151st GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 297**
SPONSOR:	**Representative Dorsey Walker**
DESCRIPTION:	**AN ACT TO AMEND TITLE 3 OF THE DELAWARE CODE RELATING TO THE CREATION OF THE AGRICULTURAL OPPORTUNITIES ACT.**

Assumptions:

1. This Act, known as the Agricultural Opportunities Act, becomes effective upon signature by the Governor.

2. This Act requires the Delaware Department of Agriculture (Department) to ensure the inclusion of socially disadvantaged farmers, military veteran farmers, and beginning farmers in the development, adoption, implementation, and enforcement of agricultural laws, rules, policies, and programs.

3. This Act expands upon the duties of the Department by requiring the Department to do the following:
    a. Create an agricultural training program.
    b. Establish an agricultural land lease program.
    c. Develop a farmer incubator program.
    d. Issue an annual report on activities required by this Act.
    e. Collaborate with the Cooperative Extension programs at Delaware State University and the University of Delaware.

4. Creates the Agricultural Land Lease Program Fund for moneys received for the leasing of land owned by this State for agricultural purposes.

5. The Department estimates that revenue loss from 17 leases for 1,184 acres totaling $260,000 annually.

6. The Department anticipates that it will incur the following costs to implement the requirements of this Act:
    a. Recurring Costs - $509,452
        i. $194,452 in Personnel Costs, including Other Employments Costs (OECs), for 3.0 FTE, Program Coordinators, and 1.0 Casual Seasonal Planner II to the Department for the oversight of the Agricultural Training Program, Land Lease Program, and Farmer Incubator Program.
        ii. $260,000 to replace agricultural lease ASF revenue loss utilized by the Delaware Forest Service (Section 806(d)(1)) for salary, energy, contractual, supplies, travel, and capital expenses to operate the program.
        iii. $35,000 for contractual services to draft an annual report.
        iv. $20,000 for seeding, supplies, harvesting, land maintenance, and preparation related to the Incubator Program.
    b. One-Time Costs - $3,000,000
        i. To purchase farmland and farm equipment to establish an Incubator Program.

7. The Department of Natural Resources and Environmental Control leases land through the Division of Parks and Recreation and the Division of Fish and Wildlife. The Division of Parks and Recreation estimates that revenue loss from 26 leases for 2,694, acres with leases set to expire in 2023, would be approximately $457,447. The Division of Fish and Wildlife estimates that revenue loss from current leases of 3,851 acres is approximately $621,000 annually. In addition, this revenue is tied and matched to federal grants of approximately $1,800,000.

8. The Department of Transportation estimates that Transportation Trust Fund (TTF) revenue loss from current land leases is approximately $24,000 annually.

9. The Department of Correction holds two current land leases at James T. Vaughn Correctional Center (lease expires FY26) and Sussex Correctional Institution (lease expires FY27). Lease proceeds go directly to the general fund.

10. Costs are expected to increase at a rate of 2% annually.

Cost:

	General Fund	**One-Time**	**ASF/TTF Revenue Loss**
Fiscal Year 2023:	$509,452	$3,000,000	$1,362,447
Fiscal Year 2024:	$519,641		$1,362,447
Fiscal Year 2025:	$530,033		$1,362,447

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