



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	H. 3540	Introduced on January 10, 2023
Author:	J. Moore	
Subject:	Agriculture	
Requestor:	House Agriculture, Natural Resources, and Environmental Affairs	
RFA Analyst(s):	Miller	
Impact Date:	February 1, 2023	

Fiscal Impact Summary

This bill creates the Black Farmer Restoration Program (program) within the Department of Agriculture (department). The program requires the department to acquire land and then convey land grants of up to 100 acres to eligible individuals. This bill also tasks the department with the establishment of the Farm Conservation Corps (corps) to provide academic, vocational, and social skills to certain groups to allow participants the opportunity to pursue careers in agriculture. This bill also establishes the Black Farmer Restoration Fund (fund), consisting of gifts, grants and donations, and mandatory legislative appropriations to support the program.

This bill will have an undetermined expenditure impact for the Department of Agriculture as the scope of the program and the corps depend upon the total amount of funding provided.

This bill will have no expenditure impact for the State Treasurer's Office (STO) as the agency anticipates that the establishment and maintenance of a fund is within the normal course of business for STO.

The General Fund and Other Funds revenue impact to fund the Black Farmers Restoration Fund is undetermined as it depends upon the amount of gifts, grants and donations, and mandatory legislative appropriations provided to support this program.

Explanation of Fiscal Impact

Introduced on January 10, 2023

State Expenditure

This bill creates the Black Farmer Restoration Program within the Department of Agriculture and also tasks the department with the establishment of the Farm Conservation Corps to provide academic, vocational, and social skills to certain groups to allow participants the opportunity to pursue careers in agriculture. Additionally, this bill creates the Black Farmer Restoration Fund, consisting of gifts, grants and donations, and mandatory legislative appropriations to support the program.

Department of Agriculture. This bill requires the department to purchase agricultural property within the state. The department must attach an agricultural easement to each property. Then

the department will convey grants of the purchased land, up to 100 acres per individual, to eligible individuals at no cost to the individual. Eligible individual is defined as a resident of the state that is at least twenty-one years of age, who identifies as Black or African American, and has at least one parent of African descent. An eligible individual, or a qualified entity on behalf of eligible individuals, must apply with the department to receive a land grant. Additionally, this bill tasks the department with the establishment of the Farm Conservation Corps. The corps will provide training to help socially disadvantaged groups to pursue long term and productive careers in agriculture. The members of the corps must serve as apprentices at no cost to farms with an annual gross income of less than \$250,000. These farms must be operated by socially disadvantaged farmers, beginning farmers, or farmers operating certified organic farms. The department must promulgate regulations to carry out the provisions of this bill.

As the scope of the program and the corps depends on the amount of funds provided to support them, and the amount of the funds is unknown, the potential General Fund and Other Fund expenditure impact for the department is undetermined. Additionally, the department has expressed concerns on the potential expenditure impact of this bill including the following:

- The value of agricultural property varies across the state, which may impact the ability to purchase property in various areas of the state.
- Land grant recipients are allowed to sell the property at any time, with the department having the right of first refusal to purchase the property. This may increase the cost of the program depending on the number of recipients who choose to sell.
- The cost of establishing a farming easement for each property, including cost of professional services, specialized appraisal of conservation value, legal costs, and surveying.
- This bill specifies that the apprenticeships for the corps will be at no cost to farms. The department questioned how long the apprenticeship lasts and who is responsible for room and board of the apprentices.

To summarize, the expenditure impact to the Department of Agriculture depends on the scope of the program and corps as well as the clarification of a number of items within the program and corps. Therefore, the expenditure impact for the department is undetermined. These expenses will be at least partially offset by the revenues in the Black Farmer Restoration Fund.

State Treasurer's Office. This bill establishes the Black Farmer Restoration Fund in STO. This fund must be used to support the program. The establishment and maintenance of a fund is within the normal course of business for STO, and therefore, will have no expenditure impact for the agency.

State Revenue

This bill establishes the Black Farmer Restoration Fund (fund), consisting of gifts, grants and donations, and mandatory legislative appropriations to support the program.

The General Fund and Other Funds revenue impact to fund the Black Farmers Restoration Fund is undetermined as it depends upon the amount of gifts, grants and donations, and mandatory legislative appropriations provided to support this program.

Local Expenditure

N/A

Local Revenue

N/A



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