

1 "Department" means the department of agriculture and
2 biosecurity.

3 "Fund" means the agricultural land conversion fee fund.

4 "Soil and water conservation district" means a governmental
5 subdivision of the State, and a public body corporate and
6 politic, organized under chapter 180.

7 "Solar energy facility" means a facility described in
8 section 205-2(d)(6) that meets the permissible use requirements
9 described in section 205-4.5(a)(20) and (21) on lands classified
10 as agricultural.

11 "Wind farm" means a wind machine or wind farm described in
12 section 205-2(d)(8) that meets the permissible use requirements
13 described in section 205-4.5(a)(15) on lands classified as
14 agricultural.

15 § -2 **Agricultural land conversion fee.** (a) Beginning
16 January 1, 2027, an agricultural land conversion fee shall be
17 paid by the buyer or lessee in a transaction for any land
18 classified as agricultural under chapter 205 that is primarily
19 utilized for purposes set forth in sections 205-2(d)(1) through
20 (3) and 205-4.5(a)(1) through (4) and that is intended to be



1 converted by the buyer or lessee from agricultural land for the
2 following purposes:

3 (1) To develop:

4 (A) A solar energy facility;

5 (B) A wind farm;

6 (C) An industrial park pursuant to chapter 171;

7 (D) A commercial area; or

8 (E) A single-family or multiple-family dwelling that

9 is not a farm dwelling as defined under section

10 205-4.5(a)(4); or

11 (2) Any other use that prevents land classified as

12 agricultural from being used specifically as

13 agricultural land.

14 (b) The agricultural land conversion fee shall apply to
15 any agricultural land that is leased or purchased in the State.

16 The fee shall be remitted to the department within thirty days
17 of the purchase or lease of the agricultural land by the buyer
18 or lessee.

19 (c) The amount of the agricultural land conversion fee

20 shall be determined as follows:



1 (1) \$3,600 per acre for the removal of ten or fewer acres
2 of agricultural land;

3 (2) \$3,200 per acre for the removal of more than ten acres
4 but fewer than thirty acres of agricultural land; and

5 (3) \$2,800 per acre for the removal of thirty or more
6 acres of agricultural land.

7 (d) The department shall collect the agricultural land
8 conversion fee and deposit all revenues from the fee into the
9 fund.

10 (e) The following shall be exempt from the agricultural
11 land conversion fee:

12 (1) Agricultural land that is removed from agricultural
13 production for the personal use of a farmer or
14 landowner; or

15 (2) Any conversion of agricultural land:

16 (A) In which the primary function supports
17 agricultural infrastructure, such as livestock
18 operations or grain elevators;

19 (B) Performed by an agency of the State;

20 (C) Undertaken for the creation of high-voltage
21 electric transmission systems; or



1 (D) Whose primary purpose is the establishment of
2 conservation practices.

3 § -3 **Agricultural land conversion fee fund.** (a) There
4 is established within the state treasury the agricultural land
5 conversion fee fund, into which shall be deposited all revenues
6 generated by agricultural land conversion fees.

7 (b) Moneys in the fund shall be collected and expended by
8 the department only for the following purposes:

9 (1) To support the operations and programs of the soil and
10 water conservation districts;

11 (2) For administrative costs incurred by the department in
12 administering this chapter; and

13 (3) For any other purpose expressly provided by this
14 chapter or by rules adopted by the department to
15 implement this chapter.

16 § -4 **Allocation and expenditure of moneys in the fund.**

17 (a) The department shall annually ensure that, subject to the
18 moneys in the fund and before expending moneys for any other
19 purpose:

20 (1) At least \$ shall be used by the department
21 for the healthy soils program, annually adjusted by



1 the percentage change in the Consumer Price Index-U of
2 the preceding year; and

3 (2) \$ shall be retained by the department for
4 administrative and other costs associated with
5 collection of the agricultural land conversion fees
6 and related activities.

7 (b) After the moneys in the fund have been allocated
8 pursuant to subsection (a), any remaining moneys may be expended
9 by the department for other purposes allowed by this chapter.

10 § -5 **Commercial agricultural production on state lands.**

11 All state lands used in the commercial production of
12 agricultural commodities, including any lands under lease
13 agreements with the department, shall use an established metric
14 to advance the adoption of conservation practices, including but
15 not limited to:

- 16 (1) Cover crops;
- 17 (2) No till;
- 18 (3) Strip till;
- 19 (4) Nutrient management plans;
- 20 (5) Saturated buffers;
- 21 (6) Bioreactor terraces;



- 1 (7) Contours;
- 2 (8) Grass filter strips;
- 3 (9) Riparian buffers;
- 4 (10) Grassed waterways;
- 5 (11) Pollinator plantings;
- 6 (12) Windbreaks;
- 7 (13) Constructed wetlands;
- 8 (14) Tile drainage water that is collected and sampled for
- 9 water quality;
- 10 (15) Conservation plans that reduce sheet and rill erosion;
- 11 and
- 12 (16) Nitrogen rate studies.

13 § -6 Rules. The department shall adopt rules pursuant
14 to chapter 91 to implement this chapter."

15 SECTION 2. This Act shall take effect upon its approval.

16

INTRODUCED BY: Mike Hubbard



S.B. NO. 2334

Report Title:

Agriculture Land Conservation; Agricultural Land Conversion Fee; Agricultural Land Conversion Fee Fund; Healthy Soils Program; State Lands; Commercial Agricultural Production; Conservation Practices

Description:

Beginning 1/1/2027, requires the payment of an Agricultural Land Conversion Fee by the buyer or lessee in a transaction for any agricultural land that will be converted from agricultural production for certain purposes. Establishes the Agricultural Land Conversion Fee Fund to, among other things, support the Health Soils Program. Requires all state lands used in the commercial production of agricultural commodities, including any lands under lease agreements with the Department of Agriculture and Biosecurity, to use an established metric to advance the adoption of conservation practices.

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