

1 AN ACT relating to conservation.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 224.10-022 is amended to read as follows:

4 There is established in the Office of the Secretary an Office of Administrative Hearings,  
5 an Office of Communication, and an Office of Legislative and Intergovernmental Affairs.  
6 Each of these offices shall be headed by an executive director appointed by the secretary  
7 with the approval of the Governor as required by KRS 12.050. There is also established in  
8 the Office of the Secretary an Office of Legal Services, headed by an executive director  
9 appointed by the secretary with the approval of the Governor in accordance with KRS  
10 12.050 and 12.210. The executive directors shall be directly responsible to the secretary  
11 and shall perform the functions, powers, and duties as provided by law and as prescribed  
12 by the secretary. There is established in the Office of Legal Services a Legal Division I  
13 and Legal Division II. Each of these divisions shall be headed by a general counsel  
14 appointed by the secretary with the approval of the Governor in accordance with KRS  
15 12.050 and 12.210. The general counsels shall be directly responsible to the executive  
16 director of the Office of Legal Services and shall perform the functions, powers, and  
17 duties as provided by law and as prescribed by the executive director. The Office of  
18 Kentucky Nature Preserves, which shall be headed by an executive director appointed by  
19 the secretary with the approval of the Governor in accordance with KRS 12.050 ~~and~~  
20 ~~12.210~~, and the Mine Safety Review Commission, whose members shall be appointed by  
21 the Governor with the consent of the General Assembly, shall be attached to the Office of  
22 the Secretary. The Kentucky Public Service Commission, which shall be headed by an  
23 executive director appointed by the commission in accordance with KRS 278.100, shall  
24 be attached to the Office of the Secretary for administrative purposes.

25 ➔Section 2. KRS 224.71-100 is amended to read as follows:

26 As used in KRS 224.71-100 to 224.71-140, unless the context requires otherwise:

27 (1) "Agriculture operation" means any farm operation on a tract of land, including all

1 income-producing improvements and farm dwellings, together with other farm  
2 buildings and structures incident to the operation and maintenance of the farm,  
3 situated on ten (10) contiguous acres or more of land used for the production of  
4 livestock, livestock products, poultry, poultry products, milk, milk products, or  
5 silviculture products, or for the growing of crops such as, but not limited to,  
6 tobacco, corn, soybeans, small grains, fruit and vegetables; or devoted to and  
7 meeting the requirements and qualifications for payments to agriculture programs  
8 under an agreement with the state or federal government;

9 (2) "Bad actor" means any person engaged in agriculture operations, who receives  
10 written notification of documented water pollution and of the agriculture water  
11 quality plan needed to prevent water pollution, and is provided technical assistance,  
12 and financial assistance when possible, to implement the agriculture water quality  
13 plan, but still refuses or fails to comply with the requirements of the agriculture  
14 water quality plan;

15 (3) "Best management practices" means, for agriculture operations, the most effective,  
16 practical, and economical means of reducing and preventing water pollution  
17 provided by the United States Department of Agriculture Natural Resources~~[Soil]~~  
18 Conservation Service and the Soil and Water Conservation Commission. Best  
19 management practices shall establish a minimum level of acceptable quality for  
20 planning, siting, designing, installing, operating, and maintaining these practices;

21 (4) "Conservation plan" means a plan, provided by the United States Department of  
22 Agriculture Natural Resources~~[Soil]~~ Conservation Service and the Soil and Water  
23 Conservation Commission, describing best land management practices, including an  
24 installation schedule and maintenance program, which when completely  
25 implemented, will improve and maintain soil, water, and related plant and animal  
26 resources of the land;

27 (5) "Compliance plan" means a conservation plan containing best management

1 practices developed for persons engaged in agriculture operations by the United  
2 States Department of Agriculture Natural Resources~~[Soil]~~ Conservation Services,  
3 in conjunction with local conservation districts as required for eligibility under the  
4 Federal Food Security Act;

5 (6) "Forest stewardship management plan" means a plan developed by the cabinet's  
6 Division of Forestry, the cabinet's Division of Conservation, the Department of Fish  
7 and Wildlife Resources, and the United States Department of Agriculture Natural  
8 Resources~~[Soil]~~ Conservation Service which establishes practices for a person  
9 engaged in agriculture operations to manage forest lands in accordance with sound  
10 silvicultural principles;

11 (7) "Conservation district" means a subdivision of state government organized pursuant  
12 to KRS Chapter 262 for the specific purpose of assisting persons engaged in  
13 agriculture operations and land users in solving soil and water resources problems,  
14 setting priorities for conservation work to be accomplished, and coordinating the  
15 federal, state, and local resources to carry out these programs;

16 (8) "Groundwater" means subsurface water occurring in the zone of saturation beneath  
17 the water table and any perched water zones below the B soil horizon;

18 (9) "Water priority protection region" means an area specifically delineated where  
19 water pollution from agriculture operations has been scientifically documented;

20 (10) "Agriculture water quality plan" means a document incorporating the conservation  
21 plan, compliance plan, or forest stewardship management plan as necessary to  
22 prevent groundwater and surface water pollution from an agriculture operation;

23 (11) "Surface water" means those waters having well-defined banks and beds, either  
24 constantly or intermittently flowing; lakes and impounded waters, marshes and  
25 wetlands; and any subterranean waters flowing in well-defined channels and having  
26 a demonstrable hydrologic connection with the surface. Effluent ditches and  
27 lagoons used for waste treatment which are situated on property owned, leased, or

1 under valid easement by a permitted discharger shall not be considered to be surface  
2 waters of the Commonwealth;

3 (12) "Soil and Water Conservation Commission" means the commission created in KRS  
4 146.090 for the purpose of administering the organization of conservation districts;  
5 and

6 (13) "Livestock" means cattle, sheep, swine, goats, horses, alpacas, llamas, buffaloes, or  
7 any other animals of the bovine, ovine, porcine, caprine, equine, or camelid species.

8 ➔Section 3. KRS 224.71-110 is amended to read as follows:

9 (1) The Agriculture Water Quality Authority is created and administratively attached to  
10 the cabinet. The authority shall be a multidiscipline peer group that shall evaluate,  
11 develop, and improve best-management practices in conservation plans, compliance  
12 plans, and forest stewardship management plans; establish statewide and regional  
13 agriculture water quality plans; and otherwise promote soil and water conservation  
14 activities that protect waters of the Commonwealth from the adverse impacts of  
15 agriculture operations within the Commonwealth. The cabinet shall provide staff to  
16 the authority.

17 (2) Within six (6) months of July 15, 1994, the Soil and Water Conservation  
18 Commission shall submit to the Governor for appointment to the Agriculture Water  
19 Quality Authority a list of three (3) persons recommended by each of the following  
20 state agencies and organizations:

21 (a) Kentucky Association of Conservation Districts;

22 (b) Kentucky Department of Agriculture;

23 (c) University of Kentucky College of Agriculture Cooperative Extension  
24 Service;

25 (d) Kentucky Farm Bureau Federation, Inc.;

26 (e) Division of Conservation, Energy and Environment Cabinet;

27 (f) Division of Forestry, Energy and Environment Cabinet;

1 (g) Kentucky Geological Survey; and

2 (h) Environmental organizations.

3 The membership of the Agriculture Water Quality Authority appointed by the  
4 Governor shall consist of one (1) representative from each of the groups identified  
5 in paragraphs (a) to (h) of this subsection and three (3) members at large from  
6 agriculture operations. The Soil and Water Conservation Commission shall solicit  
7 nominations from Kentucky agriculture operations organizations and submit those  
8 names to the Governor for selection of the three (3) members at large from  
9 agriculture operations. The Governor shall select four (4) members to serve two (2)  
10 year initial terms, four (4) members to serve three (3) year initial terms, and three  
11 (3) members to serve four (4) year initial terms. All succeeding terms shall be four  
12 (4) year terms. A representative from the Natural Resources~~[United States Soil]~~  
13 Conservation Service and a representative from the United States Department of  
14 Agriculture Farm Service Agency~~[Stabilization and Conservation Service]~~ may  
15 also be appointed by the Governor to serve on the authority. One (1) representative  
16 each from the Division of Water, Energy and Environment Cabinet and the  
17 Department for~~[Division of]~~ Public Health~~[Protection and Safety]~~, Cabinet for  
18 Health and Family Services shall serve as ex officio members.

19 (3) It shall be the responsibility of the Agriculture Water Quality Authority to establish,  
20 at a minimum, the following four (4) committees for agriculture operations, with  
21 membership outside the Agriculture Water Quality Authority:

22 (a) Livestock and poultry;

23 (b) Crops, including but not limited to tobacco, corn, soybeans, small grains,  
24 fruits and vegetables, pasture and timber;

25 (c) Pesticides, fertilizers, and other agricultural chemicals; and

26 (d) Farmstead issues.

27 (4) The Agriculture Water Quality Authority shall have the following responsibilities:

- 1 (a) Review water quality data as available;
- 2 (b) Review university research on water quality and alternative best-management  
3 practices research;
- 4 (c) Evaluate the adoption and effectiveness of best-management practices, and  
5 modify best-management practice design standards to improve water quality  
6 protection practices;
- 7 (d) Develop by July 1, 1996, statewide agriculture water quality plans to address  
8 identifiable water pollution problems from agriculture operations, and  
9 continue to evaluate and modify the agriculture water quality plans, as  
10 necessary to prevent water pollution from agriculture operations;
- 11 (e) Assist with the review of state-funded and other water quality monitoring data  
12 and with the establishment of agriculture water priority protection regions;
- 13 (f) Provide technical assistance to persons engaged in agriculture operations and  
14 to the Soil and Water Conservation Commission in its efforts to coordinate  
15 water quality protection as related to agriculture operations;
- 16 (g) Work with the *Natural Resources*~~[United States Soil]~~ Conservation Service,  
17 United States *Department of* Agriculture *Farm Service Agency*~~[Stabilization  
18 and Conservation Service]~~, and conservation districts to disseminate to  
19 agriculture operations the best-management practices, conservation plans,  
20 compliance plans, forest stewardship management plans, and agriculture water  
21 quality plans which address the protection of groundwater and surface water;
- 22 (h) Provide the Governor and the Legislative Research Commission with biennial  
23 reports of the progress of the Agriculture Water Quality Authority program;  
24 and
- 25 (i) Establish procedures for modifications to be incorporated into statewide or  
26 regional agriculture water quality plans.
- 27 (5) The cabinet's Division of Water shall approve or disapprove any statewide and

1 regional water quality plan within thirty (30) days of receiving the plan from the  
2 Agriculture Water Quality Authority. All provisions of a statewide or regional water  
3 quality plan not found deficient shall be approved. If the Division of Water finds  
4 any provision of the statewide or regional agriculture water quality plan deficient,  
5 the Division of Water shall give written notice to the authority of those provisions  
6 found to be deficient. Within the thirty (30) days following the notice of deficiency,  
7 the authority shall deliver to the Division of Water a written response setting forth  
8 proposed solutions to the deficiencies. Any deficiencies which remain unresolved  
9 shall be resolved in a manner agreed to jointly by the Division of Water and the  
10 authority within sixty (60) days unless the Division of Water and authority jointly  
11 agree to an extension or alternate dispute resolution. The Division of Water shall  
12 approve or disapprove all modifications to the statewide and regional plans as set  
13 forth at KRS 224.71-120(8).

14 ➔Section 4. KRS 262.850 is amended to read as follows:

- 15 (1) This section shall be known as "the Agricultural District and Conservation Act."  
16 (2) It is the policy of the state to conserve, protect and to encourage development and  
17 improvement of its agricultural lands for the production of food and other  
18 agricultural products. It is also the policy of this state to conserve and protect the  
19 agricultural land base as a valuable natural resource which is both fragile and finite.  
20 The pressure imposed by urban expansion, transportation systems, water  
21 impoundments, surface mining of mineral resources, utility rights-of-way and  
22 industrial development has continually reduced the land resource base necessary to  
23 sufficiently produce food and fiber for our future needs. It is the purpose of this  
24 section to provide a means by which agricultural land may be protected and  
25 enhanced as a viable segment of the state's economy and as an important resource.  
26 (3) The local governing administrative body for an agricultural district shall be the  
27 conservation district board of supervisors. The Soil and Water Conservation

1 Commission shall be responsible for statewide administration of the agricultural  
2 district program and shall have sole authority to certify or deny agricultural district  
3 petitions. The commission may apply for assistance and funds from the Federal  
4 Farmland Protection Act of 1981 (Pub. L. 97-377) which may be available for the  
5 development of the agricultural district program and may accept easements as  
6 provided in KRS 65.410 to 65.480.

7 (4) Any owner or owners of land may submit a petition to the local conservation district  
8 board of supervisors requesting the creation of an agricultural district within the  
9 county. The petition shall include a description of the proposed area, description of  
10 each land parcel, location of the proposed boundaries, petitioners' names and  
11 addresses, adjacent landowners' names and addresses, and other pertinent  
12 information as required in the petition application. The boundary of an agricultural  
13 district shall be contiguous. No land shall be included in an agricultural district  
14 without the consent of the owner.

15 (5) Upon receipt of a petition, the local conservation district board of supervisors shall  
16 notify the fiscal court and any local or regional planning or zoning body, if any, by  
17 sending a copy of the petition and accompanying materials to that body.

18 (6) The following factors shall be considered by the local conservation district board of  
19 supervisors and the Soil and Water Conservation Commission when considering the  
20 formation of any agricultural district:

21 (a) The capability of the land to support agricultural production, as indicated by:  
22 soil, climate, topography or other natural factors;

23 (b) The viability of active farmlands, as indicated by: markets for farm products,  
24 extent and nature of farm improvements, present status of farming, anticipated  
25 trends in agricultural economic conditions and technology;

26 (c) That the proposed agricultural district meets the minimum size limit of two  
27 hundred fifty (250) contiguous acres, unless the local conservation district

- 1 board and the Soil and Water Conservation Commission allow fewer than two  
2 hundred fifty (250) contiguous acres if the proposed area meets a minimum  
3 annual production performance established by the district board and approved  
4 by the commission;
- 5 (d) County development patterns and needs and the location of the district in  
6 relation to any urban development boundaries within the county;
- 7 (e) Any matter which may be relevant to evaluate the petition; and
- 8 (f) Whether an application is from more than one (1) farm owner, in which case a  
9 preference shall be given to the application.
- 10 (7) The local soil and water conservation district board of supervisors shall review the  
11 petition application and submit a recommendation to the Soil and Water  
12 Conservation Commission within one hundred (100)~~[sixty (60)]~~ days of receipt.  
13 The local conservation district recommendation shall be submitted to the  
14 commission in the form of approval, approval with modifications, or denial of the  
15 petition accompanied by justification for such a denial.
- 16 (8) The Soil and Water Conservation Commission shall review the recommendation of  
17 the district board of supervisors and certify or deny the agricultural district's petition  
18 within one hundred (100)~~[sixty (60)]~~ days of receipt.
- 19 (9) Upon the approval of a petition by the Soil and Water Conservation Commission,  
20 the commission shall notify the area development district in which the agricultural  
21 district will lie, the local county clerk, and the secretary of the Governor's Cabinet.
- 22 (10) Land within the boundary of an agricultural district shall not be annexed.
- 23 (11) The owners of land within the boundary of an agricultural district shall be exempt  
24 under KRS 74.177 from any assessment authorized for the extension of water  
25 service lines until the land is removed from the district and developed for  
26 nonagricultural use. Any member, or any successor heir of the member, of an  
27 agricultural district may withdraw from the district upon notifying the local

1 conservation district board of supervisors in writing.

2 (12) It shall be the policy of all state agencies to support the formation of agricultural  
3 districts as a means of preserving Kentucky's farmlands and to mitigate the impact  
4 of their present and future plans and programs upon the continued agricultural use  
5 of land within an agricultural district.

6 (13) Agricultural districts shall be comprised only of agricultural land as defined in KRS  
7 132.010.

8 (14) An agricultural district shall be established for five (5) years with a review to be  
9 made by the local soil and water conservation district board of supervisors at the  
10 end of the five-year period and every five (5) years thereafter. Each owner of land  
11 shall agree to remain in the district for a five (5) year period, which is renewable at  
12 the end of the five (5) years. However, the board shall make a review any time upon  
13 the written request of a local government which demonstrates that the review is  
14 necessary in order to consider development needs of the local government. The  
15 board shall consider whether the continued existence of the district is justified, any  
16 adjustments which may be necessary due to urban or county development, and other  
17 factors the board finds relevant. The board shall revise the district as necessary  
18 based on the review and subject to approval of the State Soil and Water  
19 Conservation Commission. Before the state commission takes final action, all  
20 interested parties shall be given the opportunity to request the state commission to  
21 amend or overturn the local board's decision.

22 (15) The withdrawal of a member from a district reducing the remaining acreage of  
23 agricultural district land to less than two hundred fifty (250) acres or resulting in the  
24 remaining land being noncontiguous shall not cause the decertification of the  
25 district.

26 (16) Any member of an agricultural district who has received a summons of  
27 condemnation proceedings being instituted concerning the member's land located in

1 the district may request the local soil and water conservation district board of  
 2 supervisors to hold a public hearing on the proposed taking of land. However a  
 3 hearing under this section shall not be held if the petitioner in the condemnation  
 4 proceeding is a utility as defined in KRS 278.010(3) and obtained a certificate of  
 5 convenience and necessity as required by KRS 278.020(1).

6 (17) (a) The board shall notify the local property valuation administrator of the farms  
 7 which belong to an agricultural district and whenever a farm is withdrawn  
 8 from a district. The board shall also inform all members of a district of the  
 9 right to have their land assessed by the local property valuation administrator  
 10 at the land's agricultural use value and shall offer advice and assistance on  
 11 obtaining such an assessment.

12 (b) The board shall also notify the local property valuation administrator  
 13 whenever a farm is released or withdrawn from an agricultural district.

14 (18) The board may allow an amendment to an existing certified agricultural district if  
 15 approved by the commission.

16 ➔Section 5. KRS 262.900 is amended to read as follows:

17 ~~{(1)}~~As used in KRS 262.900 to 262.920, unless the context clearly indicates otherwise:

18 (1)~~{(a)}~~ "Agricultural conservation easement" or "easement" means an interest in land,  
 19 less than fee simple, which represents the right to restrict or prevent the  
 20 development or improvement of the land for purposes other than agricultural  
 21 production. The easement may be granted by the owner of the fee simple to the  
 22 Commonwealth or to a qualified organization described in Section 170(c) of the  
 23 Internal Revenue Code. It may be granted in perpetuity, as the equivalent of the  
 24 covenants running with the land;~~{-}~~

25 (2)~~{(b)}~~ "Agricultural district" means a land use category created by voluntary  
 26 agreement between the Commonwealth and one (1) or more landowners under  
 27 Kentucky's agricultural district law, KRS 262.850, where the primary use of land is

1 and will remain to be agriculture;[-]

2 (3)~~(e)~~ "Agricultural production" means the production for commercial purposes of  
3 crops, livestock and livestock products, and nursery and greenhouse products,  
4 including the processing or retail marketing of these crops, livestock and livestock  
5 products, and nursery and greenhouse products, if more than fifty percent (50%) of  
6 those processed or merchandised products are produced by the farm operator, and  
7 the raising and stabling of horses for commercial purposes;[-]

8 (4)~~(d)~~ "Applicant" means a person or qualified organization described in Section  
9 170(c) of the Internal Revenue Code offering to sell to the PACE Corporation under  
10 the PACE Program an easement on a tract of land which is in or available for  
11 agricultural use;[-]

12 (5)~~(e)~~ "ASCS" means the Agricultural Stabilization and Conservation Service of the  
13 United States Department of Agriculture;[-]

14 (6)~~(f)~~ "Bargain sale" means the sale of an easement by a landowner at a price below  
15 appraised market value, when a portion of the value of the easement is donated by  
16 the landowner in a properly executed document as a charitable contribution to a  
17 qualified organization described in Section 170(c) of the Internal Revenue Code;[-]

18 (7)~~(g)~~ "Capability class" means a group of soils that have similar characteristics  
19 when used for field crop production;[-]

20 (8)~~(h)~~ "Comparable sales" means market sales of similar land. In locating  
21 comparable sales, first priority shall be given to parcels located in the same general  
22 vicinity. The second priority shall be given to farms located in other areas;[-]

23 (9)~~(i)~~ "Conservation plan" means a plan describing best land management practices,  
24 including an installation schedule and maintenance program, which, when  
25 completely implemented, will improve and maintain soil, water, and related plant  
26 and animal resources of the land;[-]

27 (10)~~(j)~~ "Contract of sale" means a legally enforceable agreement in a form provided

1 by the PACE Board obligating the owner of a farmland tract to sell and the  
2 Commonwealth to purchase an easement or other less-than-fee interest on the  
3 farmland tract;[-]

4 ~~(11)(k)~~ "Commonwealth funds" means money appropriated to the PACE Corporation  
5 for the purchase of agricultural conservation easements;[-]

6 ~~(12)(l)~~ "Development" means the carrying out of any material change in the use or  
7 appearance of land, or dividing into two (2) or more parcels;[-]

8 ~~(13)(m)~~ "Easement value" means the value per acre as determined by a numerical  
9 point system or, if an appraisal is used, the difference between the unrestricted value  
10 of a farm and its value as restricted by an easement. If only one (1) appraisal is used,  
11 unrestricted value is equal to market value and restricted value is equal to the value  
12 of the farm, subject to an agricultural conservation easement. If the landowner  
13 obtains an independent appraisal, easement value shall be calculated according to  
14 the average between the landowner's appraisal and the numerical point system, or if  
15 the Commonwealth also obtains an appraisal, the average between the landowner's  
16 appraisal and the Commonwealth's appraisal;[-]

17 ~~(14)(n)~~ "Eligible land" means a farmland tract in which the Commonwealth may  
18 acquire an agricultural conservation easement or other property interest as provided  
19 by this section;[-]

20 ~~(15)(o)~~ "Farm" means land in the Commonwealth which is being used for or is  
21 available for agricultural production as defined in this section;[-]

22 ~~(16)(p)~~ "Farmland tract" means land constituting all or part of a farm that is proposed  
23 for the purchase of an agricultural conservation easement;[-]

24 ~~(17)(q)~~ "Farmland value" means the price as of the valuation date for property used  
25 for normal farming operations, subject to the terms of an agricultural conservation  
26 easement, which a willing and informed seller who is not obligated to sell would  
27 accept for the property, and which a willing and informed buyer who is not

- 1 obligated to buy would pay for the property;[ ]
- 2 ~~(18)(+)~~ "Fund" means the agricultural enhancement fund created by KRS 262.920;[ ]
- 3 ~~(19)(s)~~ "Grantor" means the person or entity holding title to the farmland tract on  
4 which an easement is conveyed;[ ]
- 5 ~~(20)(+)~~ "Grazing or pasture land" means land used for horse paddocks or the growing  
6 of grasses and legumes which are consumed by livestock in the field, and at least  
7 ninety percent (90%) of which is clear of trees, shrubs, vines, or other woody  
8 growth not consumed by livestock;[ ]
- 9 ~~(21)(u)~~ "Harvested cropland" means land used for the commercial production of field  
10 crops, fruit crops, vegetables, and horticultural specialties, such as flowers, nursery  
11 stock, and ornamentals;[ ]
- 12 ~~(22)(v)~~ "Horse paddock" means an enclosed area used for pasturing and exercising  
13 horses;[ ]
- 14 ~~(23)(w)~~ "Landowner" means a person holding title to land;[ ]
- 15 ~~(24)(x)~~ "Market value" means the price as of the valuation date for the highest and  
16 best use of the property which a willing and informed seller who is not obligated to  
17 sell would accept for the property, and which a willing and informed buyer who is  
18 not obligated to buy would pay for the property;[ ]
- 19 ~~(25)(y)~~ "Nonprofit land conservation organization" means nonprofit organization  
20 dedicated to land conservation purposes recognized by the Internal Revenue Service  
21 as a tax-exempt organization under Section 170(c) of the Internal Revenue Code;[ ]
- 22 ~~(26)(z)~~ "PACE Corporation" means the Purchase of Agricultural Conservation  
23 Easement Corporation created by KRS 262.906(1);[ ]
- 24 ~~(27)(aa)~~ "PACE board" means the board of directors of the Purchase of Agricultural  
25 Conservation Easement Corporation created by KRS 262.906(2);[ ]
- 26 ~~(28)(ab)~~ "Qualified organization" means a tax-exempt organization described in  
27 Section 170(c) of the Internal Revenue Code;[ ]

- 1 ~~(29)~~~~(ae)}~~ "Reserved life estate" means property deeded to a nonprofit organization  
2 during an owner's lifetime with the owner retaining full use of and responsibility for  
3 the property until the death of the last survivor of those retaining life estates,  
4 whereupon, the responsibility of the property falls to the nonprofit organization. The  
5 property owner is entitled to an income tax deduction based on an appraised value  
6 and Internal Revenue Service actuarial tables, and the taxable estate may also be  
7 reduced.~~[-]~~
- 8 ~~(30)~~~~(ad)}~~ "Restricted land" means land and buildings, the use of which is subject to the  
9 terms of an agricultural conservation easement.~~[-]~~
- 10 ~~(31)~~~~(ae)}~~ "Restricted value" means the price as of the valuation date for property subject  
11 to an agricultural conservation easement which a willing and informed seller who is  
12 not obligated to sell would accept for the property, and which a willing and  
13 informed buyer who is not obligated to buy would pay for the property.~~[-]~~
- 14 ~~(32)~~~~(af)}~~ "Soils report" means a report which sets forth the amount and description of  
15 each soil type and class found on a specific farm.~~[-]~~
- 16 ~~(33)~~~~(ag)}~~ "Title report" means a report prepared by a person authorized by the state to  
17 engage in the sale of title insurance or an attorney setting forth the existence of any  
18 liens, restrictions, or other encumbrances on a farmland tract.~~[-]~~
- 19 ~~(34)~~~~(ah)}~~ "Unrestricted value" means the current market value of a property.~~[-]~~
- 20 ~~(35)~~~~(ai)}~~ "USDA" means the United States Department of Agriculture; **and**~~[-]~~
- 21 ~~(36)~~~~(aj)}~~ [~~"USDA-SCS" means the Soil Conservation Service of the United States~~  
22 ~~Department of Agriculture.~~
- 23 ~~(ak)}~~ "Viable agriculture land" means land suitable for agricultural production and  
24 which will continue to be economically feasible for use if real estate taxes,  
25 farm use restrictions, and interference with and constraints on normal farming  
26 operations are limited to levels approximating those in commercial  
27 agricultural areas not influenced by the proximity of urban and related

1 nonagricultural development.

2 ➔Section 6. KRS 353.655 is amended to read as follows:

- 3 (1) No operator shall utilize shackle rods or related cables for the production of oil or  
4 gas without the permission of the present owner of the land upon which the wells  
5 exist or are drilled unless such rods or cables are placed in conduit and buried at  
6 least twenty-four (24) inches below the surface of the land between all wellheads  
7 and power stations or are attached to power poles with the rods or cables twenty  
8 (20) feet above the surface of the land between all wellheads and power stations.
- 9 (2) Nothing in this section shall apply to lands classified by the Natural  
10 Resources~~[United States Soil]~~ Conservation Service as class 5, 6, 7, or 8.

11 ➔Section 7. The following KRS section is repealed:

12 262.096 Budget reports -- What to include.

13 ➔Section 8. The General Assembly confirms Executive Order 2018-601, dated  
14 July 25, 2018, to the extent not otherwise confirmed or superseded by this Act, relating to  
15 the reorganization of the Energy and Environment Cabinet.