SB3471

LRB10224985NLB34241b

102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB3471

Introduced 1/19/2022, by Sen. Ram Villivalam

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/6z-32

Creates the Partners for Nutrient Loss Reduction Act. Creates the Illinois Healthy Soils and Watersheds Initiative. Provides for the adoption of guidelines and needs assessments to assist soil and water conservation districts in determining local goals and needs for project implementation to accomplish goals of the Nutrient Loss Reduction Strategy. Provides for soil and water conservation districts to develop goals and needs assessment. Provides for the update of water quality program guidance. Requires the production of an Illinois Nutrient Loss Reduction Strategy Report every 2 years. Defines terms. Extends the Partners for Conservation Fund through 2032. Effective immediately.

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A BILL FOR

AN ACT concerning agriculture.

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

Section 1. Short title. This Act may be cited as the 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 impacts on erosion, flooding, stormwater, soil health, and water security for residents throughout the State. These factors threaten the resilience of Illinois communities, the economy, and the environment. Therefore, the State of Illinois must adopt processes and procedures to enhance and guide the implementation of the NLRS to respond to emerging challenges and protect the natural resources of the State.

Section 10. Declaration of policy. The General Assembly 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;

(B) the cultural diversity of the State;

(C) maintaining healthy farmland for future generations of Illinois farmers;

(D) improving water quality;

(E) safeguarding biological diversity, especially key species like pollinators;

(F) maintaining high-quality recreation

opportunities; and

(G) helping to sustain the State economy.

(4) It is essential to reduce the amount of nutrients flowing into our watersheds by implementing strategies and policies that:

(A) promote efficient use of nutrients and sequester nitrogen and phosphorus within our soil to improve environmental health within Illinois, surrounding states, and the Gulf of Mexico;

(B) protect and improve soil health and water quality for future generations;

(C) protect groundwater used as drinking water, especially for rural residents dependent on well water;

(D) ensure Illinois' waterways make progress toward being swimmable, fishable and drinkable;

(E) ensure that municipalities are well-equipped to implement nutrient management practices as it relates to wastewater treatment, stormwater management and drainage;

(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.

Section 15. Definitions. As used in this Act:

"Department" means the Illinois Department of Agriculture.

"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, 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 phosphorus.

"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 consultation from the soil and water conservation districts, the Illinois Environmental Protection Agency, and the University of Illinois Extension Program. The Department shall create guidelines and guidance to assist the soil and water conservation districts in developing goals and needs assessments in order to identify desired capacity and funding levels and establish regular, measurable, cost-effective and

technically achievable goals to advance strategies that improve healthy soils and watersheds and reduce nutrient loss. These assessments shall be used to identify opportunities to access and leverage financial and technical assistance from local, State, federal, and private sources and to guide 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.

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 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 practice standards;

(6) information regarding beginning, socially 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, and conservation partners to implement NLRS projects.

The guidelines 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.

The 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 guidelines.

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.

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

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 guidance information listed in Section 25.

Each district is encouraged to collaborate with other local governmental entities and local stakeholders in 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 and sediment control program, watershed planning group, or land use council.

Upon the request of a district, the Department shall assist in the preparation of the district's goals and needs assessment. Districts may also work collaboratively to establish joint plans to leverage existing capacity and resources most effectively.

To carry out its assessment, a district shall identify conservation activities consistent with the NLRS-approved practices for various types of soils and land uses. The assessment shall include planned activities for maximizing the benefit of conservation activities to reduce nutrient losses, promote soil and watershed health, and support the viability of the agricultural sector.

The goals and needs assessment must consider opportunities to access, leverage, and use State, federal, and private resources within a specific soil and water conservation district service area.

Soil and water conservation districts may also convene producer-led dialogues to identify special initiatives or pilot projects to leverage additional resources and implement projects at scale across multiple operations and land ownerships. These efforts should seek to leverage funding and resources from local, State, federal, and private entities. These efforts may be coordinated with research and pilot projects directed by the Nutrient Research and Education Council.

In developing a goals and needs assessment, the soil and water conservation district shall:

(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;

(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 Regional Conservation Partnership Program and Conservation Innovation Grant Programs.

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.

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

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 cost-share funding to be inclusive of all relevant NLRS-approved practices promoting the rapid adoption of cost-effective and technically feasible projects. Updates to the rules and procedures shall also address barriers to access experienced by beginning, socially disadvantaged, and veteran farmers.

The Department may require results-based practices, consistent with the NLRS-approved practice list, or the 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 program guidance and evaluation of adaptive management opportunities in response to risk to the State's water resources presented by climate change and shall consider strategies that address barriers to access to funding and technical assistance programs by socially disadvantaged 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 improvements such as land acquisition and ecosystem restoration, especially in regard to directing resources to socially disadvantaged communities.

Section 50. NLRS alignment for State owned and 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.

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 loss 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.

(4) Identification of priority watersheds and potential impacts from nutrient loss to disadvantaged communities, including impacts to drinking water systems and costs to community services.

(5) A list of approved practices for reducing nutrient loss such as natural infrastructure projects such as wetland restoration, riparian buffer zones, and reforestation.

(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 Committee, the Senate Agriculture Committee, and the Senate Environment and Conservation Committee.

Section 90. The State Finance Act is amended by changing Section 6z-32 as follows:

(30 ILCS 105/6z-32)

Sec. 6z-32. Partners for Planning and Conservation.

(a) The Partners for Conservation Fund (formerly known as the Conservation 2000 Fund) and the Partners for Conservation Projects Fund (formerly known as the Conservation 2000 Projects Fund) are created as special funds in the State Treasury. These funds shall be used to establish a comprehensive program to protect Illinois' natural resources through cooperative partnerships between State government and public and private landowners. Moneys in these Funds may be used, subject to appropriation, by the Department of Natural Resources, Environmental Protection Agency, and the Department of Agriculture for purposes relating to natural resource protection, planning, recreation, tourism, and compatible agricultural and economic development activities. Without limiting these general purposes, moneys in these Funds may be used, subject to appropriation, for the following specific purposes:

(1) To foster sustainable agriculture practices and control soil erosion, sedimentation, and nutrient loss from farmland, including grants to Soil and Water Conservation Districts for conservation practice cost-share grants and for personnel, educational, and administrative expenses.

(2) To establish and protect a system of ecosystems in public and private ownership through conservation easements, incentives to public and private landowners,

natural resource restoration and preservation, water quality protection and improvement, land use and watershed planning, technical assistance and grants, and land acquisition provided these mechanisms are all voluntary on the part of the landowner and do not involve the use of eminent domain.

(3) To develop a systematic and long-term program to effectively measure and monitor natural resources and ecological conditions through investments in technology and involvement of scientific experts.

(4) To initiate strategies to enhance, use, and maintain Illinois' inland lakes through education, technical assistance, research, and financial incentives.

(5) To partner with private landowners and with units of State, federal, and local government and with not-for-profit organizations in order to integrate State and federal programs with Illinois' natural resource protection and restoration efforts and to meet requirements to obtain federal and other funds for conservation or protection of natural resources.

(6) To implement the State's Nutrient Loss Reduction Strategy (NLRS), including, but not limited to, funding the resources needed to support the Strategy's Policy Working Group, cover water quality monitoring in support of Strategy implementation, prepare a biennial report on the progress made on the Strategy every 2 years, and

provide cost-share ~~cost share~~ funding for nutrient capture projects.

(7) To develop guidelines and local goals and needs assessments for advancing the goals of the Illinois Nutrient Loss Reduction Strategy and protecting soil and watershed health.

(8) To implement a crop insurance premium discount program for practices that improve soil health.

(9) To incorporate climate science into NLRS science assessment, planning, and scenario development to assess where climate resilience planning may support conservation goals and protect conservation gains in order to safeguard soil health, water quality, and the long-term resilience of the agricultural sector while reducing susceptibility to flooding and other extreme weather events. This effort includes collaboration with the Illinois State Climatologist and may also include the Federal Emergency Management Agency, the USDA climate initiatives, the Department of the Interior, the Department of Defense, the Army Corps of Engineers, and other agencies.

(10) For capacity grants to support soil and water conservation districts, including, but not limited to, developing soil health plans and conducting soil health assessments, peer-to-peer training, convening producer-led dialogues, professional development, training, travel stipends for meetings and educational

events, and developing pilot projects within priority watersheds.

(11) For the Department of Agriculture, Illinois Environmental Protection Agency, and University of Illinois Extension to engage the Serve Illinois Commission and the Corporation for National and Community Service to develop a Healthy Soils and Watersheds AmeriCorps program in support of soil and water conservation districts and local governments. This includes the recruitment, interview, and selection of members in a nonpartisan, nonpolitical and nondiscriminatory manner consistent with applicable federal and State statutes. Members shall support efforts to enhance local planning and capacity to achieve NLRS goals and improve the delivery of State and federal conservation programs.

(b) The State Comptroller and State Treasurer shall automatically transfer on the last day of each month, beginning on September 30, 1995 and ending on June 30, 2032 ~~2022~~, from the General Revenue Fund to the Partners for Conservation Fund, an amount equal to 1/10 of the amount set forth below in fiscal year 1996 and an amount equal to 1/12 of the amount set forth below in each of the other specified fiscal years:

Fiscal Year	Amount
1996	$ 3,500,000
1997	$ 9,000,000

1998	$10,000,000
1999	$11,000,000
2000	$12,500,000
2001 through 2004	$14,000,000
2005	$7,000,000
2006	$11,000,000
2007	$0
2008 through 2011	$14,000,000
2012	$12,200,000
2013 through 2017	$14,000,000
2018	$1,500,000
2019	$14,000,000
2020	$7,500,000
2021 ~~through 2022~~	$14,000,000
2022	$18,135,000
2023	$19,900,000
2024	$23,025,000
2025	$25,665,000
2026	$25,680,000
2027 through 2032	$25,695,000

(c) The State Comptroller and State Treasurer shall automatically transfer on the last day of each month beginning on July 31, 2021 and ending June 30, 2022, from the Environmental Protection Permit and Inspection Fund to the Partners for Conservation Fund, an amount equal to 1/12 of $4,135,000.

(d) There shall be deposited into the Partners for Conservation Projects Fund such bond proceeds and other moneys as may, from time to time, be provided by law.

(e) The Partners for Conservation Fund is eligible to receive grants, gifts, and awards from any public or private entity for the purpose of expanding financial and technical assistance in order to advance nutrient loss reduction efforts within priority watersheds.

(Source: P.A. 101-10, eff. 6-5-19; 102-16, eff. 6-17-21.)

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