



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1777

PRINTER'S NO. 2181

PRIME SPONSOR: Brennan

COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
Agricultural Conservation Easement Purchase Fund	\$0	\$0

SUMMARY: HB 1777 PN 2181 directs a portion of the unencumbered allocation from the Agricultural Conservation Easement Purchase Fund for the purchase of agricultural conservation easements and reimbursement expenses to land trusts. This legislation would take effect in sixty (60) days.

ANALYSIS: This legislation amends Act 43 of 1981, the Agricultural Area Security Law, to direct a portion of unencumbered allocation made from the Agricultural Conservation Easement Purchase Fund for the purchase of agricultural conservation easements to land trusts.

By March 1st of each year, the State Land Preservation board shall annually allocate the greater amount of \$1,000,000 or 80 percent of the amount restored under Section 14.1(h)(8.2) for the purpose of reimbursing eligible land trusts for the purchase of easements and \$200,000 plus 20 percent of the amount restored to the fund for the purpose of reimbursing land trusts for transaction expenses.

The allocation made for the purpose of reimbursing land trusts for the purchase of easements, shall not exceed 10 percent of the annual allocation made to counties for easements, and that up to \$20,000 of the funds allocated to land trusts for reimbursement of transaction expenses related to purchasing easements may be used for administrative expenses incurred by Department of Agriculture under Section 14.6(b) and (c).

The bill further provides that the reimbursement for the purchase of an easement, through the land trust program, shall not exceed \$2,500 per acre or 50 percent of the appraised per-acre value, whichever is less. Additionally, an easement shall:

- Contain at least 10 acres
- Contain the greater of 50 percent or 10 acres of harvested cropland, pasture, or grazing land
- Meet the minimum application criteria for easements as contained in regulations

Lastly, a land trust must provide matching funds equal to the amount of reimbursement for the purchase of the easement. As it relates to those matching funds, up to 50 percent of the donated value of the easement may be used to satisfy the matching provisions. The legislation also prohibits reimbursement to a land trust for the expense of purchasing an easement jointly with a county under Section 14.1(b.2)(1) and limits reimbursement for transaction-related expenses to \$10,000 per easement.

FISCAL IMPACT: The enactment of this legislation would have no fiscal impact on Commonwealth funds. The bill simply directs a portion of funds that would otherwise be allocated to counties to purchase easements, through the existing formula, to be allocated by the State Land Preservation Board for the purpose of reimbursing eligible land trusts for the purchase of easements and transaction expenses.

PREPARED BY: Gueorgui Tochev
House Appropriations Committee (D)

DATE: December 12, 2023

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.