



Senate

General Assembly

File No. 179

January Session, 2007

Substitute Senate Bill No. 872

Senate, March 29, 2007

The Committee on Environment reported through SEN. FINCH of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT ESTABLISHING A FARMLAND PRESERVATION ADVISORY BOARD WITHIN THE DEPARTMENT OF AGRICULTURE.

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

1 Section 1. (NEW) (*Effective July 1, 2007*) (a) There is established a
2 Farmland Preservation Advisory Board, within the Department of
3 Agriculture for administrative purposes only, to assist and advise the
4 Commissioner of Agriculture in carrying out the provisions of sections
5 22-26aa to 22-26kk, inclusive, of the general statutes.

6 (b) The advisory board shall consist of twelve members as follows:
7 A representative from The University of Connecticut Cooperative
8 Extension Service, appointed by the Governor to serve an initial term
9 of two years; a representative from the Connecticut Farm Bureau, who
10 may be an owner and operator of a Connecticut farm and shall be
11 appointed by the Governor to serve an initial term of three years; five
12 owners and operators of Connecticut farms, who shall be appointed as
13 follows: One by the Governor, one by the president pro tempore of the
14 Senate, one by the speaker of the House of Representatives, one by the

15 majority leader of the Senate, and one by the majority leader of the
16 House of Representatives, to serve initial terms of three years; a
17 representative from the Connecticut Agriculture Experiment Station,
18 appointed by the minority leader of the Senate, to serve an initial term
19 of two years; a representative from the Connecticut Conference of
20 Municipalities, appointed by the minority leader of the House of
21 Representatives, to serve an initial term of two years; a representative
22 from an organization whose mission includes farmland preservation,
23 who may be an owner and operator of a Connecticut farm and who
24 shall be appointed by the president pro tempore of the Senate to serve
25 an initial term of two years; a representative from an organization
26 whose mission includes food security, appointed by the speaker of the
27 House of Representatives to serve an initial term of two years; and a
28 representative from a financial lending organization whose clients
29 include owners and operators of Connecticut farms, appointed by the
30 Governor to serve an initial term of two years. The members of the
31 board shall select a chairperson from among the board members who
32 are owners and operators of Connecticut farms. Upon the expiration of
33 the terms of the initial members, the terms of such members shall be
34 three years. A person appointed to fill a vacancy shall serve for the
35 unexpired term of such vacancy. Any member may be eligible for
36 reappointment.

37 (c) Upon establishment of the advisory board and selection of a
38 chairperson pursuant to subsection (b) of this section, the board: (1)
39 Shall meet publicly with said commissioner and the staff of the
40 purchase of development rights for agricultural land program within
41 the Department of Agriculture at least quarterly to review the ongoing
42 activities of the program, (2) shall evaluate and provide comments and
43 recommendations on the purchase of development rights for
44 agricultural land transaction process, including, but not limited to,
45 methods for streamlining the process and appropriate levels of staffing
46 and funding, methods for increased participation by municipalities
47 and farmers, methods of planning for future acquisitions and
48 identifying prime land for agricultural preservation, and outreach
49 strategies to be conducted by program staff to the state-wide farming

50 community, targeted towards attracting a greater number of quality
 51 applications, (3) may recommend any other changes to the program
 52 deemed appropriate by the board, including recommendations for
 53 future legislative action, and (4) shall evaluate and provide comments
 54 on the efficacy of the method of bond funding established pursuant to
 55 section 2 of this act.

56 Sec. 2. (NEW) (*Effective July 1, 2007*) Notwithstanding section 3-20 of
 57 the general statutes, to the extent there is a sufficient balance of bonds
 58 approved by the General Assembly pursuant to any bond act for the
 59 purposes of agricultural land preservation programs established
 60 pursuant to section 22-26cc or 22-26jj of the general statutes, but not
 61 allocated by the State Bond Commission, said commission shall
 62 authorize the issuance of at least five million dollars of such bonds for
 63 the purposes described in said sections at each of said commission's
 64 regularly scheduled meetings occurring in August and February of
 65 each year. If no meeting is held in said months, said commission shall
 66 authorize the issuance of such bonds at its next regularly scheduled
 67 meeting. To the extent there is a sufficient balance of bonds so
 68 approved by the General Assembly and there are pending agricultural
 69 land preservation transactions in excess of five million dollars, the
 70 Commissioner of Agriculture may request, and the State Bond
 71 Commission shall authorize the issuance of, bonds in excess of five
 72 million dollars. To the extent the balance of bonds so approved by the
 73 legislature is below five million dollars at the time of said
 74 commission's August or February meetings, said commission shall
 75 authorize the issuance of the remaining balance of such bonds.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	New section
Sec. 2	<i>July 1, 2007</i>	New section

ENV *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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Department of Agriculture	GF - Cost	See Below	See Below
Treasurer, Debt Serv.	GF - See Below	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

Creation of the Farmland Preservation Advisory Board within the Department of Agriculture (DOAG) for administrative purposes is anticipated to minimally increase administrative costs to the DOAG. Based on past experience, it is anticipated that the agency would be responsible for the increase in administrative work and would need to divert resources from other programs to provide support.

The bill requires the State Bond Commission (SBC) to allocate General Obligation (GO) bonds for the farmland preservation program in August and February of each year or the first meeting thereafter if no SBC meeting is held in those months. The provision has no immediate fiscal impact because it does not authorize additional GO bonds for the program. However, to the degree that it causes bond funds to be expended more rapidly than they otherwise would have been, it may result in increased debt service costs in future years.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 872*****AN ACT ESTABLISHING A FARMLAND PRESERVATION
ADVISORY BOARD WITHIN THE DEPARTMENT OF
AGRICULTURE.*****SUMMARY:**

This bill requires the State Bond Commission to authorize, at certain times and when available, the issuance of bonds that the legislature approved for agricultural land preservation programs but the commission has not allocated. It also (1) allows the Department of Agriculture (DOAG) commissioner to request such approved, unallocated bond funds, when available, for pending agricultural land preservation transactions above \$5 million and (2) requires the bond commission to approve the funds upon the commissioner's request. It is not clear if the law permits the legislature to require the commission to act to release funds for a specific purpose.

The bill creates a 12-member Farmland Preservation Advisory Board to help DOAG with its purchase of development rights program and other efforts to preserve agricultural lands. It establishes the board's make up and duties, and puts it within DOAG for administrative purposes only.

EFFECTIVE DATE: July 1, 2007

FUNDING AGRICULTURE PRESERVATION PROGRAMS

The bill requires the Bond Commission to authorize issuance of unallocated bonds that the General Assembly approved for agricultural land preservation programs when the funds exist. Specifically, the bill requires the commission to authorize the issuance of at least \$5 million of such unallocated bonds, if available, at its

regularly scheduled meetings in August and February each year. If the commission does not hold a meeting in those months, it must authorize the issuance of such bonds at its next regularly scheduled meeting. The bill specifies that when the balance of bonds that the legislature approved is below \$5 million at the time of the commission's August or February meetings, the commission must authorize the issuance of the remaining bonds.

The bill allows the agriculture commissioner to request such funding above \$5 million and requires the commission to approve that funding when unallocated funds remain and preservation projects are pending. Specifically, when there is a sufficient balance of unallocated bonds the legislature approved and there are pending agricultural land preservation transactions above \$5 million, the commissioner may request, and the commission must authorize, the issuance of bonds above \$5 million. (It is unclear if the legislature can mandate such requirements of a body that includes the Governor.)

FARMLAND PRESERVATION ADVISORY BOARD

Board Membership, Appointing Powers, and Initial Terms

The 12-member advisory board consists of:

1. a University of Connecticut Cooperative Extension Service representative appointed by the governor;
2. a Connecticut Farm Bureau representative, who may be an owner and operator of a Connecticut farm, appointed by the governor;
3. five Connecticut farm owners and operators appointed by the governor, Senate president pro tempore, the House speaker, the Senate majority leader, and House majority leader;
4. a Connecticut Agriculture Experiment Station representative appointed by the Senate minority leader;
5. a Connecticut Conference of Municipalities representative

appointed by the House minority leader;

6. a representative from an organization whose mission includes farmland preservation, who may be an owner and operator of a Connecticut farm, appointed by the Senate president pro tempore;
7. a representative from an organization whose mission includes food security, appointed by the House speaker; and
8. a representative from a financial lending organization whose clients include Connecticut farm owners and operators, appointed by the governor.

The board members must select a chairperson from those members who own and operate Connecticut farms.

The members, other than the Farm Bureau representative and the five farm owners and operators (who are appointed for three years), are initially appointed to two-year terms. Once the initial terms expire, members are appointed for three years. Members are eligible for reappointment. Anyone appointed to fill a vacancy serves for the rest of the unexpired term.

Duties

Once established, the board:

1. must meet publicly with the DOAG commissioner and the staff of the development rights purchase program at least quarterly to review ongoing program activities;
2. must evaluate and provide comments and recommendations on the purchase of development rights transaction process, including (a) methods for streamlining the process and appropriate staffing and funding levels, for increased participation by municipalities and farmers, of planning for future acquisitions and identifying prime land for preservation and (b) outreach strategies that DOAG program staff must

conduct to the state-wide farming community, targeted towards attracting a greater number of quality applications;

3. may recommend any other changes to the program that the board deems appropriate, including recommendations for future legislative action; and
4. must evaluate and provide comments on the efficacy of the method of bond funding established under the bill.

BACKGROUND

Farmland Preservation Program

The state's purchase of development rights or Farmland Preservation Program is its primary farmland preservation tool. Farmers may apply to the program through DOAG, which evaluates applications according to criteria set in state regulation. Preserving farmland that contains a high percentage of prime farmland soils in established farm communities is the program's primary goal.

The following is a summary of how the Farmland Preservation Program works.

1. Landowners may voluntarily apply to the program.
2. A landowner files a notice of application with the town clerk in the town where the farm is located.
3. DOAG evaluates the application according to criteria in state regulations (CGS § 8-26gg). If the farm meets minimum scoring criteria, the commissioner may accept the application.
4. DOAG and the landowner negotiate and agree on the application configuration and easement specifics.
5. An appraiser appraises the farm for the unrestricted market value and the market agricultural value. The difference between the two indicates the value of development rights.

6. DOAG reviews the appraisals with the landowner and the commissioner may negotiate anything from a gift to the full value of the development rights.
7. DOAG gives the landowner a letter from the commissioner representing the agreed-upon price. The attorney general reviews and approves the letter.
8. DOAG submits a detailed report to the State Properties Review Board for review and approval.
9. DOAG requests funds to acquire the development rights, including funds for an A-2 survey, title insurance, and title search, from the State Bond Commission.
10. Once the commission approves, the state obtains an A-2 survey and title search of the property. Upon completion, the conveyance of development rights deed is executed and a check for the development rights acquisition processed.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 30 Nay 0 (03/12/2007)