

Sen. Ram Villivalam

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Filed: 2/7/2022

10200SB3471sam001

LRB102 24985 NLB 35581 a

1 AMENDMENT TO SENATE BILL 3471

2 AMENDMENT NO. _____. Amend Senate Bill 3471 by replacing

3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the

5 Partners for Nutrient Loss Reduction Act.

Section 5. Findings. The State recognizes that the Illinois Nutrient Loss Reduction Strategy (NLRS) declares the scale and pace of adoption of conservation and nutrient management practices needs to accelerate in order to reduce nutrient losses, improve and protect soil health, and achieve water quality goals. The increases in precipitation and stream flows indicated in the most recent biennial report of the NLRS, "2021 Biennial Report", show the increasing challenge that climate change presents in meeting nutrient loss reduction targets. Poor soil infiltration rates and increased intensity and duration of precipitation is having negative

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1	impacts on erosion, flooding, stormwater, soil health, and
2	water security for residents throughout the State. These
3	factors threaten the resilience of Illinois communities, the
4	economy, and the environment. Therefore, the State of Illinois
5	must adopt processes and procedures to enhance and guide the
6	implementation of the NLRS to respond to emerging challenges
7	and protect the natural resources of the State

- 8 Section 10. Declaration of policy. The General Assembly 9 finds and declares that:
 - (1) The agricultural industry represents one of Illinois the largest economic sectors, and the soil and water resources of the State constitute one of Illinois' basic and essential assets that contribute to the economic health and well-being of the State and its residents;
 - (2) The preservation of soil and water resources requires planning and programs to ensure:
 - (A) the sustainable management and productivity of soil and water resources;
 - (B) the resilience of our soil and water resources from the effects of climate change and extreme weather events;
- (C) equity in access to farming and food production.
 - (3) Sustainable agriculture is critical to:
 - (A) the success of rural communities;

1	(B) the cultural diversity of the State;
2	(C) maintaining healthy farmland for future
3	generations of Illinois farmers;
4	(D) improving water quality;
5	(E) safeguarding biological diversity, especially
6	key species like pollinators;
7	(F) maintaining high-quality recreation
8	opportunities; and
9	(G) helping to sustain the State economy.
10	(4) It is essential to reduce the amount of nutrients
11	flowing into our watersheds by implementing strategies and
12	policies that:
13	(A) promote efficient use of nutrients and
14	sequester nitrogen and phosphorus within our soil to
15	improve environmental health within Illinois,
16	surrounding states, and the Gulf of Mexico;
17	(B) protect and improve soil health and water
18	quality for future generations;
19	(C) protect groundwater used as drinking water,
20	especially for rural residents dependent on well
21	water;
22	(D) ensure Illinois' waterways make progress
23	toward being swimmable, fishable and drinkable;
24	(E) ensure that municipalities are well-equipped
25	to implement nutrient management practices as it
26	relates to wastewater treatment, stormwater management

L	and	drainage;

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- 2 (F) promote partnerships and collaboration among stakeholders; and
- (G) use all available funding, whether it be from public or private resources, to assist in achieving the goals within this Act.
- 7 Section 15. Definitions. As used in this Act:
- 8 "Department" means the Illinois Department of Agriculture.
- 9 "Districts" mean soil and water conservation districts.
- "Healthy soils practices" means systems of agricultural,
 forestry and land management practices that:
 - (1) improve the health of soils, including, but not limited to, consideration of depth of topsoil horizons, water infiltration rate, water-holding capacity, organic matter content, biologically accessible nutrient content, bulk density, biological activity, and biological and microbiological diversity;
 - (2) follow the principles of: minimizing soil disturbance and external inputs; keeping soil covered; maximizing biodiversity; diversifying crop rotations; maximizing presence of living roots; integrating animals into land management, including grazing animals, birds, beneficial insects, or keystone species, such as earthworms; and incorporating the context of local conditions in decision-making, including, for example,

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soil type, topography, and time of year; and

(3) include such practices as conservation tillage or no-till, cover-cropping, perennialization of highly erodible land, precision nitrogen and phosphorus application, managed grazing, integrated crop-livestock systems, silvopasture, agroforestry, perennial crops, integrated pest management, nutrient best management practices, and those practices recommended by the United States Department of Agriculture Natural Resources Conservation Service Field Office Technical Guide.

"Initiative" means the Illinois Healthy Soils and Watersheds Initiative.

"Soil health" means the continuing capacity of a soil to function as a vital, living biological system that sustains plants, animals, and humans, increases soil organic matter, improves soil structure and water-and nutrient-holding capacity and nutrient cycling, enhances water infiltration and filtration capability, promotes water quality, and results in net long-term ecological benefits; healthy soils host a diversity of beneficial organisms, grow vigorous crops, enhance agricultural resilience, including the ability of crops and livestock to tolerate and recover from drought, temperature extremes, extreme precipitation events, pests, diseases, and other stresses, break down harmful chemicals, and help convert organic residues into stable soil organic matter and retaining nutrients, especially nitrogen and

1 phosphorus.

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"Soil health assessment" means a suite of soil-health-indicator measures, including, but not limited to: soil organic matter, soil structure, infiltration and bulk density, water-holding capacity, microbial biomass, and soil respiration.

"Watershed health" means the continued capacity of a surface and groundwater ecosystem to function as a vital living ecosystem that is resilient to drought and storm events and that sustains humans, plants, and animals; healthy watersheds provide public and private benefits, including, but not limited to, improved water cycle, water quality, drinking water security, recreation and tourism, stormwater management, flood mitigation, habitat resilience, and crop risk.

Section 20. Illinois Healthy Soils and Watersheds Initiative. The Illinois Healthy Soils and Watersheds Initiative is created. It is the purpose of the Initiative to improve the health of soils and the function of watersheds through efforts that support the implementation of the NLRS, reduce nutrient loss, improve soil and water quality, protect drinking water, increase the resilience of ecosystems to extreme weather events, protect and improve agricultural productivity, and support aquatic and wildlife habitat.

The Illinois Healthy Soils and Watersheds Initiative shall be administered by the Director of Agriculture with

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1 consultation from the soil and water conservation districts, Environmental Protection Agency, 2 Illinois and 3 University of Illinois Extension Program. The Department shall 4 create guidelines and guidance to assist the soil and water 5 conservation districts in developing goals and assessments in order to identify desired capacity and funding 6 levels and establish regular, measurable, cost-effective and 7 8 technically achievable goals to advance strategies that 9 improve healthy soils and watersheds and reduce nutrient loss. 10 These assessments shall be used to identify opportunities to 11 access and leverage financial and technical assistance from local, State, federal, and private sources and to guide 12 13 resources to their best potential use.

The Initiative shall complement and improve coordination of existing resources and processes, such as those underway through the NLRS, the erosion and sediment control program, those described by Section 6z-32 of the State Finance Act, and shall not replace existing, local, State, private, or federal funding or technical assistance programs.

The Department shall report on progress of the Initiative as a component of biennial reporting for the Illinois Nutrient Loss Reduction Strategy described in this Act.

The Initiative shall promote voluntary and incentive-based conservation efforts. No part of this Act shall be used to impose mandates or require practice adoption.

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Section 25. Guidelines for goals and needs assessment. The Department shall adopt and revise guidelines to assist soil and water conservation districts in determining local goals and needs for implementing soil health and watershed conservation projects consistent with the Nutrient Loss Reduction Strategy.

Before adopting or revising any guidelines, the Department shall hold a minimum of 2 public hearings with respect thereto. At least 30 days' notice of the hearings shall be given by the Department in such a manner as the Department considers best suited to obtain input from soil and water conservation districts and all other persons interested in the proposed guidelines or revisions. Like notice shall be given by the Department to any person who has filed a request to be provided notice of such hearings. Copies of the proposed guidelines or revisions shall be made available to all those receiving notice of the hearing and to any other person, upon request.

In developing its guidelines to assist soil and water conservation districts in determining local goals and needs for project implementation to accomplish the goals of the Nutrient Loss Reduction Strategy, the Department shall consider:

(1) the relevant physical and geological features of individual watersheds and drainage basins of the State, including, but not limited to, data relating to land use

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and land use activities, soil type, hydrology, geology, waterbody characteristics, stream buffers, and built infrastructure;

- (2) estimates of each district's nutrient loss based on the nitrogen and phosphorus HUC8 watershed loads described in the NLRS science assessment. When a district is in more than one watershed, their nutrient contribution can be calculated using a weighted average based on how much of their county is in each watershed;
- (3) watershed-scale information about current and future climate projections and expected impacts from climate change in regard to streamflow, soil health, and other factors that would exasperate nutrient loss as well as increase additional risks related to flooding, water quality impairments and other impacts to ecosystem function and biological diversity;
- (4) previously established goals and deadlines within local watershed-based plans, total maximum daily load allocation plans, water quality implementation plans, stormwater plans, soil health plans, or nutrient assessment and reduction plans;
- (5) county and State levels of conservation practice adoption, consistent with the NLRS-approved practices list determined by the NLRS science committee. Guidance should also be provided to districts to meet USDA Natural Resource Conservation Service determined conservation

1 practice standards;

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- regarding beginning, socially (6) information disadvantaged, and veteran farmers and ranchers, as well as disadvantaged communities;
- (7) surveys of lands and waters, land ownership, and public lands as the Department considers appropriate; and
- (8) availability of State, federal, and private financial and technical assistance programs to soil and water conservation districts, local governments, conservation partners to implement NLRS projects.

The quidelines shall be reviewed and updated by the Department every 4 years, coinciding with every other biennial report of the NLRS and following the process regarding public meetings and disclosure listed in this Section.

Department shall collaborate with the Illinois Environmental Protection Agency and may collaborate with other partners such as the Illinois Department of Natural Resources and University of Illinois Extension to prepare the quidelines.

The information collected through the development of the guidelines shall be summarized and provided to the soil and water conservation districts to inform the development of local goals and needs assessments. The Department shall make reasonable efforts to provide as much of this information as possible as a publicly available county-level geospatial database.

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1 Initial quidelines shall be completed and provided to soil and water conservation districts by January 31, 2023. 2

Section 30. Local goals and needs assessment. Upon the adoption of guidelines described in Section 25, each soil and water conservation district shall develop its own goals and needs assessment to guide implementation of the NLRS. The goals and needs assessment shall be technically feasible, economically reasonable, and consistent with the Nutrient Loss Reduction Strategy.

The Department shall provide a template to the districts for the local goals and needs assessment including the required information listed in this Section as well as information regarding available data and support materials collected as the quidance information listed in Section 25.

Each district is encouraged to collaborate with other local governmental entities and local stakeholders developing and implementing its goals and needs assessment. To assist in developing its goals and needs assessment, each district shall use the guidelines provided by the Department and name an advisory committee. The advisory committee shall include representatives from a wide variety of interests, such as agriculture, business, local government, water utilities, conservation organizations, environmental organizations, and recreation. The advisory committee may be identified within an existing process, including, but not limited to, the erosion

- 1 and sediment control program, watershed planning group, or
- land use council. 2
- Upon the request of a district, the Department shall 3
- 4 assist in the preparation of the district's goals and needs
- 5 assessment. Districts may also work collaboratively to
- establish joint plans to leverage existing capacity and 6
- 7 resources most effectively.
- To carry out its assessment, a district shall identify 8
- 9 conservation activities consistent with the NLRS-approved
- 10 practices for various types of soils and land uses. The
- 11 assessment shall include planned activities for maximizing the
- benefit of conservation activities to reduce nutrient losses, 12
- promote soil and watershed health, and support the viability 13
- 14 of the agricultural sector.
- 15 The goals and needs assessment must consider opportunities
- 16 to access, leverage, and use State, federal, and private
- resources within a specific soil and water conservation 17
- district service area. 18
- Soil and water conservation districts may also convene 19
- 20 producer-led dialogues to identify special initiatives or
- 2.1 pilot projects to leverage additional resources and implement
- 22 projects at scale across multiple operations and
- 23 ownerships. These efforts should seek to leverage funding and
- 24 resources from local, State, federal, and private entities.
- 25 These efforts may be coordinated with research and pilot
- 26 projects directed by the Nutrient Research and Education

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- In developing a goals and needs assessment, the soil and 2 water conservation district shall: 3
 - (1)evaluate existing assets such as current practices, current cropping systems, crop processing and market infrastructure, riparian buffers, wetlands, public lands, funding, education, research and peer-to-peer training opportunities, and existing partnerships;
 - (2) consider the eligible funding categories available through the Partners for Conservation Fund and their ability to advance the healthy soils practices consistent with soil health principles and the NLRS-approved practices list within a soil and water conservation district service area;
 - (3) determine vulnerabilities such as runoff risk, riparian function, stormwater, floodplains and stream impairments, and observed and predicted impacts from climate change, especially to socially disadvantaged farmers, ranchers, and communities;
 - (4) consult existing plans and priorities established by municipal and local governments, wastewater treatment facilities and private sector partners;
 - (5) identify opportunities to conduct outreach to agricultural producers and landowners and to develop individual soil health plans as well as other beneficiaries of nutrient loss reduction efforts;

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(6) establish goals for achieving measurable outcomes
for nutrient loss reduction, soil and watershed health and
farmer viability. This includes identifying opportunities
to support beginning, socially disadvantaged and veteran
farmers as well as small and mid-scale farmers;

- (7) estimate 2-year funding levels needed from State, federal and private sources in order to achieve goals; and
- (8) identify opportunities to develop partnerships and leverage resources from local governments and utilities, State and federal agencies and private entities.

The goals and needs assessment shall be updated every 2 years to coincide with each biennial report of the NLRS. Before adopting or revising the goals and needs assessment, the district shall, after giving due notice, conduct at least one public hearing on the proposed changes.

The goals and needs assessment shall be made available for public inspection at the principal office of the district and shall be provided to any person upon request.

The goals and needs assessment shall be drafted and submitted alongside the district's long-term range plan and be used to guide its annual plan of work submitted to the Department. The Department shall identify shared goals and priorities between districts and shall assist in developing partnerships and shared funding approaches to maximize capacity and resources. This may include, but is not limited to, supporting the development of applications to the USDA's

1 Regional Conservation Partnership Program and Conservation 2

Innovation Grant Programs.

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Upon its adoption, the district shall submit its goals and needs assessment to the Department for review and approval. If a district fails to complete a goals and needs assessment and to submit it to the Department by the time specified in this Section, the Department shall, after such hearings or consultations with the various local interests in the district as it considers appropriate, develop an appropriate goals and needs assessment to be carried out by the district. In assessing the goals and needs assessments, the Department shall consider whether, taken together, the implementation of the assessments by each district is sufficient to make progress toward the interim and long-term nutrient loss reduction goals included in the NLRS.

16 Initial goals and needs assessments shall be submitted to the Department by November 1, 2023. 17

Section 35. Compliance and standards; cost sharing. To be eligible to receive State cost-share support after January 1, 2024, soil and water conservation districts shall have an updated goals and needs assessment.

The Department shall update its rules and procedures for funding to be inclusive of cost-share all relevant NLRS-approved practices promoting the rapid adoption of cost-effective and technically feasible projects. Updates to

- 1 the rules and procedures shall also address barriers to access
- 2 experienced by beginning, socially disadvantaged, and veteran
- 3 farmers.

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- 4 The Department may require results-based practices,
- 5 consistent with the NLRS-approved practice list, or the
- 6 assessment of the environmental outcomes of projects, at the
- field or county level, as a condition of funding.
 - Section 40. Availability of appropriated funds. The requirements and deadlines for local goals and needs assessments are contingent on the availability of appropriated funds. The Director of Agriculture, in consultation with the soil and water conservation districts, may make adjustments to the deadlines or the requirements of the goals and needs assessments, on a case-by-case basis for individual districts, if those factors are found to be unnecessary or unreasonable given available funding resources and capacity constraints.
 - A report of these funding and capacity constraints must be provided to the General Assembly and the NLRS Policy Working Group for review by January 1st of the following year.
- Section 45. State water quality program guidance. The Illinois Environmental Protection Agency shall update water quality program guidance for the nonpoint source management program by June 30, 2023. This update shall include, but is not limited to, incorporating the findings of the NLRS into

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1 program quidance and evaluation of adaptive management 2 opportunities in response to risk to the State's water resources presented by climate change and shall consider 3 4 strategies that address barriers to access to funding and 5 technical assistance programs by socially disadvantaged 6 communities.

Updates to the nonpoint source management program shall also consider opportunities to develop a sponsorship lending program within the water revolving fund to promote collaboration within priority watersheds and promote coordination between traditional gray and green infrastructure acquisition improvements such as land and ecosystem restoration, especially in regard to directing resources to socially disadvantaged communities.

Section 50. NLRS alignment for State-owned State-leased agricultural lands. State agencies, including, but not limited to, the Department of Natural Resources, Department of Agriculture, Department of Transportation, and Illinois State Universities, shall evaluate existing soil health practices on agricultural lands that are owned and managed by the State, or leased to a third party, and update management plans, contracts, or other resources to support the rapid adoption of cost-effective and technically feasible practices identified within the NLRS-approved practice list.

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- Section 55. Illinois Nutrient Loss Reduction Strategy Report. Every 2 years, beginning in 2023, the Department of Agriculture, in consultation with the Department of Natural Resources, the University of Illinois Extension Program, and the Illinois Environmental Protection Agency, shall produce a Nutrient Loss Reduction Strategy Report that shall inform the agencies and lawmakers of the current state of nutrient loss within Illinois, progress toward achieving nutrient reduction targets as outlined in the NLRS, and make recommendations for accelerating the implementation of practices that would reduce overall nutrient loads into the waters of this State. The report shall include, but is not limited to, the following information:
 - (1) An executive summary outlining the findings and recommendations of the report.
 - (2) A scientific assessment of the total nutrient loads for phosphorus and nitrogen and load reduction scenarios for both point sources and nonpoint sources.
 - (3) An assessment of the impacts and risks from climate change and extreme weather for advancing the goals of the strategy as well as opportunities for adaptive management.
 - Identification of priority watersheds (4)and potential impacts from nutrient loss to disadvantaged communities, including impacts to drinking water systems and costs to community services.

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1	(5) A	list	of approv	ved practices	s for re	educing	nutri	.ent
2	loss suc	h as	natural	infrastruct	ure pr	ojects	such	as
3	wetland	rest	oration,	riparian	buffer	zone	s,	and
4	reforesta	tion.						

- (6) A summary of guidelines for determining local goals and needs for advancing NLRS priorities.
- (7) A summary of local goals and needs provided by the soil and water conservation districts.
- (8) A summary of activities by local governments, utilities, and waste management facilities to implement nutrient management practices as it relates to wastewater treatment, stormwater management, and drainage.
- (9) Opportunities to improve collaboration among State, federal, and private stakeholders.
- (10) Policy and funding recommendations to advance goals and priorities sufficient to achieve the interim goal of reducing loads of nitrate-nitrogen by 15% and total phosphorus by 25% by 2025 and the long-term goal of reducing loads from Illinois for total phosphorus and total nitrogen each by 45%.

Section 60. Report delivery. The Department of Agriculture shall submit copies of completed reports to the Governor, the President of the Senate, and the Speaker of the House. In addition, copies shall be submitted to the House Agriculture & Conservation Committee, the House Energy & Environment

- 1 Committee, the Senate Agriculture Committee, and the Senate
- 2 Environment and Conservation Committee.
- Section 99. Effective date. This Act takes effect upon 3
- becoming law.". 4