



## **Memorandum in Support for A. 6686 and S. 5414 Legislation to Increase State Assistance Payments for Farmland Protection**

American Farmland Trust seeks your support for A. 6686 and S. 5414 that provide greater flexibility for state Farmland Protection Program funding by increasing the maximum state cost share from 75% of the total project cost to 87.5% in certain circumstances.

### **Background**

In 1996, Article 25-AAA of the Agriculture and Markets Law was amended to include authorization for funding implementation of approved county or municipal agricultural and farmland protection plans. To date, these implementation grants have been awarded for purchase of development right (PDR) projects. This competitive matching grants program administered by the Department of Agriculture and Markets provides up to 75% of the cost to complete PDR projects on farms. Since 1996, New York's FPP has awarded more than \$173 million in grants for projects in 29 counties to help protect 73,000 acres on 303 farms.

Despite this success, there are challenges in the program that limit its success in providing farmers with a financially viable alternative to selling their land for development. Many communities in New York are limited in their ability to provide funding to meet the required 25% local match of the state Farmland Protection Program. As a result, more farmers will be forced to take a "bargain sale" on their development rights – essentially donating 25% of the value. This reduces the likelihood that funded projects will be completed, particularly during times of low milk and variable commodity prices.

### **Proposed Amendments**

The proposed bill would amend Subdivision 1 and 2 of section 325 of the Agriculture and Markets law, as amended by chapter 527 of the laws of 2005 to indicate that the State of New York can fund more than 75% of a project's costs if the proposed match is a landowner contribution. In this case, the state would be able to match a landowner bargain sale dollar for dollar up to 87.5% of the cost the plan.

Farmers that participate in the state grant program are committed to protecting their land. However, the funds they receive are essential to sustaining the farm business and providing security for their future. A smaller match requirement would make it possible for more farmers to protect their land. This legislation would have no financial impact on the State of New York.

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