

SB2387



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2387

Introduced 2/7/2025, by Sen. David Koehler

SYNOPSIS AS INTRODUCED:

New Act

Creates the Agricultural Land Conservation Act. Makes findings. Defines terms. Provides that, beginning January 1, 2026, a Farmland Conversion Fee shall be paid by the buyer or lessee in a transaction for any agricultural land that will be removed from production for the specific purpose to develop solar farms, wind farms, industrial parks, commercial areas, single and multiple family dwellings, or any other use that removes agricultural land from production, with certain requirements, of between \$700 and \$900 per acre, according to the amount of acres. Provides for certain exemptions. Provides for remittance to and collection by the Department of Revenue, with rulemaking required. Creates the Farmland Conversion Fee Fund as a special fund in the State treasury, with certain requirements. Provides that certain amounts must be expended from the Fund for certain purposes. Provides that all State real property being used in the commercial production of agricultural commodities shall use an established metric for the purpose of advancing adoption of conservation practices, with certain requirements. Effective immediately.

LRB104 12209 BDA 22314 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 Agricultural Land Conservation Act.

6 Section 5. Findings and intent. The General Assembly
7 hereby reiterates the legislative findings and statement of
8 intent set forth in Section 2 of the Farmland Preservation Act
9 and further finds that:

10 (1) According to the United States Department of
11 Agriculture Economic Research Service, between 2012 and
12 2020 in the Midwest, 70% of solar projects and 94% of wind
13 projects were located on agricultural land.

14 (2) Each year in Illinois, thousands of acres of
15 agricultural land are rezoned and developed into
16 industrial, commercial, and residential areas.

17 (3) Soil and Water Conversation Districts are units of
18 local government; however, they have no taxing authority.

19 (4) Soil and Water Conversation District employees
20 serve as the critical infrastructure in every county in
21 Illinois, administering vital State and federal
22 conservation programs. They are on the front lines of
23 addressing pressing environmental challenges, including

1 improving water quality, enhancing soil health, and
2 building resilience to the increasingly severe impacts of
3 climate change. Their work is foundational to achieving
4 environmental goals, and their presence on the ground
5 ensures that these efforts reach the necessary scale.

6 (5) Unstable or intermittent funding threatens to
7 undermine the capacity of Soil and Water Conservation
8 Districts to deliver programs that support farmers,
9 landowners, and communities across the State. Without
10 adequate staffing, Illinois risks losing the ability to
11 put federal funds earmarked for conservation and climate
12 resilience onto the ground in Illinois. Moreover, it puts
13 at risk the progress made in addressing water quality
14 issues, mitigating flooding, and improving soil
15 sustainability.

16 Section 10. Agricultural land; defined. In this Act,
17 "agricultural land" means land that is intensively used and
18 managed for the production of food and fiber. "Agricultural
19 land" includes cropland; hay land; pastures, including native
20 pastures and rangeland; orchards; vineyards; areas which
21 support wetland crops; other lands used to support the
22 production of livestock; and small tree farms.

23 Section 15. Farmland Conversion Fee Fund. The Farmland
24 Conversion Fee Fund is created as a special fund in the State

1 treasury. Revenue generated from Farmland Conversion Fees
2 under Section 20 shall be collected by the Department of
3 Revenue and deposited into the Fund. Moneys from the Fund may
4 be expended and distributed by the Department of Agriculture
5 for the following purposes and no other purpose:

6 (1) supporting healthy soil, clean water, and climate
7 smart agricultural practice programs, and education;

8 (2) supporting operations funding for Soil and Water
9 Conservation Districts;

10 (3) associated administrative costs for administering
11 the Act;

12 (4) any other purpose expressly provided under this
13 Act or rules adopted under this Act.

14 Annually, the Department of Agriculture shall ensure that,
15 subject to moneys in the Fund, before expending moneys for any
16 other purpose, (i) at least \$17,500,000 is distributed to Soil
17 and Water Conservation Districts for the purposes under
18 paragraph (2) of this Section, annually adjusted by the
19 percentage change in the consumer price index-u of the
20 preceding year; (ii) exactly \$2,000,000 is distributed to the
21 Department of Labor, annually adjusted by the percentage
22 change in the consumer price index-u of the preceding year;
23 and (iii) exactly \$1,000,000 is distributed to the Department
24 of Revenue for administrative and other costs associated with
25 collection of the Farmland Conversion Fees under Section 20
26 and related activities. Any remainder, subject to moneys in

1 the Fund, may be expended by the Department of Agriculture
2 according to the purposes enumerated in this Section. In this
3 Section, "consumer price index-u" means the index published by
4 the Bureau of Labor Statistics of the United States Department
5 of Labor that measures the average change in prices of goods
6 and services purchased by all urban consumers, United States
7 city average, all items, 1982-84 = 100.

8 Section 20. Farmland Conversion Fees.

9 (a) Beginning January 1, 2026, a Farmland Conversion Fee
10 shall be paid by the buyer or lessee in a transaction for any
11 agricultural land that will be removed from production for the
12 specific purpose of developing a solar farm, a wind farm, an
13 industrial park, a commercial area, a single-family or
14 multiple-family dwelling or for being put to any other use
15 that removes the agricultural land from production. This
16 Farmland Conversion Fee shall apply to agricultural land that
17 is leased or purchased. This Farmland Conversion Fee shall be
18 remitted to the Department of Revenue according to rule of the
19 Department of Revenue within 30 days of the purchase or lease
20 of the agricultural land by the buyer or lessee. The fee
21 schedule established under this Section shall be based on a
22 3-tier system as follows:

23 (1) For removal of up to 10 acres of agricultural
24 land, the Farmland Conversion Fee shall be \$900 per acre.

25 (2) For removal of more than 10 acres but less than 30

1 acres of agricultural land, the Farmland Conversion Fee
2 shall be \$800 per acre.

3 (3) For removal of 30 or more acres of agricultural
4 land, the Farmland Conversion Fee shall be \$700 per acre.

5 (b) Revenue from Farmland Conversion Fees shall be
6 collected by the Department of Revenue and deposited into the
7 Farmland Conversion Fee Fund.

8 (c) Conversion of agricultural land that will be removed
9 from production is exempt from the Farmland Conversion Fee if
10 it is removed from production for the personal use of a farmer
11 or landowner or if it is one or more of the following types of
12 agricultural land conversion:

13 (1) any conversion of land in which the primary
14 function of the converted area supports agricultural
15 infrastructure, such as livestock operations or grain
16 elevators;

17 (2) any conversion of land done by a State agency;

18 (3) any conversion of land done for the creation of
19 high-voltage transmission systems; or

20 (4) any conversion of land whose primary purpose is
21 the establishment of conservation practices.

22 (d) The Department of Revenue shall adopt rules to
23 implement this Section.

24 Section 25. State agricultural property. All State real
25 property being used in the commercial production of

1 agricultural commodities, including any real property under
2 lease agreements with the Department of Natural Resources,
3 shall use an established metric for the purpose of advancing
4 adoption of conservation practices, including, but not limited
5 to, the following:

- 6 (1) cover crops;
- 7 (2) no till;
- 8 (3) strip till;
- 9 (4) nutrient management plans;
- 10 (5) saturated buffers;
- 11 (6) bioreactor terraces;
- 12 (7) contours;
- 13 (8) grass filter strips;
- 14 (9) riparian buffers;
- 15 (10) grassed waterways;
- 16 (11) pollinator plantings;
- 17 (12) windbreaks;
- 18 (13) constructed wetlands;
- 19 (14) tile drainage water that is collected and sampled
20 for water quality;
- 21 (15) conservation plans that reduce sheet and rill
22 erosion; and
- 23 (16) nitrogen rate studies.

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