3 operated, leased or managed by an entity located within the
4 State, or any entity affiliated with an entity located within
5 the State.

6 (ee) The term "conservation project" means any project
7 including the acquisition, construction, rehabilitation,
8 maintenance, operation, or upgrade that is intended to create
9 or expand open space or to reduce energy usage through
10 efficiency measures. For the purpose of this definition, "open
11 space" has the definition set forth under Section 10 of the
12 Illinois Open Land Trust Act.

13 (ff) The term "significant presence" means the existence
14 within the State of the national or regional headquarters of an
15 entity or group or such other facility of an entity or group of
16 entities where a significant amount of the business functions
17 are performed for such entity or group of entities.

18 (gg) The term "municipal bond issuer" means the State or
19 any other state or commonwealth of the United States, or any
20 unit of local government, school district, agency or
21 instrumentality, office, department, division, bureau,
22 commission, college or university thereof located in the State
23 or any other state or commonwealth of the United States.

24 (hh) The term "municipal bond program project" means a
25 program for the funding of the purchase of bonds, notes or
26 other obligations issued by or on behalf of a municipal bond

1 issuer.

2 (Source: P.A. 96-339, eff. 7-1-10; 96-1021, eff. 7-12-10;
3 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-813, eff.
4 7-13-12.)

5 (20 ILCS 3501/801-55)

6 Sec. 801-55. Required findings for projects located
7 outside the State. The Authority may approve an application to
8 finance or refinance a project located outside of the State
9 other than a municipal bond program project only after it has
10 made the following findings with respect to such financing or
11 refinancing, all of which shall be deemed conclusive:

12 (a) the entity financing or refinancing a project
13 located outside the State, or an affiliate thereof, is also
14 engaged in the financing or refinancing of a project
15 located within the State or, alternately, the entity
16 seeking the financing or refinancing, or an affiliate
17 thereof, maintains a significant presence within the
18 State;

19 (b) financing or refinancing the out-of-state project
20 would promote the economy of the State for the benefit of
21 the health, welfare, safety, trade, commerce, industry and
22 economy of the people of the State by creating employment
23 opportunities in the State or lowering the cost of
24 accessing housing, healthcare, private education, or
25 cultural institutions or undertaking industrial projects,

1 housing projects, higher education projects, health
2 facility projects, cultural institution projects,
3 conservation projects, energy efficiency projects,
4 agricultural facilities or agribusiness in the State by
5 reducing the cost of financing, refinancing or operating
6 projects; and

7 (c) after giving effect to the financing or refinancing
8 of the out-of-state project, the Authority shall have the
9 ability to issue at least an additional \$1,000,000,000 of
10 bonds under Section 845-5(a) of this Act.

11 The Authority may approve an application to finance or
12 refinance a municipal bond program project located outside of
13 the State only after it has made the following findings with
14 respect to such financing or refinancing, all of which shall be
15 deemed conclusive:

16 (1) the municipal bond program project includes the
17 purchase of bonds, notes, or obligations issued by or on
18 behalf of the State or any agency, instrumentality, office,
19 department, division, bureau, or commission thereof, or
20 any unit of local government, school district, college, or
21 university of the State; and

22 (2) financing or refinancing the municipal bond
23 program project would promote the economy of the State for
24 the benefit of the health, welfare, safety, trade,
25 commerce, industry, and economy of the people of the State
26 by reducing the cost of borrowing to the State or such

1 agency, instrumentality, office, department, division,
2 bureau, commission, unit of local government, school
3 district, college, or university.

4 The Authority shall not provide financing or refinancing
5 for any project, or portion thereof, located outside the
6 boundaries of the United States of America.

7 Notwithstanding any other provision of this Act, the
8 Authority shall not provide financing or refinancing that uses
9 State volume cap under Section 146 of the Internal Revenue Code
10 of 1986, as amended, except as permitted under that Section
11 146, or constitutes an indebtedness or obligation, general or
12 moral, or a pledge of the full faith or loan of credit of the
13 State for any project, or portion thereof, that is located
14 outside of the State.

15 (Source: P.A. 96-1021, eff. 7-12-10.)

16 (20 ILCS 3501/825-12)

17 Sec. 825-12. Conservation projects.

18 (a) The Authority may develop a program to provide
19 low-interest loans and other financing to individuals,
20 business entities, private organizations, and units of local
21 government for conservation projects within the United States,
22 provided that, if the conservation project is located outside
23 of the State, it is owned, operated, leased or managed by an
24 entity located within the State or any entity affiliated with
25 an entity located within the State ~~in the State of Illinois.~~

1 (b) Projects under this Section may include, without
2 limitation, the acquisition of land for open-space projects,
3 preservation or recreation measures for open spaces, and energy
4 conservation or efficiency projects that are intended to reduce
5 energy usage and costs.

6 (c) The Authority, in cooperation with the Department of
7 Natural Resources and the Department of Commerce and Economic
8 Opportunity, may adopt any rules necessary for the
9 administration of this Section. The Authority must include any
10 information concerning the program under this Section on its
11 Internet website.

12 (Source: P.A. 95-697, eff. 11-6-07.)

13 (20 ILCS 3501/825-65)

14 Sec. 825-65. Clean Coal, Coal, Energy Efficiency, and
15 Renewable Energy Project Financing.

16 (a) Findings and declaration of policy.

17 (i) It is hereby found and declared that Illinois has
18 abundant coal resources and, in some areas of Illinois, the
19 demand for power exceeds the generating capacity.
20 Incentives to encourage the construction of coal-fueled
21 electric generating plants in Illinois to ensure power
22 generating capacity into the future and to advance clean
23 coal technology and the use of Illinois coal are in the
24 best interests of all of the citizens of Illinois.

25 (ii) It is further found and declared that Illinois has

1 abundant potential and resources to develop renewable
2 energy resource projects and that there are many
3 opportunities to invest in cost-effective energy
4 efficiency projects throughout the State. The development
5 of those projects will create jobs and investment as well
6 as decrease environmental impacts and promote energy
7 independence in Illinois. Accordingly, the development of
8 those projects is in the best interests of all of the
9 citizens of Illinois.

10 (iii) The Authority is authorized to issue bonds to
11 help finance Clean Coal, Coal, Energy Efficiency, and
12 Renewable Energy projects pursuant to this Section.

13 (b) Definitions.

14 (i) "Clean Coal Project" means (A) "clean coal
15 facility", as defined in Section 1-10 of the Illinois Power
16 Agency Act; (B) "clean coal SNG facility", as defined in
17 Section 1-10 of the Illinois Power Agency Act; (C)
18 transmission lines and associated equipment that transfer
19 electricity from points of supply to points of delivery for
20 projects described in this subsection (b); (D) pipelines or
21 other methods to transfer carbon dioxide from the point of
22 production to the point of storage or sequestration for
23 projects described in this subsection (b); or (E) projects
24 to provide carbon abatement technology for existing
25 generating facilities.

26 (ii) "Coal Project" means new electric generating

1 facilities or new gasification facilities, as defined in
2 Section 605-332 of the Department of Commerce and Economic
3 Opportunity Law of the Civil Administrative Code of
4 Illinois, which may include mine-mouth power plants,
5 projects that employ the use of clean coal technology,
6 projects to provide scrubber technology for existing
7 energy generating plants, or projects to provide electric
8 transmission facilities or new gasification facilities.

9 (iii) "Energy Efficiency Project" means measures that
10 reduce the amount of electricity or natural gas required to
11 achieve a given end use, consistent with Section 1-10 of
12 the Illinois Power Agency Act. "Energy Efficiency Project"
13 also includes measures that reduce the total Btus of
14 electricity and natural gas needed to meet the end use or
15 uses consistent with Section 1-10 of the Illinois Power
16 Agency Act.

17 (iv) "Renewable Energy Project" means (A) a project
18 that uses renewable energy resources, as defined in Section
19 1-10 of the Illinois Power Agency Act; (B) a project that
20 uses environmentally preferable technologies and practices
21 that result in improvements to the production of renewable
22 fuels, including but not limited to, cellulosic
23 conversion, water and energy conservation, fractionation,
24 alternative feedstocks, or reduced green house gas
25 emissions; (C) transmission lines and associated equipment
26 that transfer electricity from points of supply to points

1 of delivery for projects described in this subsection (b);
2 or (D) projects that use technology for the storage of
3 renewable energy, including, without limitation, the use
4 of battery or electrochemical storage technology for
5 mobile or stationary applications.

6 (c) Creation of reserve funds. The Authority may establish
7 and maintain one or more reserve funds to enhance bonds issued
8 by the Authority for a Clean Coal Project, a Coal Project, an
9 Energy Efficiency Project, or a Renewable Energy Project. There
10 may be one or more accounts in these reserve funds in which
11 there may be deposited:

12 (1) any proceeds of the bonds issued by the Authority
13 required to be deposited therein by the terms of any
14 contract between the Authority and its bondholders or any
15 resolution of the Authority;

16 (2) any other moneys or funds of the Authority that it
17 may determine to deposit therein from any other source; and

18 (3) any other moneys or funds made available to the
19 Authority. Subject to the terms of any pledge to the owners
20 of any bonds, moneys in any reserve fund may be held and
21 applied to the payment of principal, premium, if any, and
22 interest of such bonds.

23 (d) Powers and duties. The Authority has the power:

24 (1) To issue bonds in one or more series pursuant to
25 one or more resolutions of the Authority for any Clean Coal
26 Project, Coal Project, Energy Efficiency Project, or

1 Renewable Energy Project authorized under this Section,
2 within the authorization set forth in subsection (e).

3 (2) To provide for the funding of any reserves or other
4 funds or accounts deemed necessary by the Authority in
5 connection with any bonds issued by the Authority.

6 (3) To pledge any funds of the Authority or funds made
7 available to the Authority that may be applied to such
8 purpose as security for any bonds or any guarantees,
9 letters of credit, insurance contracts or similar credit
10 support or liquidity instruments securing the bonds.

11 (4) To enter into agreements or contracts with third
12 parties, whether public or private, including, without
13 limitation, the United States of America, the State or any
14 department or agency thereof, to obtain any
15 appropriations, grants, loans or guarantees that are
16 deemed necessary or desirable by the Authority. Any such
17 guarantee, agreement or contract may contain terms and
18 provisions necessary or desirable in connection with the
19 program, subject to the requirements established by the
20 Act.

21 (5) To exercise such other powers as are necessary or
22 incidental to the foregoing.

23 (e) Clean Coal Project, Coal Project, Energy Efficiency
24 Project, and Renewable Energy Project bond authorization and
25 financing limits. In addition to any other bonds authorized to
26 be issued under Sections 801-40(w), 825-60, 830-25 and 845-5,

1 the Authority may have outstanding, at any time, bonds for the
2 purpose enumerated in this Section 825-65 in an aggregate
3 principal amount that shall not exceed \$3,000,000,000, subject
4 to the following limitations: (i) up to \$300,000,000 may be
5 issued to finance projects, as described in clause (C) of
6 subsection (b)(i) and clause (C) of subsection (b)(iv) of this
7 Section 825-65; (ii) up to \$500,000,000 may be issued to
8 finance projects, as described in clauses (D) and (E) of
9 subsection (b)(i) of this Section 825-65; (iii) up to
10 \$2,000,000,000 may be issued to finance Clean Coal Projects, as
11 described in clauses (A) and (B) of subsection (b)(i) of this
12 Section 825-65 and Coal Projects, as described in subsection
13 (b)(ii) of this Section 825-65; and (iv) up to \$2,000,000,000
14 may be issued to finance Energy Efficiency Projects, as
15 described in subsection (b)(iii) of this Section 825-65 and
16 Renewable Energy Projects, as described in clauses (A), (B),
17 and (D) of subsection (b)(iii) of this Section 825-65. An
18 application for a loan financed from bond proceeds from a
19 borrower or its affiliates for a Clean Coal Project, a Coal
20 Project, Energy Efficiency Project, or a Renewable Energy
21 Project may not be approved by the Authority for an amount in
22 excess of \$450,000,000 for any borrower or its affiliates. A
23 Clean Coal Project or Coal Project must be located within the
24 State. An Energy Efficiency Project may be located within the
25 State or outside the State, provided that, if the Energy
26 Efficiency Project is located outside of the State, it must be

1 owned, operated, leased, or managed by an entity located within
2 the State or any entity affiliated with an entity located
3 within the State. These bonds shall not constitute an
4 indebtedness or obligation of the State of Illinois and it
5 shall be plainly stated on the face of each bond that it does
6 not constitute an indebtedness or obligation of the State of
7 Illinois, but is payable solely from the revenues, income or
8 other assets of the Authority pledged therefor.

9 (f) The bonding authority granted under this Section is in
10 addition to and not limited by the provisions of Section 845-5.
11 (Source: P.A. 95-470, eff. 8-27-07; 96-103, eff. 1-1-10;
12 96-817, eff. 1-1-10.)

13 (20 ILCS 3501/825-95)

14 Sec. 825-95. Emerald ash borer revolving loan program.

15 (a) The Illinois Finance Authority ~~may shall~~ administer an
16 emerald ash borer revolving loan program. The program shall
17 provide low-interest or zero-interest loans to units of local
18 government for the treatment of standing trees and replanting
19 of trees on public lands that are within emerald ash borer
20 quarantine areas as established by the Illinois Department of
21 Agriculture. The Authority ~~may shall~~ make loans based on the
22 recommendation of the Department of Agriculture. For the
23 purposes of this Section, "treatment" means the
24 administration, by environmentally sensitive processes and
25 methods, of products and materials proven by academic research

1 to protect ash trees from the invasive Emerald Ash Borer in
2 order to prevent or reverse the damage and preserve the trees.

3 (b) The loan funds, subject to appropriation, must be paid
4 out of the Emerald Ash Borer Revolving Loan Fund, a special
5 fund created in the State treasury. The moneys in the Fund
6 consist of any moneys transferred or appropriated into the Fund
7 as well as all repayments of loans made under this program.
8 Moneys in the Fund may be used only for loans to units of local
9 government for the treatment of standing trees and replanting
10 of trees within emerald ash borer quarantine areas established
11 by the Department of Agriculture and for no other purpose. All
12 interest earned on moneys in the Fund must be deposited into
13 the Fund.

14 (c) A loan for the treatment of standing trees and
15 replanting of trees on public lands within emerald ash borer
16 quarantine areas established by the Department of Agriculture
17 may not exceed \$5,000,000 to any one unit of local government.
18 The repayment period for the loan may not exceed 20 years. The
19 unit of local government shall repay, each year, at least 5% of
20 the principal amount borrowed or the remaining balance of the
21 loan, whichever is less. All repayments of loans must be
22 deposited into the Emerald Ash Borer Revolving Loan Fund.

23 (d) Any loan under this Section to a unit of local
24 government may not exceed the moneys that the unit of local
25 government expends or dedicates for the reforestation project
26 for which the loan is made.

1 (e) The Department of Agriculture may enter into agreements
2 with a unit of local government under which the unit of local
3 government is authorized to assist the Department in carrying
4 out its duties in a quarantined area, including inspection and
5 eradication of any dangerous insect or dangerous plant disease,
6 and including the transportation, processing, and disposal of
7 diseased material. The Department is authorized to provide
8 compensation or financial assistance to the unit of local
9 government for its costs.

10 (f) The Authority, with the assistance of the Department of
11 Agriculture and the Department of Natural Resources, shall
12 adopt rules to administer the program under this Section.

13 (Source: P.A. 95-588, eff. 9-4-07; 95-876, eff. 8-21-08.)

14 (20 ILCS 3501/825-110)

15 Sec. 825-110. Implementation of ARRA provisions regarding
16 qualified energy conservation bonds.

17 (a) Definitions.

18 (i) "Affected local government" means any county or
19 municipality within the State if the county or municipality
20 has a population of 100,000 or more, as defined in Section
21 54D(e) (2) (C) of the Code.

22 (ii) "Allocation amount" means the \$133,846,000 amount
23 of qualified energy conservation bonds authorized under
24 ARRA for the financing of qualifying projects located

1 within the State and the sub-allocation of those amounts
2 among each affected local government.

3 (iii) "ARRA" means, collectively, the American
4 Recovery and Reinvestment Act of 2009, including, without
5 limitation, Section 54D of the Code; the guidance provided
6 by the Internal Revenue Service applicable to qualified
7 energy conservation bonds; and any legislation
8 subsequently adopted by the United States Congress to
9 extend or expand the economic development bond financing
10 incentives authorized by ARRA.

11 (iv) "ARRA implementing regulations" means the
12 regulations promulgated by the Authority as further
13 described in subdivision (c)(iv) of this Section to
14 implement the provisions of this Section.

15 (v) "Code" means the Internal Revenue Code of 1986, as
16 amended.

17 (vi) "Qualified energy conservation bond" means any
18 qualified energy conservation bond issued pursuant to
19 Section 54D of the Code.

20 (vii) "Qualified energy conservation bond allocation"
21 means an allocation of authority to issue qualified energy
22 conservation bonds granted pursuant to Section 54D of the
23 Code.

24 (viii) "Regional authority" means the Central Illinois
25 Economic Development Authority, Eastern Illinois Economic
26 Development Authority, Joliet Arsenal Development

1 Authority, Quad Cities Regional Economic Development
2 Authority, Riverdale Development Authority, Southeastern
3 Illinois Economic Development Authority, Southern Illinois
4 Development Authority, Southwestern Illinois Development
5 Authority, Tri-County River Valley Development Authority,
6 Upper Illinois River Valley Development Authority,
7 Illinois Urban Development Authority, Western Illinois
8 Economic Development Authority, or Will-Kankakee Regional
9 Development Authority.

10 (ix) "Sub-allocation" means the portion of the
11 allocation amount allocated to each affected local
12 government.

13 (x) "Waived qualified energy conservation bond
14 allocation" means the amount of the qualified energy
15 conservation bond allocation that an affected local
16 government elects to reallocate to the State pursuant to
17 Section 54D(e) (2) (B) of the Code.

18 (xi) "Waiver agreement" means an agreement between the
19 Authority and an affected local government providing for
20 the reallocation, in whole or in part, of that affected
21 local government's sub-allocation to the Authority. The
22 waiver agreement may provide for the payment of an affected
23 local government's reasonable fees and costs as determined
24 by the Authority in connection with the affected local
25 government's reallocation of its sub-allocation.

1 (b) Findings.

2 It is found and declared that:

3 (i) it is in the public interest and for the benefit of
4 the State to maximize the use of economic development
5 incentives authorized by ARRA;

6 (ii) those incentives include the maximum use of the
7 allocation amount for the issuance of qualified energy
8 conservation bonds to promote energy conservation under
9 the applicable provisions of ARRA; and

10 (iii) those incentives also include the issuance by the
11 Authority of qualified energy conservation bonds for the
12 purposes of financing qualifying projects to be financed
13 with proceeds of qualified energy conservation bonds.

14 (c) Powers of Authority.

15 (i) In order to carry out the provisions of ARRA and
16 further the purposes of this Section, the Authority has:

17 (A) the power to receive from any affected local
18 government its sub-allocation that it voluntarily
19 waives to the Authority, in whole or in part, for
20 allocation by the Authority to a regional authority
21 specifically designated by that affected local
22 government, and the Authority shall reallocate that
23 waived qualified energy conservation bond allocation
24 to the regional authority specifically designated by
25 that affected local government; provided that (1) the

1 affected local government must take official action by
2 resolution or ordinance, as applicable, to waive the
3 sub-allocation to the Authority and specifically
4 designate that its waived qualified energy
5 conservation bond allocation should be reallocated to
6 a regional authority; (2) the regional authority must
7 use the sub-allocation to issue qualified energy
8 conservation bonds on or before August 16, 2010 and, if
9 qualified energy conservation bonds are not issued on
10 or before August 16, 2010, the sub-allocation shall be
11 deemed waived to the Authority for reallocation by the
12 Authority to qualifying projects; and (3) the proceeds
13 of the qualified energy conservation bonds must be used
14 for qualified projects within the jurisdiction of the
15 applicable regional authority;

16 (B) at the Authority's sole discretion, the power
17 to reallocate any sub-allocation deemed waived to the
18 Authority pursuant to subsection (c)(i)(A)(2) back to
19 the Regional Authority that had the sub-allocation;

20 (C) the power to enter into waiver agreements with
21 affected local governments to provide for the
22 reallocation, in whole or in part, of their
23 sub-allocations, to receive waived qualified energy
24 conservation bond allocations from those affected
25 local governments, and to use those waived qualified
26 energy conservation bond allocations, in whole or in

1 part, to issue qualified energy conservation bonds of
2 the Authority for qualifying projects or to reallocate
3 those qualified energy conservation bond allocations,
4 in whole or in part, to a county or municipality to
5 issue its own energy conservation bonds for qualifying
6 projects; and

7 (D) the power to issue qualified energy
8 conservation bonds for any project authorized to be
9 financed with proceeds thereof under the applicable
10 provisions of ARRA.

11 (ii) In addition to the powers set forth in item (i),
12 the Authority shall be the sole recipient, on behalf of the
13 State, of any waived qualified energy conservation bond
14 allocations. Qualified energy conservation bond
15 allocations can be reallocated to the Authority only by
16 voluntary waiver as provided in this Section.

17 (iii) In addition to the powers set forth in items (i)
18 and (ii), the Authority has any powers otherwise enjoyed by
19 the Authority in connection with the issuance of its bonds
20 if those powers are not in conflict with any provisions
21 with respect to qualified energy conservation bonds set
22 forth in ARRA.

23 (iv) The Authority has the power to adopt regulations
24 providing for the implementation of any of the provisions
25 contained in this Section, including the provisions
26 regarding waiver agreements and reallocation of all or any

1 portion of the allocation amount and sub-allocations and
2 the issuance of qualified energy conservation bonds;
3 except that those regulations shall not (1) provide any
4 waiver or reallocation of an affected local government's
5 sub-allocation other than a voluntary waiver as described
6 in subsection (c) or (2) be inconsistent with the
7 provisions of subsection (c)(i). Regulations adopted by
8 the Authority for determining reallocation of all or any
9 portion of a waived qualified energy conservation
10 allocation may include, but are not limited to, (1) the
11 ability of the county or municipality to issue qualified
12 energy conservation bonds by the end of a given calendar
13 year, (2) the amount of jobs that will be retained or
14 created, or both, by the qualifying project to be financed
15 by qualified energy conservation bonds, and (3) the
16 geographical proximity of the qualifying project to be
17 financed by qualified energy conservation bonds to a
18 municipality or county that reallocated its sub-allocation
19 to the Authority.

20 (d) Established dates for notice.

21 Any affected local government or regional authority that
22 has issued qualified energy conservation bonds on or before the
23 effective date of this Section must report its issuance of
24 qualified energy conservation bonds to the Authority within 30
25 days after the effective date of this Section. After the

1 effective date of this Section, any affected local government
2 or any regional authority must report its issuance of qualified
3 energy conservation bonds to the Authority not less than 30
4 days after those bonds are issued.

5 (e) Reports to the General Assembly.

6 Starting 60 days after the effective date of this Section
7 and ending when there is no longer any allocation amount, the
8 Authority shall file a report before the end ~~15th day~~ of each
9 fiscal year ~~month~~ with the General Assembly detailing its
10 implementation of this Section, including but not limited to
11 the dollar amount of the allocation amount that has been
12 reallocated by the Authority pursuant to this Section, the
13 qualified energy conservation bonds issued in the State as of
14 the date of the report, and descriptions of the qualifying
15 projects financed by those qualified energy conservation
16 bonds.

17 (Source: P.A. 96-1020, eff. 7-12-10.)

18 (20 ILCS 3501/830-10)

19 Sec. 830-10. (a) The Authority may ~~shall~~ establish a Farm
20 Debt Relief Program to help provide eligible Illinois farmers
21 with State assistance in meeting their farming-related debts.

22 (b) To be eligible for the program, a person must (1) be
23 actively engaged in farming in this State, (2) have
24 farming-related debts in an amount equal to at least 55% of the

1 person's total assets, and (3) demonstrate that he can secure
2 credit from a conventional lender for the 1986 crop year.

3 (c) An eligible person may apply to the Authority, in such
4 manner as the Authority may specify, for a one-time farm debt
5 relief payment of up to 2% of the person's outstanding
6 farming-related debt. If the Authority determines that the
7 applicant is eligible for a payment under this Section, it may
8 then approve a payment to the applicant. Such payment shall
9 consist of a payment made by the Authority directly to one or
10 more of the applicant's farming-related creditors, to be
11 applied to the reduction of the applicant's farming-related
12 debt. The applicant shall be entitled to select the creditor or
13 creditors to receive the payment, unless the applicant is
14 subject to the jurisdiction of a bankruptcy court, in which
15 case the selection of the court shall control.

16 (d) Payments shall be made from the Farm Emergency
17 Assistance Fund, which is hereby established as a special fund
18 in the State treasury, from funds appropriated to the Authority
19 for that purpose. No grant may exceed the lesser of (1) 2% of
20 the applicant's outstanding farm-related debt, or (2) \$2000.
21 Not more than one grant under this Section may be made to any
22 one person, or to any one household, or to any single farming
23 operation.

24 (e) Payments to applicants having farming-related debts in
25 an amount equal to at least 55% of the person's total assets,
26 but less than 70%, shall be repaid by the applicant to the

1 Authority for deposit into the Farm Emergency Assistance Fund
2 within five years from the date the payment was made. Repayment
3 shall be made in equal installments during the five-year period
4 with no additional interest charge and may be prepaid in whole
5 or in part at any time. Applicants having farming-related debts
6 in an amount equal to at least 70% of the person's total assets
7 shall not be required to make any repayment. Assets shall
8 include, but not be limited to, the following: cash crops or
9 feed on hand; livestock held for sale; breeding stock;
10 marketable bonds and securities; securities not readily
11 marketable; accounts receivable; notes receivable; cash
12 invested in growing crops; net cash value of life insurance;
13 machinery and equipment; cars and trucks; farm and other real
14 estate including life estates and personal residence; value of
15 beneficial interests in trusts; government payments or grants;
16 and any other assets. Debts shall include, but not be limited
17 to, the following: accounts payable; notes or other
18 indebtedness owed to any source; taxes; rent; amounts owed on
19 real estate contracts or real estate mortgages; judgments;
20 accrued interest payable; and any other liability.

21 (Source: P.A. 93-205, eff. 1-1-04.)

22 (20 ILCS 3501/830-15)

23 Sec. 830-15. Interest-buy-back program.

24 (a) The Authority may ~~shall~~ establish an interest-buy-back
25 program to subsidize the interest cost on certain loans to

1 Illinois farmers.

2 (b) To be eligible an applicant must (i) be a resident of
3 Illinois; (ii) be a principal operator of a farm or land; (iii)
4 derive at least 50% of annual gross income from farming; and
5 (iv) have a net worth of at least \$10,000. The Authority shall
6 establish minimum and maximum financial requirements, maximum
7 payment amounts, starting and ending dates for the program, and
8 other criteria.

9 (c) Lenders may apply on behalf of eligible applicants on
10 forms provided by the Authority. Lenders may submit requests
11 for payment on forms provided by the Authority. Lenders and
12 applicants shall be responsible for any fees or charges the
13 Authority may require.

14 (d) The Authority shall make payments to lenders from
15 available appropriations from the General Revenue Fund.

16 (Source: P.A. 93-205, eff. 1-1-04.)

17 Section 10. The Illinois Environmental Facilities
18 Financing Act is amended by changing Sections 2 and 3 and by
19 adding Section 7.5 as follows:

20 (20 ILCS 3515/2) (from Ch. 127, par. 722)

21 Sec. 2. Declaration of necessity and purpose - Liberal
22 construction. (a) The General Assembly finds:

23 (i) that environmental damage seriously endangers the
24 public health and welfare;

1 (ii) that such environmental damage results from air,
2 water, and other resource pollution and from public water
3 supply, solid waste disposal, noise, surface mining and other
4 environmental problems;

5 (iii) that to reduce, control and prevent such pollution
6 and problems, quality and land reclamation standards have been
7 established necessitating the employment of anti-pollution and
8 reclamation devices, equipment and facilities and stringent
9 time schedules have been and will be imposed for compliance
10 with such standards;

11 (iv) that it is desirable to provide additional and
12 alternative methods of financing the costs of the acquisition
13 and installation of the devices, equipment and facilities
14 required to comply with the quality and land reclamation
15 standards;

16 (v) that the alternative method of financing provided in
17 this Act is therefore in the public interest and serves a
18 public purpose in protecting and promoting the health and
19 welfare of the citizens of this state by reducing, controlling
20 and preventing environmental damage;

21 (vi) that it is desirable to promote the use of Illinois
22 coal in a manner that is consistent with air quality and land
23 reclamation standards; ~~and~~

24 (vii) that it is desirable to promote the use of
25 alternative methods for managing hazardous wastes and to
26 provide additional and alternative methods of financing the

1 costs of establishing the recycling, incineration, physical,
2 chemical and biological treatment, and other facilities
3 necessary to meet the requirements of the Environmental
4 Protection Act; and

5 (viii) that the environmental damage and pollution that
6 occurs within this State often results from sources in other
7 states, and that providing financing alternatives for
8 environmental facilities that are located outside the State
9 that are owned, operated, leased, managed by, or otherwise
10 affiliated with, institutions located within the State can
11 reduce, control, or prevent environmental damage and pollution
12 within this State.

13 (b) It is the purpose of this Act, as more specifically
14 described in later sections, to authorize the State authority
15 to acquire, construct, reconstruct, repair, alter, improve,
16 extend, own, finance, lease, sell and otherwise dispose of
17 pollution control and surface mined land reclamation
18 facilities to the end that the State authority may be able to
19 promote the health and welfare of the people of this State and
20 to vest such State authority with all powers to enable such
21 State authority to accomplish such purpose; it is not intended
22 by this Act that the State authority shall itself be authorized
23 to operate any such pollution control, hazardous waste
24 treatment or surface mined land reclamation facilities; nor
25 shall any such facilities be geographically located outside the
26 State of Illinois, except as otherwise provided in this Act. It

1 is the intent of the General Assembly that access to the
2 benefits of the financing herein provided for shall be equally
3 available to all persons.

4 (c) It is the intent of the General Assembly that the State
5 authority shall give special consideration to small businesses
6 as defined in paragraph (i) of Section 3 of this Act in
7 authorizing the issuance of bonds for the financing of
8 pollution control or hazardous waste treatment facilities in
9 order to assist small businesses in surviving the economic
10 burdens imposed by the required financing of such facilities.

11 (d) Notwithstanding paragraph (b) of this Section, it is
12 the intent of the General Assembly that with respect to
13 applications involving environmental facilities for new
14 coal-fired electric steam generating plants and new coal-fired
15 industrial boilers as defined in paragraph (j) of Section 3 of
16 this Act, the State authority shall only finance such
17 facilities where Illinois coal will be used as the primary
18 source of fuel. The Authority shall impose appropriate
19 financial penalties on any person who receives financing from
20 the State Authority for environmental facilities based on a
21 commitment to use Illinois coal as the primary source of fuel
22 at a new coal-fired electric utility steam generating plant or
23 new coal-fired industrial boiler and later uses a non-Illinois
24 coal as the primary source of fuel.

25 (e) It is the intent of the General Assembly that the
26 Authority give special consideration to projects which involve

1 a reduction in volume of hazardous waste products generated, or
2 the recycling, re-use, reclamation, or treatment of hazardous
3 waste.

4 (f) This Act shall be liberally construed to accomplish
5 the intentions expressed herein.

6 (Source: P.A. 83-1362; 83-1442.)

7 (20 ILCS 3515/3) (from Ch. 127, par. 723)

8 Sec. 3. Definitions. In this Act, unless the context
9 otherwise clearly requires, the terms used herein shall have
10 the meanings ascribed to them as follows:

11 (a) "Bonds" means any bonds, notes, debentures, temporary,
12 interim or permanent certificates of indebtedness or other
13 obligations evidencing indebtedness.

14 (b) "Directing body" means the members of the State
15 authority.

16 (c) "Environmental facility" or "facilities" means any
17 land, interest in land, building, structure, facility, system,
18 fixture, improvement, appurtenance, machinery, equipment or
19 any combination thereof, and all real and personal property
20 deemed necessary therewith, having to do with or the primary
21 purpose of which is, reducing, controlling or preventing
22 pollution, or reclaiming surface mined land. Environmental
23 facilities may be located anywhere in this State and may
24 include those facilities or processes used to (i) remove
25 potential pollutants from coal prior to combustion, (ii) reduce

1 the volume or composition of hazardous waste by changing or
2 replacing manufacturing equipment or processes, (iii) recycle
3 hazardous waste, or (iv) recover resources from hazardous
4 waste. Environmental facilities may also include (i) solar
5 collectors, solar storage mechanisms and solar energy systems,
6 as defined in Section 10-5 of the Property Tax Code; (ii)
7 facilities designed to collect, store, transfer, or
8 distribute, for residential, commercial or industrial use,
9 heat energy which is a by-product of industrial or energy
10 generation processes and which would otherwise be wasted; (iii)
11 facilities designed to remove pollutants from emissions that
12 result from the combustion of coal; and (iv) facilities for the
13 combustion of coal in a fluidized bed boiler. Environmental
14 facilities may be located outside of the State, provided that
15 the environmental facility must either (i) be owned, operated,
16 leased, or managed by an entity located within the State or an
17 entity affiliated with an entity located within the State or
18 (ii) substantially reduce, control, and prevent the
19 environmental damage and pollution within the State.
20 Environmental facilities include landfill gas recovery
21 facilities, as defined in the Illinois Environmental
22 Protection Act.

23 Environmental facilities do not include any land, interest
24 in land, buildings, structure, facility, system, fixture,
25 improvement, appurtenance, machinery, equipment or any
26 combination thereof, and all real and personal property deemed

1 necessary therewith, having to do with a hazardous waste
2 disposal site, except where such land, interest in land,
3 buildings, structure, facility, system, fixture, improvement,
4 appurtenance, machinery, equipment, real or personal property
5 are used for the management or recovery of gas generated by a
6 hazardous waste disposal site or are used for recycling,
7 reclamation, tank storage or treatment in tanks which occurs on
8 the same site as a hazardous waste disposal site.

9 (d) "Finance" or "financing" means the issuing of revenue
10 bonds pursuant to Section 9 of this Act by the State authority
11 for the purpose of using the proceeds to pay project costs for
12 an environmental or hazardous waste treatment facility
13 including one in or to which title at all times remains in a
14 person other than the State authority, in which case the bonds
15 of the Authority are secured by a pledge of one or more notes,
16 debentures, bonds or other obligations, secured or unsecured,
17 of any person.

18 (e) "Person" means any individual, partnership,
19 copartnership, firm, company, corporation (including public
20 utilities), association, joint stock company, trust, estate,
21 political subdivision, state agency, or any other legal entity,
22 or their legal representative, agent or assigns.

23 (f) "Pollution" means any form of environmental pollution
24 including, but not limited to, water pollution, air pollution,
25 land pollution, solid waste pollution, thermal pollution,
26 radiation contamination, or noise pollution as determined by

1 the various standards prescribed by this state or the federal
2 government and including but not limited to, anything which is
3 considered as pollution or environmental damage in the
4 Environmental Protection Act, approved June 29, 1970, as now or
5 hereafter amended.

6 (g) "Project costs" as applied to environmental or
7 hazardous waste treatment facilities financed under this Act
8 means and includes the sum total of all reasonable or necessary
9 costs incidental to the acquisition, construction,
10 reconstruction, repair, alteration, improvement and extension
11 of such environmental or hazardous waste treatment facilities
12 including without limitation the cost of studies and surveys;
13 plans, specifications, architectural and engineering services;
14 legal, organization, marketing or other special services;
15 financing, acquisition, demolition, construction, equipment
16 and site development of new and rehabilitated buildings;
17 rehabilitation, reconstruction, repair or remodeling of
18 existing buildings and all other necessary and incidental
19 expenses including an initial bond and interest reserve
20 together with interest on bonds issued to finance such
21 environmental or hazardous waste treatment facilities to a date
22 6 months subsequent to the estimated date of completion.

23 (h) "State authority" or "authority" means the Illinois
24 Finance Authority created by the Illinois Finance Authority
25 Act.

26 (i) "Small business" or "small businesses" means those

1 commercial and manufacturing entities which at the time of
2 their application to the authority meet those criteria, as
3 interpreted and applied by the State authority, for definition
4 as a "small business" established for the Small Business
5 Administration and set forth as Section 121.3-10 of Part 121 of
6 Title 13 of the Code of Federal Regulations as such Section is
7 in effect on the effective date of this amendatory Act of 1975.

8 (j) "New coal-fired electric utility steam generating
9 plants" and "new coal-fired industrial boilers" means those
10 plants and boilers on which construction begins after the
11 effective date of this amendatory Act of 1981.

12 (k) "Hazardous waste treatment facility" means any land,
13 interest in land, building, structure, facility, system,
14 fixture, improvement, appurtenance, machinery, equipment, or
15 any combination thereof, and all real and personal property
16 deemed necessary therewith, the primary purpose of which is to
17 recycle, incinerate, or physically, chemically, biologically
18 or otherwise treat hazardous wastes, or to reduce the
19 production of hazardous wastes by changing or replacing
20 manufacturing equipment or processes, and which meets the
21 requirements of the Environmental Protection Act and all
22 regulations adopted thereunder.

23 (l) The term "significant presence" means the existence
24 within the State of the national or regional headquarters of an
25 entity or group or such other facility of an entity or group of
26 entities where a significant amount of the business functions

1 are performed for such entity or group of entities.

2 (Source: P.A. 93-205, eff. 1-1-04.)

3 (20 ILCS 3515/7.5 new)

4 Sec. 7.5. Required findings for environmental facilities
5 located outside the State. The State authority may approve an
6 application to finance or refinance environmental facilities
7 located outside of the State only after it has made either of
8 the following findings with respect to such financing or
9 refinancing, all of which shall be deemed conclusive:

10 (1) that all of the following conditions exist:

11 (A) the entity financing or refinancing an
12 environmental facility located outside the State, or
13 an affiliate thereof, is also engaged in the financing
14 or refinancing of an environmental facility located
15 within the State or, alternately, the entity seeking
16 the financing or refinancing, or an affiliate thereof,
17 maintains a significant presence within the State;

18 (B) financing or refinancing the out-of-state
19 environmental facility would promote the interests of
20 the State for the benefit of the health, welfare,
21 safety, trade, commerce, industry, and economy of the
22 people of the State by reducing, controlling, or
23 preventing environmental damage and pollution within
24 the State or lowering the cost of environmental
25 facilities within the State by reducing the cost of

1 financing, refinancing, or operating environmental
2 facilities; and

3 (C) after giving effect to the financing or
4 refinancing of the out-of-state environmental
5 facility, the State authority shall have the ability to
6 issue at least an additional \$250,000,000 in bonds
7 under Section 9 of this Act; or

8 (2) that financing or refinancing the out-of-state
9 environmental facility will substantially reduce, control,
10 or prevent environmental damage within the State.

11 The State authority shall not provide financing or
12 refinancing for any project, or portion thereof, located
13 outside the boundaries of the United States of America.

14 Notwithstanding any other provision of this Act, the
15 Authority shall not provide financing or refinancing that uses
16 State volume cap under Section 146 of the Internal Revenue Code
17 of 1986, as amended, except as permitted under said Section
18 146, or constitutes an indebtedness or obligation, general or
19 moral, or a pledge of the full faith or loan of credit of the
20 State for any project, or portion thereof, that is located
21 outside of the State.

22 Section 13. The Illinois Power Agency Act is amended by
23 changing Section 1-10 as follows:

24 (20 ILCS 3855/1-10)

1 Sec. 1-10. Definitions.

2 "Agency" means the Illinois Power Agency.

3 "Agency loan agreement" means any agreement pursuant to
4 which the Illinois Finance Authority agrees to loan the
5 proceeds of revenue bonds issued with respect to a project to
6 the Agency upon terms providing for loan repayment installments
7 at least sufficient to pay when due all principal of, interest
8 and premium, if any, on those revenue bonds, and providing for
9 maintenance, insurance, and other matters in respect of the
10 project.

11 "Authority" means the Illinois Finance Authority.

12 "Clean coal facility" means an electric generating
13 facility that uses primarily coal as a feedstock and that
14 captures and sequesters carbon dioxide emissions at the
15 following levels: at least 50% of the total carbon dioxide
16 emissions that the facility would otherwise emit if, at the
17 time construction commences, the facility is scheduled to
18 commence operation before 2016, at least 70% of the total
19 carbon dioxide emissions that the facility would otherwise emit
20 if, at the time construction commences, the facility is
21 scheduled to commence operation during 2016 or 2017, and at
22 least 90% of the total carbon dioxide emissions that the
23 facility would otherwise emit if, at the time construction
24 commences, the facility is scheduled to commence operation
25 after 2017. The power block of the clean coal facility shall
26 not exceed allowable emission rates for sulfur dioxide,

1 nitrogen oxides, carbon monoxide, particulates and mercury for
2 a natural gas-fired combined-cycle facility the same size as
3 and in the same location as the clean coal facility at the time
4 the clean coal facility obtains an approved air permit. All
5 coal used by a clean coal facility shall have high volatile
6 bituminous rank and greater than 1.7 pounds of sulfur per
7 million btu content, unless the clean coal facility does not
8 use gasification technology and was operating as a conventional
9 coal-fired electric generating facility on June 1, 2009 (the
10 effective date of Public Act 95-1027).

11 "Clean coal SNG brownfield facility" means a facility that
12 (1) has commenced construction by July 1, 2015 on an urban
13 brownfield site in a municipality with at least 1,000,000
14 residents; (2) uses a gasification process to produce
15 substitute natural gas; (3) uses coal as at least 50% of the
16 total feedstock over the term of any sourcing agreement with a
17 utility and the remainder of the feedstock may be either
18 petroleum coke or coal, with all such coal having a high
19 bituminous rank and greater than 1.7 pounds of sulfur per
20 million Btu content unless the facility reasonably determines
21 that it is necessary to use additional petroleum coke to
22 deliver additional consumer savings, in which case the facility
23 shall use coal for at least 35% of the total feedstock over the
24 term of any sourcing agreement; and (4) captures and sequesters
25 at least 85% of the total carbon dioxide emissions that the
26 facility would otherwise emit.

1 "Clean coal SNG facility" means a facility that uses a
2 gasification process to produce substitute natural gas, that
3 sequesters at least 90% of the total carbon dioxide emissions
4 that the facility would otherwise emit, that uses at least 90%
5 coal as a feedstock, with all such coal having a high
6 bituminous rank and greater than 1.7 pounds of sulfur per
7 million btu content, and that has a valid and effective permit
8 to construct emission sources and air pollution control
9 equipment and approval with respect to the federal regulations
10 for Prevention of Significant Deterioration of Air Quality
11 (PSD) for the plant pursuant to the federal Clean Air Act;
12 provided, however, a clean coal SNG brownfield facility shall
13 not be a clean coal SNG facility.

14 "Commission" means the Illinois Commerce Commission.

15 "Costs incurred in connection with the development and
16 construction of a facility" means:

17 (1) the cost of acquisition of all real property,
18 fixtures, and improvements in connection therewith and
19 equipment, personal property, and other property, rights,
20 and easements acquired that are deemed necessary for the
21 operation and maintenance of the facility;

22 (2) financing costs with respect to bonds, notes, and
23 other evidences of indebtedness of the Agency;

24 (3) all origination, commitment, utilization,
25 facility, placement, underwriting, syndication, credit
26 enhancement, and rating agency fees;

1 (4) engineering, design, procurement, consulting,
2 legal, accounting, title insurance, survey, appraisal,
3 escrow, trustee, collateral agency, interest rate hedging,
4 interest rate swap, capitalized interest, contingency, as
5 required by lenders, and other financing costs, and other
6 expenses for professional services; and

7 (5) the costs of plans, specifications, site study and
8 investigation, installation, surveys, other Agency costs
9 and estimates of costs, and other expenses necessary or
10 incidental to determining the feasibility of any project,
11 together with such other expenses as may be necessary or
12 incidental to the financing, insuring, acquisition, and
13 construction of a specific project and starting up,
14 commissioning, and placing that project in operation.

15 "Department" means the Department of Commerce and Economic
16 Opportunity.

17 "Director" means the Director of the Illinois Power Agency.

18 "Demand-response" means measures that decrease peak
19 electricity demand or shift demand from peak to off-peak
20 periods.

21 "Distributed renewable energy generation device" means a
22 device that is:

23 (1) powered by wind, solar thermal energy,
24 photovoltaic cells and panels, biodiesel, crops and
25 untreated and unadulterated organic waste biomass, tree
26 waste, and hydropower that does not involve new

1 construction or significant expansion of hydropower dams;

2 (2) interconnected at the distribution system level of
3 either an electric utility as defined in this Section, an
4 alternative retail electric supplier as defined in Section
5 16-102 of the Public Utilities Act, a municipal utility as
6 defined in Section 3-105 of the Public Utilities Act, or a
7 rural electric cooperative as defined in Section 3-119 of
8 the Public Utilities Act;

9 (3) located on the customer side of the customer's
10 electric meter and is primarily used to offset that
11 customer's electricity load; and

12 (4) limited in nameplate capacity to no more than 2,000
13 kilowatts.

14 "Energy efficiency" means measures that reduce the amount
15 of electricity or natural gas required to achieve a given end
16 use. "Energy efficiency" also includes measures that reduce the
17 total Btus of electricity and natural gas needed to meet the
18 end use or uses.

19 "Electric utility" has the same definition as found in
20 Section 16-102 of the Public Utilities Act.

21 "Facility" means an electric generating unit or a
22 co-generating unit that produces electricity along with
23 related equipment necessary to connect the facility to an
24 electric transmission or distribution system.

25 "Governmental aggregator" means one or more units of local
26 government that individually or collectively procure

1 electricity to serve residential retail electrical loads
2 located within its or their jurisdiction.

3 "Local government" means a unit of local government as
4 defined in Section 1 of Article VII of the Illinois
5 Constitution.

6 "Municipality" means a city, village, or incorporated
7 town.

8 "Person" means any natural person, firm, partnership,
9 corporation, either domestic or foreign, company, association,
10 limited liability company, joint stock company, or association
11 and includes any trustee, receiver, assignee, or personal
12 representative thereof.

13 "Project" means the planning, bidding, and construction of
14 a facility.

15 "Public utility" has the same definition as found in
16 Section 3-105 of the Public Utilities Act.

17 "Real property" means any interest in land together with
18 all structures, fixtures, and improvements thereon, including
19 lands under water and riparian rights, any easements,
20 covenants, licenses, leases, rights-of-way, uses, and other
21 interests, together with any liens, judgments, mortgages, or
22 other claims or security interests related to real property.

23 "Renewable energy credit" means a tradable credit that
24 represents the environmental attributes of a certain amount of
25 energy produced from a renewable energy resource.

26 "Renewable energy resources" includes energy and its

1 associated renewable energy credit or renewable energy credits
2 from wind, solar thermal energy, photovoltaic cells and panels,
3 biodiesel, anaerobic digestion, crops and untreated and
4 unadulterated organic waste biomass, tree waste, hydropower
5 that does not involve new construction or significant expansion
6 of hydropower dams, and other alternative sources of
7 environmentally preferable energy. For purposes of this Act,
8 landfill gas produced in the State is considered a renewable
9 energy resource. "Renewable energy resources" does not include
10 the incineration or burning of tires, garbage, general
11 household, institutional, and commercial waste, industrial
12 lunchroom or office waste, landscape waste other than tree
13 waste, railroad crossties, utility poles, or construction or
14 demolition debris, other than untreated and unadulterated
15 waste wood.

16 "Revenue bond" means any bond, note, or other evidence of
17 indebtedness issued by the Authority, the principal and
18 interest of which is payable solely from revenues or income
19 derived from any project or activity of the Agency.

20 "Sequester" means permanent storage of carbon dioxide by
21 injecting it into a saline aquifer, a depleted gas reservoir,
22 or an oil reservoir, directly or through an enhanced oil
23 recovery process that may involve intermediate storage,
24 regardless of whether these activities are conducted by a clean
25 coal facility, a clean coal SNG facility, a clean coal SNG
26 brownfield facility, or a party with which a clean coal

1 facility, clean coal SNG facility, or clean coal SNG brownfield
2 facility has contracted for such purposes.

3 "Sourcing agreement" means (i) in the case of an electric
4 utility, an agreement between the owner of a clean coal
5 facility and such electric utility, which agreement shall have
6 terms and conditions meeting the requirements of paragraph (3)
7 of subsection (d) of Section 1-75, (ii) in the case of an
8 alternative retail electric supplier, an agreement between the
9 owner of a clean coal facility and such alternative retail
10 electric supplier, which agreement shall have terms and
11 conditions meeting the requirements of Section 16-115(d) (5) of
12 the Public Utilities Act, and (iii) in case of a gas utility,
13 an agreement between the owner of a clean coal SNG brownfield
14 facility and the gas utility, which agreement shall have the
15 terms and conditions meeting the requirements of subsection
16 (h-1) of Section 9-220 of the Public Utilities Act.

17 "Substitute natural gas" or "SNG" means a gas manufactured
18 by gasification of hydrocarbon feedstock, which is
19 substantially interchangeable in use and distribution with
20 conventional natural gas.

21 "Total resource cost test" or "TRC test" means a standard
22 that is met if, for an investment in energy efficiency or
23 demand-response measures, the benefit-cost ratio is greater
24 than one. The benefit-cost ratio is the ratio of the net
25 present value of the total benefits of the program to the net
26 present value of the total costs as calculated over the

1 lifetime of the measures. A total resource cost test compares
2 the sum of avoided electric utility costs, representing the
3 benefits that accrue to the system and the participant in the
4 delivery of those efficiency measures, as well as other
5 quantifiable societal benefits, including avoided natural gas
6 utility costs, to the sum of all incremental costs of end-use
7 measures that are implemented due to the program (including
8 both utility and participant contributions), plus costs to
9 administer, deliver, and evaluate each demand-side program, to
10 quantify the net savings obtained by substituting the
11 demand-side program for supply resources. In calculating
12 avoided costs of power and energy that an electric utility
13 would otherwise have had to acquire, reasonable estimates shall
14 be included of financial costs likely to be imposed by future
15 regulations and legislation on emissions of greenhouse gases.

16 (Source: P.A. 96-33, eff. 7-10-09; 96-159, eff. 8-10-09;
17 96-784, eff. 8-28-09; 96-1000, eff. 7-2-10; 97-96, eff.
18 7-13-11; 97-239, eff. 8-2-11; 97-491, eff. 8-22-11; 97-616,
19 eff. 10-26-11; 97-813, eff. 7-13-12.)

20 Section 15. The Illinois Procurement Code is amended by
21 changing Sections 1-10 and 53-25 as follows:

22 (30 ILCS 500/1-10)

23 Sec. 1-10. Application.

24 (a) This Code applies only to procurements for which

1 contractors were first solicited on or after July 1, 1998. This
2 Code shall not be construed to affect or impair any contract,
3 or any provision of a contract, entered into based on a
4 solicitation prior to the implementation date of this Code as
5 described in Article 99, including but not limited to any
6 covenant entered into with respect to any revenue bonds or
7 similar instruments. All procurements for which contracts are
8 solicited between the effective date of Articles 50 and 99 and
9 July 1, 1998 shall be substantially in accordance with this
10 Code and its intent.

11 (b) This Code shall apply regardless of the source of the
12 funds with which the contracts are paid, including federal
13 assistance moneys. This Code shall not apply to:

14 (1) Contracts between the State and its political
15 subdivisions or other governments, or between State
16 governmental bodies except as specifically provided in
17 this Code.

18 (2) Grants, except for the filing requirements of
19 Section 20-80.

20 (3) Purchase of care.

21 (4) Hiring of an individual as employee and not as an
22 independent contractor, whether pursuant to an employment
23 code or policy or by contract directly with that
24 individual.

25 (5) Collective bargaining contracts.

26 (6) Purchase of real estate, except that notice of this

1 type of contract with a value of more than \$25,000 must be
2 published in the Procurement Bulletin within 7 days after
3 the deed is recorded in the county of jurisdiction. The
4 notice shall identify the real estate purchased, the names
5 of all parties to the contract, the value of the contract,
6 and the effective date of the contract.

7 (7) Contracts necessary to prepare for anticipated
8 litigation, enforcement actions, or investigations,
9 provided that the chief legal counsel to the Governor shall
10 give his or her prior approval when the procuring agency is
11 one subject to the jurisdiction of the Governor, and
12 provided that the chief legal counsel of any other
13 procuring entity subject to this Code shall give his or her
14 prior approval when the procuring entity is not one subject
15 to the jurisdiction of the Governor.

16 (8) Contracts for services to Northern Illinois
17 University by a person, acting as an independent
18 contractor, who is qualified by education, experience, and
19 technical ability and is selected by negotiation for the
20 purpose of providing non-credit educational service
21 activities or products by means of specialized programs
22 offered by the university.

23 (9) Procurement expenditures by the Illinois
24 Conservation Foundation when only private funds are used.

25 (10) Procurement expenditures by the Illinois Health
26 Information Exchange Authority involving private funds

1 from the Health Information Exchange Fund. "Private funds"
2 means gifts, donations, and private grants.

3 (11) Public-private agreements entered into according
4 to the procurement requirements of Section 20 of the
5 Public-Private Partnerships for Transportation Act and
6 design-build agreements entered into according to the
7 procurement requirements of Section 25 of the
8 Public-Private Partnerships for Transportation Act.

9 (12) Contracts for legal, financial, and other
10 professional and artistic services entered into on or
11 before December 31, 2018 by the Illinois Finance Authority
12 in which the State of Illinois is not obligated. Such
13 contracts shall be awarded through a competitive process
14 authorized by the Board of the Illinois Finance Authority
15 and are subject to Sections 5-30, 20-160, 50-13, 50-20,
16 50-35, and 50-37 of this Code, as well as the final
17 approval by the Board of the Illinois Finance Authority of
18 the terms of the contract.

19 Notwithstanding any other provision of law, contracts
20 entered into under item (12) of this subsection (b) shall be
21 published in the Procurement Bulletin within 14 days after
22 contract execution. The chief procurement officer shall
23 prescribe the form and content of the notice. The Illinois
24 Finance Authority shall provide the chief procurement officer,
25 on a monthly basis, in the form and content prescribed by the
26 chief procurement officer, a report of contracts that are

1 related to the procurement of goods and services identified in
2 item (12) of this subsection (b). At a minimum, this report
3 shall include the name of the contractor, a description of the
4 supply or service provided, the total amount of the contract,
5 the term of the contract, and the exception to the Code
6 utilized. A copy of each of these contracts shall be made
7 available to the chief procurement officer immediately upon
8 request. The chief procurement officer shall submit a report to
9 the Governor and General Assembly no later than November 1 of
10 each year that shall include, at a minimum, an annual summary
11 of the monthly information reported to the chief procurement
12 officer.

13 (c) This Code does not apply to the electric power
14 procurement process provided for under Section 1-75 of the
15 Illinois Power Agency Act and Section 16-111.5 of the Public
16 Utilities Act.

17 (d) Except for Section 20-160 and Article 50 of this Code,
18 and as expressly required by Section 9.1 of the Illinois
19 Lottery Law, the provisions of this Code do not apply to the
20 procurement process provided for under Section 9.1 of the
21 Illinois Lottery Law.

22 (e) This Code does not apply to the process used by the
23 Capital Development Board to retain a person or entity to
24 assist the Capital Development Board with its duties related to
25 the determination of costs of a clean coal SNG brownfield
26 facility, as defined by Section 1-10 of the Illinois Power

1 Agency Act, as required in subsection (h-3) of Section 9-220 of
2 the Public Utilities Act, including calculating the range of
3 capital costs, the range of operating and maintenance costs, or
4 the sequestration costs or monitoring the construction of clean
5 coal SNG brownfield facility for the full duration of
6 construction.

7 (f) This Code does not apply to the process used by the
8 Illinois Power Agency to retain a mediator to mediate sourcing
9 agreement disputes between gas utilities and the clean coal SNG
10 brownfield facility, as defined in Section 1-10 of the Illinois
11 Power Agency Act, as required under subsection (h-1) of Section
12 9-220 of the Public Utilities Act.

13 (g) This Code does not apply to the processes used by the
14 Illinois Power Agency to retain a mediator to mediate contract
15 disputes between gas utilities and the clean coal SNG facility
16 and to retain an expert to assist in the review of contracts
17 under subsection (h) of Section 9-220 of the Public Utilities
18 Act. This Code does not apply to the process used by the
19 Illinois Commerce Commission to retain an expert to assist in
20 determining the actual incurred costs of the clean coal SNG
21 facility and the reasonableness of those costs as required
22 under subsection (h) of Section 9-220 of the Public Utilities
23 Act.

24 (h) This Code does not apply to the process to procure or
25 contracts entered into in accordance with Sections 11-5.2 and
26 11-5.3 of the Illinois Public Aid Code.

1 (i) ~~(h)~~ Each chief procurement officer may access records
2 necessary to review whether a contract, purchase, or other
3 expenditure is or is not subject to the provisions of this
4 Code, unless such records would be subject to attorney-client
5 privilege.

6 (Source: P.A. 96-840, eff. 12-23-09; 96-1331, eff. 7-27-10;
7 97-96, eff. 7-13-11; 97-239, eff. 8-2-11; 97-502, eff. 8-23-11;
8 97-689, eff. 6-14-12; 97-813, eff. 7-13-12; 97-895, eff.
9 8-3-12; revised 8-23-12.)

10 (30 ILCS 500/53-25)

11 Sec. 53-25. Public institutions of higher education.

12 (a) Each public institution of higher education may enter
13 into concessions, including the assignment, license, sale, or
14 transfer of interests in or rights to discoveries, inventions,
15 patents, or copyrightable works, for property, whether
16 tangible or intangible, over which it has jurisdiction.
17 Concessions shall be reduced to writing and shall be awarded at
18 the discretion of the institution with jurisdiction over the
19 property. ~~The duration and terms of concessions and leases~~
20 ~~shall be at the discretion of the institution with jurisdiction~~
21 ~~over the property.~~ Notice of the award of a concession shall be
22 published in the higher education volume of the Illinois
23 Procurement Bulletin.

24 (b) The duration and terms of concessions and leases for
25 personal property shall be at the discretion of the institution

1 with jurisdiction over the property.

2 (c) Notwithstanding any other provision of law, if the
3 Illinois Finance Authority issues bonds for the financing of
4 buildings, structures, or facilities that are determined by the
5 governing board of a public institution of higher education to
6 be either required by or necessary for the use or benefit of
7 that public institution of higher education, then the duration
8 of any lease for real property entered into by that public
9 institution of higher education, as lessee or lessor, in
10 connection with the issuance of those bonds shall be at the
11 discretion of that public institution of higher education.

12 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

13 Section 20. The Illinois Municipal Code is amended by
14 changing Section 11-20-12 as follows:

15 (65 ILCS 5/11-20-12) (from Ch. 24, par. 11-20-12)

16 Sec. 11-20-12. Removal of infected trees.

17 (a) The corporate authorities of each municipality may
18 provide for the treatment or removal of elm trees infected with
19 Dutch elm disease or ash trees infected with the emerald ash
20 borer (*Agrilus planipennis* Fairmaire) from any parcel of
21 private property within the municipality if the owners of that
22 parcel, after reasonable notice, refuse or neglect to treat or
23 remove the infected trees. The municipality may collect, from
24 the owners of the parcel, the reasonable removal cost.

1 (b) The municipality's removal cost under this Section is a
2 lien upon the underlying parcel in accordance with Section
3 11-20-15.

4 (c) For the purpose of this Section, "removal cost" means
5 the total cost of the removal of the infected trees.
6 "Treatment" means the administration, by environmentally
7 sensitive processes and methods, of products and materials
8 proven by academic research to protect elm and ash trees from
9 an invasive disease in order to prevent or reverse the damage
10 and preserve the trees.

11 (d) In the case of an abandoned residential property as
12 defined in Section 11-20-15.1, the municipality may elect to
13 obtain a lien for the removal cost pursuant to Section
14 11-20-15.1, in which case the provisions of Section 11-20-15.1
15 shall be the exclusive remedy for the removal cost.

16 The provisions of this subsection (d), other than this
17 sentence, are inoperative upon certification by the Secretary
18 of the Illinois Department of Financial and Professional
19 Regulation, after consultation with the United States
20 Department of Housing and Urban Development, that the Mortgage
21 Electronic Registration System program is effectively
22 registering substantially all mortgaged residential properties
23 located in the State of Illinois, is available for access by
24 all municipalities located in the State of Illinois without
25 charge to them, and such registration includes the telephone
26 number for the mortgage servicer.

1 (Source: P.A. 95-183, eff. 8-14-07; 96-462, eff. 8-14-09;
2 96-856, eff. 3-1-10.)

3 Section 25. The Public Utilities Act is amended by changing
4 Sections 8-103 and 8-104 as follows:

5 (220 ILCS 5/8-103)

6 Sec. 8-103. Energy efficiency and demand-response
7 measures.

8 (a) It is the policy of the State that electric utilities
9 are required to use cost-effective energy efficiency and
10 demand-response measures to reduce delivery load. Requiring
11 investment in cost-effective energy efficiency and
12 demand-response measures will reduce direct and indirect costs
13 to consumers by decreasing environmental impacts and by
14 avoiding or delaying the need for new generation, transmission,
15 and distribution infrastructure. It serves the public interest
16 to allow electric utilities to recover costs for reasonably and
17 prudently incurred expenses for energy efficiency and
18 demand-response measures. As used in this Section,
19 "cost-effective" means that the measures satisfy the total
20 resource cost test. The low-income measures described in
21 subsection (f) (4) of this Section shall not be required to meet
22 the total resource cost test. For purposes of this Section, the
23 terms "energy-efficiency", "demand-response", "electric
24 utility", and "total resource cost test" shall have the

1 meanings set forth in the Illinois Power Agency Act. For
2 purposes of this Section, the amount per kilowatthour means the
3 total amount paid for electric service expressed on a per
4 kilowatthour basis. For purposes of this Section, the total
5 amount paid for electric service includes without limitation
6 estimated amounts paid for supply, transmission, distribution,
7 surcharges, and add-on-taxes.

8 (b) Electric utilities shall implement cost-effective
9 energy efficiency measures to meet the following incremental
10 annual energy savings goals:

11 (1) 0.2% of energy delivered in the year commencing
12 June 1, 2008;

13 (2) 0.4% of energy delivered in the year commencing
14 June 1, 2009;

15 (3) 0.6% of energy delivered in the year commencing
16 June 1, 2010;

17 (4) 0.8% of energy delivered in the year commencing
18 June 1, 2011;

19 (5) 1% of energy delivered in the year commencing June
20 1, 2012;

21 (6) 1.4% of energy delivered in the year commencing
22 June 1, 2013;

23 (7) 1.8% of energy delivered in the year commencing
24 June 1, 2014; and

25 (8) 2% of energy delivered in the year commencing June
26 1, 2015 and each year thereafter.

1 Electric utilities may comply with this subsection (b) by
2 meeting the annual incremental savings goal in the applicable
3 year or by showing that the total cumulative annual savings
4 within a 3-year planning period associated with measures
5 implemented after May 31, 2014 was equal to the sum of each
6 annual incremental savings requirement from May 31, 2014
7 through the end of the applicable year.

8 (c) Electric utilities shall implement cost-effective
9 demand-response measures to reduce peak demand by 0.1% over the
10 prior year for eligible retail customers, as defined in Section
11 16-111.5 of this Act, and for customers that elect hourly
12 service from the utility pursuant to Section 16-107 of this
13 Act, provided those customers have not been declared
14 competitive. This requirement commences June 1, 2008 and
15 continues for 10 years.

16 (d) Notwithstanding the requirements of subsections (b)
17 and (c) of this Section, an electric utility shall reduce the
18 amount of energy efficiency and demand-response measures
19 implemented over a 3-year planning period ~~in any single year~~ by
20 an amount necessary to limit the estimated average annual
21 increase in the amounts paid by retail customers in connection
22 with electric service due to the cost of those measures to:

23 (1) in 2008, no more than 0.5% of the amount paid per
24 kilowatthour by those customers during the year ending May
25 31, 2007;

26 (2) in 2009, the greater of an additional 0.5% of the

1 amount paid per kilowatthour by those customers during the
2 year ending May 31, 2008 or 1% of the amount paid per
3 kilowatthour by those customers during the year ending May
4 31, 2007;

5 (3) in 2010, the greater of an additional 0.5% of the
6 amount paid per kilowatthour by those customers during the
7 year ending May 31, 2009 or 1.5% of the amount paid per
8 kilowatthour by those customers during the year ending May
9 31, 2007;

10 (4) in 2011, the greater of an additional 0.5% of the
11 amount paid per kilowatthour by those customers during the
12 year ending May 31, 2010 or 2% of the amount paid per
13 kilowatthour by those customers during the year ending May
14 31, 2007; and

15 (5) thereafter, the amount of energy efficiency and
16 demand-response measures implemented for any single year
17 shall be reduced by an amount necessary to limit the
18 estimated average net increase due to the cost of these
19 measures included in the amounts paid by eligible retail
20 customers in connection with electric service to no more
21 than the greater of 2.015% of the amount paid per
22 kilowatthour by those customers during the year ending May
23 31, 2007 or the incremental amount per kilowatthour paid
24 for these measures in 2011.

25 No later than June 30, 2011, the Commission shall review
26 the limitation on the amount of energy efficiency and

1 demand-response measures implemented pursuant to this Section
2 and report to the General Assembly its findings as to whether
3 that limitation unduly constrains the procurement of energy
4 efficiency and demand-response measures.

5 (e) Electric utilities shall be responsible for overseeing
6 the design, development, and filing of energy efficiency and
7 demand-response plans with the Commission. Electric utilities
8 shall implement 100% of the demand-response measures in the
9 plans. Electric utilities shall implement 75% of the energy
10 efficiency measures approved by the Commission, and may, as
11 part of that implementation, outsource various aspects of
12 program development and implementation. The remaining 25% of
13 those energy efficiency measures approved by the Commission
14 shall be implemented by the Department of Commerce and Economic
15 Opportunity, and must be designed in conjunction with the
16 utility and the filing process. The Department may outsource
17 development and implementation of energy efficiency measures.
18 A minimum of 10% of the entire portfolio of cost-effective
19 energy efficiency measures shall be procured from units of
20 local government, municipal corporations, school districts,
21 and community college districts. The Department shall
22 coordinate the implementation of these measures.

23 The apportionment of the dollars to cover the costs to
24 implement the Department's share of the portfolio of energy
25 efficiency measures shall be made to the Department once the
26 Department has executed rebate agreements, grants, or

1 contracts for energy efficiency measures and provided
2 supporting documentation for those rebate agreements, grants,
3 and contracts to the utility. The Department is authorized to
4 adopt any rules necessary and prescribe procedures in order to
5 ensure compliance by applicants in carrying out the purposes of
6 rebate agreements for energy efficiency measures implemented
7 by the Department made under this Section.

8 The details of the measures implemented by the Department
9 shall be submitted by the Department to the Commission in
10 connection with the utility's filing regarding the energy
11 efficiency and demand-response measures that the utility
12 implements.

13 A utility providing approved energy efficiency and
14 demand-response measures in the State shall be permitted to
15 recover costs of those measures through an automatic adjustment
16 clause tariff filed with and approved by the Commission. The
17 tariff shall be established outside the context of a general
18 rate case. Each year the Commission shall initiate a review to
19 reconcile any amounts collected with the actual costs and to
20 determine the required adjustment to the annual tariff factor
21 to match annual expenditures.

22 Each utility shall include, in its recovery of costs, the
23 costs estimated for both the utility's and the Department's
24 implementation of energy efficiency and demand-response
25 measures. Costs collected by the utility for measures
26 implemented by the Department shall be submitted to the

1 Department pursuant to Section 605-323 of the Civil
2 Administrative Code of Illinois, shall be deposited into the
3 Energy Efficiency Portfolio Standards Fund, and shall be used
4 by the Department solely for the purpose of implementing these
5 measures. A utility shall not be required to advance any moneys
6 to the Department but only to forward such funds as it has
7 collected. The Department shall report to the Commission on an
8 annual basis regarding the costs actually incurred by the
9 Department in the implementation of the measures. Any changes
10 to the costs of energy efficiency measures as a result of plan
11 modifications shall be appropriately reflected in amounts
12 recovered by the utility and turned over to the Department.

13 The portfolio of measures, administered by both the
14 utilities and the Department, shall, in combination, be
15 designed to achieve the annual savings targets described in
16 subsections (b) and (c) of this Section, as modified by
17 subsection (d) of this Section.

18 The utility and the Department shall agree upon a
19 reasonable portfolio of measures and determine the measurable
20 corresponding percentage of the savings goals associated with
21 measures implemented by the utility or Department.

22 No utility shall be assessed a penalty under subsection (f)
23 of this Section for failure to make a timely filing if that
24 failure is the result of a lack of agreement with the
25 Department with respect to the allocation of responsibilities
26 or related costs or target assignments. In that case, the

1 Department and the utility shall file their respective plans
2 with the Commission and the Commission shall determine an
3 appropriate division of measures and programs that meets the
4 requirements of this Section.

5 If the Department is unable to meet incremental annual
6 performance goals for the portion of the portfolio implemented
7 by the Department, then the utility and the Department shall
8 jointly submit a modified filing to the Commission explaining
9 the performance shortfall and recommending an appropriate
10 course going forward, including any program modifications that
11 may be appropriate in light of the evaluations conducted under
12 item (7) of subsection (f) of this Section. In this case, the
13 utility obligation to collect the Department's costs and turn
14 over those funds to the Department under this subsection (e)
15 shall continue only if the Commission approves the
16 modifications to the plan proposed by the Department.

17 (f) No later than November 15, 2007, each electric utility
18 shall file an energy efficiency and demand-response plan with
19 the Commission to meet the energy efficiency and
20 demand-response standards for 2008 through 2010. No later than
21 October 1, 2010, each electric utility shall file an energy
22 efficiency and demand-response plan with the Commission to meet
23 the energy efficiency and demand-response standards for 2011
24 through 2013. Every 3 years thereafter, each electric utility
25 shall file, no later than September 1, an energy efficiency and
26 demand-response plan with the Commission. If a utility does not

1 file such a plan by September 1 of an applicable year, it shall
2 face a penalty of \$100,000 per day until the plan is filed.
3 Each utility's plan shall set forth the utility's proposals to
4 meet the utility's portion of the energy efficiency standards
5 identified in subsection (b) and the demand-response standards
6 identified in subsection (c) of this Section as modified by
7 subsections (d) and (e), taking into account the unique
8 circumstances of the utility's service territory. The
9 Commission shall seek public comment on the utility's plan and
10 shall issue an order approving or disapproving each plan within
11 5 months after its submission. If the Commission disapproves a
12 plan, the Commission shall, within 30 days, describe in detail
13 the reasons for the disapproval and describe a path by which
14 the utility may file a revised draft of the plan to address the
15 Commission's concerns satisfactorily. If the utility does not
16 refile with the Commission within 60 days, the utility shall be
17 subject to penalties at a rate of \$100,000 per day until the
18 plan is filed. This process shall continue, and penalties shall
19 accrue, until the utility has successfully filed a portfolio of
20 energy efficiency and demand-response measures. Penalties
21 shall be deposited into the Energy Efficiency Trust Fund. In
22 submitting proposed energy efficiency and demand-response
23 plans and funding levels to meet the savings goals adopted by
24 this Act the utility shall:

25 (1) Demonstrate that its proposed energy efficiency
26 and demand-response measures will achieve the requirements

1 that are identified in subsections (b) and (c) of this
2 Section, as modified by subsections (d) and (e).

3 (2) Present specific proposals to implement new
4 building and appliance standards that have been placed into
5 effect.

6 (3) Present estimates of the total amount paid for
7 electric service expressed on a per kilowatthour basis
8 associated with the proposed portfolio of measures
9 designed to meet the requirements that are identified in
10 subsections (b) and (c) of this Section, as modified by
11 subsections (d) and (e).

12 (4) Coordinate with the Department to present a
13 portfolio of energy efficiency measures proportionate to
14 the share of total annual utility revenues in Illinois from
15 households at or below 150% of the poverty level. The
16 energy efficiency programs shall be targeted to households
17 with incomes at or below 80% of area median income.

18 (5) Demonstrate that its overall portfolio of energy
19 efficiency and demand-response measures, not including
20 programs covered by item (4) of this subsection (f), are
21 cost-effective using the total resource cost test and
22 represent a diverse cross-section of opportunities for
23 customers of all rate classes to participate in the
24 programs.

25 (6) Include a proposed cost-recovery tariff mechanism
26 to fund the proposed energy efficiency and demand-response

1 measures and to ensure the recovery of the prudently and
2 reasonably incurred costs of Commission-approved programs.

3 (7) Provide for an annual independent evaluation of the
4 performance of the cost-effectiveness of the utility's
5 portfolio of measures and the Department's portfolio of
6 measures, as well as a full review of the 3-year results of
7 the broader net program impacts and, to the extent
8 practical, for adjustment of the measures on a
9 going-forward basis as a result of the evaluations. The
10 resources dedicated to evaluation shall not exceed 3% of
11 portfolio resources in any given year.

12 (g) No more than 3% of energy efficiency and
13 demand-response program revenue may be allocated for
14 demonstration of breakthrough equipment and devices.

15 (h) This Section does not apply to an electric utility that
16 on December 31, 2005 provided electric service to fewer than
17 100,000 customers in Illinois.

18 (i) If, after 2 years, an electric utility fails to meet
19 the efficiency standard specified in subsection (b) of this
20 Section, as modified by subsections (d) and (e), it shall make
21 a contribution to the Low-Income Home Energy Assistance
22 Program. The combined total liability for failure to meet the
23 goal shall be \$1,000,000, which shall be assessed as follows: a
24 large electric utility shall pay \$665,000, and a medium
25 electric utility shall pay \$335,000. If, after 3 years, an
26 electric utility fails to meet the efficiency standard

1 specified in subsection (b) of this Section, as modified by
2 subsections (d) and (e), it shall make a contribution to the
3 Low-Income Home Energy Assistance Program. The combined total
4 liability for failure to meet the goal shall be \$1,000,000,
5 which shall be assessed as follows: a large electric utility
6 shall pay \$665,000, and a medium electric utility shall pay
7 \$335,000. In addition, the responsibility for implementing the
8 energy efficiency measures of the utility making the payment
9 shall be transferred to the Illinois Power Agency if, after 3
10 years, or in any subsequent 3-year period, the utility fails to
11 meet the efficiency standard specified in subsection (b) of
12 this Section, as modified by subsections (d) and (e). The
13 Agency shall implement a competitive procurement program to
14 procure resources necessary to meet the standards specified in
15 this Section as modified by subsections (d) and (e), with costs
16 for those resources to be recovered in the same manner as
17 products purchased through the procurement plan as provided in
18 Section 16-111.5. The Director shall implement this
19 requirement in connection with the procurement plan as provided
20 in Section 16-111.5.

21 For purposes of this Section, (i) a "large electric
22 utility" is an electric utility that, on December 31, 2005,
23 served more than 2,000,000 electric customers in Illinois; (ii)
24 a "medium electric utility" is an electric utility that, on
25 December 31, 2005, served 2,000,000 or fewer but more than
26 100,000 electric customers in Illinois; and (iii) Illinois

1 electric utilities that are affiliated by virtue of a common
2 parent company are considered a single electric utility.

3 (j) If, after 3 years, or any subsequent 3-year period, the
4 Department fails to implement the Department's share of energy
5 efficiency measures required by the standards in subsection
6 (b), then the Illinois Power Agency may assume responsibility
7 for and control of the Department's share of the required
8 energy efficiency measures. The Agency shall implement a
9 competitive procurement program to procure resources necessary
10 to meet the standards specified in this Section, with the costs
11 of these resources to be recovered in the same manner as
12 provided for the Department in this Section.

13 (k) No electric utility shall be deemed to have failed to
14 meet the energy efficiency standards to the extent any such
15 failure is due to a failure of the Department or the Agency.

16 (Source: P.A. 96-33, eff. 7-10-09; 96-159, eff. 8-10-09;
17 96-1000, eff. 7-2-10; 97-616, eff. 10-26-11; 97-841, eff.
18 7-20-12.)

19 (220 ILCS 5/8-104)

20 Sec. 8-104. Natural gas energy efficiency programs.

21 (a) It is the policy of the State that natural gas
22 utilities and the Department of Commerce and Economic
23 Opportunity are required to use cost-effective energy
24 efficiency to reduce direct and indirect costs to consumers. It
25 serves the public interest to allow natural gas utilities to

1 recover costs for reasonably and prudently incurred expenses
2 for cost-effective energy efficiency measures.

3 (b) For purposes of this Section, "energy efficiency" means
4 measures that reduce the amount of energy required to achieve a
5 given end use. "Energy efficiency" also includes measures that
6 reduce the total Btus of electricity and natural gas needed to
7 meet the end use or uses. "Cost-effective" and ~~"cost-effective"~~
8 means that the measures satisfy the total resource cost test
9 which, for purposes of this Section, means a standard that is
10 met if, for an investment in energy efficiency, the
11 benefit-cost ratio is greater than one. The benefit-cost ratio
12 is the ratio of the net present value of the total benefits of
13 the measures to the net present value of the total costs as
14 calculated over the lifetime of the measures. The total
15 resource cost test compares the sum of avoided natural gas
16 utility costs, representing the benefits that accrue to the
17 system and the participant in the delivery of those efficiency
18 measures, as well as other quantifiable societal benefits,
19 including avoided electric utility costs, to the sum of all
20 incremental costs of end use measures (including both utility
21 and participant contributions), plus costs to administer,
22 deliver, and evaluate each demand-side measure, to quantify the
23 net savings obtained by substituting demand-side measures for
24 supply resources. In calculating avoided costs, reasonable
25 estimates shall be included for financial costs likely to be
26 imposed by future regulation of emissions of greenhouse gases.

1 The low-income programs described in item (4) of subsection (f)
2 of this Section shall not be required to meet the total
3 resource cost test.

4 (c) Natural gas utilities shall implement cost-effective
5 energy efficiency measures to meet at least the following
6 natural gas savings requirements, which shall be based upon the
7 total amount of gas delivered to retail customers, other than
8 the customers described in subsection (m) of this Section,
9 during calendar year 2009 multiplied by the applicable
10 percentage. Natural gas utilities may comply with this Section
11 by meeting the annual incremental savings goal in the
12 applicable year or by showing that total cumulative annual
13 savings within a 3-year planning period associated with
14 measures implemented after May 31, 2011 were equal to the sum
15 of each annual incremental savings requirement from May 31,
16 2011 through the end of the applicable year:

17 (1) 0.2% by May 31, 2012;

18 (2) an additional 0.4% by May 31, 2013, increasing
19 total savings to .6%;

20 (3) an additional 0.6% by May 31, 2014, increasing
21 total savings to 1.2%;

22 (4) an additional 0.8% by May 31, 2015, increasing
23 total savings to 2.0%;

24 (5) an additional 1% by May 31, 2016, increasing total
25 savings to 3.0%;

26 (6) an additional 1.2% by May 31, 2017, increasing

1 total savings to 4.2%;

2 (7) an additional 1.4% by May 31, 2018, increasing
3 total savings to 5.6%;

4 (8) an additional 1.5% by May 31, 2019, increasing
5 total savings to 7.1%; and

6 (9) an additional 1.5% in each 12-month period
7 thereafter.

8 (d) Notwithstanding the requirements of subsection (c) of
9 this Section, a natural gas utility shall limit the amount of
10 energy efficiency implemented in any 3-year reporting period
11 established by subsection (f) of Section 8-104 of this Act, by
12 an amount necessary to limit the estimated average increase in
13 the amounts paid by retail customers in connection with natural
14 gas service to no more than 2% in the applicable 3-year
15 reporting period. The energy savings requirements in
16 subsection (c) of this Section may be reduced by the Commission
17 for the subject plan, if the utility demonstrates by
18 substantial evidence that it is highly unlikely that the
19 requirements could be achieved without exceeding the
20 applicable spending limits in any 3-year reporting period. No
21 later than September 1, 2013, the Commission shall review the
22 limitation on the amount of energy efficiency measures
23 implemented pursuant to this Section and report to the General
24 Assembly, in the report required by subsection (k) of this
25 Section, its findings as to whether that limitation unduly
26 constrains the procurement of energy efficiency measures.

1 (e) Natural gas utilities shall be responsible for
2 overseeing the design, development, and filing of their
3 efficiency plans with the Commission. The utility shall utilize
4 75% of the available funding associated with energy efficiency
5 programs approved by the Commission, and may outsource various
6 aspects of program development and implementation. The
7 remaining 25% of available funding shall be used by the
8 Department of Commerce and Economic Opportunity to implement
9 energy efficiency measures that achieve no less than 20% of the
10 requirements of subsection (c) of this Section. Such measures
11 shall be designed in conjunction with the utility and approved
12 by the Commission. The Department may outsource development and
13 implementation of energy efficiency measures. A minimum of 10%
14 of the entire portfolio of cost-effective energy efficiency
15 measures shall be procured from local government, municipal
16 corporations, school districts, and community college
17 districts. Five percent of the entire portfolio of
18 cost-effective energy efficiency measures may be granted to
19 local government and municipal corporations for market
20 transformation initiatives. The Department shall coordinate
21 the implementation of these measures and shall integrate
22 delivery of natural gas efficiency programs with electric
23 efficiency programs delivered pursuant to Section 8-103 of this
24 Act, unless the Department can show that integration is not
25 feasible.

26 The apportionment of the dollars to cover the costs to

1 implement the Department's share of the portfolio of energy
2 efficiency measures shall be made to the Department once the
3 Department has executed rebate agreements, grants, or
4 contracts for energy efficiency measures and provided
5 supporting documentation for those rebate agreements, grants,
6 and contracts to the utility. The Department is authorized to
7 adopt any rules necessary and prescribe procedures in order to
8 ensure compliance by applicants in carrying out the purposes of
9 rebate agreements for energy efficiency measures implemented
10 by the Department made under this Section.

11 The details of the measures implemented by the Department
12 shall be submitted by the Department to the Commission in
13 connection with the utility's filing regarding the energy
14 efficiency measures that the utility implements.

15 A utility providing approved energy efficiency measures in
16 this State shall be permitted to recover costs of those
17 measures through an automatic adjustment clause tariff filed
18 with and approved by the Commission. The tariff shall be
19 established outside the context of a general rate case and
20 shall be applicable to the utility's customers other than the
21 customers described in subsection (m) of this Section. Each
22 year the Commission shall initiate a review to reconcile any
23 amounts collected with the actual costs and to determine the
24 required adjustment to the annual tariff factor to match annual
25 expenditures.

26 Each utility shall include, in its recovery of costs, the

1 costs estimated for both the utility's and the Department's
2 implementation of energy efficiency measures. Costs collected
3 by the utility for measures implemented by the Department shall
4 be submitted to the Department pursuant to Section 605-323 of
5 the Civil Administrative Code of Illinois, shall be deposited
6 into the Energy Efficiency Portfolio Standards Fund, and shall
7 be used by the Department solely for the purpose of
8 implementing these measures. A utility shall not be required to
9 advance any moneys to the Department but only to forward such
10 funds as it has collected. The Department shall report to the
11 Commission on an annual basis regarding the costs actually
12 incurred by the Department in the implementation of the
13 measures. Any changes to the costs of energy efficiency
14 measures as a result of plan modifications shall be
15 appropriately reflected in amounts recovered by the utility and
16 turned over to the Department.

17 The portfolio of measures, administered by both the
18 utilities and the Department, shall, in combination, be
19 designed to achieve the annual energy savings requirements set
20 forth in subsection (c) of this Section, as modified by
21 subsection (d) of this Section.

22 The utility and the Department shall agree upon a
23 reasonable portfolio of measures and determine the measurable
24 corresponding percentage of the savings goals associated with
25 measures implemented by the Department.

26 No utility shall be assessed a penalty under subsection (f)

1 of this Section for failure to make a timely filing if that
2 failure is the result of a lack of agreement with the
3 Department with respect to the allocation of responsibilities
4 or related costs or target assignments. In that case, the
5 Department and the utility shall file their respective plans
6 with the Commission and the Commission shall determine an
7 appropriate division of measures and programs that meets the
8 requirements of this Section.

9 If the Department is unable to meet performance
10 requirements for the portion of the portfolio implemented by
11 the Department, then the utility and the Department shall
12 jointly submit a modified filing to the Commission explaining
13 the performance shortfall and recommending an appropriate
14 course going forward, including any program modifications that
15 may be appropriate in light of the evaluations conducted under
16 item (8) of subsection (f) of this Section. In this case, the
17 utility obligation to collect the Department's costs and turn
18 over those funds to the Department under this subsection (e)
19 shall continue only if the Commission approves the
20 modifications to the plan proposed by the Department.

21 (f) No later than October 1, 2010, each gas utility shall
22 file an energy efficiency plan with the Commission to meet the
23 energy efficiency standards through May 31, 2014. Every 3 years
24 thereafter, each utility shall file, no later than October 1,
25 an energy efficiency plan with the Commission. If a utility
26 does not file such a plan by October 1 of the applicable year,

1 then it shall face a penalty of \$100,000 per day until the plan
2 is filed. Each utility's plan shall set forth the utility's
3 proposals to meet the utility's portion of the energy
4 efficiency standards identified in subsection (c) of this
5 Section, as modified by subsection (d) of this Section, taking
6 into account the unique circumstances of the utility's service
7 territory. The Commission shall seek public comment on the
8 utility's plan and shall issue an order approving or
9 disapproving each plan. If the Commission disapproves a plan,
10 the Commission shall, within 30 days, describe in detail the
11 reasons for the disapproval and describe a path by which the
12 utility may file a revised draft of the plan to address the
13 Commission's concerns satisfactorily. If the utility does not
14 refile with the Commission within 60 days after the
15 disapproval, the utility shall be subject to penalties at a
16 rate of \$100,000 per day until the plan is filed. This process
17 shall continue, and penalties shall accrue, until the utility
18 has successfully filed a portfolio of energy efficiency
19 measures. Penalties shall be deposited into the Energy
20 Efficiency Trust Fund and the cost of any such penalties may
21 not be recovered from ratepayers. In submitting proposed energy
22 efficiency plans and funding levels to meet the savings goals
23 adopted by this Act the utility shall:

- 24 (1) Demonstrate that its proposed energy efficiency
25 measures will achieve the requirements that are identified
26 in subsection (c) of this Section, as modified by

1 subsection (d) of this Section.

2 (2) Present specific proposals to implement new
3 building and appliance standards that have been placed into
4 effect.

5 (3) Present estimates of the total amount paid for gas
6 service expressed on a per therm basis associated with the
7 proposed portfolio of measures designed to meet the
8 requirements that are identified in subsection (c) of this
9 Section, as modified by subsection (d) of this Section.

10 (4) Coordinate with the Department to present a
11 portfolio of energy efficiency measures proportionate to
12 the share of total annual utility revenues in Illinois from
13 households at or below 150% of the poverty level. Such
14 programs shall be targeted to households with incomes at or
15 below 80% of area median income.

16 (5) Demonstrate that its overall portfolio of energy
17 efficiency measures, not including programs covered by
18 item (4) of this subsection (f), are cost-effective using
19 the total resource cost test and represent a diverse cross
20 section of opportunities for customers of all rate classes
21 to participate in the programs.

22 (6) Demonstrate that a gas utility affiliated with an
23 electric utility that is required to comply with Section
24 8-103 of this Act has integrated gas and electric
25 efficiency measures into a single program that reduces
26 program or participant costs and appropriately allocates

1 costs to gas and electric ratepayers. The Department shall
2 integrate all gas and electric programs it delivers in any
3 such utilities' service territories, unless the Department
4 can show that integration is not feasible or appropriate.

5 (7) Include a proposed cost recovery tariff mechanism
6 to fund the proposed energy efficiency measures and to
7 ensure the recovery of the prudently and reasonably
8 incurred costs of Commission-approved programs.

9 (8) Provide for quarterly status reports tracking
10 implementation of and expenditures for the utility's
11 portfolio of measures and the Department's portfolio of
12 measures, an annual independent review, and a full
13 independent evaluation of the 3-year results of the
14 performance and the cost-effectiveness of the utility's
15 and Department's portfolios of measures and broader net
16 program impacts and, to the extent practical, for
17 adjustment of the measures on a going forward basis as a
18 result of the evaluations. The resources dedicated to
19 evaluation shall not exceed 3% of portfolio resources in
20 any given 3-year period.

21 (g) No more than 3% of expenditures on energy efficiency
22 measures may be allocated for demonstration of breakthrough
23 equipment and devices.

24 (h) Illinois natural gas utilities that are affiliated by
25 virtue of a common parent company may, at the utilities'
26 request, be considered a single natural gas utility for

1 purposes of complying with this Section.

2 (i) If, after 3 years, a gas utility fails to meet the
3 efficiency standard specified in subsection (c) of this Section
4 as modified by subsection (d), then it shall make a
5 contribution to the Low-Income Home Energy Assistance Program.
6 The total liability for failure to meet the goal shall be
7 assessed as follows:

8 (1) a large gas utility shall pay \$600,000;

9 (2) a medium gas utility shall pay \$400,000; and

10 (3) a small gas utility shall pay \$200,000.

11 For purposes of this Section, (i) a "large gas utility" is
12 a gas utility that on December 31, 2008, served more than
13 1,500,000 gas customers in Illinois; (ii) a "medium gas
14 utility" is a gas utility that on December 31, 2008, served
15 fewer than 1,500,000, but more than 500,000 gas customers in
16 Illinois; and (iii) a "small gas utility" is a gas utility that
17 on December 31, 2008, served fewer than 500,000 and more than
18 100,000 gas customers in Illinois. The costs of this
19 contribution may not be recovered from ratepayers.

20 If a gas utility fails to meet the efficiency standard
21 specified in subsection (c) of this Section, as modified by
22 subsection (d) of this Section, in any 2 consecutive 3-year
23 planning periods, then the responsibility for implementing the
24 utility's energy efficiency measures shall be transferred to an
25 independent program administrator selected by the Commission.
26 Reasonable and prudent costs incurred by the independent

1 program administrator to meet the efficiency standard
2 specified in subsection (c) of this Section, as modified by
3 subsection (d) of this Section, may be recovered from the
4 customers of the affected gas utilities, other than customers
5 described in subsection (m) of this Section. The utility shall
6 provide the independent program administrator with all
7 information and assistance necessary to perform the program
8 administrator's duties including but not limited to customer,
9 account, and energy usage data, and shall allow the program
10 administrator to include inserts in customer bills. The utility
11 may recover reasonable costs associated with any such
12 assistance.

13 (j) No utility shall be deemed to have failed to meet the
14 energy efficiency standards to the extent any such failure is
15 due to a failure of the Department.

16 (k) Not later than January 1, 2012, the Commission shall
17 develop and solicit public comment on a plan to foster
18 statewide coordination and consistency between statutorily
19 mandated natural gas and electric energy efficiency programs to
20 reduce program or participant costs or to improve program
21 performance. Not later than September 1, 2013, the Commission
22 shall issue a report to the General Assembly containing its
23 findings and recommendations.

24 (l) This Section does not apply to a gas utility that on
25 January 1, 2009, provided gas service to fewer than 100,000
26 customers in Illinois.

1 (m) Subsections (a) through (k) of this Section do not
2 apply to customers of a natural gas utility that have a North
3 American Industry Classification System code number that is
4 22111 or any such code number beginning with the digits 31, 32,
5 or 33 and (i) annual usage in the aggregate of 4 million therms
6 or more within the service territory of the affected gas
7 utility or with aggregate usage of 8 million therms or more in
8 this State and complying with the provisions of item (l) of
9 this subsection (m); or (ii) using natural gas as feedstock and
10 meeting the usage requirements described in item (i) of this
11 subsection (m), to the extent such annual feedstock usage is
12 greater than 60% of the customer's total annual usage of
13 natural gas.

14 (1) Customers described in this subsection (m) of this
15 Section shall apply, on a form approved on or before
16 October 1, 2009 by the Department, to the Department to be
17 designated as a self-directing customer ("SDC") or as an
18 exempt customer using natural gas as a feedstock from which
19 other products are made, including, but not limited to,
20 feedstock for a hydrogen plant, on or before the 1st day of
21 February, 2010. Thereafter, application may be made not
22 less than 6 months before the filing date of the gas
23 utility energy efficiency plan described in subsection (f)
24 of this Section; however, a new customer that commences
25 taking service from a natural gas utility after February 1,
26 2010 may apply to become a SDC or exempt customer up to 30

1 days after beginning service. Such application shall
2 contain the following:

3 (A) the customer's certification that, at the time
4 of its application, it qualifies to be a SDC or exempt
5 customer described in this subsection (m) of this
6 Section;

7 (B) in the case of a SDC, the customer's
8 certification that it has established or will
9 establish by the beginning of the utility's 3-year
10 planning period commencing subsequent to the
11 application, and will maintain for accounting
12 purposes, an energy efficiency reserve account and
13 that the customer will accrue funds in said account to
14 be held for the purpose of funding, in whole or in
15 part, energy efficiency measures of the customer's
16 choosing, which may include, but are not limited to,
17 projects involving combined heat and power systems
18 that use the same energy source both for the generation
19 of electrical or mechanical power and the production of
20 steam or another form of useful thermal energy or the
21 use of combustible gas produced from biomass, or both;

22 (C) in the case of a SDC, the customer's
23 certification that annual funding levels for the
24 energy efficiency reserve account will be equal to 2%
25 of the customer's cost of natural gas, composed of the
26 customer's commodity cost and the delivery service

1 charges paid to the gas utility, or \$150,000, whichever
2 is less;

3 (D) in the case of a SDC, the customer's
4 certification that the required reserve account
5 balance will be capped at 3 years' worth of accruals
6 and that the customer may, at its option, make further
7 deposits to the account to the extent such deposit
8 would increase the reserve account balance above the
9 designated cap level;

10 (E) in the case of a SDC, the customer's
11 certification that by October 1 of each year, beginning
12 no sooner than October 1, 2012, the customer will
13 report to the Department information, for the 12-month
14 period ending May 31 of the same year, on all deposits
15 and reductions, if any, to the reserve account during
16 the reporting year, and to the extent deposits to the
17 reserve account in any year are in an amount less than
18 \$150,000, the basis for such reduced deposits; reserve
19 account balances by month; a description of energy
20 efficiency measures undertaken by the customer and
21 paid for in whole or in part with funds from the
22 reserve account; an estimate of the energy saved, or to
23 be saved, by the measure; and that the report shall
24 include a verification by an officer or plant manager
25 of the customer or by a registered professional
26 engineer or certified energy efficiency trade

1 professional that the funds withdrawn from the reserve
2 account were used for the energy efficiency measures;

3 (F) in the case of an exempt customer, the
4 customer's certification of the level of gas usage as
5 feedstock in the customer's operation in a typical year
6 and that it will provide information establishing this
7 level, upon request of the Department;

8 (G) in the case of either an exempt customer or a
9 SDC, the customer's certification that it has provided
10 the gas utility or utilities serving the customer with
11 a copy of the application as filed with the Department;

12 (H) in the case of either an exempt customer or a
13 SDC, certification of the natural gas utility or
14 utilities serving the customer in Illinois including
15 the natural gas utility accounts that are the subject
16 of the application; and

17 (I) in the case of either an exempt customer or a
18 SDC, a verification signed by a plant manager or an
19 authorized corporate officer attesting to the
20 truthfulness and accuracy of the information contained
21 in the application.

22 (2) The Department shall review the application to
23 determine that it contains the information described in
24 provisions (A) through (I) of item (1) of this subsection
25 (m), as applicable. The review shall be completed within 30
26 days after the date the application is filed with the

1 Department. Absent a determination by the Department
2 within the 30-day period, the applicant shall be considered
3 to be a SDC or exempt customer, as applicable, for all
4 subsequent 3-year planning periods, as of the date of
5 filing the application described in this subsection (m). If
6 the Department determines that the application does not
7 contain the applicable information described in provisions
8 (A) through (I) of item (1) of this subsection (m), it
9 shall notify the customer, in writing, of its determination
10 that the application does not contain the required
11 information and identify the information that is missing,
12 and the customer shall provide the missing information
13 within 15 working days after the date of receipt of the
14 Department's notification.

15 (3) The Department shall have the right to audit the
16 information provided in the customer's application and
17 annual reports to ensure continued compliance with the
18 requirements of this subsection. Based on the audit, if the
19 Department determines the customer is no longer in
20 compliance with the requirements of items (A) through (I)
21 of item (1) of this subsection (m), as applicable, the
22 Department shall notify the customer in writing of the
23 noncompliance. The customer shall have 30 days to establish
24 its compliance, and failing to do so, may have its status
25 as a SDC or exempt customer revoked by the Department. The
26 Department shall treat all information provided by any

1 customer seeking SDC status or exemption from the
2 provisions of this Section as strictly confidential.

3 (4) Upon request, or on its own motion, the Commission
4 may open an investigation, no more than once every 3 years
5 and not before October 1, 2014, to evaluate the
6 effectiveness of the self-directing program described in
7 this subsection (m).

8 (n) The applicability of this Section to customers
9 described in subsection (m) of this Section is conditioned on
10 the existence of the SDC program. In no event will any
11 provision of this Section apply to such customers after January
12 1, 2020.

13 (Source: P.A. 96-33, eff. 7-10-09; 97-813, eff. 7-13-12;
14 97-841, eff. 7-20-12.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.