

1 AN ACT concerning agricultural development.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 1. Short title. This Act may be cited as the
5 Illinois AgFirst Infrastructure Development Act.

6 Section 5. Definitions. In this Act:

7 "Authority" means the Illinois Agricultural Small
8 Business Authority created by this Act.

9 "Department" means the Department of Agriculture.

10 "Director" means the Director of Agriculture.

11 "Eligible farmer" means a person who (i) is a resident of
12 Illinois and (ii) has had more than \$40,000 in gross sales of
13 agricultural products during any one of the preceding 5
14 calendar years and at that time owned or leased 60 acres or
15 more of land used as a "farm" as defined in Section 1-60 of
16 the Property Tax Code.

17 "Farm worker" means an individual (including a migrant or
18 seasonal farm worker) who has worked on a farm for at least
19 one year and has been laid off due to reduced farm income.

20 Section 10. Crisis Safety Net Response Program.

21 (a) The Department must establish and coordinate a
22 Crisis Safety Net Program and must establish guidelines to
23 identify farmers and farm workers who are eligible for the
24 program.

25 (b) The Department shall identify and assess the needs
26 of eligible farmers and farm workers and shall coordinate or
27 provide re-employment and job re-training services, such as
28 outreach, counseling, vocational assessment, classroom
29 training, on-the-job training, job search assistance,
30 placement, supportive services, and follow-up, so that the

1 farmer or farm worker may remain in farming or find other
2 employment if farming is no longer an option.

3 (c) The Department is authorized to provide legal
4 assistance to any person receiving services under this
5 Section.

6 (d) The Department may adopt any rules that are
7 necessary to administer this Section.

8 Section 15. Value-added virtual equity program.

9 (a) The Department shall develop and administer a value
10 added virtual equity program for the purpose of promoting the
11 value-added processing of Illinois farm products and
12 by-products through loans and grants to current and potential
13 processors. Qualifying processing facilities must be located
14 in Illinois and must process, package, or otherwise enhance
15 the value of farm products or by-products produced in
16 Illinois. Loans or grants may be used for the costs of
17 establishing and operating a value-added processing facility,
18 including, but not limited to, (i) purchasing land, (ii)
19 purchasing, constructing, or refurbishing buildings, (iii)
20 purchasing or refurbishing machinery or equipment, (iv)
21 installation, (v) repairs, (vi) labor, and (vii) working
22 capital.

23 (b) The recipient of a grant or loan under this Section
24 must provide a minimum percentage, as determined by the
25 Department, of the total cost of the processing project, with
26 the balance of the project's total cost available from other
27 sources. Other sources include, but are not limited to,
28 commercial and private lenders, leasing companies, and
29 grants. The recipient's match may be in cash,
30 cash-equivalent investments, or both. A loan or grant under
31 this Section may not exceed 50% of the project's total costs.
32 A loan or grant under this Section must be secured in
33 accordance with Department rule, may be disbursed only after

1 funds from the project's other sources have been disbursed,
2 and may be subordinate to that of any primary lender.

3 (c) Loan or grant applications must be made on forms
4 provided by and in accordance with procedures established by
5 the Department. At a minimum, an applicant must be an
6 Illinois resident, as defined by Department rule, and shall
7 be required to provide the names, addresses, and occupations
8 of all project owners, the project address, and any relevant
9 credit and financial information.

10 The Department may charge an application fee, an annual
11 administrative fee, or both in connection with a grant or
12 loan, for which the recipient or the recipient's primary
13 lender shall be responsible. Any fees or charges involved in
14 recording mortgages, releasing financing statements, or other
15 loan-related activity, as the Department may determine, shall
16 be the responsibility of the grant or loan recipient.

17 (d) The Department shall adopt rules necessary for the
18 implementation of this Section.

19 Section 17. Enhanced Value-Added Agriculture Production
20 Guarantee Program.

21 (a) The Department may issue State Guarantees to lenders
22 for loans to finance or refinance debts for specialized
23 agri-businesses that are or will be (i) engaged in the
24 process of adding value to agricultural products and (ii)
25 located in Illinois. For the purposes of this Section,
26 agri-business includes, but is not limited to, research,
27 development, processing, marketing, production, and the sale
28 of agricultural products and production agriculture.

29 (b) Lenders must apply for the State Guarantees on forms
30 provided by the Department and must certify that the
31 application and any other documents submitted to the
32 Department are true and correct. The lender or borrower, or
33 both in combination, must pay an administrative fee

1 determined by the Department. The applicant is responsible
2 for paying any fee or charge involved in recording mortgages,
3 releases, and financing statements; insurance for secondary
4 market issues; and any other similar fee or charge that the
5 Authority may require. The application must, at a minimum,
6 contain the farmer's name; address; present credit and
7 financial information, including cash flow statements,
8 financial statements, balance sheets, and any other
9 information pertinent to the application; and the collateral
10 to be used to secure the State Guarantee. In addition, the
11 borrower must certify to the Department that, at the time the
12 State Guarantee is provided, the borrower will not be
13 delinquent in the repayment of any debt. The lender must
14 agree to charge a fixed or adjustable rate that the
15 Department determines is below the market rate of interest
16 generally available to the borrower. If both the lender and
17 the borrower agree, the interest rate on the State guaranteed
18 loan can be converted to a fixed interest rate at any time
19 during the term of the loan.

20 (c) State Guarantees provided under this Section (i) may
21 not exceed \$1,000,000 per applicant, (ii) may not be longer
22 than 15 years in duration, and (iii) are subject to an annual
23 review and renewal by the lender and the Department. An
24 applicant may use this program more than once, provided that
25 the aggregate principal amount to State Guarantees under this
26 Section to the applicant does not exceed \$1,000,000. A State
27 Guarantee may not be revoked by the Authority without a
28 90-day notice, in writing, to all parties.

29 (d) The Department must provide or renew a State
30 Guarantee to a lender if:

31 (1) The lender pays a fee equal to 25 basis points
32 on the loan to the Department on an annual basis.

33 (2) The application provides collateral acceptable
34 to the Department that is at least equal to the State

1 Guarantee.

2 (3) The lender assumes all responsibility and costs
3 for pursuing legal action on collecting any loan that is
4 delinquent or in default.

5 (4) The lender is at risk for the first 15% of the
6 outstanding principal of the note for which the State
7 Guarantee is provided.

8 Section 20. Agriculture management curriculum.

9 (a) The Department must establish an agriculture
10 management curriculum and educator training program for the
11 essential management skills needed to address the changing
12 nature of management of the business of agriculture. The
13 curriculum shall address entrepreneurship, new-risk
14 management, contracting, forming new-generation co-ops,
15 developing business plans, preparing marketing plans,
16 branding and marketing specialized agricultural products, and
17 grain segregation and GMO issues.

18 (b) Courses using the curriculum may be offered through
19 community colleges and the Cooperative Extension Service of
20 the University of Illinois.

21 Section 25. Illinois Agricultural Small Business
22 Authority. There is created within the Department the
23 Illinois Agricultural Small Business Authority.

24 The Authority shall provide technical and managerial
25 assistance to new-generation co-ops and small agri-businesses
26 by (i) contracting with local development organizations,
27 chambers of commerce, and industry or trade associations with
28 technical and managerial expertise located within the State
29 and (ii) establishing a network of agri-business centers.
30 The Authority shall also assist new-generation co-ops and
31 agri-businesses with finding site locations and accessing
32 financing options.

1 Section 30. Agri-business Outreach Program.

2 (a) There is established within the Department the
3 Agri-business Outreach Program to (i) coordinate and
4 disseminate information on existing State, federal, and local
5 programs for the promotion and development of new and
6 existing agricultural ventures, (ii) expedite access to
7 available resources by potential businesses, and (iii) create
8 a database within the Department to collect
9 agriculture-specific data based on the Department of
10 Commerce and Community Affairs's database in order to make an
11 inventory of local physical resources available to the
12 public, the General Assembly, the Governor's Office, and
13 State and local government agencies.

14 (b) The Department may adopt any rules necessary to
15 implement this Section.

16 Section 35. Certification. The Department must develop a
17 voluntary certification process that guarantees a buyer that
18 the certified Illinois products have traits and qualities
19 that warrant a premium price. The Department must adopt rules
20 setting certification standards and licensing associations to
21 certify the product for a producer-paid fee.

22 Section 40. Market access. The Department must (i)
23 identify international and domestic consumer preferences,
24 (ii) identify the new markets those preferences indicate,
25 particularly for value-added products, (iii) identify
26 preserved products, (iv) underwrite demonstrations on foreign
27 soils, and (v) provide market analyses and trend projections
28 to farmers and other interested persons.

29 Section 95. Repeal. This Act is repealed on July 1,
30 2005.

1 Section 99. Effective date. This Act takes effect on
2 July 1, 2001.