



State of Tennessee

PUBLIC CHAPTER NO. 470

SENATE BILL NO. 207

By Johnson, Yager, Seal, Reeves, Walley, Stevens, Haile, Massey, Bailey, Gardenhire, Rose

Substituted for: House Bill No. 1325

By Lamberth, Cochran, Renea Jones, Vital, Stinnett, Hawk, Alexander, Reedy, Powers, Maberry, Russell, Burkhart, Bricken, Atchley, Baum, Travis, Hale, Howell, White, Littleton

AN ACT to amend Tennessee Code Annotated, Title 43, Chapter 1, Part 1, relative to the farmland preservation fund.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 43, Chapter 1, Part 1, is amended by adding the following as a new section:

43-1-1___. Farmland preservation fund.

(a)(1) It is the intent of the general assembly to preserve farmland and forestland in this state without limiting the ability of farmers and forest landowners to use their property for their agricultural pursuits. The general assembly intends to secure the economic, environmental, and societal benefits of farmland and forestland for future generations.

(2) The general assembly finds the history and culture of this state to be positively impacted by agricultural endeavors and takes the position that preserving farmland and forestland will provide food and fiber security for generations to come.

(b)(1) Subject to annual appropriations, there is established a fund for the development and implementation of programs that benefit Tennesseans by preserving farmland and forestland, including a grant program for conservation easements.

(2) There is established within the general fund a special agency account to be known as the farmland preservation fund for funds allocated to the department of agriculture for purposes of this section.

(3) Any unencumbered moneys and unexpended balance of the fund remaining at the end of a fiscal year do not revert to the general fund but must be carried forward and maintained until expended in accordance with this section. The state treasurer shall invest moneys in the fund for the fund's benefit pursuant to § 9-4-603. Interest accruing on investments and deposits of the fund must be returned to the fund and remain a part of the fund. The fund must only consist of moneys appropriated from the general fund or interest accruing on investments and deposits in the fund.

(4) The commissioner of agriculture shall administer the fund.

(c)(1) As used in this subsection (c), "qualified easement holder" means a 501(c)(3) nonprofit organization that:

(A) Is exempt from federal income taxation under § 501(c)(3) of the Internal Revenue Code (26 U.S.C. § 501(c)(3));

(B) Acquires or proposes to acquire a conservation easement on farmland or forestland in the state, whether through purchase, donation, or other transfer; and

(C) Meets any other requirements established by the commissioner in rule.

(2) Subject to the following, the department of agriculture shall develop a grant program within the farmland preservation fund for farmland and forestland owners to enroll their land in a permanent conservation easement held by a qualified easement holder:

(A) The department of agriculture may award a grant to a qualified easement holder or directly to the farmer or forest landowner;

(B) A grant application must include, at a minimum, the following:

(i) Proof satisfactory to the department of agriculture that the farmer or forest landowner has entered into, or has contracted to enter into, a conservation easement with a qualified easement holder; and

(ii) Proof satisfactory to the department of agriculture that the farmland or forestland covered by the conservation easement will be used for farm or forestry purposes; and

(C) A conservation easement acquired by participating in the grant program must include the following conditions:

(i) The qualified easement holder shall not sell, transfer, release, or otherwise divest the conservation easement except upon the consent of the farmer or forest landowner;

(ii) A successor of a qualified easement holder shall be bound to the terms of a conservation easement;

(iii) Any amendment to a conservation easement acquired under this section shall only be made upon the consent of the farmer or forest landowner and qualified easement holder and shall become effective and enforceable at the time that such amendment is recorded in the register's office of the county in which the farmland or forestland is located;

(iv) The qualified easement holder shall only have access to the property upon the consent of the farmer or forest landowner with reasonable notice at reasonable times; and

(v) The conservation easement must permit the erection, construction, or reconstruction of any building or other structure for agricultural or forestry purposes and shall not restrict agriculture, as defined in §§ 1-3-105 and 43-1-113, or forestry, as defined in § 11-4-103.

(d) Governmental entities are not eligible to participate in a grant program created pursuant to this section.

(e) The commissioner of agriculture is authorized to promulgate rules to effectuate this section, including the establishment of eligibility criteria. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

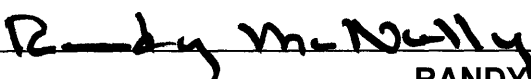
(f) Except as otherwise provided in this section, the Conservation Easement Act of 1981, compiled in title 66, chapter 9, part 3, applies to conservation easements created using grant funds from the farmland preservation fund.

SECTION 2. The heading in this act is for reference purposes only and does not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the heading in any compilation or publication containing this act.

SECTION 3. For purposes of promulgating rules, this act takes effect upon becoming a law, the public welfare requiring it. For all other purposes, this act takes effect on July 1, 2025, the public welfare requiring it.

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PASSED: April 21, 2025


RANDY McNALLY
SPEAKER OF THE SENATE


CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 12th day of May 2025


BILL LEE, GOVERNOR