
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 442 Session of
1987

Report of the Committee of Conference

To the Members of the House of Representatives and Senate:

We, the undersigned, Committee of Conference on the part of the House of Representatives and Senate for the purpose of considering House Bill No. 442, entitled:
"An act amending the act of June 30, 1981 (P.L.128, No.43), entitled 'An act authorizing the creation of agricultural areas,' further providing for agricultural areas, public hearings, evaluation criteria, decisions and reviews of proposed areas, appeals, limitation on local agencies, policy of Commonwealth agencies, limitations on exercise of eminent domain and purchases of development easements in agricultural areas; authorizing the issuance of bonds for the purchase of agricultural conservation easements; and making editorial changes,"

respectfully submit the following bill as our report:

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(Committee on the part of the House of Representatives.)

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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 agricultural areas, public hearings, evaluation
4 criteria, decisions and reviews of proposed areas, appeals,
5 limitation on local agencies, policy of Commonwealth
6 agencies, limitations on exercise of eminent domain and
7 purchases of development easements in agricultural areas;
8 authorizing the issuance of bonds for the purchase of
9 agricultural conservation easements; making an appropriation;
10 and making editorial changes.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. Sections 2, 3, 4, 5, 6, 7, 8, 9, 11, 12 and 13 of
14 the act of June 30, 1981 (P.L.128, No.43), known as the
15 Agricultural Area Security Law, are amended to read:

16 Section 2. Statement of legislative findings.

17 It is the declared policy of the Commonwealth to conserve and
18 protect and to encourage the development and improvement of its
19 agricultural lands for the production of food and other
20 agricultural products. It is also the declared policy of the
21 Commonwealth to conserve and protect agricultural lands as
22 valued natural and ecological resources which provide needed
23 open spaces for clean air, as well as for aesthetic purposes.

24 Article VIII, section 2 of the Constitution of Pennsylvania
25 provides that the General Assembly may, by law, establish
26 standards and qualifications for agricultural reserves.

27 Agriculture in many parts of the Commonwealth is under urban
28 pressure from expanding metropolitan areas. This urban pressure
29 takes the form of scattered development in wide belts around
30 urban areas, and brings conflicting land uses into
31 juxtaposition, creates high costs for public services, and
32 stimulates land speculation. When this scattered development
33 extends into good farm areas, ordinances inhibiting farming tend

1 to follow, farm taxes rise, and hopes for speculative gains
2 discourage investments in farm improvements. Many of the
3 agricultural lands in the Commonwealth are in jeopardy of being
4 lost for any agricultural purposes. Certain of these lands
5 constitute unique and irreplaceable land resources of Statewide
6 importance. It is the purpose of this act to provide [a] means
7 by which agricultural land may be protected and enhanced as a
8 viable segment of the Commonwealth's economy and as an economic
9 and environmental resource of major importance.

10 It is further the purpose of this act to:

11 (1) Encourage landowners to make a long-term commitment
12 to agriculture by offering them financial incentives and
13 security of land use.

14 (2) Protect farming operations in agricultural security
15 areas from incompatible nonfarm land uses that may render
16 farming impracticable.

17 (3) Assure permanent conservation of productive
18 agricultural lands in order to protect the agricultural
19 economy of this Commonwealth.

20 (4) Provide compensation to landowners in exchange for
21 their relinquishment of the right to develop their private
22 property.

23 (5) Leverage State agricultural easement purchase funds
24 and protect the investment of taxpayers in agricultural
25 conservation easements.

26 Section 3. Definitions.

27 The following words and phrases when used in this act shall
28 have the meanings given to them in this section, unless the
29 context clearly indicates otherwise:

30 "Advisory committee." An Agricultural Security Area Advisory

1 Committee.

2 ["Agricultural area." A unit of 500 or more acres of land
3 used for the agricultural production of crops, livestock and
4 livestock products under the ownership of one or more persons.]

5 "Agricultural conservation easement." An interest in land,
6 less than fee simple, which interest represents the right to
7 prevent the development or improvement of the land for any
8 purpose other than agricultural production. The easement may be
9 granted by the owner of the fee simple to any third party or to
10 the Commonwealth, to a county governing body or to a unit of
11 local government. It may be granted for a term of 25 years or in
12 perpetuity, as the equivalent of covenants running with the
13 land.

14 "Agricultural production." The production for commercial
15 purposes of crops, livestock and livestock products, [but not
16 land or portions thereof used for processing or retail
17 merchandising of such crops, livestock or livestock products.]
18 including the processing or retail marketing of such crops,
19 livestock or livestock products if more than 50% of such
20 processed or merchandised products are produced by the farm
21 operator.

22 "Agricultural security area." A unit of 500 or more acres of
23 land used for the agricultural production of crops, livestock
24 and livestock products under the ownership of one or more
25 persons and designated as such by the procedures set forth in
26 this act or designated as such pursuant to the act of January
27 19, 1968 (1967 P.L.992, No.442), entitled "An act authorizing
28 the Commonwealth of Pennsylvania and the counties thereof to
29 preserve, acquire or hold land for open space uses," prior to
30 the effective date of this amendatory act, by the governing body

1 of the county or governing body of the municipality in which
2 such agricultural land is located on the basis of criteria and
3 procedures which predate the effective date of this amendatory
4 act: Provided, That an owner of land designated as such under
5 the authority of the act of January 19, 1968 (1967 P.L.992,
6 No.442) may withdraw such land from an agricultural security
7 area by providing written notice of withdrawal to the county
8 governing body or governing body of the municipality in which
9 such land is located within 180 days of the effective date of
10 this amendatory act.

11 ["Board." The Agricultural Lands Condemnation Approval
12 Board.]

13 "County board." The County Agricultural Land Preservation
14 Board.

15 "County governing body." The county board of commissioners
16 or other designated council of representatives under home rule
17 charters.

18 "Crops, livestock and livestock products." Include but are
19 not limited to:

20 (1) Field crops, including corn, wheat, oats, rye,
21 barley, hay, potatoes and dry beans.

22 (2) Fruits, including apples, peaches, grapes, cherries
23 and berries.

24 (3) Vegetables, including tomatoes, snap beans, cabbage,
25 carrots, beets, onions and mushrooms.

26 (4) Horticultural specialties, including nursery stock
27 ornamental shrubs, ornamental trees and flowers.

28 (5) Livestock and livestock products, including cattle,
29 sheep, hogs, goats, horses, poultry, furbearing animals,
30 milk, eggs and furs.

1 (6) Timber, wood and other wood products derived from
2 trees.

3 (7) Aquatic plants and animals and their byproducts.

4 "Department." The Department of Agriculture of the
5 Commonwealth.

6 "Description of the proposed area." A complete and accurate
7 list of the name or names of the owner or owners of each parcel
8 of land to be included in the proposed agricultural security
9 area, the tax parcel number or account number of each parcel and
10 the number or account number of acres (including partial acres,
11 to the nearest thousandth) contained in each parcel. Such
12 description shall use county tax map references for determining
13 boundaries of each parcel, and no survey of parcels shall be
14 required, except when an individual parcel included in the
15 agricultural security area shall represent less than the entire
16 amount of contiguous land contained in the property of an owner.

17 ["Development easement." An interest in land, less than fee
18 simple title, which interest represents the inchoate right to
19 develop such lands for residential, commercial, recreational or
20 industrial uses. This right shall become absolute when the owner
21 of a development easement either owns the land to which the
22 easement belongs or has a written agreement with the owner of
23 the land to use the development easement on the land: Provided,
24 however, That the use of the development easement is in
25 compliance with all local zoning ordinances.]

26 "Farmland value." The price as of the valuation date for
27 property used for normal farming operations which a willing and
28 informed seller who is not obligated to sell would accept for
29 the property, and which a willing and informed buyer who is not
30 obligated to buy would pay for the property.

1 "Fiscal year." Fiscal year of the Commonwealth.

2 "Fund." The Agricultural Conservation Easement Purchase Fund
3 established by the act of May 13, 1988 (P.L.398, No.64),
4 entitled "An act amending the act of June 18, 1982 (P.L.549,
5 No.159), entitled 'An act providing for the administration of
6 certain Commonwealth farmland within the Department of
7 Agriculture,' providing for the disposition of proceeds from the
8 sale of certain land, equipment or facilities."

9 "Governing body." The governing body of a local government
10 unit.

11 "Joint ownership." Joint tenancy in an agricultural
12 conservation easement purchase as the interests of the parties
13 appear.

14 "Local government unit." Any city, borough, township or
15 town.

16 "Market value." The price as of the valuation date for the
17 highest and best use of the property which a willing and
18 informed seller who is not obligated to sell would accept for
19 the property, and which a willing and informed buyer who is not
20 obligated to buy would pay for the property.

21 "Normal farming operations." The customary and generally
22 accepted activities, practices, and procedures that farmers
23 adopt, use, or engage in year after year in the production and
24 preparation for market of [poultry] crops, livestock, and
25 [their] livestock products and in the production and harvesting
26 of agricultural, agronomic, horticultural, silvicultural, and
27 [aquicultural] aquacultural crops and commodities.

28 "Planning commission." [A local government planning
29 commission.] A local government planning commission or agency
30 which has been designated by the governing body of the local

1 government unit to establish and foster a comprehensive plan for
2 land management and development within the local government
3 unit, or if a county planning commission or agency, then that
4 entity which has been designated by the county governing body to
5 establish and foster a comprehensive plan for land management
6 and development within the county.

7 "Secretary." The Secretary of Agriculture of the
8 Commonwealth.

9 "State board." The State Agricultural Land Preservation
10 Board.

11 "Viable agricultural land." Land suitable for agricultural
12 production and which will continue to be economically feasible
13 for such use if real estate taxes, farm use restrictions, and
14 speculative activities are limited to levels approximating those
15 in commercial agricultural areas not influenced by the proximity
16 of urban and related nonagricultural development.

17 Section 4. Agricultural Security Area Advisory Committee.

18 The governing body of any local government may establish an
19 Agricultural Security Area Advisory Committee which shall
20 consist of three active farmers, each representing a different
21 private or corporate farm, and one citizen residing within the
22 unit of local government and one member of the governing body of
23 such local government, who shall serve as the chairman of the
24 committee. Such a committee shall be established when a proposal
25 is received by the governing body for the creation of an
26 agricultural security area. Pursuant to this act the members of
27 such committee shall be appointed by and shall serve at the
28 pleasure of the chairman of the governing body. The members
29 shall serve without salary, but the governing body may entitle
30 each such member to reimbursement for his actual and necessary

1 expenses incurred in the performance of his official duties.
2 Such committee shall advise the governing body and work with the
3 planning commission in relation to the proposed establishment,
4 modification, and termination of agricultural security areas. In
5 particular, the committee shall render expert advice relating to
6 the desirability of such action, including advice as to the
7 nature of farming and farm resources within the proposed area
8 and the relation of farming in such area to the local government
9 unit as a whole.

10 Section 5. Agricultural security areas.

11 (a) Proposals for creation.--Any owner or owners of land
12 used for agricultural production may submit a proposal to the
13 governing body for the creation of an agricultural security area
14 within such local government unit, provided that such owner or
15 owners own at least 500 acres of viable agricultural land
16 proposed to be included in the area. The proposed area may also
17 consist of two or more noncontiguous parcels or areas: Provided,
18 [however, That the governing body may limit the minimum acreage
19 requirements in noncontiguous parcels in an agricultural area:
20 And, provided further, That no minimum acreage requirement shall
21 be more than 50 acres.] That each parcel or area is at least ten
22 acres.

23 (a.1) Submitting the proposal.--Such proposal for creation
24 of an agricultural security area shall be submitted in such
25 manner and form as may be prescribed by the governing body of
26 the local government unit wherein the proposed area is situated
27 and shall include a description of the proposed area, including
28 the boundaries thereof. [If the proposed area is situated in
29 more than one local government unit, the proposal shall be
30 submitted to the governing bodies of all local government units

1 affected.]

2 (a.2) Proposals for agricultural security areas in more than
3 one local government unit.--If the land included in a proposal
4 for an agricultural security area is situated in more than one
5 local government unit, the proposal shall be submitted to, and
6 approval of the proposal shall be sought from, the governing
7 body of each such local government unit affected. A rejection by
8 a governing body shall exclude that portion of the proposal
9 which is situated within the local government unit. However,
10 such rejection shall not preclude the approval of the remaining
11 portion of the proposal as an agricultural security area by the
12 governing body of the other affected local government units,
13 provided that the total acreage approved is at least 500 acres
14 and that such approved portion meets all other requirements
15 imposed under this act for agricultural security areas.

16 (b) Notice.--Upon the receipt of such a proposal, the
17 governing body shall acknowledge receipt of the proposal at the
18 next regular or special meeting and shall thereupon provide
19 notice of such proposal by publishing a notice in a newspaper
20 having general circulation within the proposed agricultural
21 security area and by posting such notice in five conspicuous
22 places within, adjacent or near to the proposed area. If the
23 governing body fails to provide the required notice within 15
24 days of receiving a proposal as provided in this subsection, a
25 person who is adversely affected by this inaction may bring an
26 action in mandamus to compel compliance. The notice shall
27 contain the following information:

28 (1) A statement that a proposal for an agricultural
29 security area has been filed with the governing body pursuant
30 to this act.

1 (2) A statement that the proposal will be on file open
2 to public inspection in the office of the local government
3 unit.

4 (3) A statement that any [municipality whose territory
5 encompasses] local government unit encompassing or adjacent
6 to the proposed area, or any landowner who owns the land
7 proposed to be included within the proposed area, or any
8 landowner with lands adjacent or near to the proposed area
9 who wishes such lands to be included or not included therein,
10 may propose modifications of the proposed area in such form
11 and manner as may be prescribed by the governing body. The
12 statement shall indicate that objections to the proposal and
13 proposed modifications to the proposal must be filed with the
14 governing body and the planning commission within 15 days of
15 the date of publication of the notice.

16 [(4) A statement that any proposed modification must be
17 filed with the governing body and the planning commission
18 within 30 days after the publication of such notice.

19 (5)] (4) A statement that at the termination of the [30-
20 day] 15-day period under paragraph (3), the proposal and
21 proposed modifications will be submitted to the planning
22 commission and the advisory committee, and that thereafter a
23 public hearing will be held on the proposal, proposed
24 modifications and recommendations of the planning commission
25 and advisory committee.

26 (c) Modification proposals.--The governing body shall
27 receive any proposals for modifications of such proposal which
28 may be submitted by such landowners or [municipalities within 30
29 days after the publication of such notice] local government
30 units up to seven days prior to advertisement of public hearing

1 as provided in section 6(a).

2 (d) Report by planning commission.--The governing body
3 shall, upon the termination of [such 30-day period] the 15-day
4 period provided in subsection (b)(3), refer such proposal and
5 proposed modifications to the planning commission[, which shall,
6 within 45 days,]. The planning commission shall have up to 45
7 days to review the proposal and proposed modifications and
8 report to the governing body the potential effect of such
9 proposal and proposed modifications upon the local government's
10 planning policies and objectives. The failure of the planning
11 commission to submit a report within 45 days shall be deemed to
12 constitute approval of the proposed agricultural security area
13 by the planning commission.

14 (e) Referral to advisory committee.--The governing body
15 shall also, upon the termination of such [30-day] 15-day period,
16 refer such proposal and proposed modifications to the
17 Agricultural Security Area Advisory Committee[, which shall,
18 within 45 days]. The committee shall have up to 45 days to
19 review the proposal and proposed modifications and report to the
20 governing body its recommendations concerning the proposal and
21 proposed modifications. The failure of the advisory committee to
22 submit a report within 45 days shall be deemed to constitute
23 approval of the proposed agricultural security area by the
24 advisory committee.

25 Section 6. Public hearings.

26 (a) Hearings.--The governing body[,] shall hold a public
27 hearing relative to the proposed agricultural security area upon
28 receipt of the reports from the advisory committee and the
29 planning commission[, hold a public hearing relative to the
30 proposed agricultural area] or upon expiration of the 45-day

1 period as provided in section 5.

2 (b) Place of hearing.--The hearing shall be held at a place
3 within the proposed area or otherwise readily accessible to the
4 proposed area, such as a municipal building.

5 (c) Notice of hearing.--[A] Pursuant to the act of July 3,
6 1986 (P.L.388, No.84), known as the "Sunshine Act," a hearing
7 notice shall be published in a newspaper having a general
8 circulation within the proposed area [and]. In addition, notice
9 shall be given in writing [to those municipalities whose
10 territory encompasses the proposed area and any proposed
11 modifications and] to those landowners who proposed
12 modifications pursuant to section 5(c)[, and] or whose land is
13 included in proposed modifications, and to all landowners within
14 the proposed agricultural security area. Notice also shall be
15 given by posting such notice in five conspicuous places within,
16 adjacent or near to the proposed area. Such notice shall contain
17 the following information:

18 (1) A statement of the time, date and place of the
19 public hearing.

20 (2) A description of the proposed area, any proposed
21 additions or deletions and any recommendations of the
22 planning commission or advisory committee.

23 (3) A statement that the public hearing will be held
24 concerning:

25 (i) The original proposal.

26 (ii) Any written amendments proposed during the [30-
27 day] review period.

28 (iii) Any recommendations proposed by the
29 Agricultural Security Area Advisory Committee and the
30 planning commission.

1 Section 7. Evaluation criteria.

2 (a) Factors to be considered.--The following factors shall
3 be considered by the planning commission, advisory committee,
4 and at any public hearing:

5 (1) [The viability of active farming within the proposed
6 area and in areas near or adjacent thereto.

7 (2) The presence of any viable farm lands within the
8 proposed area and adjacent thereto that are not now in active
9 farming.

10 (3) The nature and extent of land uses other than active
11 farming within the proposed area and near or adjacent
12 thereto.

13 (4) Local government unit developmental patterns and
14 needs.

15 (5) The local government unit's comprehensive plan.

16 (6) Any other matter which may be relevant.

17 (b) Other factors.--In judging viability the following
18 factors shall be considered:

19 (1) Soil.

20 (2) Climate.

21 (3) Topography.

22 (4) Markets for farm products.

23 (5) The extent and nature of farm improvements.

24 (6) The present status of farming.

25 (7) Anticipated trends in agricultural economic
26 conditions and technology.

27 (8) Any other natural or economic factors as may be
28 relevant.

29 (c)] Land proposed for inclusion in an agricultural security
30 area shall have soils which are conducive to agriculture.

1 This factor will have been satisfied without further
2 consideration if at least 50% in the aggregate of the land to
3 be included in an agricultural security area falls into one
4 of the following categories: land whose soils are classified
5 in Soil Conservation Service Capability Classes I through IV,
6 excepting IV(e); land which falls within the Soil
7 Conservation Service classification of "unique farm land"; or
8 land whose soils do not meet Capability Classes I through IV
9 but which is currently in active farm use and is being
10 maintained in accordance with the soil erosion and
11 sedimentation plan applicable to such land.

12 (2) Use of land proposed for inclusion in an
13 agricultural security area shall be compatible with local
14 government unit comprehensive plans. Any zoning shall permit
15 agricultural use but need not exclude other uses.

16 (3) The land proposed for inclusion in the agricultural
17 security area, and any additions which are proposed
18 subsequently, shall be viable agricultural land.

19 (4) Additional factors to be considered are the extent
20 and nature of farm improvements, anticipated trends in
21 agricultural economic and technological conditions and any
22 other matter which may be relevant.

23 (b) Resource materials.--In considering the viability
24 factors as set forth in this section, various resource materials
25 shall be used, including, but not limited to, the following:

26 (1) Soil surveys of the Pennsylvania State University.

27 (2) Soil surveys and other information provided by the
28 National Cooperative Soil Survey.

29 (3) Soil survey maps prepared by the United States Soil
30 Conservation Service.

1 (4) The United States census of agricultural categories
2 of land use classes.

3 (5) [Agricultural viability maps prepared by the
4 Department of Agriculture.

5 (6)] Any other relevant published data, maps, charts, or
6 results of soil or land use surveys made by any county, State
7 or Federal agency.

8 Section 8. Decision on proposed area.

9 (a) Action by governing body.--The governing body, [after
10 receiving the reports of the planning commission and the
11 advisory committee, and after such public hearing] upon
12 completion of the procedures and considerations prescribed in
13 sections 5, 6 and 7, may adopt the proposal or any modification
14 of the proposal [they deem] the governing body deems
15 appropriate, including the inclusion, to the extent feasible, of
16 adjacent viable farm lands if the land owner has made
17 application to be included, and, the exclusion, to the extent
18 feasible, of nonviable farm land and nonfarm land. The existence
19 of utility facilities on the proposed area shall not prevent the
20 [designation of the area as "agricultural"] adoption of such
21 area as an agricultural security area nor shall the rights of
22 utilities with respect to the existing facilities be disturbed
23 or affected by such [designation] adoption. The governing body
24 shall act to adopt or reject the proposal, or any modification
25 [of it], no later than 180 days from the date the proposal was
26 originally submitted. Failure by the governing body to act
27 within this 180-day period shall be deemed adoption of the
28 proposal without modification.

29 (b) Effective date of creation of area.--[The proposed] An
30 agricultural security area[,] shall become effective upon the

1 adoption of [same] the proposal or its modification by the
2 governing body or upon expiration of the 180-day period as
3 provided in subsection (a). If the proposal has included land
4 situated in more than one local government unit, the
5 agricultural security area shall become effective upon adoption
6 by the local government unit or units of such portion of the
7 proposal or proposed modifications as will meet the minimum
8 acreage and other requirements of an agricultural security area
9 provided in this act. Subsequent adoption of the remaining
10 portion shall immediately effectuate such portion as an
11 agricultural security area.

12 (c) Filing of area description.--[Upon] Within ten days of
13 the creation of an agricultural security area, a description
14 thereof shall be filed by the governing body with the recorder
15 of deeds, who shall record the filing, and with the planning
16 [commission] commissions of the county and of the local
17 government unit. Filing shall be done in a manner which is
18 sufficient to give notice to all persons who have, may acquire
19 or may seek to acquire an interest in land in or adjacent to the
20 created agricultural security area. Upon the failure of the
21 governing body or recorder of deeds to file or record the
22 created agricultural security area in accordance with the time
23 or manner requirements prescribed in this subsection, any person
24 adversely affected may file a petition with the court of common
25 pleas to compel immediate compliance with the provisions of this
26 subsection.

27 (d) Participation.--Participation in the agricultural
28 security area shall be available [at its creation] on a
29 voluntary basis to landowners within the jurisdiction of the
30 governing body including those not among the original

1 petitioners [on a voluntary basis]. The [addition or] deletion
2 of land in the agricultural security area shall only occur after
3 seven years or whenever the agricultural security area is
4 subject to review by the [local] governing body. The addition of
5 land to the agricultural security area may occur at any time
6 during the seven-year period provided for in section 9:
7 Provided, That, any proposal for such addition, and for approval
8 or disapproval thereof, shall follow all the procedures and
9 requirements of sections 5, 6 and 7 and this section for
10 proposal, consideration and decision as to approval or
11 disapproval of the original agricultural security area. If the
12 land comprising the additional proposal could be added to more
13 than one existing agricultural security area, or shall lie in
14 more than one township, the proposal shall be considered as an
15 addition to the agricultural security area which was first
16 approved.

17 Section 9. Review of area.

18 (a) Review by governing body.--The governing body shall
19 review any area created under [this] section 8 seven years after
20 the date of its creation and every seven years thereafter. In
21 conducting such review, the governing body shall ask for the
22 recommendations of the planning commission, the county planning
23 commission and the advisory committee, and shall, at least 120
24 days prior to the end of the seventh year and not more than 180
25 days prior to such date, hold a public hearing at a place within
26 the area or otherwise readily accessible to the area [upon
27 notice in a newspaper having a general circulation within the
28 area by posting in five conspicuous places within, adjacent or
29 near the area and by individual notice, in writing, to those
30 municipalities whose territories encompass the area and the

1 person owning land within the area. The governing body after
2 receiving the reports of the planning commission, the county
3 planning commission and the advisory committee and after the
4 public hearing, may terminate the area at the end of such seven-
5 year period by filing a notice of termination with the recorder
6 of deeds and with the planning commission or may modify the area
7 in the same manner as is provided in this act for the creation
8 of areas]. Prior to the commencement of such review, notice
9 thereof shall be given by publication in a newspaper having a
10 general circulation within the area, by notice posted in five
11 conspicuous places within, adjacent to or near the area and by
12 notice, in writing, to all persons owning land within the area
13 that the agricultural security area will be reviewed in
14 accordance with law. All such notices shall be given 30 days
15 before the commencement of such review. Persons wishing to
16 modify the area shall submit proposed modifications within 30
17 days of the date of such notices. Thereafter, in conducting such
18 review the governing bodies shall follow all the procedures and
19 requirements of sections 5, 6, 7 and 8 for the consideration of
20 the agricultural security area and proposed modifications
21 thereto. Within ten days of its action of termination or
22 modification, the governing body shall file a notice of
23 termination or modification with the recorder of deeds, who
24 shall record such notice in such manner and place as has been
25 provided in the original recording of the agricultural security
26 area. The governing body shall also file a notice of termination
27 or modification with the planning commissions of the county and
28 of the local government unit. If the governing body does not
29 act, or if a modification of an area is rejected, the area shall
30 [continue as originally constituted] be deemed to be readopted

1 without modification for another seven years.

2 [(b) Landowner withdrawal.--Landowners who wish their land
3 to be withdrawn or included in the agricultural area shall
4 notify the local governing unit of their intent at least 120
5 days before the end of the seventh year.]

6 (b) Interim review.--If, within the seven-year period, 10%
7 of the land within the agricultural security area is diverted to
8 residential or nonagricultural commercial development, the
9 governing body may review the diversion and may request, in
10 writing, that the local and county planning commissions and the
11 agricultural security area advisory committee study its review
12 and make recommendations within 30 days of the written request.
13 The governing body shall thereupon conduct a public hearing,
14 after providing the same notice as that which is required under
15 section 6(c). The hearing shall be held no sooner than 45 days
16 after the governing body has submitted written requests for
17 review and recommendation to the planning commissions and
18 advisory committee. The governing body then may terminate or
19 modify the agricultural security area.

20 Section 11. Limitation on local regulations.

21 (a) General rule.--Every municipality or political
22 subdivision [creating] within which an agricultural security
23 area is created shall encourage the continuity, development and
24 viability of agriculture within such an area by not enacting
25 local laws or ordinances [within such an area in a manner] which
26 would unreasonably restrict farm structures or farm practices
27 within the area in contravention of the purposes of this act
28 unless such restrictions or regulations bear a direct
29 relationship to the public health or safety.

30 (b) Public nuisance.--Any municipal or political subdivision

1 law or ordinance defining or prohibiting a public nuisance shall
2 exclude from the definition of such nuisance any agricultural
3 activity or operation conducted using normal farming operations
4 within an agricultural security area as permitted by this act if
5 such agricultural activity or operation does not bear a direct
6 relationship to the public health and safety.

7 Section 12. Policy of Commonwealth agencies.

8 It shall be the policy of all Commonwealth agencies to
9 encourage the maintenance of viable farming in agricultural
10 security areas and their administrative regulations and
11 procedures shall be modified to this end insofar as is
12 consistent with the promotion of public health and safety, with
13 the provisions of any Federal statutes, standards, criteria,
14 rules, regulations, or policies, and any other requirements of
15 Federal agencies, including provisions applicable only to
16 obtaining Federal grants, loans, or other funding.

17 Section 13. Limitation on [exercise of eminent domain] certain
18 governmental actions.

19 (a) Approval required for condemnation and for certain other
20 actions by an agency of the Commonwealth.--No agency of the
21 Commonwealth having or exercising powers of eminent domain shall
22 condemn for any purpose any land within any agricultural
23 security area which land is being used for productive
24 agricultural purposes (not including the growing of timber)
25 unless prior approval has been obtained in accordance with the
26 criteria and procedures established in this section from the
27 Agricultural Lands Condemnation Approval Board as established in
28 section 306 of the act of April 9, 1929 (P.L.177, No.175), known
29 as "The Administrative Code of 1929." The condemnation approval
30 specified by this subsection shall not be required for an

1 underground public utility facility or for any facility of an
2 electric cooperative corporation or for any public utility
3 facility the necessity for and the propriety and environmental
4 effects of which has been reviewed and ratified or approved by
5 the Pennsylvania Public Utility Commission or the Federal Energy
6 Regulatory Commission. In addition, all State-funded development
7 projects which might affect land in established agricultural
8 security areas shall be reviewed by the appropriate local
9 agricultural advisory committee and by the Agricultural Lands
10 Condemnation Approval Board. Each reviewing body may suggest any
11 modification to the State-funded development projects which
12 ensures the integrity of the agricultural security areas against
13 nonfarm encroachment.

14 (b) Approval required for condemnation by a political
15 subdivision, authority, public utility or other body.--No
16 political subdivision, authority, public utility or other body
17 having or exercising powers of eminent domain shall condemn any
18 land within any agricultural security area for any purpose,
19 unless prior approval has been obtained from Agricultural Lands
20 Condemnation Approval Board and from each of the following
21 bodies: the governing bodies of the [municipalities] local
22 government units encompassing the agricultural security area,
23 the county [commissioners] governing body, and the Agricultural
24 Security Area Advisory Committee. Review by the [board]
25 Agricultural Lands Condemnation Approval Board and the other
26 indicated bodies shall be in accordance with the criteria and
27 procedures established in this section. The condemnation
28 approvals specified by this subsection shall not be required for
29 an underground public utility facility or for any facility of an
30 electric cooperative corporation or for any public utility

1 facility the necessity for and the propriety and environmental
2 effects of which has been reviewed and ratified or approved by
3 the Pennsylvania Public Utility Commission or the Federal Energy
4 Regulatory Commission, regardless of whether the right to
5 establish and maintain such underground or other public utility
6 facility is obtained by condemnation, or by agreement with the
7 owner.

8 (c) Notice.--Any condemnor wishing to condemn property the
9 approval for which is required under this section shall at least
10 30 days prior to taking such action notify each of the foregoing
11 bodies that such action is contemplated, and no such
12 condemnation shall be effective until 60 days following the
13 receipt of such notice.

14 (d) Review by Agricultural Lands Condemnation Approval Board
15 and other bodies.--

16 (1) Upon receipt of such notice the [board provided for
17 in subsection (a)] Agricultural Lands Condemnation Approval
18 Board [or] and the bodies provided for in subsection (b)
19 jointly [or separately] shall review the proposed
20 condemnation in accordance with the applicable criteria
21 established in paragraph (2).

22 (2) (i) In the case of condemnation for highway
23 purposes (but not including activities relating to
24 existing highways such as, but not limited to, widening
25 roadways, the elimination of curves or reconstruction,
26 for which no approval is required) and in the case of
27 condemnation for the disposal of solid or liquid waste
28 material, the [board] Agricultural Lands Condemnation
29 Approval Board or other appropriate reviewing body shall
30 approve the proposed condemnation only if it determines

1 there is no reasonable and prudent alternative to the
2 utilization of the land within the agricultural security
3 area for the project.

4 (ii) In all other cases not otherwise specifically
5 provided for, the [board] Agricultural Lands Condemnation
6 Approval Board or other appropriate reviewing body shall
7 approve the proposed condemnation only if it determines
8 that:

9 (A) the proposed condemnation would not have an
10 unreasonably adverse affect upon the preservation and
11 enhancement of agriculture or municipal resources
12 within the area or upon the environmental and
13 comprehensive plans of the county, municipality and
14 the Commonwealth, or upon the goals, resource plans,
15 policies or objectives thereof; or

16 (B) there is no reasonable and prudent
17 alternative to the utilization of the lands within
18 the agricultural security area for the project.

19 (e) Public hearings.--Within such 60-day period the
20 Agricultural Lands Condemnation Board and other indicated
21 bodies, as appropriate, shall hold a public hearing concerning
22 the proposed condemnation at a place within or otherwise readily
23 accessible to the area. Timely notice of such hearing shall be
24 placed in a newspaper having a general circulation within the
25 area and a written notice shall be posted at five conspicuous
26 places within or adjacent to the area. Individual written notice
27 shall also be given to all [municipalities] local government
28 units encompassing all or part of the area, to the proposed
29 condemnor, and to the owners of the land proposed to be
30 condemned.

1 (f) Findings and decisions.--The Agricultural Lands
2 Condemnation Approval Board and other indicated bodies, as
3 appropriate, shall render findings and decisions on or before
4 the expiration of such 60-day period and likewise within such
5 period shall report the same to the proposed condemnor, the
6 [municipalities] local government units affected and any party
7 who [shall file] files an appearance at such hearing. If the
8 [board] Agricultural Lands Condemnation Approval Board or any
9 other indicated body fails to act within the 60-day period, the
10 condemnation shall be deemed approved.

11 (g) Injunctions.--The Agricultural Lands Condemnation
12 Approval Board may request the Attorney General or the bodies
13 may request their solicitor to bring an action to enjoin any
14 such condemnor from violating any of the provisions of this
15 section.

16 (h) Emergencies excepted.--This section shall not apply to
17 any emergency project which is immediately necessary for the
18 protection of life or property.

19 Section 2. Section 14 of the act is repealed.

20 Section 3. The act is amended by adding sections to read:

21 Section 14.1. Purchase of agricultural conservation easements.

22 (a) State Agricultural Land Preservation Board.--The
23 Department of Agriculture and the State Agricultural Land
24 Preservation Board shall administer pursuant to this section a
25 program for the purchase of agricultural conservation easements
26 by the Commonwealth.

27 (1) There is established within the Department of
28 Agriculture as a departmental board the State Agricultural
29 Land Preservation Board. The State board shall consist of 17
30 members.

1 (i) There shall be eight voting ex officio members
2 of the State board: the Secretary of Agriculture, who
3 shall serve as the board chairman; the Secretary of
4 Community Affairs, or his designee; the Secretary of
5 Environmental Resources, or his designee; the chairman
6 and the Minority chairman of the House Agriculture and
7 Rural Affairs Committee, or their designees; the chairman
8 and the Minority chairman of the Senate Agriculture and
9 Rural Affairs Committee, or their designees; the dean of
10 the College of Agriculture of The Pennsylvania State
11 University.

12 (ii) Five members shall be appointed by the
13 Governor. One member shall be a current member of the
14 governing body of a county, one member shall be a person
15 who is recognized as having significant knowledge in
16 agricultural fiscal and financial matters, one member
17 shall be an active resident farmer of this Commonwealth,
18 one member shall be a residential, commercial or
19 industrial building contractor, and one member shall be a
20 current member of a governing body. Initially, two
21 members shall be appointed for a term of four years, two
22 members shall be appointed for a term of three years and
23 one member shall be appointed for a term of two years.
24 Thereafter, the terms of all members appointed herein
25 shall be four years. The term of a person appointed to
26 replace another member whose term has not expired shall
27 be only the unexpired portion of that term. Members may
28 be reappointed to successive terms.

29 (iii) One member each shall be appointed by the
30 Speaker of the House of Representatives, the Minority

1 Leader of the House of Representatives, the President pro
2 tempore of the Senate and the Minority Leader of the
3 Senate, who shall, at the time of appointment, be
4 resident farm owners and operators of at least one
5 commercial farm in this Commonwealth. The initial term of
6 the appointee of the President pro tempore of the Senate
7 shall be four years, the initial term of the appointee of
8 the Speaker of the House of Representatives shall be
9 three years, the initial term of the appointee of the
10 Minority Leader of the Senate shall be two years and the
11 initial term of the appointee of the Minority Leader of
12 the House of Representatives shall be one year.
13 Thereafter, the terms of all appointees shall be four
14 years. An appointment made to fill an unexpired term
15 shall be only for the duration of the unexpired term.
16 Members may be reappointed to successive terms.

17 (2) Nine members shall constitute a quorum for purposes
18 of conducting meetings and official actions pursuant to
19 authority given to the State board under this act.

20 (3) It shall be the duty and responsibility of the State
21 board to exercise the following powers:

22 (i) To adopt rules and regulations pursuant to this
23 act: Provided, That the board shall have the power and
24 authority to promulgate, adopt, publish and use
25 guidelines for the implementation of this act for a
26 period of one year immediately following the effective
27 date of this section pending adoption of final rules and
28 regulations. Guidelines proposed under the authority of
29 this section shall be subject to review by the General
30 Counsel and the Attorney General in the manner provided

1 for the review of proposed rules and regulations pursuant
2 to the act of October 15, 1980 (P.L.950, No.164), known
3 as the Commonwealth Attorneys Act, but shall not be
4 subject to review pursuant to the act of June 25, 1982
5 (P.L.633, No.181), known as the Regulatory Review Act.

6 (ii) To adopt rules of procedure and bylaws
7 governing the operations of the State board and the
8 conduct of its meetings.

9 (iii) To review, and accept or reject, the
10 recommendation made by a county board for the purchase of
11 an agricultural conservation easement by the
12 Commonwealth.

13 (iv) To execute agreements to purchase agricultural
14 conservation easements in the name of the Commonwealth if
15 recommended by a county and approved by the State board
16 as provided in subparagraph (iii).

17 (v) To purchase in the name of the Commonwealth
18 agricultural conservation easements if recommended by a
19 county and approved by the State board as provided in
20 subparagraph (iii).

21 (vi) To purchase agricultural conservation easements
22 jointly with a county if recommended by a county and
23 approved by the State board as provided in subparagraph
24 (iii).

25 (vii) To allocate State moneys among counties for
26 the purchase of agricultural conservation easements, in
27 accordance with provisions of subsection (g).

28 (viii) To establish and maintain a central
29 repository of records which shall contain records of
30 county programs for purchasing agricultural conservation

1 easements, records of agricultural conservation easements
2 purchased by counties, and records of agricultural
3 conservation easements purchased by the Commonwealth. All
4 records indicating the purchase of agricultural
5 conservation easements shall refer to and describe the
6 farm land subject to the agricultural conservation
7 easement.

8 (ix) To record agricultural conservation easements
9 purchased by the Commonwealth or jointly owned, in the
10 Office of the Recorder of Deeds of the county wherein the
11 agricultural conservation easements are located.

12 (x) To establish and publish the standards, criteria
13 and requirements necessary for State board approval of
14 county programs for purchasing agricultural conservation
15 easements.

16 (xi) To review and certify and approve, or
17 disapprove, county programs for purchasing agricultural
18 conservation easements.

19 (xii) To exercise other discretionary powers as may
20 be necessary and appropriate for the exercise and
21 performance of its duties, powers and responsibilities
22 under this act.

23 (xiii) To determine an annual easement purchase
24 threshold.

25 (b) County programs.--After the establishment of an
26 agricultural security area by the governing body, the county
27 governing body may authorize a program to be administered by the
28 county board for purchasing agricultural conservation easements
29 from landowners whose land is within an agricultural security
30 area.

1 (1) The county board shall be composed of five, seven or
2 nine members appointed by the county governing body. The
3 chairman of the county governing body shall designate
4 annually one member of the county board to serve as chairman
5 of the county board. County board members shall be appointed
6 from among the following groups: the number of farmers shall
7 constitute one less than a majority of the board; one member
8 shall be a current member of the governing body of a township
9 or borough located within the county; one member shall be a
10 commercial, industrial or residential building contractor and
11 the other members shall be selected at the pleasure of the
12 county governing body. The county board membership of the
13 member of the governing body of a township or borough located
14 within the county shall be deemed vacant upon vacancy in, or
15 the expiration of the term of, the township or borough office
16 to which the member was elected. The term of the initial
17 farmer appointees shall be three years, the initial term of
18 the current member of the governing body of a township or
19 borough shall be two years and the initial term of all other
20 members shall be one year. Thereafter, the term of all
21 members shall be three years.

22 (2) It shall be the duty and responsibility of the
23 county board to exercise the following powers:

24 (i) To adopt rules and regulations for the
25 administration of a countywide program for the purchase
26 of agricultural conservation easements within
27 agricultural security areas in accordance with the
28 provisions of this act, including, but not limited to,
29 rules and regulations governing the submission of
30 applications by landowners, establishing standards and

1 procedures for the appraisal of property eligible for
2 purchase as an agricultural conservation easement and
3 establishing standards and procedures for the selection
4 or purchase of agricultural conservation easements.

5 (ii) To adopt rules of procedure and bylaws
6 governing the operation of the county board and the
7 conduct of its meetings.

8 (iii) To execute agreements to purchase agricultural
9 conservation easements in the name of the county.

10 (iv) To purchase in the name of the county
11 agricultural conservation easements within agricultural
12 security areas.

13 (v) To use moneys appropriated by the county
14 governing body from the county general fund to hire staff
15 and administer the countywide program.

16 (vi) To use moneys appropriated by the county
17 governing body from the county general fund or the
18 proceeds of indebtedness incurred by the county and
19 approved by the county governing body for the purchase of
20 agricultural conservation easements within agricultural
21 security areas.

22 (vii) To establish and maintain a repository of
23 records of farm lands which are subject to agricultural
24 conservation easements purchased by the county and which
25 are located within the county.

26 (viii) To record agricultural conservation easements
27 purchased by the county in the Office of the Recorder of
28 Deeds of the county wherein the agricultural conservation
29 easements are located and to submit to the State board a
30 certified copy of agricultural conservation easements

1 within 30 days after recording. The county board shall
2 attach to all certified copies of the agricultural
3 conservation easements submitted to the State board a
4 description of the farm land subject to the agricultural
5 conservation easements.

6 (ix) To submit to the State board for review the
7 initial county program and any proposed revisions to
8 approved county programs for purchasing agricultural
9 conservation easements.

10 (x) To recommend to the State board for purchase by
11 the Commonwealth agricultural conservation easements
12 within agricultural security areas located within the
13 county.

14 (xi) To recommend to the State board the purchase of
15 agricultural conservation easements by the Commonwealth
16 and the county jointly.

17 (xii) To purchase agricultural conservation
18 easements jointly with the Commonwealth.

19 (xiii) To exercise other powers which are necessary
20 and appropriate for the exercise and performance of its
21 duties, powers and responsibilities under this act.

22 (3) The county may incur debt pursuant to the act of
23 July 12, 1972 (P.L.781, No.185), known as the "Local
24 Government Unit Debt Act," for the purchase of agricultural
25 conservation easements.

26 (c) Restrictions and limitations.--An agricultural
27 conservation easement shall be subject to the following terms,
28 conditions, restrictions and limitations:

29 (1) The term of an agricultural conservation easement
30 shall be perpetual or for a term of 25 years.

1 (2) An agricultural conservation easement shall not be
2 sold, conveyed, extinguished, leased, encumbered or
3 restricted in whole or in part for a period of 25 years
4 beginning on the date of purchase of the easement.

5 (3) If the land subject to the agricultural conservation
6 easement is no longer viable agricultural land, the
7 Commonwealth, subject to the approval of the State board, and
8 the county, subject to the approval of the county board, may
9 sell, convey, extinguish, lease, encumber or restrict an
10 agricultural conservation easement to the current owner of
11 record of the farmland subject to the easement after the
12 expiration of 25 years from the date of purchase of the
13 easement for a purchase price equal to the value at the time
14 of resale determined pursuant to subsection (f) at the time
15 of conveyance. A conveyance by the Commonwealth pursuant to
16 this subsection shall not be subject to the requirements of
17 Article XXIV-A of the act of April 9, 1929 (P.L.177, No.175),
18 known as "The Administrative Code of 1929." The purchase
19 price shall be payable to the Commonwealth and the county as
20 their respective legal interests in the agricultural
21 conservation easement appear, and a separate payment shall be
22 made to the Commonwealth and the county accordingly at the
23 time of settlement. Any payment received by the Commonwealth
24 pursuant to this provision shall be paid into the fund.

25 (4) Instruments and documents for the purchase, sale and
26 conveyance of agricultural conservation easements shall be
27 approved by the State board or the county board, as the case
28 may be, prior to execution and delivery. Proper releases from
29 mortgage holders and lienholders must be obtained and
30 executed to insure that all agricultural conservation

1 easements are purchased free and clear of all encumbrances.

2 (5) Whenever any public entity, authority or political
3 subdivision exercises the power of eminent domain and
4 condemns land subject to an agricultural conservation
5 easement, the condemnor shall provide just compensation to
6 the owner of the land in fee and to the owner of the easement
7 as follows:

8 (i) The owner of the land in fee shall be paid the
9 full value which would have been payable to the owner but
10 for the existence of an agricultural conservation
11 easement less the value of the agricultural conservation
12 easement at the time of condemnation.

13 (ii) The owner of the easement shall be paid the
14 value of the easement at the time of condemnation.

15 (6) An agricultural conservation easement shall not
16 prevent:

17 (i) The granting of leases, assignments or other
18 conveyances or the issuing of permits, licenses or other
19 authorization for the exploration, development, storage
20 or removal of coal by underground mining methods, oil and
21 gas by the owner of the subject land or the owner of the
22 underlying coal by underground mining methods, oil and
23 gas or the owner of the rights to develop the underlying
24 coal by underground mining methods, oil and gas, or the
25 development of appurtenant facilities related to the
26 removal of coal by underground mining methods, oil or gas
27 development or activities incident to the removal or
28 development of such minerals.

29 (ii) The granting of rights-of-way by the owner of
30 the subject land in and through the land for the

1 installation of, transportation of, or use of water,
2 sewage, electric, telephone, coal by underground mining
3 methods, gas, oil or oil products lines.

4 (iii) Construction and use of structures on the
5 subject land necessary for agricultural production.

6 (iv) Construction and use of structures on the
7 subject land for the purpose of providing necessary
8 housing for seasonal or full-time employees: Provided,
9 That only one such structure may be constructed on no
10 more than two acres of the subject land during the term
11 of the agricultural conservation easement.

12 (v) Customary part-time or off-season minor or rural
13 enterprises and activities which are provided for in the
14 county Agricultural Conservation Easement Purchase
15 Program approved by the State board under subsection (d).

16 (d) Program approval.--

17 (1) The standards, criteria and requirements established
18 by the State board for State board approval of county
19 programs for purchasing agricultural conservation easements
20 shall include, but not be limited to, the extent to which the
21 county programs consider and address the following:

22 (i) The quality of the farmlands subject to the
23 proposed easements, including soil classifications and
24 productivity.

25 (ii) The likelihood that the farmlands would be
26 converted to nonagricultural use unless subject to an
27 agricultural conservation easement. Priority for the
28 purchase of an agricultural conservation easement shall
29 be given to farmlands most likely to be converted to
30 nonagricultural use. For purposes of considering the

1 likelihood of conversion, the existence of a zoning
2 classification of the land shall not be relevant, but the
3 market for nonfarm use or development of farmlands shall
4 be relevant.

5 (iii) The stewardship of the land and use of
6 conservation practices and best land management
7 practices, including, but not limited to, soil erosion
8 and sedimentation control and nutrient management.

9 (iv) Fair, equitable, objective and
10 nondiscriminatory procedures for determining purchase
11 priorities.

12 (2) The State board shall act on a county's program for
13 purchasing agricultural conservation easements within 60 days
14 of its receipt, and shall notify immediately the county in
15 writing of approval or disapproval of its program in
16 accordance with the criteria set forth in this subsection.
17 Failure of the State board to act on the submission of a
18 county program under this provision within 60 days of its
19 receipt shall be deemed to constitute approval of the county
20 program by the State board.

21 (e) Easement purchase.--

22 (1) The State board may reject the recommendation made
23 by a county for purchase of an agricultural conservation
24 easement whenever:

25 (i) The recommendation does not comply with a county
26 program certified and approved by the State board for
27 purchasing agricultural conservation easements.

28 (ii) Clear title cannot be conveyed.

29 (iii) The farmland which would be subject to the
30 agricultural conservation easement is not located within

1 a duly established agricultural security area established
2 or recognized under this act.

3 (iv) The allocation of a county established pursuant
4 to subsection (h) is exhausted or is insufficient to pay
5 the purchase price.

6 (v) Compensation is not provided to owners of
7 surface mineable coal disturbed or affected by the
8 creation of such easement.

9 (2) The State board shall act to approve or disapprove
10 the recommendation by a county for purchase of an
11 agricultural conservation easement within 60 days of its
12 receipt.

13 (3) If the State board disapproves the recommendation by
14 a county for purchase of an agricultural conservation
15 easement, the county shall be given written notice of the
16 disapproval within ten days of the decision of the State
17 board. The written notice shall state reason for the State
18 board's disapproval of the recommendation.

19 (4) A decision of the State board issued under the
20 authority of this subsection shall be an adjudication subject
21 to the provisions of 2 Pa.C.S. (relating to administrative
22 law and procedure).

23 (5) Failure of the State board to act on a
24 recommendation by a county for purchase of an agricultural
25 conservation easement within 60 days of its receipt shall be
26 deemed to constitute approval by the State board.

27 (f) Valuation.--The State board or the county board, as the
28 case may be, shall select and retain an independent licensed
29 real estate appraiser to determine market value and farmland
30 value. If the seller disagrees with the appraisal made by the

1 State or county board's appraiser, the seller shall have the
2 right to select and retain a separate independent licensed real
3 estate appraiser within 30 days of receipt of the appraisal of
4 the State or county board's appraiser to determine market value
5 and farmland value. The State board or the county board shall
6 establish the agricultural value and the nonagricultural value
7 of the property subject to the agricultural conservation
8 easement.

9 (1) The agricultural value shall equal the sum of:

10 (i) the farmland value determined by the seller's
11 appraiser; and

12 (ii) one-half of the difference between the farmland
13 value determined by the State or county board's appraiser
14 and the farmland value determined by the seller's
15 appraiser if the farmland value determined by the State
16 or county board's appraiser exceeds the farmland value
17 determined by the seller's appraiser.

18 (2) The nonagricultural value shall equal the sum of:

19 (i) the market value determined by the State or
20 county board's appraiser; and

21 (ii) one-half of the difference between the market
22 value determined by the seller's appraiser and the market
23 value determined by the State or county board's
24 appraiser, if the market value determined by the seller's
25 appraiser exceeds the market value determined by the
26 State or county board's appraiser.

27 (g) Purchase price.--The price paid for purchase of an
28 agricultural conservation easement in perpetuity shall not
29 exceed the difference between the nonagricultural value and the
30 agricultural value determined pursuant to subsection (f) at the

1 time of purchase. The price paid for purchase of an easement for
2 a term of 25 years shall not exceed one-tenth of the difference
3 between the nonagricultural value and the agricultural value
4 determined pursuant to subsection (f) at the time of purchase.
5 The purchase price may be paid in a lump sum, in installments
6 over a period of years, or in any other lawful manner of
7 payment. If payment is to be made in installments or another
8 deferred method, the person selling the easement may receive, in
9 addition to the selling price, interest in an amount or at a
10 rate set forth in the agreement of purchase, and final payment
11 shall be made within, and no later than, five years from the
12 date the agricultural conservation easement purchase agreement
13 was executed.

14 (h) Allocation of State moneys.--The State board shall make
15 an annual allocation among counties, except counties of the
16 first class, for the purchase of agricultural conservation
17 easements.

18 (1) As used in this subsection, the following words and
19 phrases shall have the meanings given to them in this
20 paragraph unless the context clearly indicates otherwise:

21 (i) "Adjusted weighted transfer tax revenues." An
22 amount equal to the weighted transfer tax revenues of a
23 county divided by the sum of the weighted transfer tax
24 revenues of all counties except counties of the first
25 class.

26 (ii) "Annual agricultural production." The total
27 dollar volume of sales of livestock, crops and
28 agricultural products according to the most recent Annual
29 Crop and Livestock Summary published by the Pennsylvania
30 Agricultural Statistics Service.

1 (iii) "Annual easement purchase threshold." An
2 amount annually determined by the State Board which
3 equals at least \$10,000,000.

4 (iv) "Average realty transfer tax revenues." The
5 total annual realty transfer tax revenues collected in
6 all counties, except counties of the first class, divided
7 by 66.

8 (v) "Realty transfer tax revenues." The tax imposed
9 and collected under section 1102-C of the act of March 4,
10 1971 (P.L.6, No.2), known as the "Tax Reform Code of
11 1971."

12 (vi) "Weighted transfer tax revenues." An amount
13 equal to the total annual realty transfer tax revenues
14 collected in a county divided by the sum of the total
15 annual realty transfer tax revenues collected in all
16 counties except counties of the first class which does
17 not exceed three times the average realty transfer tax
18 revenues.

19 (2) An annual allocation shall be made to each county,
20 except counties of the first class, for the purchase of
21 agricultural conservation easements by the Commonwealth at
22 the beginning of the county fiscal year which equals 50% of
23 the annual easement purchase threshold multiplied by the
24 adjusted weighted transfer tax revenues of the county for the
25 preceding calendar year.

26 (3) If the aggregate annual allocation under this
27 paragraph to all eligible counties does not exceed 50% of the
28 annual easement purchase threshold, an additional annual
29 allocation from 50% of the annual easement purchase threshold
30 shall be made to a county, except a county of the first

1 class, at the beginning of the county fiscal year for the
2 joint purchase of agricultural conservation easements by the
3 Commonwealth and a county. The additional annual allocation
4 under this paragraph shall equal the sum of:

5 (i) The annual appropriation of local moneys by a
6 county for the purchase of agricultural conservation
7 easements which does not exceed the average annual
8 allocation under paragraph (2) multiplied by four.

9 (ii) The annual appropriation of local moneys by a
10 county for the purchase of agricultural conservation
11 easements which does not exceed the average annual
12 allocation under paragraph (2) multiplied by four, if the
13 county has an annual agricultural production which equals
14 at least 2% of the total annual agricultural production
15 of the Commonwealth for the same year.

16 (4) If the aggregate annual allocation under paragraph
17 (3) to all eligible counties would exceed 50% of the annual
18 easement purchase threshold, paragraph (3) shall not apply
19 and an additional annual allocation shall be made under this
20 paragraph at the beginning of the county fiscal year for the
21 joint purchase of agricultural conservation easements by the
22 Commonwealth and a county, except a county of the first
23 class. The additional annual allocation to a county under
24 this paragraph shall equal 50% of the annual easement
25 purchase threshold multiplied by a percentage equal to the
26 annual appropriation of local moneys appropriated by the
27 county for the purchase of agricultural conservation
28 easements divided by the aggregate of local moneys
29 appropriated by all eligible counties for the purchase of
30 agricultural conservation easements and in all cases shall

1 not exceed the average annual allocation under paragraph (2)
2 multiplied by four.

3 (5) An additional annual allocation shall be made to a
4 county, except a county of the first class, from the amount
5 by which 50% of the annual easement purchase threshold
6 exceeds the total allocations made under paragraph (3) or
7 (4), as the case may be, as follows:

8 (i) An additional annual allocation shall be made
9 for the joint purchase of agricultural conservation
10 easements by the Commonwealth and a county which equals
11 six-tenths of the amount by which 50% of the annual
12 easement purchase threshold exceeds the total allocations
13 made under paragraph (3) or (4), as the case may be,
14 multiplied by a percentage equal to the annual
15 appropriation of local moneys appropriated by the county
16 for the purchase of agricultural conservation easements
17 divided by the aggregate of local moneys appropriated by
18 all eligible counties for the purchase of agricultural
19 conservation easements.

20 (ii) An additional annual allocation shall be made
21 for the purchase of agricultural conservation easements
22 by the Commonwealth which equals four-tenths of the
23 amount by which 50% of the annual easement purchase
24 threshold exceeds the total allocations made under
25 paragraph (3) or (4), as the case may be, multiplied by
26 the adjusted weighted transfer tax revenues of the county
27 for the preceding calendar year.

28 (6) The allocation of a county shall be adjusted for
29 purchases of agricultural conservation easements made with
30 moneys from the county's allocation, for all costs, except

1 administrative costs, incurred by the Commonwealth or a
2 county incident to the purchase of agricultural conservation
3 easements and for the costs of reimbursing nonprofit land
4 conservation organizations for expenses incurred in acquiring
5 and transferring agricultural conservation easements to the
6 Commonwealth or county. No purchase of an agricultural
7 conservation easement shall be made with State moneys
8 allocated to a county unless the amount of the purchase price
9 is equal to or less than the adjusted allocation or the
10 county pays the portion of the purchase price which
11 represents the difference between the purchase price and the
12 adjusted allocation.

13 (7) The first three annual allocations to a county under
14 paragraphs (3), (4) and (5)(i) shall each continue for two
15 county fiscal years. Thereafter each such annual allocation
16 shall be for one county fiscal year. Such annual allocations
17 which have not been expended or encumbered at the end of the
18 period for which they were made shall be reallocated in the
19 subsequent county fiscal year to a county which used at least
20 90% of such total annual allocation. The reallocation to a
21 county under this paragraph shall be the total amount
22 available for reallocation under this paragraph multiplied by
23 a percentage equal to the annual appropriation of local
24 moneys appropriated by the county for the previous county
25 fiscal year for the purchase of agricultural conservation
26 easements divided by the aggregate of local moneys
27 appropriated by all eligible counties for the previous county
28 fiscal year for the purchase of agricultural conservation
29 easements.

30 (8) Initial allocations to counties under paragraphs (2)

1 and (5)(ii) shall continue until the end of the third county
2 fiscal year occurring after the effective date of this act.
3 The sum of the total annual allocations of all counties under
4 paragraphs (2) and (5)(ii) which have not been expended or
5 encumbered by the end of the third county fiscal year, and
6 every county fiscal year thereafter, occurring after the
7 effective date of this act shall be reallocated in the
8 subsequent county fiscal year to a county which used at least
9 90% of such total allocation. Fifty percent of the amount
10 available for allocation under this paragraph shall be
11 reallocated in the manner set forth in paragraph (2), and 50%
12 of the amount available for allocation under this paragraph
13 shall be reallocated in the manner set forth in paragraphs
14 (3), (4) and (5).

15 (9) The allocation made to a county under this
16 subsection shall be used for the purchase of agricultural
17 conservation easements in perpetuity: Provided, That no more
18 than 30% of such allocation may be used at the option of a
19 county for the purchase of agricultural conservation
20 easements for a term of 25 years in the manner provided for
21 in this act.

22 Section 14.2. Agricultural Conservation Easement Purchase Fund.

23 (a) Purpose of fund.--The Agricultural Conservation Easement
24 Purchase Fund shall be the source from which all moneys are
25 authorized with the approval of the Governor to carry out the
26 purpose of this act. The moneys appropriated to the fund shall
27 be utilized in accordance with the expenditures and distribution
28 authorized, required or otherwise provided in the program for
29 purchase of agricultural conservation easements contained in
30 section 14.1, for the purpose of paying all costs, except

1 administrative costs, incurred by the Commonwealth or a county
2 incident to the purchase of agricultural conservation easements,
3 and for the purpose of reimbursing nonprofit land conservation
4 organizations for expenses incurred in acquiring and
5 transferring agricultural conservation easements to the
6 Commonwealth or a county.

7 (b) Interfund transfers authorized.--

8 (1) Whenever the cash balance and the current estimated
9 receipts of the Agricultural Conservation Easement Purchase
10 Fund shall be insufficient at any time during any State
11 fiscal year to meet promptly the obligations of the
12 Commonwealth from such fund, the State Treasurer is hereby
13 authorized and directed, from time to time during such fiscal
14 year, to transfer from the General Fund to the Agricultural
15 Conservation Easement Purchase Fund such sums as the Governor
16 directs, but in no case less than the amount necessary to
17 meet promptly the obligations to be paid from such fund nor
18 more than an amount which is the smallest of:

19 (i) the difference between the amount of debt
20 authorized to be issued under the authority of this act
21 and the aggregate principal amount of bonds and notes
22 (not including refunding bonds and replacement notes)
23 issued; and

24 (ii) the difference between the aggregate principal
25 amount of bonds and notes permitted under section 14.3(e)
26 to be issued during a State fiscal year and the aggregate
27 principal amount of bonds and notes (not including
28 refunding bonds and replacement notes) issued during such
29 State fiscal year.

30 Any sums so transferred shall be available only for the

1 purposes for which funds are appropriated from the
2 Agricultural Conservation Easement Purchase Fund. Such
3 transfers shall be made hereunder upon warrant of the State
4 Treasurer upon requisition of the Governor.

5 (2) In order to reimburse the General Fund for moneys
6 transferred from such fund under section 14.2(b)(1), there
7 shall be transferred moneys to the General Fund from the
8 Agricultural Conservation Easement Purchase Fund from
9 proceeds obtained from bonds and notes issued under the
10 authority of this act or from other available funds in such
11 amounts and at such times as the Governor shall direct. Such
12 retransfers shall be made upon warrant of the State Treasurer
13 upon requisition of the Governor.

14 Section 14.3. Commonwealth indebtedness.

15 (a) Borrowing authorized.--

16 (1) Pursuant to the provisions of section 7(a)(3) of
17 Article VIII of the Constitution of Pennsylvania and the
18 referendum approved by the electorate, the issuing officials
19 are authorized and directed to borrow, on the credit of the
20 Commonwealth, money not exceeding in the aggregate the sum of
21 \$100,000,000, not including money borrowed to refund
22 outstanding bonds, notes or replacement notes, as may be
23 found necessary to carry out the purposes of this act.

24 (2) As evidence of the indebtedness authorized in this
25 act, general obligation bonds of the Commonwealth shall be
26 issued, from time to time, to provide moneys necessary to
27 carry out the purposes of this act for such total amounts, in
28 such form, in such denominations and subject to such terms
29 and conditions of issue, redemption and maturity, rate of
30 interest and time of payment of interest as the issuing

1 officials direct, except that the latest stated maturity date
2 shall not exceed 20 years from the date of the first
3 obligation issued to evidence the debt.

4 (3) All bonds and notes issued under the authority of
5 this act shall bear facsimile signatures of the issuing
6 official and a facsimile of the great seal of the
7 Commonwealth and shall be countersigned by a duly authorized
8 officer of a duly authorized loan and transfer agent of the
9 Commonwealth.

10 (4) All bonds and notes issued in accordance with the
11 provisions of this section shall be direct obligations of the
12 Commonwealth and the full faith and credit of the
13 Commonwealth are hereby pledged for the payment of the
14 interest thereon, as it becomes due, and the payment of the
15 principal at maturity. The principal of and interest on the
16 bonds and notes shall be payable in lawful money of the
17 United States.

18 (5) All bonds and notes issued under the provisions of
19 this section shall be exempt from taxation for State and
20 local purposes except as may be provided under Article XVI of
21 the act of March 4, 1971 (P.L.6, No.2), known as the "Tax
22 Reform Code of 1971."

23 (6) The bonds may be issued as coupon bonds or
24 registered as to both principal and interest as the issuing
25 officials may determine. If interest coupons are attached,
26 they shall contain the facsimile signature of the State
27 Treasurer.

28 (7) The issuing officials shall provide for the
29 amortization of the bonds in substantial and regular amounts
30 over the term of the debt so that the bonds of each issue

1 allocated to the programs to be funded from the bond issue
2 shall mature within a period not to exceed the appropriate
3 amortization period for each program as specified by the
4 issuing officials but in no case in excess of 20 years. The
5 first retirement of principal shall be stated to mature prior
6 to the expiration of a period of time equal to one-tenth of
7 the time from the date of the first obligation issued to
8 evidence the debt to the date of the expiration of the term
9 of the debt. Retirements of principal shall be regular and
10 substantial if made in annual or semiannual amounts whether
11 by stated serial maturities or by mandatory sinking fund
12 retirements.

13 (8) The issuing officials are authorized to provide by
14 resolution, for the issuance of refunding bonds for the
15 purpose of refunding any debt issued under the provisions of
16 this act and then outstanding, either by voluntary exchange
17 with the holders of the outstanding debt or to provide funds
18 to redeem and retire the outstanding debt with accrued
19 interest, any premium payable thereon and the costs of
20 issuance and retirement of the debt, at maturity or at any
21 call date. The issuance of the refunding bonds, the
22 maturities and other details thereof, the rights of the
23 holders thereof and the duties of the issuing officials in
24 respect thereto shall be governed by the provisions of this
25 section, insofar as they may be applicable. Refunding bonds,
26 which are not subject to the aggregate limitation of
27 \$100,000,000 of debt to be issued pursuant to this act, may
28 be issued by the issuing officials to refund debt originally
29 issued or to refund bonds previously issued for refunding
30 purposes.

1 (9) Whenever any action is to be taken or decision made
2 by the Governor, the Auditor General and the State Treasurer
3 acting as issuing officials and the three officers are not
4 able unanimously to agree, the action or decision of the
5 Governor and either the Auditor General or the State
6 Treasurer shall be binding and final.

7 (10) Issuing officials shall mean the Governor, the
8 Auditor General and the State Treasurer.

9 (b) Sale of bonds.--

10 (1) Whenever bonds are issued, they shall be offered for
11 sale at not less than 98% of the principal amount and accrued
12 interest and shall be sold by the issuing officials to the
13 highest and best bidder or bidders after due public
14 advertisement on the terms and conditions and upon such open
15 competitive bidding as the issuing officials shall direct.
16 The manner and character of the advertisement and the time of
17 advertising shall be prescribed by the issuing officials. No
18 commission shall be allowed or paid for the sale of any bonds
19 issued under the authority of this act.

20 (2) Any portion of any bond issue so offered and not
21 sold or subscribed for at public sale may be disposed of by
22 private sale by the issuing officials in such manner and at
23 such prices, not less than 98% of the principal amount and
24 accrued interest, as the Governor shall direct. No commission
25 shall be allowed or paid for the sale of any bonds issued
26 under the authority of this act.

27 (3) When bonds are issued from time to time, the bonds
28 of each issue shall constitute a separate series to be
29 designated by the issuing officials or may be combined for
30 sale as one series with other general obligation bonds of the

1 Commonwealth.

2 (4) Until permanent bonds can be prepared, the issuing
3 officials may in their discretion issue, in lieu of permanent
4 bonds, temporary bonds in such form and with such privileges
5 as to registration and exchange for permanent bonds as may be
6 determined by the issuing officials.

7 (5) The proceeds realized from the sale of bonds and
8 notes, except refunding bonds and replacement notes, under
9 the provisions of this act shall be paid into a special fund
10 in the State Treasury to be known as the Agricultural
11 Conservation Easement Purchase Fund and are specifically
12 dedicated to the purposes of the referendum of July 13, 1987
13 as implemented by this act. The proceeds shall be paid by the
14 State Treasurer periodically to those departments, agencies
15 or authorities authorized to expend them at such times and in
16 such amounts as may be necessary to satisfy the funding needs
17 of the department, agency or authority. The proceeds of the
18 sale of refunding bonds and replacement notes shall be paid
19 to the State Treasurer and applied to the payment of
20 principal of, the accrued interest and premium, if any, and
21 cost of redemption of the bonds and notes for which such
22 obligations shall have been issued.

23 (6) Pending their application for the purposes
24 authorized, moneys held or deposited by the State Treasurer
25 may be invested or reinvested as are other funds in the
26 custody of the State Treasurer in the manner provided by law.
27 All earnings received from the investment or deposit of such
28 funds shall be paid into the State Treasury to the credit of
29 the fund. Such earnings in excess of bond discounts allowed,
30 expenses paid for the issuance of bonds and notes, and

1 interest arbitrage rebates due to the Federal Government,
2 shall be transferred annually to the Agricultural
3 Conservation Easement Purchase Sinking Fund.

4 (7) The Auditor General shall prepare the necessary
5 registry book to be kept in the office of the duly authorized
6 loan and transfer agent of the Commonwealth for the
7 registration of any bonds, at the request of owners thereof,
8 according to the terms and conditions of issue directed by
9 the issuing officials.

10 (8) There is hereby appropriated to the State Treasurer
11 from the fund as much money as may be necessary for all costs
12 and expenses in connection with the issue of and sale and
13 registration of the bonds and notes in connection with this
14 act and the payment of interest arbitrage rebates or proceeds
15 of such bonds and notes.

16 (c) Temporary financing authorization.--

17 (1) Pending the issuance of bonds of the Commonwealth as
18 authorized, the issuing officials are hereby authorized, in
19 accordance with the provisions of this act and on the credit
20 of the Commonwealth, to make temporary borrowings not to
21 exceed three years in anticipation to the issue of bonds in
22 order to provide funds in such amounts as may, from time to
23 time, be deemed advisable prior to the issue of bonds. In
24 order to provide for and in connection with such temporary
25 borrowings, the issuing officials are hereby authorized in
26 the name and on behalf of the Commonwealth to enter into any
27 purchase, loan or credit agreement, or agreements, or other
28 agreement or agreements with any banks or trust companies or
29 other lending institutions, investment banking firms or
30 persons in the United States having power to enter into the

1 same, which agreements may contain such provisions not
2 inconsistent with the provisions of this act as may be
3 authorized by the issuing officials.

4 (2) All temporary borrowings made under the
5 authorization of this section shall be evidenced by notes of
6 the Commonwealth, which shall be issued, from time to time,
7 for such amounts not exceeding in the aggregate the
8 applicable statutory and constitutional debt limitation, in
9 such form and in such denominations and subject to terms and
10 condition of sale and issue, prepayment or redemption and
11 maturity, rate or rates of interest and time of payment of
12 interest as the issuing officials shall authorize and direct
13 and in accordance with this act. Such authorization and
14 direction may provide for the subsequent issuance of
15 replacement notes to refund outstanding notes or replacement
16 notes, which replacement notes shall, upon issuance thereof,
17 evidence such borrowing, and may specify such other terms and
18 conditions with respect to the notes and replacement notes
19 thereby authorized for issuance as the issuing officials may
20 determine and direct.

21 (3) When the authorization and direction of the issuing
22 officials provide for the issuance of replacement notes, the
23 issuing officials are hereby authorized in the name and on
24 behalf of the Commonwealth to issue, enter into or authorize
25 and direct the State Treasurer to enter into agreements with
26 any banks, trust companies, investment banking firms or other
27 institutions or persons in the United States having the power
28 to enter the same:

29 (i) To purchase or underwrite an issue or series of
30 issues of notes.

1 (ii) To credit, to enter into any purchase, loan or
2 credit agreements, to draw moneys pursuant to any such
3 agreements on the terms and conditions set forth therein
4 and to issue notes as evidence of borrowings made under
5 any such agreements.

6 (iii) To appoint as issuing and paying agent or
7 agents with respect to notes.

8 (iv) To do such other acts as may be necessary or
9 appropriate to provide for the payment, when due, of the
10 interest on and the principal of such notes.

11 Such agreements may provide for the compensation of any
12 purchasers or underwriters of notes or replacement notes by
13 discounting the purchase price of the notes or by payment of
14 a fixed fee or commission at the time of issuance thereof,
15 and all other costs and expenses, including fees for
16 agreements related to the notes, issuing and paying agent
17 costs and costs and expenses of issuance may be paid from the
18 proceeds of the notes.

19 (4) When the authorization and direction of the issuing
20 officials provide for the issuance of replacement notes, the
21 State Treasurer shall, at or prior to the time of delivery of
22 these notes or replacement notes, determine the principal
23 amounts, dates of issue, interest rate or rates (or
24 procedures for establishing such rates from time to time),
25 rates of discount, denominations and all other terms and
26 conditions relating to the issuance and shall perform all
27 acts and things necessary to pay or cause to be paid, when
28 due, all principal of and interest on the notes being
29 refunded by replacement notes and to assure that the same may
30 draw upon any moneys available for that purpose pursuant to

1 any purchase, loan or credit agreements established with
2 respect thereto, all subject to the authorization and
3 direction of the issuing officials.

4 (5) Outstanding notes evidencing such borrowings may be
5 funded and retired by the issuance and sale of the bonds of
6 the Commonwealth as hereinafter authorized. The refunding
7 bonds must be issued and sold not later than a date three
8 years after the date of issuance of the first notes
9 evidencing such borrowings to the extent that payment of such
10 notes has not otherwise been made or provided for by sources
11 other than proceeds of replacement notes.

12 (6) The proceeds of all such temporary borrowing shall
13 be paid to the State Treasurer to be held and disposed of in
14 accordance with the provisions of this act.

15 (d) Debt retirement.--

16 (1) All bonds issued under the authority of this act
17 shall be redeemed at maturity, together with all interest
18 due, from time to time, on the bonds, and these principal and
19 interest payments shall be paid from the Agricultural
20 Conservation Easement Purchase Sinking Fund, which is hereby
21 created. For the specific purpose of redeeming the bonds at
22 maturity and paying all interest thereon in accordance with
23 the information received from the Governor, the General
24 Assembly shall appropriate moneys to the Agricultural
25 Conservation Easement Purchase Sinking Fund for the payment
26 of interest on the bonds and notes and the principal thereof
27 at maturity. All moneys paid into the Agricultural
28 Conservation Easement Purchase Sinking Fund and all of the
29 moneys not necessary to pay accruing interest shall be
30 invested by the State Treasurer in such securities as are

1 provided by law for the investment of the sinking funds of
2 the Commonwealth.

3 (2) The State Treasurer, with the approval of the
4 Governor, is authorized at any time to use any of the moneys
5 in the fund not necessary for the purposes of the referendum
6 of November 3, 1987, for the purchase and retirement of all
7 or any part of the bonds and notes issued pursuant to the
8 authorization of this act. In the event that all or any part
9 of the bonds and notes are purchased, they shall be canceled
10 and returned to the loan and transfer agent as canceled and
11 paid bonds and notes and thereafter all payments of interest
12 thereon shall cease and the canceled bonds, notes and
13 coupons, together with any other canceled bonds, notes and
14 coupons shall be destroyed as promptly as possible after
15 cancellation but not later than two years after cancellation.
16 A certificate evidencing the destruction of the canceled
17 bonds, notes and coupons shall be provided by the loan and
18 transfer agent to the issuing officials. All canceled bonds,
19 notes and coupons shall be so marked as to make the canceled
20 bonds, notes and coupons nonnegotiable.

21 (3) The State Treasurer shall determine and report to
22 the Secretary of the Budget by November 1 of each year, the
23 amount of money necessary for the payment of interest on
24 outstanding obligations and the principal of the obligations,
25 if any, for the following fiscal year and the times and
26 amounts of the payments. It shall be the duty of the Governor
27 to include in every budget submitted to the General Assembly
28 full information relating to the issuance of bonds and notes
29 under the provisions of this act and the status of the
30 Agricultural Conservation Easement Purchase Sinking Fund of

1 the Commonwealth for the payment of interest on the bonds and
2 notes and the principal thereof at maturity.

3 (4) The General Assembly shall appropriate an amount
4 equal to such sums as may be necessary to meet repayment
5 obligations for principal and interest for deposit into the
6 Agricultural Conservation Easement Purchase Sinking Fund.

7 (e) Annual limitation on debt obligations issued.--Bond and
8 notes (not including refunding bonds or replacement notes), as
9 authorized herein shall not be issued in the aggregate principal
10 amount of more than \$20,000,000 during any one State fiscal
11 year. Any interfund transfers made or to be made pursuant to
12 section 14.2(b)(1) during any State fiscal year may not be made,
13 or cause to be outstanding at any time, in any amount greater
14 than the difference between \$20,000,000 and the aggregate
15 principal amount of bonds and notes (not including refunding
16 bonds or replacement notes) issued under the authority of this
17 act during such State fiscal year.

18 (f) Expiration.--Authorization to issue bonds and notes (not
19 including refunding bonds and replacement notes) for the
20 purposes of this act shall expire ten years from the effective
21 date of this section.

22 Section 14.4. Legislative report.

23 The State board shall submit to the General Assembly an
24 annual report no later than May 1. The report shall include, but
25 not be limited to, the following information:

26 (1) The location of agricultural security areas and
27 agricultural conservation easements in the Commonwealth.

28 (2) The number of acres throughout the Commonwealth
29 which are located within agricultural security areas.

30 (3) The number of acres throughout the Commonwealth

1 which are subject to agricultural conservation easements.

2 (4) The number of agricultural conservation easements in
3 the Commonwealth.

4 (5) The number of acres included within each
5 agricultural conservation easement throughout the
6 Commonwealth.

7 (6) The number and value of agricultural conservation
8 easements purchased by the Commonwealth, including the number
9 and value of purchases made during the preceding calendar and
10 the preceding fiscal year of the Commonwealth.

11 (7) The number and value of agricultural conservation
12 easements purchased jointly by the Commonwealth and the
13 counties, including the number and value of purchases made
14 during the preceding calendar and the preceding fiscal year
15 of the Commonwealth.

16 (8) The identity of counties participating in the State
17 program for purchasing agricultural conservation easements.

18 (9) The dollar value of the annual appropriation made by
19 counties for the purchase of agricultural conservation
20 easements.

21 (10) The quality of the farmlands subject to
22 agricultural conservation easement, including the soil
23 classifications and productivity of the farmlands.

24 (11) The nature scope and extent of development activity
25 within the area where agricultural conservation easements
26 have been purchased.

27 (12) The nature and extent of conservation practices and
28 best land management practices, including, but not limited
29 to, soil erosion and sedimentation control and nutrient
30 management practices, which are practiced on farmlands

1 subject to agricultural conservation easements.

2 (13) The total number of recommendations filed by
3 counties for purchase of agricultural conservation easements
4 and the number approved and disapproved, and the reasons for
5 disapproval.

6 Section 4. The sum of \$75,000, or as much thereof as may be
7 necessary, is hereby appropriated to the Department of
8 Agriculture for administering the program authorized by section
9 14.1 of the act.

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