

No. 2019-40

AN ACT

SB 661

Amending Title 3 (Agriculture) of the Pennsylvania Consolidated Statutes, establishing the Agricultural Business Development Center, the Agricultural Business Development Center Advisory Committee and the agricultural business development center fund; providing for the Commonwealth Specialty Crop Block Grant Program and establishing the Commonwealth Specialty Crop Block Grant Fund; providing for agriculture and youth development; establishing the Urban Agricultural Infrastructure Grant Program; and making a related repeal.

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

Section 1. Title 3 of the Pennsylvania Consolidated Statutes is amended by adding a chapter to read:

CHAPTER 48
AGRICULTURAL BUSINESS DEVELOPMENT CENTER

Sec.

4801. Short title of chapter.

4802. Definitions.

4803. Establishment.

4804. Purpose.

4805. Agricultural Business Development Center Advisory Committee.

4806. Grant programs.

4807. Limitation on grants.

4808. Disposition of grants.

4809. Regulations.

4810. Agricultural Business Development Center Fund.

§ 4801. Short title of chapter.

This chapter shall be known and may be cited as the Agricultural Business Development Center Act.

§ 4802. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Advisory committee." The Agricultural Business Development Center Advisory Committee established under section 4805 (relating to Agricultural Business Development Center Advisory Committee).

"Center." The Agricultural Business Development Center established under section 4803 (relating to establishment).

"Fund." The Agricultural Business Development Center Fund established under section 4810 (relating to Agricultural Business Development Center Fund).

§ 4803. Establishment.

The Agricultural Business Development Center is established in the department, which shall staff and operate the center.

§ 4804. Purpose.

The department shall operate the center for the following purposes:

(1) To provide farmers and prospective farmers a resource and reference center for creating business plans and management strategies to enhance the long-term economic viability of a farm.

(2) To provide farmers a resource and reference center for creating plans for the transition of ownership and operation of a farm to new owners and operators.

(3) To provide farmers a resource and reference center for creating plans for transfer of ownership and operation of a farm within the farmer's family.

(4) To provide a resource and reference center for helping a farmer diversify an existing agricultural operation to new or different forms of agricultural production, including on-farm value-added processing and agritourism.

(5) To provide persons who own or operate farms that are subject to perpetual agricultural conservation easements acquired under the act of June 30, 1981 (P.L.128, No.43), known as the Agricultural Area Security Law, resources to help maintain the long-term economic viability of the farms and protect the investment of public funds in preserving the farms for agricultural production.

(6) To provide a resource and reference center for persons planning a farm expansion or seeking financing for farm growth.

(7) To help identify and build teams of planning facilitators, accountants, financial planners, lenders, marketers, conservation and nutrient management planners and veterinarians who can provide expertise.

(8) To devise, award and administer grants to farmers, prospective farmers and others.

§ 4805. Agricultural Business Development Center Advisory Committee.

(a) Establishment.—There is established the Agricultural Business Development Center Advisory Committee to advise the secretary with respect to the secretary's responsibilities under this chapter.

(b) Membership.—The advisory committee shall consist of the following members:

(1) The secretary, who shall serve as chairperson.

(2) The secretary of the Department of Community and Economic Development or a designee.

(3) The dean of the College of Agricultural Sciences at The Pennsylvania State University or a designee.

(4) One representative selected annually from each of the following organizations:

(i) The Pennsylvania Bankers Association.

(ii) A farm credit association servicing clients in this Commonwealth.

(iii) The Pennsylvania Association of Conservation Districts.

(5) The following individuals appointed by the secretary:

(i) *A licensed veterinarian whose practice includes food animals.*

(ii) *A person certified to create nutrient management plans.*

(iii) *A certified public accountant.*

(iv) *A financial planner.*

(v) *An attorney.*

(vi) *A farmer who has experience with a farm transition or diversification of the agricultural production of a farm.*

(c) *Terms.—*

(1) *The term of office for each advisory committee member under subsection (b)(5) shall be three years, except that the initial terms shall be staggered as follows:*

(i) *Two members shall each serve a term of one year.*

(ii) *Two members shall each serve a term of two years.*

(iii) *Two members shall each serve a term of three years.*

(2) *Advisory committee members may be appointed to successive terms at the discretion of the secretary, except that no member may serve more than two three-year terms. Vacancies shall be filled in the same manner as the original appointments.*

(d) *Duties.—The advisory committee shall meet as often as necessary to advise the secretary on satisfying the purpose of this chapter and establishing and awarding grants under this chapter.*

(e) *Expenses.—Advisory committee members shall serve without compensation but shall be entitled to expenses which are reasonable and necessary in the performance of their duties.*

§ 4806. Grant programs.

(a) *Authorization.—The department may establish programs to award grants for the purposes described in this chapter.*

(b) *Grant program standards and requirements.—The following shall apply:*

(1) *The department shall establish grant program standards and requirements for a grant program under this chapter and shall transmit notice of the grant program standards and requirements to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin.*

(2) *Grant program standards and requirements shall do the following:*

(i) *Establish eligibility standards for applicants.*

(ii) *Describe the objectives of the grant program, which objectives shall be consistent with this chapter.*

(iii) *Establish caps, limits and restrictions with respect to grant amounts.*

(iv) *Establish an application process and timetable.*

(v) *Present the criteria under which grant applications shall be evaluated by the department.*

(vi) *Establish a timetable within which the department shall award or disapprove a complete grant application.*

(vii) *Establish procedures by which the department shall verify expenditures of grant money by a grant recipient.*

§ 4807. Limitation on grants.

(a) *Available funding.*—Grants shall be awarded to the extent money is made available by the General Assembly.

(b) *Matching.*—Grant amounts shall be limited to 75% of project costs. In-kind support shall not be counted toward an applicant's matching contribution.

(c) *Conditions.*—The secretary may approve a grant in less than the requested amount. The secretary may also impose restrictions or special conditions upon the issuance of the grant.

§ 4808. Disposition of grants.

(a) *Written agreement.*—The department may require a written agreement describing the terms and conditions of the grant.

(b) *Return of grant money.*—The department may establish criteria under which the secretary may demand the return of all or a portion of the grant money.

§ 4809. Regulations.

The department may promulgate rules and regulations to administer and enforce this chapter.

§ 4810. Agricultural Business Development Center Fund.

(a) *Establishment.*—The Agricultural Business Development Center Fund is established in the State Treasury as a special fund which shall be an interest-bearing restricted revenue account. Money collected by the department under this chapter or appropriated, given, granted or donated for the purpose established under this chapter by the Commonwealth or any other government or private agency or person shall be deposited into the fund.

(b) *Appropriation.*—Money in the fund is appropriated on a continuing basis to the department for the purpose of administering this chapter. All interest and earnings received from investments or deposits of the money in the fund shall be paid into the account for the purpose authorized by this section. Unexpended money and interest or earnings on the money in the fund may not be transferred or revert to the General Fund but shall remain in the account to be used by the department for the purpose specified under this section.

Section 2. Title 3 is amended by adding a part to read:

**PART IX
GRANT PROGRAMS**

Chapter

101. (Reserved)

103. Agriculture and Youth Development

105. Commonwealth Specialty Crop Block Grant Program

107. Urban Agricultural Infrastructure Grant Program

**CHAPTER 101
(Reserved)**

CHAPTER 103
AGRICULTURE AND YOUTH DEVELOPMENT

Sec.**10301. Definitions.****10302. Board membership.****10303. Agriculture and Youth Organization Grant Program.****10304. Applications.****10305. Grants.****10306. Regulations.****10307. Funding.****§ 10301. Definitions.**

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Agriculture and youth organization." An organization composed mainly of youth and organized to promote development in the areas of agriculture, community leadership, vocational training and peer fellowship. The term includes, but is not limited to, Pennsylvania FFA, 4-H, Ag in the Classroom, the Family, Career and Community Leaders of America and vocational education programs.

"Board." The State Agriculture and Youth Development Board.

"Program." The Agriculture and Youth Organization Grant Program.

§ 10302. Board membership.

The board shall consist of the following members, with a majority of members constituting a quorum:

(1) The secretary or a designee, who shall serve as chairperson.

(2) The Secretary of Education or a designee.

(3) The chairperson and minority chairperson of the Agriculture and Rural Affairs Committee of the Senate or a designee and the chairperson and minority chairperson of the Agriculture and Rural Affairs Committee of the House of Representatives or a designee.

(4) One representative from the Pennsylvania Association of Agriculture Educators and one from the Penn State Cooperative Extension, both of whom shall be appointed by the Governor.

(5) The Statewide president of the Pennsylvania FFA.

(6) The 4-H Statewide Council President.

(7) Up to three representatives, each from a different Pennsylvania farm or rural organization having a youth program, whom shall be appointed by the secretary.

(8) A representative of an urban agriculture community program.

(9) A youth representative of an urban garden operation or another urban agriculture operation.

§ 10303. Agriculture and Youth Organization Grant Program.

(a) Program.—The department, in consultation with the board, shall establish a program of grants for agriculture and youth organizations qualifying to receive grants under this chapter, to be known as the Agriculture and Youth Organization Grant Program.

(b) Purpose.—Grants awarded under this chapter may be used for any of the following purposes:

(1) To cover the costs of special projects conducted by the organization and approved by the board.

(2) For educational or work force development programs conducted by the organization and approved by the board.

(3) For educational or work force development seminars and field trips conducted by the organization and approved by the board.

(4) For agricultural safety training programs conducted by the organization and approved by the board.

(5) For certain capital projects and equipment purchases approved by the board.

§ 10304. Applications.

(a) Application procedure.—An agriculture and youth organization may make application at the time, in the manner and containing information as the department may require. The department shall determine, from the information provided, whether the application is eligible for consideration by the board.

(b) Annual meeting.—The board shall meet annually to recommend to the department the awarding of grants to qualifying organizations.

(c) Other meetings.—The board shall meet at the call of the chairperson to conduct business related to the award of grants.

§ 10305. Grants.

(a) General rule.—The department shall make grants in an amount not to exceed \$7,500 to qualifying agriculture and youth organizations upon the recommendation of the board.

(b) Matching funds.—Grants in an amount not to exceed \$25,000 shall be awarded to qualifying agriculture and youth organizations selected to receive the awards for the purposes of capital projects. Grants for capital projects must be matched by private money in an amount equal to the State grant.

(c) Annual allocation.—The board shall establish annual allocation limits for each fiscal year.

§ 10306. Regulations.

The department shall administer the provisions of this chapter and, with the approval of the board, shall prescribe and adopt program policy guidelines or regulations to administer and enforce this chapter. Until or unless supplanted by program policy guidelines or regulations adopted under this section, the program guidelines promulgated under the act of August 6, 1991 (P.L.326, No.33), known as the Agriculture and Rural Youth Development Act, shall be the policy guidelines for the program.

§ 10307. Funding.

For purposes of implementing the provisions of this chapter, the department may use:

(1) Any money appropriated by the General Assembly to the department to carry out the provisions of this chapter.

(2) Any other money, contributions or payments which may be made available to the department by the Federal Government or by any public or private source.

CHAPTER 105
COMMONWEALTH SPECIALTY CROP BLOCK GRANT PROGRAM

Sec.

10501. Declaration of purpose.

10502. Definitions.

10502.1. Establishment of program.

10503. Authority.

10504. Eligible applicants and projects.

10505. Allocation of money.

10506. Use of grant money by recipients.

10507. Audit and recordkeeping.

10508. Commonwealth Specialty Crop Block Grant Fund.

10509. Applicability.

§ 10501. Declaration of purpose.

The purpose of this chapter is to enhance, but not replace, the Federal Specialty Crop Block Grant Program by establishing a Commonwealth Specialty Crop Block Grant Program to give priority to specialty crops that are not currently eligible for grant payments under the Federal Specialty Crop Block Grant Program. Funding will assist the growth, certification of seed and marketing of high-priority specialty crops, as defined by the secretary under this chapter.

§ 10502. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Crop." Plants that are cultivated for sale, production, processing or subsistence. The term does not include wild plants.

"Eligible specialty crop." A specialty crop designated as a high-priority specialty crop by the secretary, with priority given to crops, plants and products that are not currently eligible for funding under the Federal Specialty Crop Block Grant Program.

"Federal Specialty Crop Block Grant Program." The Specialty Crops Competitiveness Act of 2004 (Public Law 108-465, 118 Stat. 3882).

"General evaluation criteria." The evaluation criteria established by the department and utilized for the Federal Specialty Crop Block Grant Program.

"Horticultural crop." A crop that is used by people for food, medicinal purposes or aesthetic gratification.

"Population density." The total population of this Commonwealth as determined by the most recent Federal decennial census, divided by the total area of this Commonwealth in square miles.

"Program." The Commonwealth Specialty Crop Block Grant Program established under section 10502.1 (relating to establishment of program).

"Rural municipality." A municipality of this Commonwealth with a population density less than the Statewide average population density or a total population less than 2,500, unless more than 50% of the population lives in an urbanized area, as defined by the United States Census Bureau.

"Silvicultural product." *A product of a forest or woodland, including, but not limited to, timber.*

"Specialty crop." *A horticultural crop or silvicultural product, a plant cultivated and utilized for fiber or biofuel purposes or an apiary product.*

"Urban municipality." *A municipality of this Commonwealth not defined as a rural municipality.*

§ 10502.1. Establishment of program.

The Commonwealth Specialty Crop Block Grant Program is established in the department.

§ 10503. Authority.

(a) Duties of department.—*The department shall have the following duties:*

(1) *To administer this chapter in a manner consistent with the general evaluation criteria, including the application, evaluation and reporting processes required and employed under the annual Federal Specialty Crop Block Grant Program.*

(2) *To develop all necessary documents and transmit a notice of all parameters of the program, including eligible specialty crops, evaluation criteria, submittal dates, application and reporting forms and requirements and template grant agreements to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin and on the department's publicly available Internet website.*

(b) Specific allocation and nonliability.—*The program shall only be administered in years in which money is specifically allocated or received and made available to the department under this chapter for that purpose. The department shall not be liable for any commitment or for completion of a partially completed or partially funded project which cannot be completed due to the unavailability of Commonwealth money or future Commonwealth appropriations.*

§ 10504. Eligible applicants and projects.

The following eligibility criteria shall apply to applicants and grant projects:

(1) *State and local organizations, producer associations, academia, community-based organizations and other eligible specialty crops stakeholders are eligible to apply.*

(2) *Projects shall enhance the competitiveness of eligible specialty crops and benefit the eligible specialty crop industry as a whole and may include, but are not limited to, projects such as:*

(i) *Increasing child and adult nutrition knowledge and consumption of specialty crops.*

(ii) *Participation of industry representatives at meetings of international standard setting bodies in which the Federal Government participates.*

(iii) *Improving efficiency and reducing costs of distribution systems.*

(iv) *Assisting all entities in the specialty crop distribution chains in developing good agricultural practices, good handling practices, good manufacturing practices and in cost-share arrangements for*

funding audits of such systems for small farmers, packers and processors.

(v) Investing in specialty crop research, including organic research to focus on conservation and environmental outcomes and enhancing food safety.

(vi) Developing new and improved seed varieties and specialty crops.

(vii) Pest and disease control.

(viii) Sustainability.

(3) To be considered an eligible specialty crop, a specialty crop must meet the parameters established by the secretary. Processed products shall consist of greater than 50% of the eligible specialty crop by weight, exclusive of added water.

(4) Grants may not be awarded to projects that directly benefit a particular commercial product or provide a profit to a single organization, institution or individual.

(5) Grants may be awarded to recipients and projects for up to two years.

§ 10505. Allocation of money.

Money that is allocated to or received by the department under section 10508 (relating to Commonwealth Specialty Crop Block Grant Fund) shall be allocated for administration of this chapter in accordance with the following formula:

(1) An amount of up to 8% of the money may be used by the department for administrative costs.

(2) An amount equal to 6.2% of the money shall be allocated to recipients and projects located in rural municipalities where at least 20% of the population has been below the Federal poverty line since 1990 based on census data.

(3) An amount equal to 3.8% of the money shall be allocated to recipients and projects located in urban municipalities where at least 20% of the population has been below the Federal poverty line since 1990 based on census data.

(4) The balance of the money remaining after making allocations under paragraphs (1), (2) and (3) shall be allocated to recipients and projects in a manner which seeks to distribute the money evenly among types of eligible specialty crops and, where practicable, in a manner that distributes the money across this Commonwealth.

§ 10506. Use of grant money by recipients.

(a) Recipients.—Money that is allocated to recipients by the department shall be used only for approved projects in accordance with this chapter, program parameters and grant agreements.

(b) Violations.—It shall be unlawful for a person to violate:

(1) the terms or provisions of this chapter;

(2) the program parameters developed under this chapter; or

(3) a signed grant agreement established under this chapter.

§ 10507. Audit and recordkeeping.

(a) Requirements.—The department shall establish and enforce the audit and recordkeeping requirements as established under the annual

Federal Specialty Crop Block Grant Program and publish the requirements on the department's publicly accessible Internet website. The department shall transmit notice of the audit and recordkeeping requirements to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin.

(b) Authority to investigate.—The department may investigate the records of a recipient under this chapter. The recipient shall provide the recipient's records upon the department's request. A recipient shall allow the department to conduct on-site inspections as necessary to assure compliance with this chapter, the program parameters developed under this chapter or a signed grant agreement established under this chapter.

§ 10508. Commonwealth Specialty Crop Block Grant Fund.

(a) Establishment.—The Commonwealth Specialty Crop Block Grant Fund is established as a special nonlapsing fund in the State Treasury. All money derived from fines and civil penalties, judgments and interest collected or imposed under this chapter shall be paid into the fund. All money placed into the fund and the interest the fund accrues are hereby appropriated to the department on a continuing basis for any activities necessary to meet the requirements of this chapter.

(b) Supplements to fund.—The Commonwealth Specialty Crop Block Grant Fund may be supplemented by money received from the following sources:

- (1) State money appropriated to the department.*
- (2) Federal money appropriated to the department.*
- (3) Gifts and other contributions from public and private sources.*

§ 10509. Applicability.

This chapter shall apply to the distribution of money of the Commonwealth Specialty Crop Block Grant Fund allocated or received by the department beginning with the fiscal year 2019-2020 and thereafter.

CHAPTER 107

URBAN AGRICULTURAL INFRASTRUCTURE GRANT PROGRAM

Sec.

10701. Legislative intent.

10702. Definitions.

10703. Grant program.

10704. Distribution of grant money.

10705. Funding.

§ 10701. Legislative intent.

It is the intent of the General Assembly to establish a reimbursement grant program under which persons who implement projects that improve agriculture infrastructure in urban areas and that focus on aggregation of agricultural products, sharing of resources and support for community development resources may be reimbursed some portion of the costs of the projects.

§ 10702. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Eligible project." *A project that the department determines does all of the following:*

- (1) Improves agricultural infrastructure in an urban area.*
- (2) Improves or facilitates the aggregation of agricultural products in an urban area.*
- (3) Entails the sharing of resources among urban agricultural operations, agricultural producers or community organizations.*
- (4) Supports community development in the project area.*

"Person." *An individual, partnership, association, firm, corporation or any other legal entity.*

"Program." *The Urban Agricultural Infrastructure Grant Program established under this chapter.*

§ 10703. Grant program.

(a) Availability.—*Grants under this chapter shall only be offered in a fiscal year in which and to the extent funding is made available to the department. The following apply:*

- (1) If funding is exhausted or otherwise unavailable, the department shall be under no obligation to provide grants under this chapter.*
- (2) Grant money may be prorated or offered as a percentage of actual costs, as determined by the department and set forth in an order by the secretary, to spread available money to a larger number of eligible projects. The secretary shall transmit notice of an order to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin.*

(b) Reimbursement grants.—*Grants under this chapter shall be reimbursement grants. The following shall apply:*

- (1) The amount of reimbursement shall be based on actual eligible costs submitted by an approved applicant for an approved project during any fiscal year in which grants are offered.*
- (2) Grant reimbursement money shall be limited to 50% or less of the costs of an eligible project.*
- (3) Grant reimbursement money shall not be used to reimburse any portion of an in-kind contribution to an eligible project.*

(4) Grant money may not be used to pay or reimburse wages or salaries of grant recipient staff.

(5) Grant money may not be used to reimburse any portion of the project costs which are being paid or reimbursed under another Federal or State grant program.

(6) A single applicant may not be awarded more than \$100,000 in grants in any five-year period, calculated from the date the department awards the grant.

(c) Eligibility.—*A person may apply to the department, in accordance with the program standards and requirements under subsection (d), for a*

determination by the department that a project is an eligible project that may receive a reimbursement grant under this chapter.

(d) Program standards and requirements.—The department shall, consistent with this chapter and any appropriation of money for grants under this chapter, establish the terms and conditions for the application process for program reimbursement grants, including the maximum reimbursement grant amount an applicant may receive in any single fiscal year. The department shall transmit notice of the requirements to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin.

(e) Application procedure.—An applicant who desires to receive a program reimbursement grant shall submit a grant application on a form provided by the department and in accordance with program standards and requirements. The application shall contain the following information and other information as required by the department:

(1) The applicant's name, business address and contact information.

(2) The details of the project for which reimbursement grant money is sought, including the following:

(i) A project budget.

(ii) A statement of the maximum amount of grant money sought for the project, not to exceed 50% of project costs.

(iii) A project construction and implementation schedule.

(iv) A narrative identifying each entity that will assist in, participate in and benefit from the project.

(v) A description of how the project would improve agricultural infrastructure in an urban area.

(vi) A description of how the project improves or facilitates the aggregation of agricultural products in an urban area.

(vii) A description of how the project entails the sharing of resources among urban agricultural operations agricultural producers or community organizations.

(viii) A description of how the project supports community development in the project area.

(ix) An attestation signed by the applicant, verifying the accuracy of the information presented on the application.

(x) Other information as the department may reasonably require.

(f) Grant awards.—The department shall award grants to applicants in accordance with this chapter and the applicable program standards and requirements.

§ 10704. Distribution of grant money.

The department shall issue program reimbursement grant money to pay some portion of the costs of an eligible project based upon the applicant's submission of a verified statement that the eligible project has been completed or implemented, including a statement of the project completion date, photos of the completed or implemented project with a narrative explanation of each photo, bills and invoices for which reimbursement grant money is sought and other information as the department may reasonably require.

§ 10705. Funding.

The department shall use money as appropriated by the General Assembly for grants under this chapter, and may also use any other money that is made available to the department for grants under this chapter, by Federal appropriation, State appropriation, donation or from any other source.

Section 3. Repeals are as follows:

(1) The General Assembly declares that the repeal under paragraph (2) is necessary to effectuate the addition of 3 Pa.C.S. Ch. 103.

(2) The act of August 6, 1991 (P.L.326, No.33), known as the Agriculture and Rural Youth Development Act, is repealed.

Section 4. This act shall take effect in 60 days.

APPROVED—The 1st day of July, A.D. 2019

TOM WOLF