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HOUSE BILL NO. 543

Offered January 14, 2026

Prefiled January 13, 2026

A BILL to amend and reenact §§ 10.1-1119.3 and 58.1-3242.1 of the Code of Virginia, relating to Office of Working Lands Preservation; powers and duties; Forest Sustainability Fund.

Patron—Carnegie

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:**1. That §§ 10.1-1119.3 and 58.1-3242.1 of the Code of Virginia are amended and reenacted as follows:****§ 10.1-1119.3. Powers and duties of the Office; Virginia Farmland and Forestland Preservation Fund.**

A. The Office shall have the following powers and duties:

1. To develop, in cooperation with the Department of Small Business and Supplier Diversity, the Virginia Farm Bureau Federation, the American Farmland Trust, the Virginia Land Conservation Foundation, the Virginia Outdoors Foundation, the Virginia Association of Counties, and the Virginia Cooperative Extension, (i) model policies and practices that may be used as a guide to establish local purchase of development rights programs; (ii) criteria for the certification of local purchase of development rights programs as eligible to receive grants, loans, or other funds from public sources; and (iii) methods and sources of revenue for allocating funds to localities to purchase agricultural and forestal conservation easements;

2. To create programs to educate the public about the importance of farmland and forestland preservation to the quality of life in the Commonwealth;

3. To provide technical, professional, and other assistance to farmers on matters related to farmland and forestland preservation;

4. To provide technical, professional, and other assistance to local governments interested in developing additional farmland and forestland preservation policies and programs. Such policies and programs shall include (i) use value assessment and taxation pursuant to §§ 58.1-3230 and 58.1-3231; (ii) transfer of development rights pursuant to Article 7.1 (§ 15.2-2316.1 et seq.) of Chapter 22 of Title 15.2; (iii) agricultural and forestal districts pursuant to Chapter 43 (§ 15.2-4300 et seq.) of Title 15.2; and (iv) establishment of local lease of development rights; ~~and~~

5. To administer the Virginia Farm Link Program established pursuant to § 10.1-1119.4; *and*

6. *To manage, under the supervision of the State Forester, the Forest Sustainability Fund established pursuant to § 58.1-3242.1.*

B. State grants shall be distributed to local purchase of development rights programs under policies, procedures, and guidelines developed by the Office. In general, for each \$1 in grant moneys awarded by the Office, the applicable local purchase of development rights program of the county or city shall be required to provide a \$1 match. However, as part of these policies, procedures, and guidelines developed by the Office, the Office shall include incentives that recognize and encourage counties and cities participating in use value taxation pursuant to Article 4 (§ 58.1-3229 et seq.) of Chapter 32 of Title 58.1.

C. There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Farmland and Forestland Preservation Fund. The Fund shall be established on the books of the Comptroller. The Fund shall consist of all moneys appropriated to it by the General Assembly and such moneys as may be made available from any other source, public or private. All moneys shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of carrying out the provisions of this article. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the State Forester.

§ 58.1-3242.1. Forest Sustainability Fund.

A. There is hereby created in the state treasury a special nonreverting fund to be known as the Forest Sustainability Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes set forth in subsection B. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller

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HB543

59 upon written request signed by the State Forester.

60 B. Any locality that has adopted an ordinance to provide for the use value assessment and taxation for real
61 estate devoted for forest use pursuant to this article may apply for an annual allocation of funds from the
62 Fund. A locality shall submit by November 15 of each year (i) a copy of its ordinance and (ii) the total
63 revenue forgone by the locality in the prior fiscal year due to the use value assessment and taxation for real
64 estate devoted for forest use. The State Forester, *with the assistance of the Office of Working Lands*
65 *Preservation*, shall allocate moneys from the Fund proportionally to each locality that submitted an approved
66 application. No locality shall receive more moneys from the Fund than such locality forwent in the prior
67 fiscal year. Notwithstanding the foregoing, no locality shall receive an allocation of more than four percent or
68 less than one-half of one percent of available funds. Any funds received by a locality shall be used solely for
69 public education generally or for projects related to outdoor recreation or forest conservation.