



Rep. Sonya M. Harper

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10000HB3418ham001

LRB100 10990 AWJ 25457 a

1 AMENDMENT TO HOUSE BILL 3418

2 AMENDMENT NO. _____. Amend House Bill 3418 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Finance Act is amended by adding
5 Section 5.878 to Article 5 as follows:

6 (30 ILCS 105/5.878 new)

7 Sec. 5.878. The Urban Agricultural Zone Fund.

8 Section 10. The Illinois Municipal Code is amended by
9 adding Division 15.4 to Article 11 as follows:

10 (65 ILCS 5/Art. 11 Div. 15.4 heading new)

11 DIVISION 15.4. MUNICIPAL URBAN AGRICULTURAL ZONES

12 (65 ILCS 5/11-15.4-5 new)

13 Sec. 11-15.4-5. Definitions. As used in this Division:

1 "Agricultural product" means an agricultural,
2 horticultural, viticultural, or vegetable product either in
3 its natural or processed state, that has been produced,
4 processed, or otherwise had value added to it in this State.

5 "Agricultural product" includes, but is not limited to, growing
6 of grapes that will be processed into wine; bees; honey; fish
7 or other aquacultural product; planting seed; livestock or
8 livestock product; forestry product; and poultry or poultry
9 product.

10 "Aquaculture" and "aquatic products" have the meanings
11 given to those terms in Section 4 of the Aquaculture
12 Development Act.

13 "Blighted area" means that portion of a municipality within
14 which the corporate authorities of the municipality determines
15 that by reason of age, obsolescence, inadequate or outmoded
16 design, or physical deterioration have become economic and
17 social liabilities, and that these conditions are conducive to
18 ill health, transmission of disease, crime, or inability to pay
19 reasonable taxes. "Blighted area" does not include farmland
20 assessed under Section 10-110 of the Property Tax Code.

21 "Department" means the Department of Agriculture.

22 "Domesticated animal" means cattle; calves; sheep; swine;
23 ratite birds, including, but not limited to, ostrich and emu;
24 llamas; alpaca; buffalo; elk documented as obtained from a
25 legal source and not from the wild; goats; horses and other
26 equines; or rabbits raised in confinement for human

1 consumption.

2 "Grower UAZ" means a type of UAZ:

3 (1) that can either grow produce, raise livestock, or
4 produce other value-added agricultural products; and

5 (2) that does not exceed 50 laying hens, 650 broiler
6 chickens, or 30 domesticated animals.

7 "Livestock" means cattle; calves; sheep; swine; ratite
8 birds including but not limited to ostrich and emu; aquatic
9 products obtained through aquaculture; llamas; alpaca;
10 buffalo; elk documented as obtained from a legal source and not
11 from the wild; goats; horses and other equines; or rabbits
12 raised in confinement for human consumption.

13 "Locally grown" means a product that was grown or raised in
14 the same county or adjoining county in which the UAZ is
15 located.

16 "Meat" means any edible portion of livestock or poultry
17 carcass.

18 "Meat product" means anything containing meat intended for
19 or capable of use for human consumption, which is derived, in
20 whole or in part, from livestock or poultry.

21 "Poultry" means any domesticated bird intended for human
22 consumption.

23 "Processing UAZ" means a type of UAZ:

24 (1) that processes livestock or poultry for human
25 consumption;

26 (2) that meets federal and State processing laws and

1 standards; or

2 (3) that is a qualifying small business approved by the
3 Department.

4 "Public colleges and universities" has the meaning given to
5 that term in Section 5 of the Higher Education Veterans Service
6 Act.

7 "Qualifying small business" means those enterprises which
8 are established within an Urban Agricultural Zone subsequent to
9 its creation, and which meet the definition established for the
10 federal Small Business Administration and set forth in Section
11 121.301 of Part 121 of Title 13 of the Code of Federal
12 Regulations.

13 "Sales tax amounts" means the amount of taxes paid under
14 the Retailers' Occupation Tax Act, the Use Tax Act, the Service
15 Use Tax Act, the Service Occupation Tax Act, the Municipal
16 Retailers' Occupation Tax Act, and the Municipal Service
17 Occupation Tax Act by retailers and servicemen on transactions
18 at places located in a UAZ.

19 "Urban agricultural zone" or "UAZ" means a zone within a
20 metropolitan statistical area, as defined by the United States
21 Office of Budget and Management, which has one or more of the
22 following entities that is a qualifying small business, and
23 approved by the Department, as follows:

24 (1) any organization or person who grows produce or
25 other agricultural products;

26 (2) any organization or person that raises livestock or

1 poultry;

2 (3) any organization or person who processes livestock
3 or poultry; or

4 (4) any organization that sells at a minimum 75%
5 locally grown food.

6 "Value-added agricultural products" means any product or
7 products that are the result of:

8 (1) using an agricultural product grown in this State
9 to produce a meat or dairy product in this State;

10 (2) a change in the physical state or form of the
11 original agricultural product;

12 (3) an agricultural product grown in this State which
13 has had its value enhanced by special production methods
14 such as organically grown products; or

15 (4) a physical segregation of a commodity or
16 agricultural product grown in this State that enhances its
17 value such as identity preserved marketing systems.

18 "Vending UAZ" means a type of UAZ:

19 (1) that sells produce, meat, or locally grown
20 value-added agricultural products;

21 (2) that is able to accept food stamps under the
22 provisions of the Supplemental Nutrition Assistance
23 Program as a form of payment; and

24 (3) that is a qualifying small business that is
25 approved by the Department for a UAZ vendor license.

1 (65 ILCS 5/11-15.4-10 new)

2 Sec. 11-15.4-10. Urban agricultural zone board.

3 (a) The corporate authorities of a municipality planning to
4 seek designation of an urban agricultural zone shall establish
5 an urban agricultural zone board. There shall be 7 members on
6 the board. One member of the board shall be appointed by the
7 school district or districts located within the area proposed
8 for designation as an urban agricultural zone. Two members of
9 the board shall be appointed by other affected taxing units of
10 local government. The remaining 4 members shall be appointed by
11 the president or mayor of the municipality. The 4 members
12 chosen by the president or mayor shall all be residents of the
13 municipality in which the UAZ is to be located, and at least
14 one of the 4 members shall have experience in or represent an
15 organization associated with sustainable agriculture, urban
16 farming, community gardening, or any of the activities or
17 products authorized by this Division for UAZs.

18 (b) The school district member and the 2 affected taxing
19 unit of local government members shall each have initial terms
20 of 5 years. Of the 4 members appointed by the president or
21 mayor, 2 shall have initial terms of 4 years, and 2 shall have
22 initial terms of 3 years. Thereafter, members shall serve terms
23 of 5 years. Each member shall hold office until a successor has
24 been appointed. All vacancies shall be filled in the same
25 manner as the original appointment. For inefficiency, neglect
26 of duty, or misconduct in office, a member of the board may be

1 removed by the applicable appointing authority.

2 (c) The members of the board annually shall elect a chair
3 from among the members.

4 (d) A majority of the members shall constitute a quorum of
5 the board for the purpose of conducting business and exercising
6 the powers of the board and for all other purposes. Action may
7 be taken by the board upon a vote of a majority of the members
8 present.

9 (e) The role of the board shall be to conduct the
10 activities necessary to advise the corporate authorities of the
11 municipality on the designation of an urban agricultural zone
12 and any other advisory duties as determined by the corporate
13 authorities of the municipality. The role of the board after
14 the designation of an urban agricultural zone shall be review
15 and assessment of zone activities.

16 (65 ILCS 5/11-15.4-15 new)

17 Sec. 11-15.4-15. Application for an urban agricultural
18 zone; review; dissolution.

19 (a) A person or organization may submit to the municipal
20 clerk an application to develop a UAZ in a blighted area. The
21 application shall demonstrate or identify on the application:

22 (1) if the person or organization is a grower UAZ,
23 processing UAZ, vending UAZ, or a combination of all three
24 types of UAZs in which case the person or organization
25 shall meet the requirements of each type of UAZ in order to

1 qualify;

2 (2) the number of jobs to be created;

3 (3) the types of products to be produced;

4 (4) if applying for a vending UAZ, the ability to
5 accept food stamps under the provisions of the Supplemental
6 Nutrition Assistance Program if selling products to
7 consumers;

8 (5) the geographic description of the area that will be
9 included in the UAZ;

10 (6) all taxing units of local government impacted by
11 the proposed UAZ; and

12 (7) the amount of property taxes to be abated, if any,
13 under Section 11-15.4-25, including which taxing units of
14 local government would be impacted by the abatement.

15 (b) A municipality shall review and modify the application
16 as necessary before either approving or denying the request to
17 establish a UAZ.

18 (c) Approval of the UAZ by a municipality shall be reviewed
19 5 and 10 years after the development of the UAZ. After 25
20 years, the UAZ shall dissolve. If the municipality finds during
21 its review that the UAZ is not meeting the requirements set out
22 in this Division, the municipality may dissolve the UAZ by
23 ordinance or resolution.

24 (65 ILCS 5/11-15.4-20 new)

25 Sec. 11-15.4-20. Notice and public hearing; urban

1 agricultural zone ordinance. Prior to the adoption of an
2 ordinance designating an urban agricultural zone, the urban
3 agricultural zone board shall fix a time and place for a public
4 hearing and notify each taxing unit of local government located
5 wholly or partially within the boundaries of the proposed urban
6 agricultural zone. The board shall send, by certified mail, a
7 notice of the hearing to all taxing units of local government
8 and shall publish notice of such hearing in a newspaper of
9 general circulation in the area to be affected by the
10 designation at least 20 days prior to the hearing but not more
11 than 30 days prior to the hearing. The notice shall state the
12 time, location, date, and purpose of the hearing. At the public
13 hearing, any interested person or affected taxing unit of local
14 government may file with the board written objections or
15 comments and may be heard orally in respect to, any issues
16 embodied in the notice. The board shall hear and consider all
17 objections, comments, and other evidence presented at the
18 hearing. The hearing may be continued to another date without
19 further notice other than a motion to be entered upon the
20 minutes fixing the time and place of the subsequent hearing.

21 Following the conclusion of the public hearing required
22 under this Section, the corporate authorities of the
23 municipality may adopt an ordinance designating an urban
24 agricultural zone.

1 Sec. 11-15.4-25. Taxation of property; water rates and
2 charges.

3 (a) If authorized by the urban agricultural zone ordinance
4 under Section 11-15.4-20, real property located within a UAZ
5 that is used for growing or raising of agricultural products is
6 not subject to assessment or payment of ad valorem taxes on
7 real property imposed by the State or units of local government
8 specified in the ordinance for a period of tax abatement of up
9 to 25 years as specified by ordinance under Section 11-15.4-20
10 except in an amount not greater than the amount of taxes
11 assessed in the levy year immediately preceding the levy year
12 during which the UAZ was designated. The amounts of the tax
13 assessed used for growing or raising of agricultural products
14 may not be increased during the period stated in the ordinance
15 as long as the real property is used in furtherance of the
16 activities provided under this Division. At the conclusion of
17 the period of abatement provided by the ordinance, the property
18 used for growing or raising of agricultural products shall then
19 be reassessed. If only a portion of real property is used as a
20 UAZ, then only that portion of real property shall be exempt
21 from assessment or payment of ad valorem taxes on the property
22 as provided by this Section. Parcels of property assessed under
23 Section 10-110 of the Property Tax Code are not eligible for
24 the abatement provided in this subsection (a).

25 (b) Any sales tax amounts received from the sale of
26 agricultural products grown or produced and sold in the UAZ

1 shall be deposited in the Urban Agricultural Zone Fund
2 established in Section 11-15.4-30 of this Division. An amount
3 equal to 1% shall be retained by the Director of the Department
4 of Revenue for deposit in the General Revenue Fund to offset
5 the costs of collection.

6 (c) Any entity providing water to the UAZ may authorize a
7 water user who grows or raises agricultural products in the UAZ
8 to (1) pay wholesale water rates, if available, or (2) pay 50%
9 of the standard connection charge.

10 (65 ILCS 5/11-15.4-30 new)

11 Sec. 11-15.4-30. The Urban Agricultural Zone Fund.

12 (a) The Urban Agricultural Zone Fund, a special fund
13 created in the State treasury, shall consist of moneys
14 collected under Section 5-45025 of Article 5 of the Counties
15 Code and Section 11-15.4-25 of this Division. Except as
16 provided for in subsection (b), the Comptroller shall order
17 transferred before the end of each quarter of the fiscal year,
18 and the Treasurer shall transfer, an amount equal to the moneys
19 collected from the municipal UAZs within the previous quarter.

20 (b) A school district or school districts that have a UAZ
21 in their district territory may apply to the Department for
22 money in the fund to be used for the development of curriculum
23 on or the implementation of urban farming practices under the
24 guidance of a public college or university. The funds are to be
25 distributed on a competitive basis within the school district

1 or districts in which the UAZ is located pursuant to rules
2 published by the Department, with special consideration given
3 to the relative number of students eligible for free and
4 reduced-price lunches attending the schools within the
5 district or districts. The Department may designate up to 10%
6 of moneys from quarterly sales tax amounts in the Agricultural
7 Zone Fund to school districts under this subsection (b). The
8 Department shall notify the Comptroller of any moneys awarded
9 to a school district under this subsection (b) no later than 14
10 days before the end of each quarter and the Comptroller shall
11 reduce the amount ordered transferred to the municipality by
12 that amount.

13 (65 ILCS 5/11-15.4-35 new)

14 Sec. 11-15.4-35. Severability. The provisions of this
15 Division are severable under Section 1.31 of the Statute on
16 Statutes.

17 Section 99. Effective date. This Act takes effect July 1,
18 2017."