



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 1523

PRINTERS NO. 1918

PRIME SPONSOR: Diamond

### COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund; Agricultural Business Development Center Fund	\$0	See Fiscal Impact

**SUMMARY:** House Bill 1523, Printer's Number 1918, establishes the Agricultural Business Development Center within the Department of Agriculture.

**ANALYSIS:** This bill amends Title 3 (Agriculture) to create a new chapter establishing an Agricultural Business Development Center within the Department of Agriculture, which will staff and operate the center. The Center shall serve as a resource and reference center for farmers and prospective farmers to create business plans, management strategies, ownership transition plans, expansion plans, and to diversify an existing agricultural operation. The Center may identify and build teams of planning facilitators, accountants, financial planners, lenders, marketers, conservation and nutrient management planners and veterinarians to provide expertise to farmers and prospective farmers.

The Agricultural Business Development Center Advisory Committee is established to advise the Secretary of Agriculture on his responsibilities under the chapter, with the following board members: Secretary of Agriculture who shall serve as chairperson; Secretary of DCED or a designee; Dean of Penn State's College of Agricultural Sciences or a designee; and representatives from the Pennsylvania Bankers Association, a farm credit association, and Pennsylvania Association of Conservation Districts. The secretary shall appoint the following individuals: a veterinarian with food animal practice; a person certified to create nutrient management plans; a certified public accountant; a financial planner; an attorney; and a farmer who has experience with transition or diversification of a farm. Board members will serve without compensation but will be reimbursed for expenses; term limits are outlined in the bill and the committee shall meet as often as necessary to advise and award grants.

The department may establish and publish a grant program to provide resources to farmers and prospective farmers. Grants are available to the extent funding is made available by the General Assembly and amounts are limited to 75% of project costs, not including in-kind contributions. The Agricultural Business Development Center Fund is established as an interest-bearing restricted revenue account for this grant program.

Money collected by the department under this chapter or appropriated, given, granted or donated shall be deposited into this fund and administered by the department for awarding grants. Unexpended money and interest or earnings in the fund may not be transferred or revert to the General Fund but remain in the account for the purposes of this chapter.

This legislation would take effect in 60 days upon enactment.

**FISCAL IMPACT:** Enactment of this legislation will have no adverse impact on Commonwealth funds. This program is part of the proposed Pennsylvania Farm Bill package for FY2019-20 and any resulting grants and funding are contingent upon available funds being appropriated for this program through the Agricultural Business Development Center Fund.

It is projected that agency administrative and operating costs related to the Agricultural Business Development Center and the advisory committee would be covered under existing operations. The Agricultural Business Development Center will incorporate the existing Center for Farm Transitions and the Preserved Farm Resource Center into one entity.

**PREPARED BY:** Jeffrey Clukey  
House Appropriations Committee (R)

**DATE:** June 17, 2019

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