

1 AN ACT in relation to commercial transactions.

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

4 Section 5. The Uniform Commercial Code is amended by  
5 adding Article 2B as follows:

6 (810 ILCS 5/Article 2B heading new)

7 ARTICLE 2B

8 GUARANTEED PREPAYMENTS OF AGRICULTURAL GOODS

9 (810 ILCS 5/Article 2B, Part 1 heading new)

10 PART 1. SHORT TITLE, GENERAL CONSTRUCTION AND SUBJECT MATTER

11 (810 ILCS 5/2B-101 new)

12 Sec. 2B-101. Short title. This Article shall be known  
13 and may be cited as Uniform Commercial Code-Guaranteed  
14 Prepayments of Agricultural Goods.

15 (810 ILCS 5/2B-102 new)

16 Sec. 2B-102. Scope; limitation to agricultural good  
17 transactions. Unless the context otherwise requires, this  
18 Article applies to transactions in agricultural goods; it  
19 does not apply to any transaction which does not include  
20 agricultural goods.

21 (810 ILCS 5/2B-103 new)

22 Sec. 2B-103. Definitions and index of definitions.

23 (1) In this Article unless the context otherwise  
24 requires:

25 (a) "Agricultural goods" means any product used in  
26 or for production agriculture.

27 (b) "Production agriculture" means the raising of or

1 the propagation of livestock; crops for sale for human  
 2 consumption; crops for livestock consumption; and  
 3 production seed stock grown for the propagation of feed  
 4 grains and the husbandry of animals or for the purpose of  
 5 providing a food product, including the husbandry of  
 6 blood stock as a main source of providing a food product.  
 7 "Production agriculture" also means animal husbandry,  
 8 floriculture, aquaculture, horticulture, and viticulture.

9 (810 ILCS 5/Article 2B, Part 2 heading new)

10 PART 2. ESTABLISHMENT OF AGRICULTURAL GOODS PREPAYMENT

11 GUARANTEE

12 (810 ILCS 5/2B-201 new)

13 Sec. 2B-201. Prepayment Guarantee.

14 (1) For the purposes of this Article, a purchase takes  
 15 place when a purchaser pays for agricultural goods to be  
 16 delivered immediately or at a later date.

17 (2) In the event that the recipient of monies for  
 18 agricultural goods becomes insolvent, the purchaser shall  
 19 receive a payment equal to the monies paid for agricultural  
 20 goods not delivered.

21 (3) In the event that the recipient of monies for  
 22 agricultural goods enters into insolvency proceedings, the  
 23 purchaser shall serve as the first secured creditor in the  
 24 insolvency proceedings.

25 Section 99. Effective date. This Act takes effect upon  
 26 becoming law.