

ILLINOIS POLLUTION CONTROL BOARD

June 17, 2004

HOLLAND ENERGY, LLC-BEECHER CITY)

Cooling Tower System (Property)

Identification Numbers)

0524-01-00-100-004, 0825-16-00-00-004,)

0825-16-00-300-002, 0825-16-00-300-003,)

and 0825-16-00-200-002),)

Petitioner,)

v.)

ILLINOIS ENVIRONMENTAL)
PROTECTION AGENCY,)

Respondent.)

PCB 04-222

(Tax Certification - Water)

ORDER OF THE BOARD (by J.P. Novak):

On June 14, 2004, the Illinois Environmental Protection Agency (Agency) recommended that the Board certify certain facilities of Holland Energy, LLC-Beecher City (Holland Energy) at its Beecher City cooling tower system site as “pollution control facilities” for preferential tax treatment under the Property Tax Code (35 ILCS 200/11-5 *et seq.* (2002)). The Agency filed the recommendation under Part 125 of the Board’s procedural rules (35 Ill. Adm. Code 125). In this order, the Board describes the legal framework for tax certifications, discusses the Agency’s recommendation, and certifies that Holland Energy’s facilities are pollution control facilities.

LEGAL FRAMEWORK

Under the Property Tax Code, “[i]t is the policy of this State that pollution control facilities should be valued, at 33⅓% of the fair cash value of their economic productivity to their owners.” 35 ILCS 200/11-5 (2002); *see also* 35 Ill. Adm. Code 125.200(a)(2). “For tax purposes, pollution control facilities shall be certified as such by the Pollution Control Board and shall be assessed by the Department [of Revenue].” 35 ILCS 200/11-20 (2002); *see also* 35 Ill. Adm. Code 125.200(a).

Under Section 125.202 of the Board’s procedural rules, a person may submit an application for tax certification to the Agency. 35 Ill. Adm. Code 125.202. If the Agency receives a tax certification application, the Agency must file with the Board a recommendation on the application, unless the applicant withdraws the application. 35 Ill. Adm. Code 125.204(a). Among other things, the Agency’s filing must recommend that the Board issue or deny tax certification. 35 Ill. Adm. Code 125.204(a)(4). If the Board finds “that the claimed facility or relevant portion thereof is a pollution control facility . . . , the Pollution Control Board . . . shall

enter a finding and issue a certificate to that effect.” 35 ILCS 200/11-25 (2002); *see also* 35 Ill. Adm. Code 125.216(a).

AGENCY RECOMMENDATION

The Agency states that it received a tax certification application from Holland Energy for its Beecher City cooling tower system site on December 31, 2003. Agency Recommendation (Agency Rec.) at 1. On June 14, 2004, the Agency filed a recommendation on the application with the Board. The Agency’s recommendation identifies the facilities at issue:

A cooling tower system consisting of a 10-celled mechanical-draft counter-flow cooling tower. Circulating water from the main condenser and auxiliary cooling water from various equipment, returns heated to the cooling tower. Heated water flows through cooling tower riser valves (one per cell) to the individual cell distribution heaters, where it is sprayed over the cooling tower fill and then falls into the cooling tower basin to be reused, or blown down to the outfall. Agency Rec. at 1-2.

The Agency’s recommendation also identifies the location of the facilities: Section 16, Township 9 North, Range 4 East of the 3rd Principal Meridian in Shelby County, Illinois. *Id.* at 1.

The Agency recommends that the Board certify that the identified facilities are pollution control facilities as defined in Section 11-10 of the Property Tax Code (35 ILCS 200/11-10 (2002)) because the primary purpose of the facilities is to treat process wastewater, thereby eliminating, preventing, or reducing water pollution. Agency Rec. at 2.

TAX CERTIFICATE

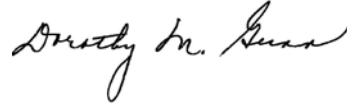
The Board finds and certifies that Holland Energy’s facilities identified in this order are pollution control facilities under the Property Tax Code (35 ILCS 200/11-10 (2002)). Under Section 11-25 of the Property Tax Code, the effective date of this certificate is “the date of application for the certificate or the date of the construction of the facility, which ever is later.” 35 ILCS 200/11-25 (2002); *see also* 35 Ill. Adm. Code 125.216(a). Section 125.216(d) of the Board’s procedural rules states that the Clerk “will provide the applicant and the Agency with a copy of the Board’s order setting forth *the Board’s findings and certificate, if any.*” 35 Ill. Adm. Code 125.216(d) (quoting in italics 35 ILCS 200/11-30 (2002)). The Clerk therefore will provide Holland Energy and the Agency with a copy of this order.

IT IS SO ORDERED.

Section 41(a) of the Environmental Protection Act provides that final Board orders may be appealed directly to the Illinois Appellate Court within 35 days after the Board serves the order. 415 ILCS 5/41(a) (2002); *see also* 35 Ill. Adm. Code 101.300(d)(2), 101.906, 102.706. Illinois Supreme Court Rule 335 establishes filing requirements that apply when the Illinois Appellate Court, by statute, directly reviews administrative orders. 172 Ill. 2d R. 335. The Board’s procedural rules provide that motions for the Board to reconsider or modify its final

orders may be filed with the Board within 35 days after the order is received. 35 Ill. Adm. Code 101.520; *see also* 35 Ill. Adm. Code 101.902, 102.700, 102.702.

I, Dorothy M. Gunn, Clerk of the Illinois Pollution Control Board, certify that the Board adopted the above order on June 17, 2004, by a vote of 5-0.

A handwritten signature in cursive script, reading "Dorothy M. Gunn".

Dorothy M. Gunn, Clerk
Illinois Pollution Control Board