

Legislative and Regulatory Update–February 10, 2010

Since our last Legislative Update dated January 10, 2010, the following bills have been introduced in the 96th General Assembly:

SB 2549-PLUMBING-RAINWATER SYSTEMS-sponsored by Sen. Susan Garrett, would require the Illinois Department of Public Health to adopt and publish a minimum code of standards for rainwater harvesting collection systems and rainwater harvesting distribution systems by January 1, 2011. It also requires rainwater harvesting collection systems and rainwater harvesting distribution systems to be (A) used only for non-potable uses and (B) constructed in accordance with the Illinois Plumbing Code. SB 2549 has been referred to Assignments as of January 13, 2010.

SB 2810-LOC GOV/SCHOOL-ENERGY CONSERV-sponsored by Sen. Don Harmon, amends the Local Government Energy Conservation Act, the School Code, and the Public University Energy Conservation Act by requiring requests for proposals for the payment or lease of energy conservation measures, and eventually the contracts awarded be submitted to the Capital Development Board Procurement Bulletin for publication. It also would preclude any consultant, architect, engineer, or other drafter of specifications who assists in the preparation of specifications for these measures from submitting a bid or proposal unless the body authorizing the contract determines there will be no substantial conflict of interest. SB 2810 has been referred to Assignments as of January 28, 2010.

SB 3147-EFFICIENT GREEN IL TAX CREDIT-sponsored by Sen. James F. Clayborne, Jr., would create the Efficient and Green Illinois Tax Credit Act authorizing the Department of Commerce and Economic Opportunity to award income tax credits based on 25% of the cost of qualifying expenditures for energy efficient projects, such as solar energy equipment, Energy Star certified heat pumps, lighting retrofit projects, and wind equipment. This credit may be carried forward for up to 5 taxable years. SB 3147 has been referred to Assignments as of February 9, 2010.

In the Illinois House Chamber, the following bills have been introduced:

HB 4784-INC TX-ALTERNATE ENERGY CREDIT-sponsored by Rep. Sandy Cole, would amend the Illinois Income Tax Act by providing a credit for taxpayers who, during the taxable year, install, on a building or property that is owned by the taxpayer and that is located in the State, a geothermal, solar, wind, or fuel cell energy device and sets the amount of the credit at the lesser of (i) \$1,500 or (ii) 20% of the actual cost of the acquisition and installation of the device. The credit may not be carried forward or back and would not reduce the taxpayer's liability to less than zero. HB 4784 has been referred to the Revenue & Finance Committee as of February 9, 2010.

Two competing bills in the House would amend the Property Tax Code as it relates to wind energy devices through 2016. HB 4797-PROP TX-WIND FARMS-EXTEND-sponsored by Rep. Frank J. Mautino and HB 5102-PROP TX-WIND ENERGY-

sponsored by Rep. Jim Sacia HB 4797 has been referred to the Revenue & Finance Committee as of February 3, 2010. And HB 5102 has been referred to the Rules Committee as of January 29, 2010.

An interesting bill relating to water usage is HB 5195-UTILITIES-EXCESS WATER USE-sponsored by Rep. Dan Brady. It would amend the Public Utilities Act. It would require a public utility that serves a contract with a third party for a property must notify the owner of record and the tenant of the property if excess water usage is detected by the public utility. HB 5195 has been referred to the Public Utilities Committee as of February 9, 2010.

A similar bill to SB 3147-EFFICIENT GREEN IL TAX CREDIT referenced above has been introduced in the House. HB 5380-EFFICIENT GREEN IL TAX CREDIT-sponsored by Rep. Thomas Holbrook would create the Efficient and Green Illinois Tax Credit Act which authorizes the Department of Commerce and Economic Opportunity to award income tax credits based on 25% of the cost of qualifying expenditures for energy efficient projects, such as solar energy equipment, Energy Star certified heat pumps, lighting retrofit projects, and wind equipment. The credit may be carried forward for up to 5 taxable years. HB 5380 has been referred to the Rules Committee as of February 5, 2010.

HB 5429-HOMEOWNERS SOLAR RIGHTS ACT-sponsored by Rep. Sara Feigenholtz may help expand the potential for installation of solar power by creating the Homeowners' Solar Rights Act by requiring each homeowners' association and condominium unit owners' association adopt an energy policy statement concerning the location, design, and architectural requirements of solar energy systems or other energy devices. If the homeowners' association or condominium unit owners' association complies with the Act, it would not be liable to any other resident or third party for such compliance. HB 5429 has been referred to the Rules Committee as of February 5, 2010.

HB 5542-USE/OCC-HOLIDAY-ENERGY STAR-sponsored by Rep. John D. Cavaletto, would provide a "tax-holiday" upon the purchase of energy-efficient products that qualify as "Energy Star", priced at \$1,500 or less. "Tax-holiday" would be each year: (1) beginning at 12:01 a.m. on November 1st and continuing through 11:59 p.m. on November 7th; and (2) beginning at 12:01 a.m. on April 22nd and continuing through 11:59 p.m. on April 28th. HB 5429 has been referred to the Rules Committee as of February 9, 2010.

Additional Policy Materials that may be of Interest:

The American Clean Energy and Security Act of 2009, if enacted, would establish a national renewable energy standard for utilities. H.R. 2454, 111th Cong. (1st Sess. 2009). The legislation would create a minimum renewable energy standard for utilities but would allow states to establish a higher renewable energy mix. Such legislation would likely affect REC prices in both current compliance and voluntary markets. This measure

would be particularly important in Illinois considering that this State is cited as one of the more attractive locations for the production of wind energy.

More information on the legislation can be found at ilga.gov. Information on the Illinois EPA / Pollution Control Board rules is at www.ipcb.state.il.us or contact Sean Ziadeh at seanziadeh@hotmail.com or by calling (248) 320-3208 for any other information.