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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1777 Session of  
2023

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INTRODUCED BY BRENNAN, GREINER, KHAN, MADDEN, BOROWSKI, HILL-  
EVANS, SAPPEY, PASHINSKI, GUENST, SANCHEZ, HADDOCK, MERCURI,  
HANBIDGE AND MENTZER, OCTOBER 19, 2023

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REFERRED TO COMMITTEE ON AGRICULTURE AND RURAL AFFAIRS,  
OCTOBER 19, 2023

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AN ACT

1 Amending the act of June 30, 1981 (P.L.128, No.43), entitled "An  
2 act authorizing the creation of agricultural areas," further  
3 providing for purchase of agricultural conservation  
4 easements, for Agricultural Conservation Easement Purchase  
5 Fund and for Land Trust Reimbursement Program.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Sections 14.1(b.2)(1) and 14.2(a)(2) and (3) of  
9 the act of June 30, 1981 (P.L.128, No.43), known as the  
10 Agricultural Area Security Law, are amended to read:

11 Section 14.1. Purchase of agricultural conservation easements.

12 \* \* \*

13 (b.2) Eligible nonprofit entity participation.--An eligible  
14 nonprofit entity may participate, along with an eligible county,  
15 the Commonwealth and a local government unit eligible to  
16 participate under subsection (b.1), in the preservation of  
17 farmland through the purchase of agricultural conservation  
18 easements.

1 (1) The eligible nonprofit entity may purchase an  
2 agricultural conservation easement if all of the following  
3 apply:

4 (i) The agricultural conservation easement is a  
5 joint purchase with the county and may include the  
6 Commonwealth or a local government unit, or both.

7 (ii) The deed of agricultural conservation easement  
8 is as prescribed by the State board for agricultural  
9 conservation easements purchased by the Commonwealth.

10 (iii) The eligible nonprofit entity does not seek  
11 reimbursement for the purchase of the agricultural  
12 conservation easement under section 14.6(b).

13 \* \* \*

14 Section 14.2. Agricultural Conservation Easement Purchase Fund.

15 (a) Purpose of fund.--

16 \* \* \*

17 (2) Except as set forth in paragraph 3, the moneys  
18 appropriated to the fund shall be utilized in accordance with  
19 the expenditures and distribution authorized, required or  
20 otherwise provided in the program for purchase of  
21 agricultural conservation easements contained in section  
22 14.1, and for the purpose of paying all costs, except  
23 administrative costs, incurred by the Commonwealth or a  
24 county incident to the purchase of agricultural conservation  
25 easements. [, and for the purpose of reimbursing nonprofit  
26 land conservation organizations for expenses incurred in  
27 acquiring and transferring agricultural conservation  
28 easements to the Commonwealth or a county.

29 (3) Each fiscal year, up to \$200,000 of the money in the  
30 fund may be used for the purpose of reimbursement allocation

1 under section 14.6(b). Up to 10% of these funds may be used  
2 for administrative expenses of the department incurred under  
3 section 14.6(b).]

4 (3) By March 1 of each year, the State board shall make  
5 the following annual allocations from the fund:

6 (i) The greater amount of \$1,000,000 or 80% of the  
7 amount restored to the fund under section 14.1(h) (8.2)  
8 for the purpose of reimbursing eligible nonprofit  
9 entities for the purchase of agricultural conservation  
10 easements under section 14.6(b). The amount allocated  
11 under this subparagraph shall not exceed 10% of the total  
12 annual allocation made under section 14.1(h).

13 (ii) The amount of \$200,000 plus 20% of the amount  
14 restored to the fund under section 14.1(h) (8.2) for the  
15 purpose of reimbursing eligible nonprofit entities for  
16 transaction expenses under section 14.6(c) relating to  
17 the purchase of agricultural conservation easements under  
18 section 14.6(b). Up to \$20,000 of the amount allocated  
19 under this subparagraph for transaction expenses relating  
20 to the purchase of agricultural conservation easements  
21 may be used for administrative expenses incurred by the  
22 department under section 14.6(b) and (c).

23 \* \* \*

24 Section 2. Section 14.6(b), (c), (d) and (e) of the act are  
25 amended and the section is amended by adding subsections to  
26 read:

27 Section 14.6. Land Trust Reimbursement Program.

28 \* \* \*

29 (b) Reimbursement.--[The] In accordance with section 14.2(a)  
30 (3), the State board [may] shall allocate funds to reimburse

1 land trusts for the purchase of agricultural conservation  
2 easements and for transaction expenses incurred in acquiring  
3 agricultural conservation easements in this Commonwealth. Money  
4 allocated under this subsection which has not been expended by  
5 December 31 of the year in which the money was allocated shall  
6 lapse back to the fund.

7 (c) Eligible transaction expenses.--Eligible expenses  
8 include:

- 9 (1) Appraisals.
- 10 (2) Legal services.
- 11 (3) Title searches.
- 12 (4) Document preparation.
- 13 (5) Title insurance.
- 14 (6) Closing fees.
- 15 (7) Survey costs.

16 (c.1) Eligible purchase expenses.--Eligible agricultural  
17 conservation easement purchase expenses under this section shall  
18 include payments by a land trust to acquire an agricultural  
19 conservation easement.

20 (d) Limitations.--

21 (1) Reimbursement for the purchase of an agricultural  
22 conservation easement shall [be limited to \$5,000 per  
23 easement] not exceed \$2,500 per acre or 50% of the appraised  
24 per-acre value, whichever is less.

25 (2) The term of an agricultural conservation easement  
26 shall be perpetual.

27 (3) An agricultural conservation easement shall:

28 (i) consist of at least 10 acres;

29 (ii) contain the greater of 50% or 10 acres of  
30 harvested cropland, pasture or grazing land; and

1           (iii) comply with the provisions of 7 Pa. Code §  
2           138e.16(a)(1) and (3) (relating to minimum criteria for  
3           applications).

4           (4) A land trust must provide matching funds equal to  
5           the amount of the reimbursement for the purchase of an  
6           agricultural conservation easement. Up to 50% of the donated  
7           value of the agricultural conservation easement may be used  
8           to satisfy the provisions of this paragraph.

9           (5) Reimbursement shall not be provided to a land trust  
10           for the expense of an agricultural conservation easement  
11           purchased jointly with the county under section 14.1(b.2)(1).

12           (6) Reimbursement of transaction expenses shall be  
13           limited to \$10,000 per agricultural conservation easement.

14           (e) Eligibility.--To be eligible under this subsection, a  
15 land trust shall be an eligible nonprofit entity and shall:

16           (1) register with the State board;

17           (2) coordinate agricultural conservation easement  
18 purchase activities with the eligible county in which the  
19 activity occurs or coordinate such activities with the State  
20 board, if the activity does not occur within an eligible  
21 county; and

22           (3) submit an application to the State board, with the  
23 statement of costs [incidental to] of the acquisition and  
24 transaction expenses, the deed of easement and any other  
25 documentation required by the State board, within 60 days of  
26 closing on the easement.

27           (f) Transfer to county.--

28           (1) If a land trust ceases to exist, an agricultural  
29 conservation easement purchased by the land trust which was  
30 reimbursed for purchase costs under this section shall be

1 transferred to the eligible county where the agricultural  
2 conservation easement was recorded or to another eligible  
3 nonprofit entity.

4 (2) (Reserved).

5 Section 3. This act shall take effect in 60 days.