

**104TH GENERAL ASSEMBLY****State of Illinois****2025 and 2026****SB1277**

Introduced 1/28/2025, by Sen. Li Arellano, Jr. - Chris Balkema

**SYNOPSIS AS INTRODUCED:**

20 ILCS 3855/1-56.5 new  
30 ILCS 105/5.1030 new

Amends the Illinois Power Agency Act. Prohibits a company that provides solar project installation services or solar facility installation services from installing a solar project or solar facility in Illinois without posting and maintaining, with the Illinois Power Agency, a surety bond in the amount of \$2,000,000 or such higher amount as is annually set by the Agency by rule. Requires the Agency to adopt rules to establish requirements for the mandated surety bonds and procedures for posting and maintaining those bonds. Requires the rules adopted by the Agency to prescribe the type and amount of the surety bond required and the conditions under which the Agency is entitled to collect moneys from such bonds. Authorizes the rules adopted by the Agency to contain any other provisions the Agency deems necessary to administer the provisions of the amendatory Act. Directs the Agency to annually adjust the amount of the required surety bond beginning 2 years after the effective date of the amendatory Act. Creates the Solar Installation Fund. Provides that any moneys forfeited to the State from the required surety bonds shall be deposited into the Solar Installation Fund and shall, upon approval by the Governor and the Director of the Agency, be used by and under the direction of the Agency for the purpose of ensuring that certain rebate and warranty obligations of such a company are met. Authorizes the Agency to enter into contracts and agreements it deems necessary to carry out the provisions of the amendatory Act. Provides that neither the State, nor the Director of the Agency, nor any State employee shall be liable for any damages or injuries arising out of or resulting from any action taken under the provisions of the amendatory Act. Allows the Agency to approve or disapprove any surety bond. Allows a person whose surety bond is disapproved to contest the disapproval. Makes a conforming change in the State Finance Act.

LRB104 06361 AAS 16397 b

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 5. The Illinois Power Agency Act is amended by  
5 adding Section 1-56.5 as follows:

6 (20 ILCS 3855/1-56.5 new)

7 Sec. 1-56.5. Surety bonds required for solar installers to  
8 ensure payment of warranty and rebate obligations.

9 (a) Beginning one year after the effective date of this  
10 amendatory Act of the 104th General Assembly, a company that  
11 provides solar project installation services or solar facility  
12 installation services shall not install a solar project or  
13 solar facility in this State unless that company has posted  
14 and maintained, with the Agency, a surety bond in the amount of  
15 \$2,000,000 or such higher amount as is annually set by the  
16 Agency by rule under subsection (b), for the purpose of  
17 ensuring, regardless of whether the company closes, files for  
18 bankruptcy protection, or reorganizes, that:

19 (1) all of the company's warranty obligations to  
20 customers in the State are met; and

21 (2) all of the rebate payments owed by the company to  
22 customers in the State are paid.

23 (b) Within 6 months after the effective date of this

1 amendatory Act of the 104th General Assembly, the Agency shall  
2 adopt rules establishing requirements for the surety bonds  
3 described in this Section and the procedures for posting and  
4 maintaining those surety bonds with the Agency. The rules  
5 adopted under this subsection (b) shall prescribe the type and  
6 amount of the surety bond required under this Section and the  
7 conditions under which the Agency is entitled to collect  
8 moneys from such bonds. The rules adopted under this  
9 subsection (b) may also contain any other provisions the  
10 Agency deems necessary to administer this Section. Beginning 2  
11 years after the effective date of this amendatory Act of the  
12 104th General Assembly, the Agency shall, by rule, annually  
13 adjust the amount of the surety bond required under this  
14 Section.

15 (c) There is hereby created within the State treasury a  
16 special fund to be known as the Solar Installation Fund. Any  
17 moneys forfeited to the State from any surety bond required  
18 under this Section shall be deposited into the Solar  
19 Installation Fund and shall, upon approval by the Governor and  
20 the Director, be used by and under the direction of the Agency  
21 for the purposes for which such surety bond was issued. The  
22 Solar Installation Fund is not subject to the provisions of  
23 subsection (c) of Section 5 of the State Finance Act.

24 (d) The Agency may enter into any contract or agreement  
25 that it deems necessary to carry out the purposes of this  
26 Section. Neither the State, nor the Director, nor any State

1 employee shall be liable for any damages or injuries arising  
2 out of or resulting from any action taken under this Section.

3 (e) The Agency may approve or disapprove any surety bond  
4 required under this Section. Any person whose surety bond is  
5 disapproved by the Agency may contest the disapproval under  
6 the Administrative Review Law.

7 (f) Nothing in this Section shall bar a cause of action by  
8 the State for any other penalty or relief provided by this Act  
9 or any other law.

10 Section 10. The State Finance Act is amended by adding  
11 Section 5.1030 as follows:

12 (30 ILCS 105/5.1030 new)

13 Sec. 5.1030. The Solar Installation Fund.