



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
**(803)734-3780 • RFA.SC.GOV/IMPACTS**

*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

---

|                        |   |   |
|------------------------|---|---|
| <b>Bill Number:</b>    | H. 3951                                 | Amended by Senate Finance on January 23, 2024 |
| <b>Author:</b>         | Haddon                                  |   |
| <b>Subject:</b>        | Working Agricultural Lands Preservation |   |
| <b>Requestor:</b>      | Senate Finance                          |   |
| <b>RFA Analyst(s):</b> | Daigle                                  |   |
| <b>Impact Date:</b>    | January 25, 2024                        |   |

---

### **Fiscal Impact Summary**

This bill establishes the Working Agricultural Lands Preservation Act. The amended bill increases the number of board members governing the South Carolina Conservation Bank from fourteen to seventeen. The three additional members will include the Commissioner of Agriculture, the Secretary of Commerce, and the Secretary of Transportation, or their designees. Additionally, the bill establishes the Working Farmland Protection Fund within the State Treasury. The fund is to be used to provide permanent protection to working farmland properties. The Conservation Bank must use the funds within the Working Farmland Protection Fund to award grants for the purchase of interests in farmland in which a landowner derives at least 50 percent of his income. The bank must evaluate applicants for these grants based on criteria as outlined in the bill.

Based on previous responses, we anticipate that the South Carolina Conservation Bank and the State Treasurer's Office will be able to manage the responsibilities in the bill with existing staff and resources. In addition, from previous responses, the Department of Agriculture, the Department of Commerce, and the Department of Transportation have indicated the requirements of this bill can be fulfilled using existing appropriations. Therefore, the amended bill is not expected to have an expenditure impact on the South Carolina Conservation Bank, the Department of Agriculture, the Department of Commerce, or the Department of Transportation.

Additionally, as the funding for the Working Farmland Protection Fund is not specified, the number and amount of the grants that may be awarded is undetermined.

### **Explanation of Fiscal Impact**

#### **Amended by Senate Finance on January 23, 2024**

##### **State Expenditure**

This bill establishes the Working Agricultural Lands Preservation Act. The bill as amended increases the number of board members governing the South Carolina Conservation Bank from fourteen to seventeen. The three additional members include the Commissioner of Agriculture, the Secretary of Commerce, and the Secretary of Transportation, or their designees. They will serve in ex officio and without voting privileges. Additionally, the bill establishes the Working

Farmland Protection Fund within the State Treasury. The fund is to be used to provide permanent protection to working farmland properties. The Conservation Bank must use the funds within the Working Farmland Protection Fund to award grants for the purchase of interests in farmland in which a landowner derives at least 50 percent of his income. The bank must evaluate applicants for these grants based on criteria as outlined in the bill.

The South Carolina Conservation Bank and the State Treasurer's Office have indicated they will be able to manage any additional funds using existing staff and resources. In addition, the Department of Agriculture, the Department of Commerce, and the Department of Transportation have indicated the requirements of this bill can be fulfilled using existing appropriations. Therefore, the amended bill is not expected to have an expenditure impact on the South Carolina Conservation Bank, the Department of Agriculture, the Department of Commerce, or the Department of Transportation.

Additionally, as the funding for the Working Farmland Protection Fund is not specified, the number and amount of the grants that may be awarded is undetermined.

#### **State Revenue**

N/A

#### **Local Expenditure and Local Revenue**

N/A

#### **Amended by Senate Agriculture and Natural Resources on April 18, 2023**

##### **State Expenditure**

This amended bill, the South Carolina Conservation Enhancement Act, amends Section 12-24-90(B) to credit \$0.25 of each \$1.30 collected from deed recording fees to the South Carolina Conservation Bank Trust Fund and decrease the amount credited to the General Fund from \$1.00 to \$0.75 beginning July 1, 2024. Further, the amended bill increases the number of board members governing the South Carolina Conservation Bank from fourteen to seventeen. The three additional members include the Commissioner of Agriculture, the Secretary of Commerce, and the Secretary of Transportation, or their designees. They will serve in ex officio and without voting privileges. Additionally, the bill establishes the Working Farmland Protection Fund within the State Treasury. The fund is to be used to provide permanent protection to working farmland properties. The General Assembly may appropriate funds to the Working Farmland Protection Fund when the Conservation Bank Trust Fund receives funds pursuant to Section 12-24-90(B). The Conservation Bank must use the funds within the Working Farmland Protection Fund to award grants for the purchase of interests in farmland in which a landowner derives at least 50 percent of his income. The bank must evaluate applicants for these grants based on criteria as outlined in the bill.

The South Carolina Conservation Bank and the State Treasurer's Office indicate they will be able to manage any additional funds using existing staff and resources. The Department of Agriculture reports they will be able to fulfill the requirements of this bill using existing appropriations. Based on previous responses, we anticipate that the Department of Commerce

and Department of Transportation will be able to fulfill the requirements of this bill using existing appropriations as well. Therefore, the amended bill is not expected to have an expenditure impact on the South Carolina Conservation Bank, the Department of Agriculture, the Department of Commerce, or the Department of Transportation.

Additionally, as the funding for the Working Farmland Protection Fund is dependent upon the discretion of the General Assembly to appropriate funds, the number and amount of the grants that may be awarded is undetermined.

### **State Revenue**

This amended bill, the South Carolina Conservation Enhancement Act, amends Section 12-24-90(B) to credit \$0.25 of each \$1.30 collected from deed recording fees to the South Carolina Conservation Bank Trust Fund and decrease the amount credited to the General Fund from \$1.00 to \$0.75 beginning July 1, 2024.

The Board of Economic Advisor's General Fund Long Range forecast as of November 16, 2022, anticipates General Fund deed recording fees will total \$126,266,000 in FY 2024-25. Accounting for the new apportionment of deed recording fee revenue, the amended bill is estimated to decrease recurring General Fund revenue by approximately \$31,567,000 and increase South Carolina Conservation Bank Trust Fund revenue by a corresponding \$31,567,000 in FY 2024-25.

### **Local Expenditure and Local Revenue**

N/A

### **Amended by the House of Representatives on March 29, 2023**

#### **State Expenditure**

This amended bill establishes the Working Agricultural Lands Preservation Program, defines terms, outlines the program criteria, and creates a committee to administer the program. The committee will identify and provide permanent protection to significant working farmland properties whose continued availability to commercial agricultural businesses is essential to the long-term future of the economic sector and to create a fund for qualifying projects under this program.

The committee will consist of the following members:

1. The commissioner of Agriculture who serves as the chairman of the committee;
2. Two members designated by the Governor;
3. Two members designated by the Speaker of the House of Representatives;
4. Two members designated by the President of the Senate;
5. One member designated by the South Carolina Black Farmers Coalition; and
6. The chairman of the South Carolina Conservation Bank serves as an ex officio member.

**Office of the Governor.** The Governor will designate two members to the committee. The Governor's Office anticipates that this bill will have no fiscal impact.

**Department of Agriculture.** The Commissioner of the DA will serve as the chairman of the committee. The DA anticipates that this bill will have minimal impact that will be managed within existing staff and appropriations.

**Conservation Bank.** This bill establishes the Working Farmland Protection Program Fund. The fund's purpose is to complement agricultural projects funded by the South Carolina Conservation Bank and cooperating entities by creating a matching grant payment for qualified projects. Under this bill, the fund will be housed in the Conservation Bank as a separate line item in the budget. The Conservation Bank anticipates that this bill will have minimal impact that will be managed within existing staff and appropriations.

**House of Representatives and Senate.** This committee would have two members appointed by the House and two members appointed by the Senate, for a total of four members appointed by the bodies. Any non-legislative member appointees will receive per diem and subsistence for each meeting, pursuant to proviso, and mileage of \$0.655 per mile for each meeting. In the case that any of these committee members are also House or Senate members, they would not be entitled to any additional per diem, subsistence, or mileage reimbursements when this committee meets on session days. Both the House and the Senate anticipate, absent a significant number of committee meetings, that these additional expenses can be managed within existing appropriations.

**State Revenue**

N/A

**Local Expenditure and Local Revenue**

N/A

**Updated for Additional Agency Response on March 3, 2023**

**Introduced on February 14, 2023**

**State Expenditure**

This bill establishes the Working Agricultural Lands Preservation Program, defines terms, outlines the program criteria, and creates a committee to administer the program. The committee will identify and provide permanent protection to significant working farmland properties whose continued availability to commercial agricultural businesses is essential to the long-term future of the economic sector and to create a fund for qualifying projects under this program.

The committee will consist of the following members:

1. The commissioner of Agriculture who serves as the chairman of the committee;
2. Two members designated by the Governor;
3. Two members designated by the Speaker of the House of Representatives; and
4. Two members designated by the President of the Senate.
5. The chairman of the South Carolina Conservation Bank serves as an ex officio member.

**Office of the Governor.** The Governor will designate two members to the committee. The Governor's Office anticipates that this bill will have no fiscal impact. *This impact statement has been updated to include a response from the Governor's Office.*

**Department of Agriculture.** The Commissioner of the DA will serve as the chairman of the committee. The DA anticipates that this bill will have minimal impact that will be managed within existing staff and appropriations.

**Conservation Bank.** This bill establishes the Working Farmland Protection Program Fund. The fund's purpose is to complement agricultural projects funded by the South Carolina Conservation Bank and cooperating entities by creating a matching grant payment for qualified projects. Under this bill, the fund will be housed in the Conservation Bank as a separate line item in the budget. The Conservation Bank anticipates that this bill will have minimal impact that will be managed within existing staff and appropriations.

**House of Representatives and Senate.** This committee would have two members appointed by the House and two members appointed by the Senate, for a total of four members appointed by the bodies. Any non-legislative member appointees will receive per diem and subsistence for each meeting, pursuant to proviso, and mileage of \$0.655 per mile for each meeting. In the case that any of these committee members are also House or Senate members, they would not be entitled to any additional per diem, subsistence, or mileage reimbursements when this committee meets on session days. Both the House and the Senate anticipate, absent a significant number of committee meetings, that these additional expenses can be managed within existing appropriations.

#### **State Revenue**

N/A

#### **Local Expenditure and Local Revenue**

N/A

#### **Introduced on February 14, 2023**

##### **State Expenditure**

This bill establishes the Working Agricultural Lands Preservation Program, defines terms, outlines the program criteria, and creates a committee to administer the program. The committee will identify and provide permanent protection to significant working farmland properties whose continued availability to commercial agricultural businesses is essential to the long-term future of the economic sector and to create a fund for qualifying projects under this program.

The committee will consist of the following members:

1. The commissioner of Agriculture who serves as the chairman of the committee;
2. Two members designated by the Governor;
3. Two members designated by the Speaker of the House of Representatives; and
4. Two members designated by the President of the Senate.

5. The chairman of the South Carolina Conservation Bank serves as an ex officio member.

**Office of the Governor.** The fiscal impact of the bill on the Governor's Office is pending contingent upon a response from the office.

**Department of Agriculture.** The Commissioner of the DA will serve as the chairman of the committee. The DA anticipates that this bill will have minimal impact that will be managed within existing staff and appropriations.

**Conservation Bank.** This bill establishes the Working Farmland Protection Program Fund. The fund's purpose is to complement agricultural projects funded by the South Carolina Conservation Bank and cooperating entities by creating a matching grant payment for qualified projects. Under this bill, the fund will be housed in the Conservation Bank as a separate line item in the budget. The Conservation Bank anticipates that this bill will have minimal impact that will be managed within existing staff and appropriations.

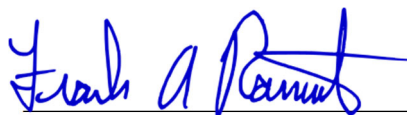
**House of Representatives and Senate.** This committee would have two members appointed by the House and two members appointed by the Senate, for a total of four members appointed by the bodies. Any non-legislative member appointees will receive per diem and subsistence for each meeting, pursuant to proviso, and mileage of \$0.655 per mile for each meeting. In the case that any of these committee members are also House or Senate members, they would not be entitled to any additional per diem, subsistence, or mileage reimbursements when this committee meets on session days. Both the House and the Senate anticipate, absent a significant number of committee meetings, that these additional expenses can be managed within existing appropriations.

#### **State Revenue**

N/A

#### **Local Expenditure and Local Revenue**

N/A



Frank A. Rainwater, Executive Director