



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB0289

Introduced 2/7/2007, by Sen. Dale A. Righter

SYNOPSIS AS INTRODUCED:

20 ILCS 689/5
20 ILCS 689/10
20 ILCS 689/20
20 ILCS 689/25
20 ILCS 689/27 new
30 ILCS 105/5.675 new

Amends the Illinois Renewable Fuels Development Program Act and State Finance Act. Provides that the Department of Commerce and Economic Opportunity shall create and operate an E85 Vehicle Encouragement Program to distribute coupons towards the purchase of E85 blended fuel to purchasers of flexible fuel vehicles. Sets forth provisions for the operation of the program. Creates the E85 Vehicle Encouragement Fund. Makes other changes. Effective immediately.

LRB095 07091 CMK 27216 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning renewable fuels.

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

4 Section 5. The Illinois Renewable Fuels Development
5 Program Act is amended by changing Sections 5, 10, 20, and 25
6 and by adding Section 27 as follows:

7 (20 ILCS 689/5)

8 Sec. 5. Findings and State policy. The General Assembly
9 recognizes that agriculture is a vital sector of the Illinois
10 economy and that an important growth industry for the Illinois
11 agricultural sector is renewable fuels production. Renewable
12 fuels produced from Illinois agricultural products hold great
13 potential for growing the State's economy, reducing our
14 dependence on foreign oil supplies, and improving the
15 environment by reducing harmful emissions from vehicles.
16 Illinois is the nation's leading producer of ethanol, a clean,
17 renewable fuel with significant environmental benefits. The
18 General Assembly finds that reliable supplies of renewable
19 fuels will be integral to the long term energy security of the
20 United States. The General Assembly declares that it is the
21 public policy of the State of Illinois to promote and encourage
22 the production and use of renewable fuels as a means not only
23 to improve air quality in the State and the nation, but also to

1 increase the size of ~~grow~~ the agricultural sector of the
2 Illinois economy. To achieve these public policy objectives,
3 the General Assembly hereby authorizes the creation and
4 implementation of the Illinois Renewable Fuels Development
5 Program within the Department.

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

7 (20 ILCS 689/10)

8 Sec. 10. Definitions. As used in this Act:

9 "Biodiesel" means a renewable diesel fuel derived from
10 biomass that is intended for use in diesel engines.

11 "Biodiesel blend" means a blend of biodiesel with
12 petroleum-based diesel fuel in which the resultant product
13 contains no less than 1% and no more than 99% biodiesel.

14 "Biomass" means non-fossil organic materials that have an
15 intrinsic chemical energy content. "Biomass" includes, but is
16 not limited to, soybean oil, other vegetable oils, and ethanol.

17 "Department" means the Department of Commerce and Economic
18 Opportunity.

19 "Diesel fuel" means any product intended for use or offered
20 for sale as a fuel for engines in which the fuel is injected
21 into the combustion chamber and ignited by pressure without
22 electric spark.

23 "Director" means the Director of Commerce and Economic
24 Opportunity.

25 "Ethanol" means a product produced from agricultural

1 commodities or by-products used as a fuel or to be blended with
2 other fuels for use in motor vehicles.

3 "Flexible fuel vehicle" has the meaning set forth in
4 Section 22 of the Alternate Fuels Act.

5 "Fuel" means fuel as defined in Section 1.19 of the Motor
6 Fuel Tax Law.

7 "Gasohol" means motor fuel that is no more than 90%
8 gasoline and at least 10% denatured ethanol that contains no
9 more than 1.25% water by weight.

10 "Gasoline" means all products commonly or commercially
11 known or sold as gasoline (including casing head and absorption
12 or natural gasoline).

13 "Illinois agricultural product" means any agricultural
14 commodity grown in Illinois that is used by a production
15 facility to produce renewable fuel in Illinois, including, but
16 not limited to, corn, barley, and soy beans.

17 "Labor Organization" means any organization defined as a
18 "labor organization" under Section 2 of the National Labor
19 Relations Act (29 U.S.C. 152).

20 "Majority blended ethanol fuel" means motor fuel that
21 contains no less than 70% and no more than 90% denatured
22 ethanol and no less than 10% and no more than 30% gasoline.

23 "Motor vehicles" means motor vehicles as defined in the
24 Illinois Vehicle Code and watercraft propelled by an internal
25 combustion engine.

26 "Owner" means any individual, sole proprietorship, limited

1 partnership, co-partnership, joint venture, corporation,
2 cooperative, or other legal entity, including its agents, that
3 operates or will operate a plant located within the State of
4 Illinois.

5 "Plant" means a production facility that produces a
6 renewable fuel. "Plant" includes land, any building or other
7 improvement on or to land, and any personal properties deemed
8 necessary or suitable for use, whether or not now in existence,
9 in the processing of fuel from agricultural commodities or
10 by-products.

11 "Renewable fuel" means ethanol, gasohol, majority blended
12 ethanol fuel, biodiesel blend fuel, and biodiesel.

13 (Source: P.A. 93-15, eff. 6-11-03; 93-618, eff. 12-11-03;
14 94-793, eff. 5-19-06.)

15 (20 ILCS 689/20)

16 Sec. 20. Grants. Subject to appropriation, the Director is
17 authorized to award Illinois Renewable Fuels Development
18 Program grants to eligible applicants. The annual aggregate
19 amount of grants awarded shall not exceed \$20,000,000.

20 (Source: P.A. 93-15, eff. 6-11-03; 93-618, eff. 12-11-03;
21 94-839, eff. 6-6-06.)

22 (20 ILCS 689/25)

23 Sec. 25. Project labor agreements.

24 (a) The Illinois Renewable Fuels Development Program

1 project labor agreement must include the following:

2 (1) provisions establishing the minimum hourly wage
3 for each class of labor organization employee;

4 (2) provisions establishing the benefits and other
5 compensation for each class of labor organization
6 employee; and

7 (3) provisions establishing that no strike or disputes
8 will be engaged in by the labor organization employees.

9 The owner of the plant and the labor organizations shall have
10 the authority to include other terms and conditions as they
11 deem necessary.

12 (b) The project labor agreement shall be filed with the
13 Director in accordance with procedures established by the
14 Department. At a minimum, the project labor agreement must
15 provide the names, addresses, and occupations of the owner of
16 the plant and the individuals representing the labor
17 organization employees participating in the project labor
18 agreement. The agreement must also specify the terms and
19 conditions required in subsection (a).

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

21 (20 ILCS 689/27 new)

22 Sec. 27. E85 Vehicle Encouragement Program.

23 (a) The Department shall, subject to appropriation, create
24 and administer the E85 Vehicle Encouragement Program. Under
25 this Program, the Department must solicit and collect

1 applications from persons who have purchased a flexible fuel
2 vehicle within the 12-month period prior to submitting the
3 application. Approved applicants shall be eligible for Program
4 distributions.

5 (b) The Program shall distribute coupons for an amount up
6 to \$1,000 towards the purchase of E85 blended fuel to approved
7 applicants. The distribution may not exceed 10% of the purchase
8 price of the vehicle. If any moneys in the Fund are carried
9 over between fiscal years as a result of this 10% cap or for
10 any other reason, the moneys shall be distributed in the
11 following fiscal year as provided under this Section. Only one
12 distribution shall be made to the owner of any vehicle during
13 the life of that vehicle. Approved applicants who do not have
14 an E85 fueling station within 25 miles of their residence may
15 either apply for the coupons for E85 blended fuel as provided
16 in this subsection (b) or request substitute coupons of the
17 same value towards the purchase of 10% ethanol blended fuel.

18 (c) The E85 Vehicle Encouragement Fund is established as a
19 special fund in the State treasury. Moneys in the Fund may be
20 used, subject to appropriation, only for the purposes set forth
21 in this Section. Interest earned on moneys in the Fund must be
22 deposited into the Fund. The Department may retain 5% of the
23 moneys in the Fund for administrative costs of the Program.

24 (d) The Department shall have access to Secretary of State
25 motor vehicle registration records and other State records to
26 enable verification of these applications.

1 (e) The Department shall adopt necessary rules for the
2 implementation of this Section, including rules for the
3 solicitation, collection, and approval of applications and for
4 the distribution and redemption of Program coupons.

5 Section 10. The State Finance Act is amended by adding
6 Section 5.675 as follows:

7 (30 ILCS 105/5.675 new)

8 Sec. 5.675. The E85 Vehicle Encouragement Fund.

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.