



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB4044

Introduced 2/6/2026, by Sen. David Koehler

#### SYNOPSIS AS INTRODUCED:

New Act  
30 ILCS 105/5.1036 new

Creates the Agricultural Land Conservation Act. Provides that, beginning on January 1, 2027, a Farmland Conversion Fee of \$275 per acre shall be paid by the buyer or lessee of a transaction for any agricultural land that will be removed from production for the specific purpose of developing an industrial park, a commercial area, a single-family or multi-family dwelling or for being put to any other use that removes the agricultural land from production. Provides that the fee shall be collected by the Department of Agricultural. Provides for the creation of the Farmland Conversion Fee Fund as a special fund in the State Treasury. Provides that all Farmland Conversion Fees collected by the Department of Agriculture shall be contributed to the Fund. Further provides that moneys in the Fund may be exclusively used for the following purposes: (i) supporting education and programs that support healthy soil clean water, and climate-smart agricultural practices; (ii) supporting operations funding for soil and water conservation districts; (iii) covering costs associated with administering the Act; (iv) any other purposes that the Department of Agriculture determines are consistent with the purposes of the Act. Provides that, before expending moneys for any other purposes, the Department of Agriculture shall, subject to the availability of moneys in the Fund, ensure that during each State fiscal year, \$10,000,000 is distributed to soil and water conservation districts, for the purpose of supporting their operations funding. Provides that \$500,000 shall be distributed to the Department of Agriculture for the purposes of collecting fees and administering the program created under the Act. Provides for penalties. Effective immediately.

LRB104 17650 BDA 31081 b

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 a 2024 report published by the  
11 Department of Agriculture at the University of Illinois at  
12 Urbana-Champaign, midwestern states lost over 1.5 million  
13 acres of agricultural land to development between 2001 and  
14 2021, with the highest losses occurring in Illinois.

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

18 (3) Soil and water conservation districts are units of  
19 local government, but they lack taxing authority.

20 (4) Soil and water conservation district employees  
21 serve as the critical infrastructure in every county in  
22 Illinois, administering vital State and federal  
23 conservation programs. They are on the front lines of

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

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

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

24 Section 15. Farmland Conversion Fee Fund. The Farmland

1 Conversion Fee Fund is created as a special fund in the State  
2 treasury. Revenue generated from the Farmland Conversion Fees  
3 imposed under Section 20 shall be collected by the Department  
4 of Agriculture and deposited into the Farmland Conversion Fee  
5 Fund. Moneys in the Farmland Conversion Fee Fund may be  
6 expended and distributed by the Department of Agriculture  
7 exclusively for the following purposes:

8 (1) supporting education and programs that support  
9 healthy soil, clean water, and climate-smart agricultural  
10 practices;

11 (2) supporting operations funding for soil and water  
12 conservation districts;

13 (3) covering costs associated with administering the  
14 Act; and

15 (4) any other purpose that the Department of  
16 Agriculture determines is consistent with the purposes and  
17 intent of this Act.

18 Before expending moneys for any other purpose, the  
19 Department of Agriculture shall, subject to the availability  
20 of moneys in the Fund, ensure that during each State fiscal  
21 year: (i) \$500,000 is distributed to the Department of  
22 Agriculture for the collection of fees and the administration  
23 of the program; (ii) at least \$10,000,000 is distributed to  
24 soil and water conservation districts in the State for the  
25 purposes of paragraph (2). Any remainder may be expended by  
26 the Department of Agriculture for the purposes enumerated in

1 this Section.

2 Beginning in State fiscal year 2027, the amounts described  
3 in items (i) and (ii) shall be annually increased by the annual  
4 unadjusted percentage increase (but not less than zero) in the  
5 consumer price index-u for the 12 months ending with the  
6 September preceding each November 1, including all previous  
7 adjustments. In this Section, "consumer price index-u" means  
8 the index published by the Bureau of Labor Statistics of the  
9 United States Department of Labor that measures the average  
10 change in prices of goods and services purchased by all urban  
11 consumers, United States city average, all items, 1982-84 =  
12 100.

13 Section 20. Farmland Conversion Fees.

14 (a) Beginning January 1, 2027, a Farmland Conversion Fee  
15 shall be paid by the buyer or lessee in a transaction for any  
16 agricultural land that will be removed from production for the  
17 specific purpose of developing an industrial park, a  
18 commercial area, or a single-family or multiple-family  
19 dwelling or for being put to any other use that removes the  
20 agricultural land from production. This Farmland Conversion  
21 Fee shall apply to agricultural land that is leased or  
22 purchased. This Farmland Conversion Fee shall be remitted to  
23 the Department of Agriculture, in accordance with rules  
24 adopted by the Department, within 30 days of the purchase or  
25 lease of the agricultural land by the buyer or lessee. The fee

1 under this Section shall be \$275 per acre.

2 (b) Revenue from Farmland Conversion Fees shall be  
3 collected by the Department of Agriculture and deposited into  
4 the Farmland Conversion Fee Fund.

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

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

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

15 (3) any conversion of land done for the creation of  
16 high-voltage transmission systems;

17 (4) any conversion of land whose primary purpose is  
18 the establishment of conservation practices; or

19 (5) any conversion of land for the development of  
20 renewable energy providers, limited to wind and solar  
21 projects only.

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

24 Section 25. Enforcement. The Attorney General, in  
25 conjunction with the Department of Agriculture shall enforce

1 this Act. Any person who fails to pay a Farmland Conversion Fee  
2 shall be subjected to a penalty equivalent to 3 times the  
3 Farmland Conversion Fee due, plus interest calculated at a  
4 rate equal to the yield on 26-week United States Treasury  
5 bills most recently auctioned prior to the date of the  
6 determination of the repayment obligation to the Department of  
7 Agriculture.

8 Section 90. The State Finance Act is amended by adding  
9 Section 5.1036 as follows:

10 (30 ILCS 105/5.1036 new)

11 Sec. 5.1036. The Farmland Conversion Fee Fund.

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law.