



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB1581

Introduced 2/15/2011, by Rep. Frank J. Mautino

SYNOPSIS AS INTRODUCED:

New Act
20 ILCS 655/5.5

from Ch. 67 1/2, par. 609.1

Creates the Illinois Titanium Powdered Metals Development Act. Creates the Illinois Titanium Powdered Metals Development Board within the Department of Commerce and Economic Opportunity. Sets forth the membership of the Board, including the Director of Commerce and Economic Opportunity and members appointed by the Governor and each of the legislative leaders. Sets forth the powers and duties of the Board, including assisting with the growth and development of the titanium powdered metals industry within Illinois and the creation of a consortium or center that conducts, coordinates, and supports titanium powdered metals research, promotion, and marketing activities in the State. Requires the Board to prepare and submit an annual report to the Governor and the General Assembly. Contains other provisions. Amends the Illinois Enterprise Zone Act. Provides that businesses that (i) intend to make minimum investment of \$3,000,000 in titanium powdered metals manufacturing which will be placed in service in qualified property and (ii) intend to create or retain a minimum of 15 full-time equivalent jobs in titanium powdered metals manufacturing at a location in Illinois are considered high impact businesses. Effective immediately.

LRB097 06395 HLH 46477 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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 Titanium Powdered Metals Development Act.

6 Section 5. Purpose. The purpose of this Act is to assist in
7 the development of the titanium powdered metals industry in
8 Illinois. The industry is growing but under the current
9 economic climate and conditions needs state assistance to
10 further promote and develop itself. The State's assistance will
11 help the industry to grow, stabilize, and create jobs. The
12 production of Titanium powder is an energy efficient process
13 that reduces the use of energy. Titanium powder, when used in
14 manufacturing processes, helps to create energy efficient
15 products. Furthermore, the State's assistance will help
16 provide additional needed resources to existing and new
17 research programs while also giving the industry the ability to
18 partner with Illinois' world class higher educational
19 institutions. This will enable Illinois' titanium powdered
20 metals industry to become a world class leader.

21 Section 10. Definition. As used in this Act, "titanium
22 powdered metals" means a powdered metalworking process through

1 solid-state reduction, atomization, electrolysis, or chemical
2 processing whereby the final product has been manufactured
3 using at least 50% titanium tetrachloride (TiCL₄).

4 "Department" means the Department of Commerce and Economic
5 Opportunity.

6 "Director" means the Director of Commerce and Economic
7 Opportunity.

8 Section 15. Creation of Board. The Illinois Titanium
9 Powdered Metals Development Board is hereby created within the
10 Department of Commerce and Economic Opportunity. The Board
11 shall be composed of the following voting members: the Director
12 of Commerce and Economic Opportunity, who shall be Chairman of
13 the Board, 4 members of the General Assembly (one each
14 appointed by the President of the Senate, the Senate Minority
15 Leader, the Speaker of the House of Representatives, and the
16 House Minority Leader), and 4 persons appointed by the
17 Governor, with the advice and consent of the Senate. Members
18 appointed by the Governor must include: one member of a school
19 of engineering located within Illinois; one member
20 representing the powdered metals manufacturing sector; and 2
21 members-at-large. Members appointed by the Governor shall be
22 chosen from persons of recognized ability and experience in
23 their designated field.

24 The members appointed by the Governor shall serve for terms
25 of 4 years. Members appointed by a legislative leader shall

1 serve for the duration of the General Assembly for which he or
2 she is appointed, so long as the member remains a member of
3 that General Assembly.

4 The Board shall meet at least 4 times every year or at the
5 call of the Chairman. At any time, the majority of the Board
6 may petition the Chairman for a meeting of the Board. Seven
7 members of the Board shall constitute a quorum. Members of the
8 Board shall be reimbursed for actual and necessary expenses
9 incurred while performing their duties as members of the Board
10 from funds appropriated to the Department.

11 Section 20. Powers and duties of the Board. The Board shall
12 have the following powers and duties:

13 (1) to develop an annual agenda to assist the growth
14 and development of the titanium powdered metals industry
15 within Illinois that may include, but is not limited to,
16 research, marketing, and promotional methodologies
17 conducted for the purpose of increasing the use of titanium
18 powdered metals produced, used, or transported by Illinois
19 companies with an emphasis on the following areas:
20 maintaining and increasing employment of Illinois workers
21 in the titanium powdered metals industry, titanium
22 powdered metals preparation and characterization,
23 marketing, public awareness and education, and
24 environmental impacts;

25 (2) to support and coordinate titanium powdered metals

1 research, marketing, and promotion in Illinois;

2 (3) to develop and approve the annual budget and
3 operating plan of the Board; the annual budget must provide
4 an equal amount allocated for direct loans and for grants;

5 (4) to make direct loans or grants to companies in
6 Illinois that produce, manufacture, or substantially use
7 titanium powdered metals for the promotion, research,
8 manufacture, infrastructure, and research and development
9 of titanium powdered metals, including engineering, legal,
10 or design qualified experts, and for any other purpose in
11 fulfillment of this Act;

12 (5) to hire an executive director and a staff assistant
13 and other such personnel as the Board deems necessary;

14 (6) to seek the assistance, help, and expertise of the
15 staff of the Department as the Board deems necessary to
16 accomplish its goals under this Act;

17 (7) to cooperate to the fullest extent possible with
18 State and federal agencies and departments, independent
19 organizations, and other interested groups, public and
20 private, for the purposes of promoting Illinois titanium
21 powdered metal resources;

22 (8) to prepare and submit an annual report to the
23 Governor and the General Assembly outlining the progress
24 and accomplishments made during the calendar year and
25 furnishing other relevant information;

26 (9) to focus on (i) existing titanium powdered metals

1 research, marketing, and promotion efforts, (ii) ways to
2 make use of existing facilities in Illinois or other
3 institutions carrying out research, marketing, and
4 promotion of titanium powdered metals, and (iii) make
5 maximum use of the facilities available in Illinois,
6 including universities and colleges located within the
7 State;

8 (10) to create a consortium or center that conducts,
9 coordinates, and supports titanium powdered metals
10 research, promotion, and marketing activities in the State
11 of Illinois; programmatic activities of the consortium or
12 center shall be subject to approval by the Board and shall
13 be consistent with the purposes of this Section. The Board
14 may authorize the expenditure of funds in support of the
15 administrative and programmatic operations of the
16 consortium or center that are consistent with its
17 authority; administrative actions undertaken by or for the
18 consortium or center shall be subject to the approval of
19 the Board;

20 (11) to develop and implement ways, before initiating
21 any research, to avoid duplication of effort and expense
22 through the coordination of the research efforts of various
23 agencies, departments, universities, or organizations;

24 (12) to adopt, amend, or repeal rules, regulations, and
25 bylaws governing the Board's organization and conduct of
26 business;

1 (13) to search for, accept, and expend gifts or grants
2 in any form from any public agency or any other source;

3 (14) to publish, from time to time, the results of
4 titanium powdered metals research, marketing, and
5 promotion projects supported by the Board.

6 Section 25. Other functions of the Board. The Board shall
7 also:

8 (1) create and maintain current and accurate records on
9 all markets for and actual uses of titanium powdered metals
10 processed, used, or transported in Illinois and ways of
11 making those records available to the public upon request;

12 (2) identify all current and anticipated future
13 technical, economic, institutional, market, environmental,
14 regulatory, and other impediments to the use of titanium
15 powdered metals and the titanium powdered metal industry in
16 Illinois;

17 (3) identify alternative plans or actions that would
18 maintain or increase the use of titanium powdered metals
19 and the titanium powdered metal industry in Illinois;

20 (4) develop strategies and policies to promote
21 responsible uses of titanium powdered metals and the
22 titanium powdered industry in Illinois.

23 Section 60. The Illinois Enterprise Zone Act is amended by
24 changing Section 5.5 as follows:

1 (20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

2 Sec. 5.5. High Impact Business.

3 (a) In order to respond to unique opportunities to assist
4 in the encouragement, development, growth and expansion of the
5 private sector through large scale investment and development
6 projects, the Department is authorized to receive and approve
7 applications for the designation of "High Impact Businesses" in
8 Illinois subject to the following conditions:

9 (1) such applications may be submitted at any time
10 during the year;

11 (2) such business is not located, at the time of
12 designation, in an enterprise zone designated pursuant to
13 this Act;

14 (3) the business intends to do one or more of the
15 following:

16 (A) the business intends to make a minimum
17 investment of \$12,000,000 which will be placed in
18 service in qualified property and intends to create 500
19 full-time equivalent jobs at a designated location in
20 Illinois or intends to make a minimum investment of
21 \$30,000,000 which will be placed in service in
22 qualified property and intends to retain 1,500
23 full-time jobs at a designated location in Illinois.
24 The business must certify in writing that the
25 investments would not be placed in service in qualified

1 property and the job creation or job retention would
2 not occur without the tax credits and exemptions set
3 forth in subsection (b) of this Section. The terms
4 "placed in service" and "qualified property" have the
5 same meanings as described in subsection (h) of Section
6 201 of the Illinois Income Tax Act; or

7 (B) the business intends to establish a new
8 electric generating facility at a designated location
9 in Illinois. "New electric generating facility", for
10 purposes of this Section, means a newly-constructed
11 electric generation plant or a newly-constructed
12 generation capacity expansion at an existing electric
13 generation plant, including the transmission lines and
14 associated equipment that transfers electricity from
15 points of supply to points of delivery, and for which
16 such new foundation construction commenced not sooner
17 than July 1, 2001. Such facility shall be designed to
18 provide baseload electric generation and shall operate
19 on a continuous basis throughout the year; and (i)
20 shall have an aggregate rated generating capacity of at
21 least 1,000 megawatts for all new units at one site if
22 it uses natural gas as its primary fuel and foundation
23 construction of the facility is commenced on or before
24 December 31, 2004, or shall have an aggregate rated
25 generating capacity of at least 400 megawatts for all
26 new units at one site if it uses coal or gases derived

1 from coal as its primary fuel and shall support the
2 creation of at least 150 new Illinois coal mining jobs,
3 or (ii) shall be funded through a federal Department of
4 Energy grant before December 31, 2010 and shall support
5 the creation of Illinois coal-mining jobs, or (iii)
6 shall use coal gasification or integrated
7 gasification-combined cycle units that generate
8 electricity or chemicals, or both, and shall support
9 the creation of Illinois coal-mining jobs. The
10 business must certify in writing that the investments
11 necessary to establish a new electric generating
12 facility would not be placed in service and the job
13 creation in the case of a coal-fueled plant would not
14 occur without the tax credits and exemptions set forth
15 in subsection (b-5) of this Section. The term "placed
16 in service" has the same meaning as described in
17 subsection (h) of Section 201 of the Illinois Income
18 Tax Act; or

19 (B-5) the business intends to establish a new
20 gasification facility at a designated location in
21 Illinois. As used in this Section, "new gasification
22 facility" means a newly constructed coal gasification
23 facility that generates chemical feedstocks or
24 transportation fuels derived from coal (which may
25 include, but are not limited to, methane, methanol, and
26 nitrogen fertilizer), that supports the creation or

1 retention of Illinois coal-mining jobs, and that
2 qualifies for financial assistance from the Department
3 before December 31, 2010. A new gasification facility
4 does not include a pilot project located within
5 Jefferson County or within a county adjacent to
6 Jefferson County for synthetic natural gas from coal;
7 or

8 (C) the business intends to establish production
9 operations at a new coal mine, re-establish production
10 operations at a closed coal mine, or expand production
11 at an existing coal mine at a designated location in
12 Illinois not sooner than July 1, 2001; provided that
13 the production operations result in the creation of 150
14 new Illinois coal mining jobs as described in
15 subdivision (a)(3)(B) of this Section, and further
16 provided that the coal extracted from such mine is
17 utilized as the predominant source for a new electric
18 generating facility. The business must certify in
19 writing that the investments necessary to establish a
20 new, expanded, or reopened coal mine would not be
21 placed in service and the job creation would not occur
22 without the tax credits and exemptions set forth in
23 subsection (b-5) of this Section. The term "placed in
24 service" has the same meaning as described in
25 subsection (h) of Section 201 of the Illinois Income
26 Tax Act; or

1 (D) the business intends to construct new
2 transmission facilities or upgrade existing
3 transmission facilities at designated locations in
4 Illinois, for which construction commenced not sooner
5 than July 1, 2001. For the purposes of this Section,
6 "transmission facilities" means transmission lines
7 with a voltage rating of 115 kilovolts or above,
8 including associated equipment, that transfer
9 electricity from points of supply to points of delivery
10 and that transmit a majority of the electricity
11 generated by a new electric generating facility
12 designated as a High Impact Business in accordance with
13 this Section. The business must certify in writing that
14 the investments necessary to construct new
15 transmission facilities or upgrade existing
16 transmission facilities would not be placed in service
17 without the tax credits and exemptions set forth in
18 subsection (b-5) of this Section. The term "placed in
19 service" has the same meaning as described in
20 subsection (h) of Section 201 of the Illinois Income
21 Tax Act; or

22 (E) the business intends to establish a new wind
23 power facility at a designated location in Illinois.
24 For purposes of this Section, "new wind power facility"
25 means a newly constructed electric generation
26 facility, or a newly constructed expansion of an

1 existing electric generation facility, placed in
2 service on or after July 1, 2009, that generates
3 electricity using wind energy devices, and such
4 facility shall be deemed to include all associated
5 transmission lines, substations, and other equipment
6 related to the generation of electricity from wind
7 energy devices. For purposes of this Section, "wind
8 energy device" means any device, with a nameplate
9 capacity of at least 0.5 megawatts, that is used in the
10 process of converting kinetic energy from the wind to
11 generate electricity; or and

12 (F) the business intends to make minimum
13 investment of \$3,000,000 in titanium powdered metals
14 manufacturing which will be placed in service in
15 qualified property and intends to create or retain a
16 minimum of 15 full-time equivalent jobs in titanium
17 powdered metals manufacturing at a location in
18 Illinois; the business must certify in writing that the
19 investments would not be placed in service in qualified
20 property and the job creation or job retention would
21 not occur without the tax credits and exemptions set
22 forth in subsection (b) of this Section. The terms
23 "placed in service" and "qualified property" have the
24 same meanings as described in subsection (h) of Section
25 201 of the Illinois Income Tax Act; and

26 (4) no later than 90 days after an application is

1 submitted, the Department shall notify the applicant of the
2 Department's determination of the qualification of the
3 proposed High Impact Business under this Section.

4 (b) Businesses designated as High Impact Businesses
5 pursuant to subdivision (a) (3) (A) of this Section shall qualify
6 for the credits and exemptions described in the following Acts:
7 Section 9-222 and Section 9-222.1A of the Public Utilities Act,
8 subsection (h) of Section 201 of the Illinois Income Tax Act,
9 and Section 1d of the Retailers' Occupation Tax Act; provided
10 that these credits and exemptions described in these Acts shall
11 not be authorized until the minimum investments set forth in
12 subdivision (a) (3) (A) of this Section have been placed in
13 service in qualified properties and, in the case of the
14 exemptions described in the Public Utilities Act and Section 1d
15 of the Retailers' Occupation Tax Act, the minimum full-time
16 equivalent jobs or full-time jobs set forth in subdivision
17 (a) (3) (A) of this Section have been created or retained.
18 Businesses designated as High Impact Businesses under this
19 Section shall also qualify for the exemption described in
20 Section 51 of the Retailers' Occupation Tax Act. The credit
21 provided in subsection (h) of Section 201 of the Illinois
22 Income Tax Act shall be applicable to investments in qualified
23 property as set forth in subdivision (a) (3) (A) of this Section.
24 (b-5) Businesses designated as High Impact Businesses
25 pursuant to subdivisions (a) (3) (B), (a) (3) (B-5), (a) (3) (C),
26 and (a) (3) (D) of this Section shall qualify for the credits and

1 exemptions described in the following Acts: Section 51 of the
2 Retailers' Occupation Tax Act, Section 9-222 and Section
3 9-222.1A of the Public Utilities Act, and subsection (h) of
4 Section 201 of the Illinois Income Tax Act; however, the
5 credits and exemptions authorized under Section 9-222 and
6 Section 9-222.1A of the Public Utilities Act, and subsection
7 (h) of Section 201 of the Illinois Income Tax Act shall not be
8 authorized until the new electric generating facility, the new
9 gasification facility, the new transmission facility, or the
10 new, expanded, or reopened coal mine is operational, except
11 that a new electric generating facility whose primary fuel
12 source is natural gas is eligible only for the exemption under
13 Section 51 of the Retailers' Occupation Tax Act.

14 (b-6) Businesses designated as High Impact Businesses
15 pursuant to subdivision (a) (3) (E) of this Section shall qualify
16 for the exemptions described in Section 51 of the Retailers'
17 Occupation Tax Act; any business so designated as a High Impact
18 Business being, for purposes of this Section, a "Wind Energy
19 Business".

20 (c) High Impact Businesses located in federally designated
21 foreign trade zones or sub-zones are also eligible for
22 additional credits, exemptions and deductions as described in
23 the following Acts: Section 9-221 and Section 9-222.1 of the
24 Public Utilities Act; and subsection (g) of Section 201, and
25 Section 203 of the Illinois Income Tax Act.

26 (d) Except for businesses contemplated under subdivision

1 (a) (3) (E) of this Section, existing Illinois businesses which
2 apply for designation as a High Impact Business must provide
3 the Department with the prospective plan for which 1,500
4 full-time jobs would be eliminated in the event that the
5 business is not designated.

6 (e) Except for new wind power facilities contemplated under
7 subdivision (a) (3) (E) of this Section, new proposed facilities
8 which apply for designation as High Impact Business must
9 provide the Department with proof of alternative non-Illinois
10 sites which would receive the proposed investment and job
11 creation in the event that the business is not designated as a
12 High Impact Business.

13 (f) Except for businesses contemplated under subdivision
14 (a) (3) (E) of this Section, in the event that a business is
15 designated a High Impact Business and it is later determined
16 after reasonable notice and an opportunity for a hearing as
17 provided under the Illinois Administrative Procedure Act, that
18 the business would have placed in service in qualified property
19 the investments and created or retained the requisite number of
20 jobs without the benefits of the High Impact Business
21 designation, the Department shall be required to immediately
22 revoke the designation and notify the Director of the
23 Department of Revenue who shall begin proceedings to recover
24 all wrongfully exempted State taxes with interest. The business
25 shall also be ineligible for all State funded Department
26 programs for a period of 10 years.

1 (g) The Department shall revoke a High Impact Business
2 designation if the participating business fails to comply with
3 the terms and conditions of the designation. However, the
4 penalties for new wind power facilities or Wind Energy
5 Businesses for failure to comply with any of the terms or
6 conditions of the Illinois Prevailing Wage Act shall be only
7 those penalties identified in the Illinois Prevailing Wage Act,
8 and the Department shall not revoke a High Impact Business
9 designation as a result of the failure to comply with any of
10 the terms or conditions of the Illinois Prevailing Wage Act in
11 relation to a new wind power facility or a Wind Energy
12 Business.

13 (h) Prior to designating a business, the Department shall
14 provide the members of the General Assembly and Commission on
15 Government Forecasting and Accountability with a report
16 setting forth the terms and conditions of the designation and
17 guarantees that have been received by the Department in
18 relation to the proposed business being designated.

19 (Source: P.A. 95-18, eff. 7-30-07; 96-28, eff. 7-1-09.)

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