



February 26, 2024

SUMMARY OF BILL AS AMENDED (014391): Establishes a program for the Department of Agriculture's acquisition and administration of agricultural real estate interests in the State, including the administration of grants for the purpose of preserving farm and forestry land and the acquisition of agricultural easements.

Creates the Farmland Preservation Fund, within the General Fund, to be administered by the Commissioner of Agriculture for agricultural easements. Specifies that the fund may only consist of funds appropriated from the General Assembly or interest accrued on investments and deposits of the fund. Unexpended funds do not revert to the General Fund, but are carried forward and maintained until expended.

Prohibits the department from selling, transferring, or otherwise divesting of any agricultural easement acquired pursuant to the proposed legislation.

FISCAL IMPACT OF BILL AS AMENDED:

Increase State Revenue – \$25,000,000/FY24-25/Farmland Preservation Fund

Increase State Expenditures – \$25,000,000/FY24-25/General Fund

Other Fiscal Impact – The timing and amount of expenditures from the Farmland Preservation Fund for agricultural easements cannot reasonably be estimated.

The Governor's proposed FY24-25 budget, on page B-267, recognizes a one-time appropriation of \$25,000,000 to fund the Farmland Conservation Fund within the Department of Environment and Conservation.

Assumptions for the bill as amended:

- The proposed legislation creates a new grant program within the Department of Agriculture to preserve farmland in Tennessee.
- The proposed legislation creates a Farmland Preservation Fund within the General Fund, which will be administered by the Commissioner of Agriculture, to pay farmers and foresters for agricultural easements.

- Agricultural easements are for at least 15 years, with the option for renewal, and they are intended to preserve, maintain, or enhance the condition of farmland and forestry.
- Owners of farmland or forestry are assumed to be paid the difference between the value of the land as restricted and the value of the land for its highest and best use.
- The Governor’s proposed FY24-25 budget, on page B-267, recognizes a one-time appropriation of \$25,000,000 to fund the program within the Department of Environment and Conservation.
- The FY24-25 proposed budget does not include any funding or authorization for additional positions within the Department of Agriculture nor does the proposed legislation authorize a portion of the funds in the Farmland Preservation Fund to be utilized for administrative expenses.
- The department can administer the new grant program within existing resources, without a significant increase in state expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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