

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1269

PRINTER NO. 1749

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

June 21, 2024

PRIME SPONSOR

Senator Aument

DESCRIPTION

Senate Bill 1269 amends Title 3 (Agriculture) to establish the Agriculture Innovation Grant Program and the Agriculture Innovation Board.

This legislation adds a new chapter to Title 3 establishing the Agriculture Innovation Grant Program within the Department of Agriculture (department). The program shall be administered by the department, in conjunction with the newly established Agriculture Innovation Board, to provide reimbursement grants to eligible applicants for costs associated with the following:

- Utilization of innovation to improve energy efficiency, improve water quality, reduce water consumption, reduce odors or address solid waste concerns;
- Utilization of innovation to improve production, processing, commercialization or utilization of agricultural commodities;
- Innovation that produces energy from agricultural sources, including manure, food waste or biomass;
- Innovation equipment that provides low-carbon or no-carbon energy sources from agricultural commodities;
- Innovation technology that assists eligible applicants with the management of their farms, including diagnostic tools and services;
- Innovation technology that assists a packer, processor or cooperative in more efficient sorting, grading or processing of agricultural commodities;
- Innovation that improves biosecurity or health of plants or animals; and
- Innovation that supports cybersecurity or data analytics.

The Agriculture Innovation Board (board) as established by the legislation shall consist of the following members:

- The Secretary of Agriculture or a designee who shall serve as chairperson;
- The Secretary of Community and Economic Development or a designee;
- An employee of a conservation district selected by the executive director of the State Conservation Commission;
- A representative of an institution of higher education located in this Commonwealth appointed by the Governor;

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- A board member of a rural electric cooperative located in this Commonwealth appointed by the Governor;
- A member of a cooperative association located in this Commonwealth appointed by the Governor;
- An employee of a lending institution located in this Commonwealth appointed by the Governor;
- A person or an employee engaged in the production or processing of an agricultural commodity in this Commonwealth appointed by the Governor;
- A licensed doctor of veterinary medicine who is not an employee of the Commonwealth appointed by the Governor;
- One member of the Senate appointed by the President pro tempore of the Senate or a designee who shall be an employee of the Senate;
- One member of the Senate appointed by the Minority Leader of the Senate or a designee who shall be an employee of the Senate;
- One member of the House of Representatives appointed by the Speaker of the House of Representatives or a designee who shall be an employee of the House of Representatives; and
- One member of the House of Representatives appointed by the Minority Leader of the House of Representatives or a designee who shall be an employee of the House of Representatives.

A quorum of the board shall consist of seven members, five of which must be the chairperson of the board and the four legislative appointees. The non-secretary board members shall serve a term of two years and may be reappointed to successive terms. A vacancy shall be filled in the same manner as a relative appointment. The board shall meet as necessary to evaluate and award grants.

Senate Bill 1269 provides for three types of grants to be awarded by the board. Innovation planning project grant awards to develop strategic plans to improve agricultural practices, technologies, operations or approaches in a region shall be between \$7,500 and \$50,000 with a 30% match. On-site project grant awards for projects focusing on implementing innovation practices, technologies or approaches on an individual farm shall be between \$5,000 and \$200,000 with a 50% match. Regional impact project grant awards for projects designed to address challenges, promote efficiencies or achieve specific goals for multiple eligible applicants shall be between \$100,000 and \$2,000,000 with a 50% match.

Funds for this program shall be provided from money appropriated by the Commonwealth, and gifts or donations. Grants may only be awarded to the extent that funds are appropriated or otherwise provided.

Grants awarded through the program shall be reimbursement grants based on actual costs submitted by approved applicants. Grant money shall not be used to reimburse any portion of an in-kind contribution to an eligible project, may not be used to

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reimburse salaries or wages of a grant recipient or their staff and may not be used to reimburse any portion of project costs that are paid or reimbursed under another federal or state grant program. A single eligible applicant may not be awarded more than \$2,000,000 in a fiscal year.

This act shall take effect in 60 days.

FISCAL IMPACT:

Senate Bill 1269 provides the framework for the Agriculture Innovation Grant Program but does not include an appropriation. Assuming no donated funds, the cost of the grants to be awarded is to be determined by an appropriation through law.

According to the Department of Agriculture, the costs to operate the program are estimated to be \$600,000 for staff and administration.