



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

SENATE BILL NO. 634

PRINTERS NO. 1035

PRIME SPONSOR: Yaw

### COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund; Conservation District Fund; Nutrient Management Fund	\$0	See Fiscal Impact

**SUMMARY:** Senate Bill 634, Printer's Number 1035, creates the Conservation Excellence Grant program to be administered by the State Conservation Commission.

**ANALYSIS:** This bill amends Title 3 (Agriculture) to create a new chapter establishing the Conservation Excellence Grant program to be administered by the State Conservation Commission, which shall administer the program to provide technical and financial assistance for agricultural operations to implement conservation best management practices (BMPs) in high priority locations. The commission will establish guidelines for the approval of grants, loans and tax credits for eligible projects.

The commission may award grants or loans or request the Department of Revenue issue tax credits to applicants for eligible projects. Grants shall be awarded to the extent funds are provided by the General Assembly. Loans may be awarded through the Agriculture-Linked Investment Program or any other loan program approved by the commission. Tax credits may be awarded through the Resource Enhancement and Protection (REAP) Tax Credit Program.

The commission will ensure that project BMPs include appropriate and necessary review and certification by a professional engineer, technical service provider, conservation district or United States Department of Agriculture Natural Resources and Conservation Service (USDA-NRCS) staff. Grant funding may be used to pay for a required certification. Priority locations are designated by the Department of Environmental Protection as Tier 1, Tier 2 and Tier 3 Chesapeake Bay counties, followed by all other counties. The bill defines priority practices as: livestock exclusion fencing; stream-side buffers; streambank restoration; barnyard and feedlot runoff abatement; stream crossings; off-stream watering; manure storage facilities; nutrient management and manure management plans; agricultural erosion and sedimentation plans; cover crops; and other practices as determined by the commission.

The commission shall review complete applications on an ongoing basis and in the order received. Applicants will be notified of a successful award within 60 days of receipt with the type and total amount of funding awarded. A successful applicant shall notify the commission

upon completion of an approved project, which may be subject to inspection by the commission or designated agent.

The commission may delegate certain duties and responsibilities to county conservation districts that are willing to enter into an agreement to carry out these duties. The commission may advance funds to conservation districts for the purposes authorized by 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.

Any awards issued by the commission would be based on available grants and loans authorized through the Conservation District Fund and Nutrient Management Fund as necessary, while tax credits would impact the General Fund in the amount authorized by the REAP Tax Credit Program under Article XVII-E of the Tax Reform Code of 1971. Other agency administrative and operating costs would be covered under existing operations.

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House Appropriations Committee (R)

**DATE:** June 26, 2019

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