



# Senate

General Assembly

**File No. 391**

*January Session, 2005*

Substitute Senate Bill No. 1081

*Senate, April 18, 2005*

The Committee on Planning and Development reported through SEN. COLEMAN of the 2nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## ***AN ACT CONCERNING FARM LAND PRESERVATION.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2005*) (a) For the purposes of this  
2 section, "agricultural land" means land that contains prime or state-  
3 wide important soils as identified by the United States Natural  
4 Resources Conservation Service and "shellfish grounds" means an area  
5 designated on shellfish maps prepared by the Department of  
6 Agriculture or a municipality.

7 (b) No state funds or federal funds administered by the state shall  
8 be used to encourage or facilitate the conversion of agricultural land or  
9 active shellfish grounds to nonagricultural or nonaquaculture uses  
10 without mitigation in accordance with the provisions of subsection (c)  
11 of this section, except that the provisions of said subsection (c) shall  
12 not apply to (1) conversions for a different agricultural purpose, and  
13 (2) conversion of less than one acre of shellfish grounds for the

14 purpose of installation of a residential utility other than a facility, as  
15 defined in section 16-50i of the general statutes, requiring a certificate  
16 pursuant to section 16-50k of the general statutes or approval of the  
17 Federal Energy Regulatory Commission shall be exempt from this  
18 section.

19 (c) Mitigation may be accomplished by (1) purchase by the state or  
20 granting to the state of a permanent agricultural conservation  
21 easement on an equivalent amount of agricultural land of with  
22 comparable or better soil quality in the municipality within which the  
23 acreage being converted is located; or (2) if no comparable agricultural  
24 land is available for an agricultural conservation easement as provided  
25 in subdivision (1) of this section, a monetary payment, equivalent to  
26 the value of the development rights on the acreage being converted,  
27 paid to the General Fund and used for the preservation of agricultural  
28 land pursuant to chapter 422a of the general statutes.

29 (d) There is established an interagency committee to advise the  
30 Commissioner of Agriculture on implementation of the provisions of  
31 this section. The committee shall be comprised of the State Properties  
32 Review Board, the Secretary of the Office of Policy and Management  
33 and the Departments of Agriculture, Environmental Protection,  
34 Transportation, Correction, Economic and Community Development,  
35 Education and Mental Retardation. The Commissioner of Agriculture  
36 shall serve as chairperson of said committee and shall convene the  
37 committee as often as said commissioner deems necessary. The  
38 commissioner may adopt regulations, in accordance with the  
39 provisions of chapter 54 of the general statutes, to implement the  
40 provisions of this section.

41 Sec. 2. (NEW) (*Effective July 1, 2005*) (a) The Commissioner of  
42 Agriculture shall compile an inventory of land owned by the state that  
43 contains prime agricultural or state-wide important soils identified by  
44 the United States Natural Resources Conservation Service.

45 (b) In consultation with the Connecticut Council for Agricultural  
46 Development and the agencies that manage properties listed in the

47 inventory prepared under subsection (a) of this section, the  
48 commissioner shall determine which lands identified on the inventory  
49 prepared under this section are important for current and future  
50 agricultural use and should be permanently protected from conversion  
51 to nonagricultural use. The commissioner shall notify the State Bond  
52 Commission and any affected agencies of each such determination.

53 (c) In the event of a sale or transfer of ownership of any agricultural  
54 land determined to be important for current or future agricultural use  
55 under subsection (b) of this section, at or before the time of transfer of  
56 ownership of such land, the development rights to the land shall be  
57 retained by the state and a permanent agricultural conservation  
58 easement on such land shall be held through the state program for the  
59 preservation of agricultural land established pursuant to chapter 422a  
60 of the general statutes.

61 Sec. 3. (NEW) (*Effective July 1, 2005*) (a) The Department of  
62 Agriculture shall establish and administer a program of matching  
63 grants to municipalities to further agricultural viability. Grants may be  
64 used for: (1) The purchase of development rights, to be held jointly by  
65 the state and the municipality; (2) local capital projects that foster  
66 agricultural viability, including, but not limited to, processing facilities  
67 and farmers markets; and (3) the development and implementation of  
68 land use regulations and local farm land protection strategies that  
69 sustain and promote local agriculture.

70 (b) On or before January 31, 2006, the Connecticut Council for  
71 Agricultural Development, in consultation with municipal entities,  
72 shall develop and recommend criteria for implementation of the grant  
73 program to be used by the department in making grants under this  
74 section.

75 Sec. 4. Section 22-26e of the general statutes is repealed and the  
76 following is substituted in lieu thereof (*Effective from passage*):

77 (a) There is hereby established a [Governor's] Connecticut Council  
78 for Agricultural Development [for advisory purposes only,] consisting

79 of not more than [thirty] twenty-one members. The council shall be  
80 within the Department of Agriculture for administrative purposes  
81 only. The Commissioner of Agriculture shall be [chairman] a member  
82 of said council. The Governor shall appoint [twelve] eight council  
83 members from a list provided by the Commissioner of Agriculture of  
84 persons representative of agricultural activities in the state, including  
85 agricultural production, processing, marketing, sales, education, farm  
86 land preservation and trade associations. The speaker of the House of  
87 Representatives, the president pro tempore of the Senate and the  
88 majority leader and minority leader of each house of the General  
89 Assembly shall each appoint two council members.

90 (b) (1) The council shall provide advice to the Department of  
91 Agriculture concerning the development, diversification and  
92 promotion of agricultural products, programs and enterprises in this  
93 state and shall provide for an interchange of ideas from the various  
94 commodity groups and organizations represented.

95 (2) The council shall evaluate farm land protection programs and  
96 efforts in the state. Such evaluation shall include a review of (A) the  
97 acreage goals for farm land preservation identified in the state plan of  
98 conservation and development prepared pursuant to chapter 297 and  
99 progress in meeting such goals, and (B) the effectiveness of the state  
100 program for the preservation of agricultural lands authorized under  
101 chapter 422a in ensuring a supply of affordable farm land for current  
102 and future generations of farmers and the role of the open space and  
103 watershed land acquisition program established under section 7-131d  
104 in preserving farm land. On or before January 31, 2006, and annually  
105 thereafter, the council shall submit a report, in accordance with section  
106 11-4a, detailing its findings and recommendations to the Governor and  
107 the joint standing committees of the General Assembly having  
108 cognizance of matters relating to the environment and to  
109 municipalities. Such report shall include recommendations for  
110 administration of farm land preservation, including, but not limited to,  
111 acreage goals and the amount of state financing needed to achieve  
112 such goals.

113 (c) The council shall meet at least once each calendar quarter. Any  
114 vacancy in the membership may be filled by the Governor. The  
115 members shall serve without compensation or reimbursement for  
116 expenses. Any member absent from more than two meetings in a year  
117 shall be deemed to have resigned. The chairman of the council shall be  
118 elected by a majority of the members appointed.

119 Sec. 5. Subsection (a) of section 22-26jj of the general statutes is  
120 repealed and the following is substituted in lieu thereof (*Effective from*  
121 *passage*):

122 (a) The Commissioner of Agriculture, with the approval of the State  
123 Properties Review Board, may acquire [, prior to July 1, 1995,] by  
124 purchase or accept as a gift, on behalf of the state, the fee simple title of  
125 any agricultural real property and any personal property related to  
126 such real property, including, but not limited to, machinery,  
127 equipment, fixtures and livestock. The state conservation and  
128 development plan established pursuant to chapter 297 shall be used as  
129 an advisory document in connection with acquisition of such property.  
130 The commissioner, in deciding whether or not to acquire such  
131 property, shall consider all of the factors stated in section 22-26cc and  
132 shall further consider the likelihood of subsequent sale of such  
133 property by the department for agricultural purposes, subject to the  
134 state's retention of development rights. After a preliminary evaluation  
135 of such factors, the [Commissioner of Agriculture] commissioner shall  
136 obtain and review one or more fee appraisals of the property in order  
137 to determine the value of such property. Each such appraisal shall  
138 include an itemization of (1) the total value of the land, (2) the value of  
139 the land as agricultural land, (3) the value of the development rights of  
140 the land, and (4) the value of any related personal property proposed  
141 to be included in any sale. The commissioner shall give notice of any  
142 such appraisal to the Departments of Transportation, Economic and  
143 Community Development and Environmental Protection and the  
144 Office of Policy and Management. Any such appraisal may be obtained  
145 by the owner of the property and, if performed in a manner approved  
146 by the commissioner, shall be considered by the commissioner in

147 making such determination. The commissioner may purchase such  
148 property for a lesser price than any price suggested by any such  
149 appraisal provided all considerations for acquisition specified in this  
150 subsection are taken into account. In determining the value of the  
151 property, consideration shall be given to sales of comparable  
152 properties in the general vicinity.

153 Sec. 6. Section 22-26hh of the general statutes is repealed and the  
154 following is substituted in lieu thereof (*Effective July 1, 2005*):

155 (a) The State Bond Commission shall have power, from time to time,  
156 to authorize the issuance of bonds of the state in one or more series  
157 and in principal amounts not exceeding in the aggregate [eighty-nine]  
158 ninety-nine million [seven hundred fifty thousand] dollars, the  
159 proceeds of which shall be used for the purposes of section 22-26cc,  
160 provided not more than [two] ten million dollars of said authorization  
161 shall be effective July 1, 2004, and further provided not more than two  
162 million dollars shall be used for the purposes of section 22-26jj, as  
163 amended by this act. All provisions of section 3-20, or the exercise of  
164 any right or power granted thereby which are not inconsistent with the  
165 provisions of this section are hereby adopted and shall apply to all  
166 bonds authorized by the State Bond Commission pursuant to this  
167 section, and temporary notes in anticipation of the money to be  
168 derived from the sale of any such bonds so authorized may be issued  
169 in accordance with said section 3-20 and from time to time renewed.  
170 Such bonds shall mature at such time or times not exceeding twenty  
171 years from their respective dates as may be provided in or pursuant to  
172 the resolution or resolutions of the State Bond Commission authorizing  
173 such bonds. None of said bonds shall be authorized except upon a  
174 finding by the State Bond Commission that there has been filed with it  
175 a request for such authorization, which is signed by or on behalf of the  
176 Secretary of the Office of Policy and Management and states such  
177 terms and conditions as said commission, in its discretion, may  
178 require. Said bonds issued pursuant to this section shall be general  
179 obligations of the state and the full faith and credit of the state of  
180 Connecticut are pledged for the payment of the principal of and

181 interest on said bonds as the same become due, and accordingly and as  
182 part of the contract of the state with the holders of said bonds,  
183 appropriation of all amounts necessary for punctual payment of such  
184 principal and interest is hereby made, and the Treasurer shall pay such  
185 principal and interest as the same become due.

186 (b) To the extent that there is a balance of bonds authorized but not  
187 allocated by the State Bond Commission on or after July 1, 2004,  
188 pursuant to the provisions of subsection (a) of this section, for the  
189 purposes of section 22-26jj, as amended by this act, the State Bond  
190 Commission shall authorize the issuance of such balance in one  
191 installment in each fiscal year commencing with the fiscal year ending  
192 June 30, 2005.

193 Sec. 7. (NEW) (*Effective July 1, 2005*) (a) The Department of  
194 Agriculture shall administer a Farm Reinvestment Program. Grants  
195 shall be made to farmers for diversification and transitioning to value  
196 added agricultural production and sales and for developing farm  
197 markets and other venues where a majority of products sold are grown  
198 in the state.

199 (b) The Commissioner of Agriculture shall adopt regulations, in  
200 accordance with the provisions of chapter 54 of the general statutes, for  
201 the administration of the program established by this section. Such  
202 regulations shall require the development of business plans.

203 Sec. 8. Section 7-34a of the general statutes is amended by adding  
204 subsection (e) as follows (*Effective July 1, 2005*):

205 (NEW) (e) In addition to the fees for recording a document under  
206 subsection (a) of this section, town clerks shall receive a fee of thirty  
207 dollars for each document recorded in the land records of the  
208 municipality. One dollar of any fee paid pursuant to this subsection  
209 shall be retained by the town clerk and three dollars of such fee shall  
210 become part of the general revenue of the municipality and used to  
211 pay for local capital improvement projects, as defined in section 7-536  
212 of the general statutes. Not later than the fifteenth day of each month,

213 town clerks shall remit twenty-six dollars of the fees paid pursuant to  
 214 this subsection during the previous calendar month to the State  
 215 Treasurer for deposit in the General Fund. Upon such deposit, the  
 216 amount shall be credited to the land protection, affordable housing  
 217 and historic preservation account established pursuant to section 9 of  
 218 this act. The provisions of this subsection shall not apply to any  
 219 document recorded on the land records by an employee of the state or  
 220 of a municipality in conjunction with said employee's official duties.  
 221 As used in this subsection, "municipality" includes each town,  
 222 consolidated town and city, city, consolidated town and borough,  
 223 borough, district, as defined in chapter 105 or 105a, and each  
 224 municipal board, commission and taxing district not previously  
 225 mentioned.

226       Sec. 9. (NEW) (*Effective July 1, 2005*) There is established, within the  
 227 General Fund, a separate, nonlapsing account to be known as the "land  
 228 protection, affordable housing and historic preservation account". Such  
 229 account shall contain any moneys required by law to be deposited in  
 230 the account. The moneys in said account shall be distributed as  
 231 follows: Twenty-five per cent to the Historic Preservation Council for  
 232 on-going maintenance to the physical plant of historic sites; twenty-  
 233 five per cent to the Connecticut Housing Finance Authority to  
 234 supplement new or existing affordable housing programs; twenty-five  
 235 per cent to the Department of Agriculture for farm land preservation  
 236 programs and twenty-five per cent to the Department of  
 237 Environmental Protection for open space grants to municipalities.

238       Sec. 10. (*Effective July 1, 2005*) The sum of five hundred thousand  
 239 dollars is appropriated to the Department of Agriculture, from the  
 240 General Fund, for the fiscal year ending June 30, 2006, for grants to  
 241 farmers for activities pursuant to section 7 of this act.

|   |                     |             |
|---|---------------------|-------------|
| This act shall take effect as follows and shall amend the following sections: |                     |             |
| Section 1   | <i>July 1, 2005</i> | New section |
| Sec. 2  | <i>July 1, 2005</i> | New section |

|         |                     |             |
|---------|---------------------|-------------|
| Sec. 3  | <i>July 1, 2005</i> | New section |
| Sec. 4  | <i>from passage</i> | 22-26e      |
| Sec. 5  | <i>from passage</i> | 22-26jj(a)  |
| Sec. 6  | <i>July 1, 2005</i> | 22-26hh     |
| Sec. 7  | <i>July 1, 2005</i> | New section |
| Sec. 8  | <i>July 1, 2005</i> | 7-34a       |
| Sec. 9  | <i>July 1, 2005</i> | New section |
| Sec. 10 | <i>July 1, 2005</i> | New section |

**PD**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

## OFA Fiscal Note

### State Impact:

| Agency Affected                             | Fund-Effect            | FY 06 \$              | FY 07 \$              |
|---|------------------------|-----------------------|-----------------------|
| Department of Agriculture                   | Various - Revenue Gain | 5.85 million          | 6.0 million           |
| Department of Agriculture                   | Cost                   | See Below             | See Below             |
| Department of Environmental Protection      | GF/SA - Revenue Gain   | 5.85 million          | 6.0 million           |
|   |                        |                       |                       |
| Treasurer, Debt Serv.                       | TF - Cost              | Potential Significant | Potential Significant |
| Treasurer, Debt Serv.                       | TF - Cost              | Potential Significant | Potential Significant |
| Commission on Tourism and Culture           | GF/SA - Revenue Gain   | 5.85 million          | 6.0 million           |
| Commission on Tourism and Culture           | Cost                   | See Below             | See Below             |
| CT Housing Finance Authority (quasi-public) | Revenue Gain           | 5.85 million          | 6.0 million           |

Note: TF=Transportation Fund GF=General Fund, SA= Special Account

### Municipal Impact:

| Municipalities     | Effect       | FY 06 \$  | FY 07 \$  |
|--------------------|--------------|-----------|-----------|
| All Municipalities | Revenue Gain | See Below | See Below |

### Explanation

The bill establishes the land protection, affordable housing, and historic preservation account, a separate nonlapsing account within the General Fund. Funds deposited in the account are to be distributed as follows: 25% to the Historic Preservation Council (within the Connecticut Commission on Culture and Tourism) for maintaining the physical plant of historic sites; 25% to the Connecticut Housing Finance Authority (CHFA)) for supplementing new or existing affordable housing programs; 25 % to the Department of Agriculture

(DOAG) for farmland preservation programs; and 25% to the Department of Environmental Protection (DEP for municipal open space grants.

The bill requires municipalities to charge an additional \$30 fee for each document recorded in the land records of the municipality<sup>1</sup>. Municipalities keep \$4 (\$1 retained by the town clerk, and \$3 to the town’s general fund to be used for local capital improvement projects) and remit \$26 to the state’s land protection, affordable housing, and historic preservation account.

It is estimated that the \$30 land record document fee will generate statewide revenues of \$27 million in FY 06; \$23.4 million of this must be remitted to the state’s land protection, affordable housing, and historic preservation account, with municipalities retaining \$3.6 million (see table below).

| <b>Estimated Revenue from the \$30 Land Record Document Fee</b>                                    |                    |                    |
|--|--------------------|--------------------|
|  | Estimated<br>FY 06 | Estimated<br>FY 07 |
| Total Number of Land Documents Recorded Statewide  | 900,000            | 925,000            |
| Total Revenue from Proposed \$30 Land Record Document Fee  | \$ 27,000,000      | \$ 27,750,000      |
| Land Protection, Affordable Housing, Historic Preservation Account Portion of Land Record Revenues | \$ 23,400,000      | \$ 24,050,000      |
| Municipalities Portion of Land Record Revenues   | \$ 3,600,000       | \$ 3,700,000       |

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<sup>1</sup> Under CGS 7-34a (a) town clerks receive, for recording any document, \$10 for the first page and \$5 for each subsequent page. Under CGS 7-34a (d) town clerks charge a \$3 fee for each document recorded in the land records of the municipality. Towns remit two-thirds of the revenues collected from this \$3 fee to the historic documents preservation account within the State Library. Towns retain one-third of the revenue.

The creation of the new land protection, affordable housing and historic preservation account will increase administrative costs for some of the agencies to administer the approximately \$5.85 million in FY 06 and \$6.0 million in FY 07 (a total of \$23.4 million in FY 06 and \$24.05 in FY 07) each in additional funds. It is estimated that the Connecticut Commission on Culture and Tourism will need an architectural preservationist at a cost of \$55,000 in FY 06 and FY 07, plus fringe benefits<sup>1</sup>, to administer the grants. DOAG will need 2 additional property agents costing \$90,000 in FY 06 and FY 07 plus fringe benefits. CHFA can use existing program resources to administer the grants. It is also anticipated that the DEP can use current open space staff to administer the additional funds.

The bill also authorizes \$9.25 million in GO bonds in FY 06 for the Farmland Preservation Program. The interest cost to the General Fund to bond \$9.25 million for twenty years at an interest rate of 5.0% is \$4.9 million. The unallocated balance as of 4/15/05 for GO bonds authorized for the Farmland Preservation Program is \$3.1 million. The DOAG will need two additional property agents, an administrative assistant, and a staff attorney to handle the additional program funds, resulting in costs of approximately \$175,000 in FY 06 and FY 07, plus fringe benefits. The DOAG historically has administered under \$2 million a year for farmland preservation. Adding the increase in bond funds to the \$5.85 million provided will significantly increase the historical amount of funds available for preservation.

The re-establishment of the fee simple title purchase program would increase the workload of the DOAG, depending upon the number of farms that would apply. The program was used once to purchase the Savin Farm, which is currently leased for agricultural purposes. This

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<sup>1</sup> The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The estimated fringe benefit reimbursement rate as a percentage of payroll is 53.91%, effective July 1, 2004. However, first year fringe benefit costs for new positions do not include pension costs lowering the rate to 22.65%. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System.

program could increase use of General obligation (GO) bond funds available for the Preservation of Farmland Program, and could further increase future debt service costs.

The bill is expected to increase the cost of state capital construction projects because it requires that mitigation must take place when state-owned property containing agricultural soils is developed. The land acquisition budget for some state construction and highway projects will have to be increased to either: (1) purchase comparable agricultural land within the community; or (2) deposit the fair market value of the property into the General Fund to fund the Department of Agriculture's agricultural preservation programs. The increased cost will be reflected as increases in: (1) General Fund debt service because General Obligation bond funds are used to construct the majority of state buildings; and (2) Transportation Fund debt service because Special Tax Obligation bond funds are used for state highway projects. Since the bill does not specify how the loss of shellfish beds will be mitigated, there may be a significant cost to redesign and construct projects that affect shellfish beds (such as bridges over coastal waterways.) The amount of time needed to complete state building projects is also expected to increase because the Department of Public Works' land acquisition procedures currently take between 12 and 24 months.

Changes made to the duties of the Governor's Council on Agricultural Development, as well as making it an interagency, 21-member committee and placing it within the DOAG for administrative purposes, will increase costs to the DOAG. The bill also changes the name of the council to the Connecticut Council for Agricultural Development. In order for the Council to carry out its duties, an additional property agent would be required costing \$45,000 in FY 06 and FY 07, plus fringe benefits. It is anticipated that the various agencies that would be part of the council membership could handle additional duties within their current services. No additional costs are anticipated for DOAG to compile an inventory since the information currently exists.

Establishment of a new DOAG grant program of matching grants to municipalities will increase costs to DOAG and increase revenue to certain municipalities. The DOAG would need an additional analyst at a cost of \$45,000 in FY 06 and FY 07, plus fringe benefits. No specific funds are provided for the grants, however, to the extent that DOAG could use funds from the newly created land protection, affordable housing and historic preservation account, additional funding for grants would not be required.

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**OLR Bill Analysis**

sSB 1081

**AN ACT CONCERNING FARM LAND PRESERVATION****SUMMARY:**

This bill authorizes several farmland preservation programs and policies. It institutes a new \$30 fee for recording documents in local land records and dedicates most of the revenue for farmland, open space, and historic preservation, and affordable housing. It allows towns to keep \$3 of the fee to fund local capital improvement projects.

The bill authorizes \$9.25 million in bonds for the Department of Agriculture's (DOA) farmland preservation program. It reinstates DOA's authority to acquire fee simple title to agricultural property and requires the State Bond Commission to issue bonds that were previously authorized but unallocated for this purpose. The bill establishes new DOA programs to help farmers diversify their operations and towns fund farmland preservation projects.

The bill establishes new farmland preservation policies. It prohibits state or state-administered federal funds from being used to convert farmland to different uses unless specified steps are taken to mitigate the loss. The bill also prohibits using these funds for converting shellfish grounds unless their loss is mitigated, but does not specify how that can be done. It prohibits the state from selling or transferring its agricultural land without restricting the land's future development.

The bill renames the Governor's Council on Agricultural Development the Connecticut Council on Agricultural Development (CCAD), reduces its membership, requires it to evaluate the state's farmland protection programs, and places it in DOA for administrative purposes.

**EFFECTIVE DATE:** July 1, 2005, except that the provisions regarding the council and the purchase of fee simple title take effect upon passage.

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**LAND PROTECTION, AFFORDABLE HOUSING, AND HISTORIC PRESERVATION FUNDING MECHANISM**

The bill creates a mechanism to fund affordable housing development and farm land, open spaces, and historic preservation. It requires town clerks to collect a \$30 fee for each document they record in the town's land records, except those recorded for a municipal or state employee as part of his official duties. The state receives \$26 collected from each recorded document and the towns keep \$4.

The bill specifies how towns must use their share. The clerks must keep \$1 and the remaining \$3 must become part of the town's general revenue. Towns must use their share to fund the same types of projects that qualify for state Local Capital Improvement Program grants.

The clerks must remit the state share they collected each month to the state treasurer by the 15<sup>th</sup> day of the next month. She must deposit this money in the General Fund and credit it to the nonlapsing Land Protection, Affordable Housing, and Historic Preservation Account, which the bill establishes. The bill equally divides the funds among four agencies for specific purposes:

1. Historic Preservation Council, for maintaining the physical plant of historic sites;
2. Connecticut Housing Finance Authority, for supplementing new or existing affordable housing programs;
3. DOA, for farmland preservation programs; and
4. Department of Environmental Protection, for grants to towns for acquiring open space grants.

**FARMLAND PRESERVATION PROGRAMS*****Purchase of Development Rights***

The bill authorizes \$9.25 million in additional bonds for DOA's farmland preservation program. Under this program, DOA preserves farmland by buying a farmer's right to develop, build on, sell, lease, or otherwise change how he uses his land. DOA secures this right by obtaining a permanent easement prohibiting the farmer or others from

using the land for nonagricultural purposes.

### ***Purchase of Fee Simple Title***

The bill reinstates DOA's authority to acquire the fee simple title to agricultural real and personal property. This authority expired on July 1, 1995. Under this program, the DOA commissioner had to sell this property for agricultural purposes as soon as practicable, or lease, transfer, assign or manage the property for specified purposes until he could sell it.

The bill requires the State Bond Commission to issue bonds that were authorized but unallocated for this program as of July 1, 2004. The commission must issue one annual installment beginning with FY 2005. But the provision imposing this requirement does not take effect until FY 2006.

### ***Farmland Reinvestment Program***

The bill establishes this program under which DOA must grant funds to farmers who want to diversify their crops, transition to value added production and sales, and develop new markets and other venues for where most of the products they sell were grown in Connecticut. It appropriates \$500,000 for this purpose in FY 2006. The commissioner must adopt implementing regulations, which must require grant applicants to develop business plans.

### ***Matching Grants for Towns***

The bill also requires DOA to provide matching grants to towns for:

1. purchasing development rights, which they must hold jointly with the state;
2. funding process facilities, farmers markets, and other capital projects intended to make farms viable; and
3. developing and implementing land use regulations that are sensitive to farming and strategies to sustain and promote it.

The CCAD must develop and recommend criteria for awarding the grants. It must do this in consultation with municipal entities.

The bill appropriates no funds for the grants, but it appears that DOA could fund these grants with money in the Land Protection, Affordable Housing, and Historic Preservation Account.

## **AGRICULTURAL LAND PROTECTION**

### ***Mitigation Requirement***

The bill prohibits using state and state-administered federal funds to encourage or help convert agricultural land to nonagricultural uses without mitigating their loss. This prohibition applies to prime or statewide important soils identified by the U.S. Natural Resources Conservation Service. It does not apply to land that will be converted to other agricultural uses.

The bill allows the potential loss of agricultural land to be mitigated by selling or giving the state a permanent agricultural conservation easement on a comparable parcel in the same community. A parcel meets this standard if its soil is at least equal to that of the agricultural land. If no comparable parcel is available for the easement, then mitigation can only be accomplished by paying the state an amount equal to the value of the land's development rights. The money must be paid to the General Fund and used to fund DOA's agricultural preservation programs.

The bill also prohibits using state and state-administered federal funds to convert shellfish grounds to nonaquaculture uses. It applies to shellfish grounds designated on DOA or municipal shellfish maps. The bill allows the conversion to occur if the loss is can be mitigated, but specifies no mitigation methods.

The prohibition does not apply to shellfish ground that is less than one acre if it will be used to install a residential utility facility that does not require Federal Energy Regulatory Commission approval or a Siting Council Certificate.

The bill establishes an interagency committee to advise the agriculture commissioner on how to implement the mitigation requirement. The committee consists of the State Properties Review Board, the Office of Policy and Management secretary, and the departments of Agriculture, Environmental Protection, Transportation, Correction, Economic and Community Development, Education, and Mental Retardation. The

agriculture commissioner must chair the committee and convene it when he considers it necessary. He may adopt implementing regulations.

### ***Preserving State-owned Agriculture Land***

The bill requires the agriculture commissioner to take certain steps to preserve state-owned agricultural land. First, he must prepare an inventory of those lands that meet the same criteria that apply to land subject to the mitigation requirement. The law already requires him to prepare an inventory of all state-owned and privately owned agricultural land, identify parcels for which the state might acquire the development rights, and help towns identify agricultural land that should be preserved.

He must then determine if each land is important for current and future agricultural use and should be preserved for that reason. He must do this in consultation with the CCAD and the state agencies that manage the land. He must notify the State Bond Commission and the affected agencies about his decisions.

The state must retain the development rights to any land he determines must be preserved and place a permanent agricultural conservation on it. The state must do this before it sells or transfers ownership of the land.

## **CCAD**

### ***Membership***

The bill reduces CCAD's maximum membership from 30 to 21, eliminates the provision designating the agriculture commissioner the chairman, and requires council to elect its chairman.

The bill reduces the governor's appointments from 12 to eight. The governor makes her appointments from a list the agriculture commissioner provides her. In preparing that list, he must include people representing agricultural production, processing, marketing, sales, education, and trade associations. The bill adds people representing farmland preservation. By law, the top legislative leaders each appoint two members.

## ***Evaluation***

The bill requires CCAD to evaluate the state's farmland preservation programs and efforts. CCAD must review the State Plan of Conservation and Development's goals for preserving specified acres of farmland and the progress made toward meeting those goals. CCAD must determine if the state is preserving enough affordable farmland for current and future farmers. Lastly, it must determine if the state's open space and watershed land acquisition program helps to preserve farmland.

The council must annually report its findings and recommendations to the governor and the Environment and Planning and Development committees by January 1, beginning in 2006. The recommendations must address the way how farmland preservation programs are being administered, their acreage goals, and the amount of state financing needed to achieve them.

## **BACKGROUND**

### ***Related Bill***

sSB 410 contains nearly identical provisions. The Planning and Development Committee reported the bill to the floor on April 1.

## **COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute

Yea 18    Nay 0