

# FISCAL NOTE

May 15, 2024

<b>Bill No:</b>	HB 1777	<b>Printer's No:</b>	2181	<b>Sponsor:</b>	Brennan
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### COST / (SAVINGS)

<b>Fund (s)</b>	<b>2023-24</b>	<b>2024-25</b>
Agricultural Conservation Easement Purchase Fund	See Fiscal Impact	See Fiscal Impact

**SUMMARY:** HB 1777 amends the Agricultural Area Security Law in agricultural conservation easements to direct a portion of the annual allocation made from the Agricultural Conservation Easement Purchase Fund (fund) for the purchase of agricultural conservation easements (easements) to land trusts.

**ANALYSIS:** Establishes that by March 1 of each year the board shall make allocations from the Agricultural Conservation Easement Purchase Fund: \$2.5 million for reimbursing eligible nonprofit entities or land trusts for the purchase of agricultural conservation easements and \$500 thousand for the purpose of reimbursing eligible nonprofit entities for transaction expenses relating to the purchase of easements (up to 10 percent of which may be used for the administrative expenses incurred by the department).

Money allocated for these purposes not expended by December 31 shall lapse back into the fund. Reimbursement for the purchase of an easement shall not exceed \$2,500 per acre or 50% or the appraised per-acre value, whichever is less.

An easement shall consist of at least 10 acres, contain at least 50% of harvested cropland pasture or grazing land. A land trust must provide matching funds equal to the amount of the reimbursement, up to 50% of the donated value of the easement. Reimbursement of transaction expenses shall be limited to \$10,000 per agricultural conservation easement. If a land trust ceases to exist, the land will be transferred to the county where the easement was recorded, and if the county is not eligible, to the state board.

This act shall take effect in 60 days.

**FISCAL IMPACT:** HB 1777 would divert \$3 million annually from the state Agricultural Easement Purchase Program, which is an increase of \$2.8 million as the statute currently appropriates \$200 thousand.