

ILLINOIS POLLUTION CONTROL BOARD

January 9, 2014

UNITED STATES STEEL CORPORATION )  
(Low NO<sub>x</sub> Burners) (Parcel/Property I.D. No. )  
22-2-19-24-16-401-011), )  
 )  
Petitioner, )  
 )  
v. ) PCB 14-82  
 ) (Tax Certification - Air)  
ILLINOIS ENVIRONMENTAL )  
PROTECTION AGENCY, )  
 )  
Respondent. )

ORDER OF THE BOARD (D. Glosser):

On December 12, 2013, the Illinois Environmental Protection Agency (Agency) filed a recommendation that the Board certify certain facilities of United States Steel Corporation (US Steel) as “pollution control facilities” for preferential tax treatment under the Property Tax Code. *See* 35 ILCS 200/11-5 *et seq.* (2012); 35 Ill. Adm. Code 125. The facilities are associated with US Steel’s manufacturing facility located at 1951 State Street in Granite City, Madison County. In this order, the Board describes the legal framework for tax certifications, discusses the Agency’s recommendation, and certifies that US Steel’s Low Nitrogen Oxides (NO<sub>x</sub>) Burners 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 33 1/3% of the fair cash value of their economic productivity to their owners.” 35 ILCS 200/11-5 (2012); *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 (2012); *see also* 35 Ill. Adm. Code 125.200(a). Under the statute, the Board determines if the facilities are pollution control facilities; however, the Board is not authorized to assess a value of those facilities.

Under Section 125.202 of the Board’s procedural rules, a person may submit an application for tax certification to the Agency. *See* 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. *See* 35 Ill. Adm. Code 125.204(a). Among other things, the Agency’s filing must recommend that the Board issue or deny tax certification. *See* 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 (2012); *see also* 35 Ill. Adm. Code 125.216(a).

### AGENCY RECOMMENDATION

The Agency states that it received a tax certification application from US Steel on or about December 18, 2009.<sup>1</sup> Rec. at ¶ 1. The Agency further states that it received an amended application from US Steel on or about October 15, 2010. *Id.* On December 12, 2013, the Agency filed a recommendation on the applications with the Board, attaching US Steel’s initial application (Rec. Exh. A) and amended application (Rec. Exh. B). The Agency’s recommendation identifies the facilities at issue:

The subject matter of this request consists of Low [NO<sub>x</sub>] Burners, which will reduce and control NO<sub>x</sub> emissions from the hot strip mill slab reheat furnaces at the manufacturing facility. As described in the application, the project involves the installation of low NO<sub>x</sub> burner technology that is typically designed to burn fuel gas at a lower flame temperature, thereby reducing the formation of NO<sub>x</sub> emissions. The burners are being fitted on the affected furnaces, designated Furnace Nos. 1 through 4, and are “custom designed to interface with the existing combustion air connections and shell mounting flanges.” The project also included the construction of an associated shut-off valve and electrical panel for Furnace No. 4. Rec. at ¶ 3 (quoting Rec. Exh. A; citation omitted).

The Agency further describes the facilities: “The installation of the new Low NO<sub>x</sub> Burners for the aforementioned furnaces will reduce NO<sub>x</sub> emissions from manufacturing operations that would otherwise be emitted to the atmosphere.” Rec. at ¶ 3.

The Agency recommends that the Board certify that the Low NO<sub>x</sub> Burners are pollution control facilities as defined in Section 11-10 of the Property Tax Code (35 ILCS 200/11-10 (2012)) with the primary purpose “to prevent or reduce air pollution.” Rec. at ¶¶ 6, 7; *see also* Rec. Exh. C (Agency technical memorandum).

### TAX CERTIFICATE

Based upon the Agency’s recommendation and US Steel’s applications, the Board finds and certifies that US Steel’s Low NO<sub>x</sub> Burners identified in this order are pollution control facilities under the Property Tax Code (35 ILCS 200/11-10 (2012)). The Board makes no finding regarding the assessed value of those facilities. 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 (2012); *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 (2012)). The Clerk therefore will provide US Steel and the Agency with a copy of this order.

IT IS SO ORDERED.

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<sup>1</sup> The Agency’s recommendation is cited as “Rec. at \_.”

Section 11-60 of the Property Tax Code provides that any applicant or holder aggrieved by the issuance, refusal to issue, denial, revocation, modification or restriction of a pollution control certificate or a low sulfur dioxide emission coal fueled device certificate may appeal the Board's finding and order to the Circuit Court under the Administrative Review Law (735 ILCS 5/3-101 *et seq.* (2012)). *See* 35 ILCS 200/11-60 (2012).

I, John T. Therriault, Clerk of the Illinois Pollution Control Board, certify that the Board adopted the above order on January 9, 2014, by a vote of 4-0.

A handwritten signature in black ink that reads "John T. Therriault". The signature is written in a cursive style with a long horizontal flourish extending to the right.

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John T. Therriault, Clerk  
Illinois Pollution Control Board