

1 AN ACT concerning agriculture.

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

4 Section 1. Short title. This Act may be cited as the
5 Illinois Farm Products Economic Development Act.

6 Section 5. Findings. The legislature finds and declares
7 that it is in the best interest of the people of this State
8 that the establishment of local grain processing centers is
9 encouraged in order to augment local agricultural markets,
10 promote agricultural diversification, expand rural employment
11 opportunities, promote economic activity, enhance the
12 environment, and protect and better use the land and
13 agriculture resources of the State. The legislature finds
14 that grain processing shall be considered an agricultural
15 pursuit for the purposes of any laws that apply to or provide
16 for the advancement, benefit, or the protection of the
17 agriculture industry of this State.

18 Section 10. Purpose. The purpose of the Act is to improve
19 the environment, create jobs and rural economic growth, and
20 encourage energy self-reliance through the establishment of
21 community-sized grain processing centers that produce ethyl
22 alcohol and other grain products, encourage the establishment
23 of associated industries, and assist Illinois farmers in
24 expanding local markets for their grain production.

25 Section 15. Definitions. For the purpose of this Act;

26 "Associated industry" means an industry using the
27 by-products of a processing center, including, but not
28 limited to, ethyl alcohol, fermented grains, liquid feeds,
29 carbon dioxide, heat, or any other product resulting from the

1 processing of agricultural products and located in proximity
2 to the processing center.

3 "Corn" means Illinois-produced corn used in a processing
4 center to make ethyl alcohol, fermented grains, solubles, and
5 carbon dioxide.

6 "Department" means the Department of Agriculture.

7 "Director" means the Director of Agriculture.

8 "Ethyl alcohol" means fermented ethyl alcohol having a
9 purity of at least 95% (190 proof) and derived from
10 agriculture products including corn, potatoes, cereal grains,
11 cheese, whey, sugar beets, forest products, or other
12 renewable resources, including residue and waste generated
13 from the production, processing, and marketing of
14 agricultural products, forest products, and other renewable
15 resources.

16 "Processing Center" means a grain processing center at
17 which ethyl alcohol is produced by fermenting corn or other
18 organic materials.

19 Section 20. Grain processing payments. The Director shall
20 make cash payments to processors in this State that use corn
21 to make ethyl alcohol and other alternative fuels made with
22 corn-based products. These payments shall apply only to corn
23 used to make ethyl alcohol and other alternative fuels made
24 with corn-based products in this State at a processing center
25 that begins production after January 1, 2002. The amount of
26 the payment for each processor's annual consumption shall be
27 30 cents per bushel of corn for each bushel of corn used to
28 produce ethyl alcohol and other alternative fuels made with
29 corn-based products in a grain processing center that began
30 production after January 1, 2002. Payment may be made only
31 during the 5-year period beginning at the same time as the
32 start of production. Payment may be made only on the first
33 5,000,000 bushels of corn consumed annually at each

1 processing center. Each processor must file a claim for
2 payment for the bushels of corn used in a grain processing
3 center during the preceding 3 calendar months. These claims
4 must be filed by the last day of September, December, March,
5 and June of each year. A processor with more than one
6 processing center must file a separate claim for each
7 processing center. A processor who files a claim under this
8 Section must include a statement of the processor's total
9 corn consumption and total ethyl alcohol production during
10 the quarter covered by the claim. For each claim and
11 statement of production filed under this Act, the volumes and
12 amounts claimed must be examined by an independent certified
13 public accountant in accordance with standards established by
14 the American Institute of Certified Public Accountants.

15 Payments under this Section shall be made 90 days after
16 each claim has been filed. A separate payment shall be made
17 for each claim filed. The total quarterly payment to a
18 processor under this Act may not exceed \$750,000 if the total
19 amount for which all processors are eligible in a quarter
20 exceeds \$1,500,000. Total payments, in any event, shall not
21 exceed more than \$6,000,000 per fiscal year. The Director
22 shall make payments in the order in which the portion of
23 production capacity covered by each claim went into
24 production. Only those processors deemed to be eligible by
25 the Director or who have received payments for the quarter or
26 received payments in an earlier quarter are eligible for corn
27 payments under this Act.

28 Section 25. Rulemaking. The Director must adopt emergency
29 and permanent rules to implement this Act.

30 Section 30. Partial Invalidity. If any provision of this
31 Act or the application thereof to any person or circumstance
32 is held invalid, the remainder of this Act and the

1 application of the provision to other persons or
2 circumstances is not affected thereby.

3 Section 35. Repeal. This Act is repealed on January 1,
4 2011, and the unobligated balance of each appropriation under
5 this Act on that date shall revert to the General Revenue
6 Fund.

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.