

Senate File 429 - Introduced

SENATE FILE 429
BY SWEENEY

A BILL FOR

1 An Act providing for a pilot program to reduce the use of
2 commercial nitrogen-based fertilizers to produce crops, and
3 making appropriations.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. NEW SECTION. **466B.51 Definitions.**

2 As used in this subchapter, unless the context otherwise
3 requires:

4 1. "*Commercial fertilizer*" means the same as defined in
5 section 200.3.

6 2. "*Commercial nitrogen-based fertilizer*" means a commercial
7 fertilizer containing at least twenty-five percent total
8 nitrogen.

9 3. "*Division*" means the division of soil conservation and
10 water quality created within the department of agriculture and
11 land stewardship pursuant to section 159.5.

12 4. "*Fund*" means the innovative nutrient incorporation
13 incentive pilot program fund created in section 466B.55.

14 5. "*Producer*" means a person actively engaged in farming
15 agricultural land as those terms are defined in section 9H.1.

16 6. "*Program*" means the innovative nutrient incorporation
17 incentive pilot program created pursuant to section 466B.52.

18 7. a. "*Qualifying crop production product*" means a
19 commercially available product that, when applied to cropland in
20 conjunction with or as an alternative to a commercial fertilizer,
21 cost-effectively promotes optimum plant growth in a manner that
22 best reduces nitrogen as a nonpoint source of water pollution.

23 b. "*Qualifying crop production product*" includes but is not
24 limited to a soil conditioner with nitrogen-fixing properties,
25 biological sources of nitrogen, and biofertilizers that improve
26 efficiencies in nitrogen management practices.

27 8. "*Soil conditioner*" means the same as defined in section
28 200.3.

29 Sec. 2. NEW SECTION. **466B.52 Innovative nutrient**
30 **incorporation incentive pilot program — creation and goal.**

31 1. An innovative nutrient incorporation incentive pilot
32 program is created.

33 2. a. The goal of the program is to encourage farmers
34 to best optimize commercial nitrogen-based fertilizer rates
35 and, where appropriate, determine how commercial nitrogen-based

1 fertilizer application rates can be reduced by the threshold
2 limit of the lesser of fifteen percent or thirty pounds per
3 acre by incorporating identifiable cost-effective qualifying crop
4 production products.

5 b. The division may reevaluate and revise the goal of
6 the program after determining that commercial nitrogen-based
7 fertilizer application rates can be efficiently reduced more than
8 the threshold limit described in paragraph "a".

9 Sec. 3. NEW SECTION. **466B.53 Program administration.**

10 1. The program shall be administered by the division of soil
11 conservation and water quality.

12 2. The division may adopt rules as provided in chapter 17A to
13 administer this subchapter.

14 3. In administering the program, the division may do any of
15 the following:

16 a. Contract with another party, including a private person,
17 to develop, implement, and manage any part of the program subject
18 to the division's direction and supervision.

19 b. Cooperate with any interested organization to the extent
20 that the interested organization elects to cooperate with the
21 division.

22 Sec. 4. NEW SECTION. **466B.54 Program requirements.**

23 1. Each year, the division shall select qualified producers
24 to participate in the program according to criteria established
25 by the division. In selecting qualified producers, the division
26 shall consider applicants actively engaged in growing field crops
27 in all regions of the state. A selected producer may reapply to
28 participate in the program each year that the program continues.

29 2. The division shall approve the use of qualifying crop
30 production products and application methods according to label
31 instructions and standards established by the division.

32 3. A selected producer using qualifying crop production
33 products must keep records as required by the division that
34 document application methods, timing, and results as part of the
35 selected producer's crop fertility plan.

1 4. The division may award a selected producer an incentive
2 payment for each acre that the selected producer applies
3 qualifying crop production products to meet the goal provided in
4 section 466B.52. The total amount of an award shall not be less
5 than five dollars for each acre used to apply the qualifying crop
6 production products. Before selecting qualified producers each
7 year, the division may adjust the amount of the payment based
8 on the number of selected producers, the availability of moneys,
9 the rate of inflation, more cost-effective technologies, or less
10 expensive qualifying crop production products.

11 Sec. 5. NEW SECTION. **466B.55 Innovative nutrient**
12 **incorporation incentive pilot program fund.**

13 1. An innovative nutrient incorporation incentive pilot
14 program fund is created in the state treasury under the
15 management and control of the division.

16 2. The fund shall include moneys appropriated by the general
17 assembly. The fund may include other moneys available to and
18 obtained or accepted by the division, including moneys from
19 public or private sources.

20 3. Moneys in the fund are appropriated to the division and
21 shall be used exclusively to carry out the provisions of this
22 subchapter as determined by the division.

23 4. a. Notwithstanding section 12C.7, interest or earnings on
24 moneys in the fund shall be credited to the fund.

25 b. Notwithstanding section 8.33, unencumbered and unobligated
26 moneys in the fund shall not revert but shall remain available
27 for expenditure for the purposes designated.

28 5. Any unencumbered or unobligated moneys in the fund upon
29 repeal of this subchapter pursuant to section 466B.59 shall be
30 transferred to the Iowa nutrient research fund created pursuant
31 to section 466B.46.

32 Sec. 6. NEW SECTION. **466B.56 Appropriation.**

33 For the fiscal year beginning July 1, 2025, and ending
34 June 30, 2026, and for each fiscal year thereafter, there is
35 appropriated from the general fund of the state to the fund the

1 amount of two million dollars.

2 Sec. 7. NEW SECTION. **466B.57 Innovative nutrient**
3 **incorporation incentive pilot program report.**

4 On or before January 15, 2029, the division shall prepare
5 and deliver to the governor and general assembly an innovative
6 nutrient incorporation incentive pilot program report regarding
7 the status of the program, together with any findings and
8 recommendations regarding how producers in this state may best
9 utilize qualifying crop production products.

10 Sec. 8. NEW SECTION. **466B.58 Confidentiality.**

11 Any information received, collected, or held under this
12 subchapter is a confidential record as provided in section 22.7,
13 if the information identifies any of the following:

14 1. A person who holds a legal interest in the cropland used
15 in conducting the program or who has previously held a legal
16 interest in that cropland.

17 2. A person who is involved in managing the cropland used
18 in conducting the program or who has previously managed that
19 cropland.

20 3. The identifiable location of the cropland used in
21 conducting the program.

22 Sec. 9. NEW SECTION. **466B.59 Repeal.**

23 This subchapter is repealed December 31, 2030.

24 **EXPLANATION**

25 The inclusion of this explanation does not constitute agreement with
26 the explanation's substance by the members of the general assembly.

27 **GENERAL.** This bill amends Code chapter 466B, which includes a
28 number of subchapters that provide programs to improve surface
29 water quality. The bill creates a new subchapter requiring
30 the division of soil conservation and water quality (division)
31 created within the department of agriculture and land stewardship
32 to develop, implement, and administer an innovative nutrient
33 incorporation incentive pilot program (program).

34 **PROGRAM GOAL.** The bill provides that the goal of the program
35 is to encourage producers to produce crops in a manner that

1 optimizes commercial nitrogen-based fertilizer rates and reduces
2 commercial nitrogen-based fertilizer application rates by a
3 threshold limit of the lesser of 15 percent or 30 pounds per
4 acre by incorporating identifiable cost-effective qualifying crop
5 production products.

6 PROGRAM ADMINISTRATION. The bill provides that the division
7 may administer the program by contracting with another party and
8 may cooperate with interested organizations. The division is
9 required to select qualified producers each year to participate
10 in the program and may award a selected producer an incentive
11 payment for each acre that the selected producer applies
12 qualifying crop production products to meet the program goal.

13 PROGRAM FUND AND APPROPRIATIONS. The bill creates an
14 innovative nutrient incorporation incentive pilot program fund
15 (fund). For the fiscal year beginning July 1, 2025, and ending
16 June 30, 2026, and for each subsequent fiscal year until the
17 fiscal year ending June 30, 2030, an appropriation of \$2 million
18 is made from the general fund to support the program each fiscal
19 year until the fund's repeal.

20 PROGRAM REPORT. The bill requires the division to submit an
21 innovative nutrient incorporation incentive pilot program report
22 (report) to the governor and general assembly on or before
23 January 15, 2029. The report must discuss the status of the
24 program and include recommendations regarding how producers may
25 reduce commercial nitrogen-based fertilizer application rates.

26 CONFIDENTIALITY. The bill provides that certain information
27 received by the division in conducting the program is
28 confidential, including information that identifies persons
29 participating in the program or the location of cropland used in
30 conducting the program.

31 REPEAL. The bill repeals the subchapter that provides for the
32 program on December 31, 2030. Unencumbered or unobligated moneys
33 remaining in the fund upon repeal are transferred to the Iowa
34 nutrient research fund (Code section 466B.46).