



Rep. Sonya M. Harper

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LRB103 03570 RLC 60021 a

1 AMENDMENT TO HOUSE BILL 54

2 AMENDMENT NO. _____. Amend House Bill 54 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the Local
5 Food Infrastructure Grant Act.

6 Section 5. Definitions. In this Act:

7 "Department" means the Department of Agriculture.

8 "Director" means the Director of Agriculture.

9 "Fund" means the Local Food Infrastructure Grant Fund.

10 "Grantee" means the person or entity to which a grant is
11 made from the Fund.

12 "Lender" means any federal or State chartered bank,
13 federal land bank, production credit association, bank for
14 cooperatives, federal or state chartered savings and loan
15 association or building and loan association, small business
16 investment company, or any other institution qualified within

1 this State to originate and service loans, including, but not
2 limited to, insurance companies, credit unions, and mortgage
3 loan companies. "Lender" includes a wholly owned subsidiary of
4 a manufacturer, seller or distributor of goods or services
5 that makes loans to businesses or individuals, commonly known
6 as a "captive finance company".

7 "Liability" includes, but is not limited to, the
8 following: accounts payable; notes or other indebtedness owed
9 to any source; taxes; rent; amounts owed on real estate
10 contracts or real estate mortgages; judgments; accrued
11 interest payable; and any other liability.

12 "State" means the State of Illinois.

13 "Underserved Farmer" means farmers or ranchers who are:
14 Beginning; Socially Disadvantaged; Veterans; and Limited
15 Resource, as defined by the USDA.

16 "Underserved Community" means communities that have
17 limited or no access to resources or that are otherwise
18 disenfranchised. These groups may include people who are
19 socioeconomically disadvantaged; people with limited English
20 proficiency; geographically isolated or educationally
21 disenfranchised people; people of color as well as those of
22 ethnic and national origin minorities; women and children;
23 individuals with disabilities and others with access and
24 functional needs; and seniors.

25 "Value-added" means the processing, packaging, or
26 otherwise enhancing the value of farm and agricultural

1 products or by-products produced in Illinois.

2 Section 10. Legislative findings.

3 (a) The General Assembly finds that in this State the
4 following conditions exist:

5 (1) Small fruit, vegetable, and livestock farmers are
6 vital to the health and wealth of Illinois communities,
7 yet Illinois does not currently have infrastructure in
8 place to support local food farmers and feed Illinois
9 communities.

10 (2) An estimated 95% of the food consumed in Illinois
11 is purchased from outside our borders, resulting in the
12 export of billions of food dollars outside our state
13 instead of building local economies.

14 (3) A shift of just 10% toward local food purchasing
15 by Illinois individuals, families, schools, institutions,
16 and state agencies could generate billions in economic
17 growth for our state.

18 (4) In order for Illinois families, businesses,
19 schools, and institutions to shift their purchasing
20 practices, Illinois must invest in supporting critical
21 local food infrastructure needed to scale up production,
22 aggregation, and distribution of local food.

23 (b) The General Assembly determines and declares that
24 there exist conditions in the State that require the
25 Department to issue grants on behalf of the State for the

1 development of local food processing, aggregation, and
2 distribution.

3 Section 15. Local Food Infrastructure Grant Program.
4 Subject to appropriation, the Department shall develop and
5 administer an annual Local Food Infrastructure Grant Program
6 to enhance local food processing, aggregation, and
7 distribution within this State.

8 (1) Eligibility. Eligible applicants must currently or
9 plan to store, process, package, aggregate, or distribute
10 farm products raised in Illinois. Eligible applicants
11 include, but are not limited to:

12 (A) Illinois farms with less than 50 employees.

13 (B) Illinois cooperatives with less than 50
14 employees.

15 (C) Illinois processing facilities, food
16 businesses, and food hubs, with less than 50
17 employees.

18 (D) Illinois non-profit organizations.

19 (E) Units of local government in Illinois.

20 Proposals may be submitted by individuals, groups,
21 partnerships, or collaborations.

22 (2) Award. Grant awards shall be between \$1000 and
23 \$150,000.

24 (3) Matching. The recipient of a grant under this
25 Section must provide a percentage for the total project

1 costs. 80% of all funded projects will be required to
2 provide a 50% match. The remaining 20% of funded projects
3 shall be categorized as "high need" and shall be required
4 to provide a 0 to 20% match. The recipient's match may be
5 in cash, cash-equivalent investments, or bonds,
6 irrevocable letters of credit, or any combination thereof.
7 Acceptable matching fund sources include, but are not
8 limited to, commercial and private lenders, leasing
9 companies, and grants.

10 (4) Allowable expenses. All grant funding must be used
11 for the purchasing, leasing to own, renting, building, or
12 installation of infrastructure that will increase market
13 access of Illinois communities to Illinois agricultural
14 products. Allowable expenses include, but are not limited
15 to:

16 (A) Equipment used in the production of
17 value-added agricultural products.

18 (B) Milling or pressing equipment.

19 (C) Creamery or milk product processing and
20 packaging equipment.

21 (D) Food hub development or expansion.

22 (E) Cooler walls and refrigeration units.

23 (F) Grading, packing, labeling, packaging, or
24 sorting equipment.

25 (G) Refrigerated trucks.

26 (H) Custom exempt mobile slaughter units and

1 livestock processing equipment.

2 (I) Agroforestry processing equipment.

3 (J) Local fish and shrimp processing.

4 Grant funding may not be used for labor, marketing, or
5 promotion.

6 (5) Funding source. The Local Food Infrastructure
7 Grant Fund is created as a special fund in the State
8 treasury. Appropriations and moneys from any public or
9 private source may be deposited into the Fund. The Fund
10 shall be used for the purposes of this Act. Repayments of
11 grants made under this Section shall be deposited into the
12 Fund. A maximum of 10% of all funds appropriated through
13 this fund may be awarded to the Department for
14 administrative costs.

15 Section 20. Steering Committee. Subject to appropriation,
16 the Department shall create an independent Local Food
17 Infrastructure Steering Committee to guide the implementation
18 and evaluation of the grant. The committee shall be selected
19 by the Director. The committee shall include, but is not
20 limited to, at least 3 farmers, including one specialty crop
21 farmer, one livestock farmer, and one farmer of color, one
22 representative from the local food processing industry, one
23 representative from a non-profit organization serving farmers
24 of color, one representative from a non-profit organization
25 serving farmers at large, and one representative from the

1 Department.

2 (1) The Steering Committee's responsibilities shall
3 include:

4 (A) Determining the grant funding cycle.

5 (B) Determining Application Requirements and terms
6 of the grant agreement.

7 (C) Determining grant criteria and preferences in
8 addition to those specified in this Act.

9 (D) Grant review and selection.

10 (E) Determining project reporting requirements for
11 funded projects.

12 (F) Evaluating program success and adjusting
13 criteria, requirements, preferences, implementation,
14 and all other elements of the grant as needed to ensure
15 the grant program meets its intended purpose, so long
16 as changes are in compliance with this Act.

17 (2) Application requirements. Grant applications must
18 be made on forms provided by the Department and in
19 accordance with procedures established by the Steering
20 Committee. At a minimum, an applicant must be an Illinois
21 resident, as defined by Department rule, and must provide
22 the names, addresses, and occupations of all project
23 owners, the project address, relevant credit and financial
24 information (including, but not limited to, assets and
25 liabilities), and any other information deemed necessary
26 by the Steering Committee for review of the grant

1 application.

2 (A) All requests for the waiver of any
3 requirements in this Section must be made in writing
4 to the Department. A grant award is subject to
5 modification or alteration under, but is not limited
6 to, the following conditions:

7 (i) The grant award is subject to any
8 modifications that may be required by changes in
9 State law or regulations. The Department shall
10 notify the recipient in writing of any amendment
11 to the regulations and the effective date of those
12 amendments.

13 (ii) If either the Department or the recipient
14 requests to modify the terms of the grant award,
15 written notice of the proposed modification shall
16 be given to the other party. No modification shall
17 take effect unless agreed to in writing by both
18 the Department and the recipient.

19 (3) Grant review process.

20 (A) Criteria. The Steering Committee, in reviewing
21 the applications, must consider, but is not limited to
22 considering the following criteria:

23 (i) The project has a reasonable assurance of
24 increasing the availability and accessibility of
25 Illinois agricultural products among Illinois
26 communities.

1 (ii) There is an adequate and realistic budget
2 projection.

3 (iii) The application meets the eligibility
4 requirements and the project costs are eligible
5 under this Act.

6 (B) Preference. Preference for grants shall be
7 given to, but is not limited to, the following:

8 (i) Proposals that have established favorable
9 community support.

10 (ii) Proposals that have a positive economic
11 impact on the State's local food sector.

12 (iii) Proposals that increase the availability
13 of Illinois agricultural products to underserved
14 communities in Illinois.

15 (iv) Proposals that positively impact
16 underserved farmers in Illinois.

17 (v) Established farmers and food businesses.

18 (vi) Proposals that facilitate long-term
19 economic development in the local food sector.

20 (C) High Need Determination. The Steering
21 Committee shall select all applications for funding,
22 and from this selection shall determine 20% of
23 applications to qualify as high need projects that are
24 eligible for a lower match requirement of 0 to 25%. To
25 qualify as a high need project, the independent
26 Steering Committee shall consider, but is not limited

1 to considering the following criteria:

2 (i) Proposals submitted by underserved
3 farmers.

4 (ii) Proposals that will positively impact
5 underserved communities.

6 (iii) Proposals that are submitted by small
7 and very small farms and food businesses.

8 Section 25. Report. The Director must file with the
9 Governor and General Assembly, and publish publicly on or
10 before March 1 of each year a written report detailing the
11 impact of the Local Food Infrastructure Grant for the previous
12 calendar year. The report must include a complete list of: (1)
13 all applications for grants under the Local Food
14 Infrastructure Grant Program during the previous calendar
15 year; (2) all persons that were awarded the Local Food
16 Infrastructure Grant and the nature and amount of their awards
17 in the previous calendar year; and (3) the economic impact of
18 the grant from the previous calendar year, which may include
19 jobs created, local food sales increases, and communities
20 served.

21 Section 30. Liability. The Director, Local Food
22 Infrastructure Steering Committee, any Department employee, or
23 any authorized person executing grants is not personally
24 liable on the grants and is not subject to any personal

1 liability or accountability by reason of the issuance of the
2 grants.

3 Section 35. Default or termination of grant agreement. If
4 the recipient of a grant violates any of the terms of the grant
5 agreement, the Department shall send a written notice to the
6 recipient that he or she is in default and be given the
7 opportunity to correct the violations.

8 (1) If the violation is not corrected within 30 days
9 after receipt of the notification, the Director may take,
10 but is not limited to, one or more of the following
11 actions:

12 (A) Declare due and payable the amount of the
13 grant, or any portion of it, and cease additional
14 grant payments not yet made to the recipient.

15 (B) Take any other action considered appropriate
16 to protect the interest of the project.

17 (2) The Department may determine that a recipient has
18 failed to faithfully perform the terms and conditions of
19 the scope of work of the project when:

20 (A) The Department has notified the recipient in
21 writing of the existence of circumstances such a
22 misapplication of grant funds, failure to match
23 Department funds, evidence of fraud and abuse,
24 repeated failure to meet performance timelines or
25 standards, or failure to resolve negotiated points of

1 the agreement.

2 (B) The recipient fails to develop and implement a
3 corrective action plan within 30 calendar days of the
4 Department's notice.

5 (3) A grant may be terminated under, but termination
6 is not limited to, any of the following circumstances:

7 (A) In the absence of State funding for a specific
8 year, all grants that year will be terminated in full.
9 In the event of a partial loss of State funding, the
10 Department may make proportionate cuts to all
11 recipients.

12 (B) If the Department determines that the
13 recipient has failed to comply with the terms and
14 conditions of the grant agreement, the Department may
15 terminate the grant in whole, or in part, at any time
16 before the date of completion.

17 (C) The Department may terminate the grant in
18 whole, or in part, when the Department determines that
19 the continuation of the project would not produce
20 beneficial results commensurate with the further
21 expenditures of funds.

22 (D) The recipient may refuse or elect not to
23 complete the grant agreement and terminate the grant.
24 The recipient shall notify the Department within 10
25 days after the date upon which performance ceases. The
26 Department may declare due and payable the amount of

1 the grant and may cease additional grant payments not
2 yet made to the grantee.

3 (4) Any moneys collected from the default or
4 termination of a grant shall be placed into the Fund and
5 expended for the purposes of this Act.

6 Section 40. Construction. This Act is necessary for the
7 welfare of this State and must be liberally construed to
8 effect its purposes. The Department may adopt rules that are
9 consistent with and necessary for the administration of this
10 Act.

11 Section 90. The State Finance Act is amended by adding
12 Section 5.990 as follows:

13 (30 ILCS 105/5.990 new)

14 Sec. 5.990. The Local Food Infrastructure Grant Fund.

15 Section 99. Effective date. This Act takes effect upon
16 becoming law."