

# HB2745



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB2745

Introduced 2/6/2025, by Rep. Jay Hoffman

#### SYNOPSIS AS INTRODUCED:

New Act

Creates the Nitrogen Reduction Program Act. Provides that, subject to appropriation, the Department of Agriculture shall, in consultation with the Department of Natural Resources and soil and water conservation districts in the State, develop a nitrogen reduction incentive program by January 1, 2026 for the purpose of addressing water quality issues. Provides that the program will include a per-acre payment rate of not less than \$5 per acre. Provides that crop management records collected from farmers shall be considered confidential. Makes findings. Defines terms. Effective immediately.

LRB104 07361 BDA 17401 b

A BILL FOR

1 AN ACT concerning agriculture.

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 Nitrogen Reduction Incentive Program Act.

6 Section 5. Findings. The General Assembly finds that:

7 (1) It is in the interest of this State to preserve and  
8 protect Illinois' water resources by incentivizing  
9 efficient fertilizer management strategies and the use of  
10 innovative crop nutrient technologies to help farmers  
11 manage and improve their commercial nitrogen fertilizer  
12 application rates.

13 (2) Innovative fertilizer management strategies and  
14 crop nutrient technologies, including biological sources  
15 of nitrogen, are growing in popularity and proving an  
16 effective tool for managing fertilizer loss while  
17 maximizing yields in the State of Illinois. Such  
18 strategies and technologies can help farmers maximize  
19 productivity while reducing nitrate leaching and runoff  
20 and subsequent negative environmental impacts.

21 (3) Therefore, a nitrogen reduction incentive program  
22 should be established in this State. This program should  
23 cost \$5,000,000 in its first year and renew annually for

1 at least 4 years in order to accomplish the goals of the  
2 General Assembly.

3 Section 10. Definitions. In this Act:

4 "Commercial nitrogen fertilizer" means fertilizer with a  
5 nitrogen content of no less than 25%.

6 "Department" means the Department of Agriculture.

7 "Fertilizer" means any substance containing one or more of  
8 plant nutrients that is used for its plant nutrient content  
9 and is designed for use or claimed to have value in promoting  
10 plant growth. "Fertilizer" does not include unmanipulated  
11 animal and vegetable manures, sea solids, marl, lime,  
12 limestone, wood ashes, and other products excluded by rule of  
13 the Department.

14 "Plant nutrient" means nitrogen, phosphate, potash, or any  
15 other nutrient used in accordance with 8 Ill. Adm. Code 210.

16 Section 15. Nitrogen reduction incentive program.

17 (a) In consultation with the Department of Natural  
18 Resources and Illinois soil and water conservation districts,  
19 the Department shall develop a nitrogen reduction incentive  
20 program by January 1, 2026, to further address water quality  
21 by incentivizing Illinois farmers to improve nitrogen  
22 management and incorporate innovative technologies into their  
23 crop nutrient management plans. The Department shall determine  
24 the scope of qualifying products, fertilizers with nitrogen

1 fixing properties, biological sources of nitrogen, and other  
2 biofertilizers. The Department shall administer the program.  
3 The program shall provide an annual per-acre incentive for  
4 qualifying farmers who verify through documentation that  
5 commercial nitrogen fertilizer rates were reduced by the  
6 lesser of (i) 15% or (ii) 30 pounds per acre by incorporating a  
7 qualifying product, as determined by the Department, in the  
8 farmer's fertility plans. A commercial nitrogen fertilizer  
9 rate reduction from historic baseline use shall be required to  
10 qualify for the program.

11 (b) The Department shall review at least once during the  
12 life of the nitrogen reduction incentive program: (1) the  
13 required minimum commercial nitrogen fertilizer rate of  
14 reduction for the program to determine if higher reduction  
15 targets are warranted; and (2) additional qualifying products,  
16 accounting for newly available technologies and products  
17 capable of reducing commercial nitrogen fertilizer  
18 applications for inclusion in the program.

19 (c) The Department shall keep the nitrogen reduction  
20 incentive program open to all farmers in this State. The  
21 Department shall adopt rules that establish a standard for  
22 labeled products to qualify for the incentive program.

23 (d) In consultation with farmers and the agriculture  
24 industry, a per-acre payment rate, not less than \$5 per acre,  
25 shall be established by the Department, and the Department  
26 shall periodically review the rates based on inflation or

1 emerging technology in subsequent years. Payments shall be  
2 distributed to qualifying entities once nitrogen reduction  
3 incentive program requirements are met. The nitrogen reduction  
4 incentive program established under this Section shall renew  
5 annually for 4 years.

6 (e) The Department shall adopt rules to implement this  
7 Act.

8 (f) This Section is subject to appropriation.

9 Section 20. Confidential Records. The crop management  
10 records collected from farmers, including, but not limited to,  
11 field boundaries, crop yields, or nitrogen rates, shall be  
12 used solely for implementation of this Act and shall be  
13 considered confidential records.

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