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Sequence Number: 12-32-25
 Notice ID(s): 4217-4223
 File Date: 12/19/2025

Notice of Rulemaking Hearing

Hearings will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, T.C.A. § 4-5-204. For questions and copies of the notice, contact the person listed below.

Agency/Board/Commission:	Tennessee Department of Agriculture
Division:	Administration & Grants Division
Contact Person:	Emily Allison
Address:	Post Office Box 40627, Nashville, Tennessee
Zip:	37204
Phone:	(615) 837-5331
Email:	tda.rulemaking@tn.gov

Any Individuals with disabilities who wish to participate in these proceedings (to review these filings) and may require aid to facilitate such participation should contact the following at least 10 days prior to the hearing:

ADA Contact:	Liz Sneed
Address:	Post Office Box 40627, Nashville, Tennessee 37204
Phone:	(615) 837-5116
Email:	liz.sneed@tn.gov

Hearing Location(s) (for additional locations, copy and paste table)

Address 1:	Holeman Building, Old Hickory Room		
Address 2:	424 Hogan Road		
City:	Nashville, Tennessee		
Zip:	37220		
Hearing Date:	February 12, 2026		
Hearing Time:	1:00 p.m.	<input checked="" type="checkbox"/> CST/CDT	<input type="checkbox"/> EST/EDT

Additional Hearing Information:

These rules are intended to simplify the department's general civil penalty authority, consolidate like subjects previously promulgated under different chapters, reorganize the department's rules for better ease and readability, and establish uniform standards for administration of the Tennessee Farmland Preservation Program.

Written and oral comments on these rules will be accepted in-person at a public rulemaking hearing and written comments will be accepted electronically or by physical copy to the contact person identified in this notice, received February 6, 2026, at 8:00 a.m. (CST) through February 13, 2026, at 4:00 p.m. (CST).

Revision Type (check all that apply):

- Amendment
- New
- Repeal

Rule(s) (ALL chapters and rules contained in filing must be listed. If needed, copy and paste additional tables to accommodate more than one chapter. Please enter only **ONE** Rule Number/Rule Title per row.)

Chapter Number	Chapter Title
0080-01-01	Rules and Regulations Concerning Aid to Agricultural Fairs
Rule Number	Rule Title
0080-01-01-.01	Application for Aid
0080-01-01-.02	Limitations
0080-01-01-.03	Receipt of Aid to be Publicized
0080-01-01-.04	Petitions for Declaratory Order
0080-01-01-.05	Worthless Checks

Chapter Number	Chapter Title
0080-01-02	Administrative Action
Rule Number	Rule Title
0080-01-02-.01	Notice

Chapter Number	Chapter Title
0080-01-03	Civil Penalties
Rule Number	Rule Title
0080-01-03-.01	Civil Penalties

Chapter Number	Chapter Title
0080-01-04	Payments
Rule Number	Rule Title
0080-01-04-.01	Worthless Checks
0080-01-04-.02	Definitions
0080-01-04-.03	Minimum Requirements
0080-01-04-.04	Application Process and Scoring
0080-01-04-.05	Valuation and Process to Close
0080-01-04-.06	Payment Maximums and Cost Limitations
0080-01-04-.07	Ongoing Holder Requirements
0080-01-04-.08	Deed Provisions
0080-01-04-.09	Easement Extinguishment or Loss

Chapter Number	Chapter Title
0080-03-01	Dairy
Rule Number	Rule Title
0080-03-01-.01	Grade "A" Pasteurized Milk Ordinance
0080-03-01-.02	Adulterated Milk
0080-03-01-.03	Uniform Code System for the Identification of Dairy and Trade Products

Chapter Number	Chapter Title
0080-03-08	Dairy Licensure
Rule Number	Rule Title
0080-03-08-.01	Dairy Manufacturers
0080-03-08-.02	Frozen Dessert Manufacturers
0080-03-08-.03	Distributors
0080-03-08-.04	Samplers and Testers

Chapter Number	Chapter Title
0080-04-02	Repealed
Rule Number	Rule Title
0080-04-02-.01	Scope
0080-04-02-.02	Definitions
0080-04-02-.03	License Application and Fees
0080-04-02-.04	Grade "A" Pasteurized Milk Ordinance
0080-04-02-.05	Uniform Code System for Product Identification
0080-04-02-.06	Violations

CHAPTER 0080-01-01
ADMINISTRATIVE ACTIONS AND PROCEEDINGS

0080-01-01-.01 Civil Penalties
0080-01-01-.02 Hearings
0080-01-01-.03 Notice

0080-01-01-.04 Petitions for Declaratory Order
0080-01-01-.05 Worthless Checks

0080-01-01-.04 PETITIONS FOR DECLARATORY ORDER.

- (1) Petitions for declaratory order under T.C.A. § 4-5-223 must be submitted in writing to Tennessee Department of Agriculture, Attn: General Counsel, Post Office Box 40627, Nashville, Tennessee 37204. The writing may be submitted in any form but must be legible and must address with specificity the following:
 - (a) Identification of the specific statute, rule, or order for which the petition is submitted;
 - (b) Name of the affected person;
 - (c) Address of the affected person where the person's operation or conduct is affected by application of the statute, rule, or order being petitioned;
 - (d) Address of the affected person for purposes of receiving notice;
 - (e) Description of the affected person's understanding for how the statute, rule, or order is being interpreted or applied;
 - (f) Description of how that interpretation or application of the statute, rule, or order adversely impacts the affected person's operation or conduct; and,
 - (g) Description for how the affected person submits the statute, rule, or order should be interpreted or applied and how that submission upholds requirements of the enabling statute and equal application of the law among all similarly situated persons.
- (2) Affected persons under this rule must maintain a physical address in the state where interpretation or application of the underlying statute, rule, or order governs the person's operation or conduct.
- (3) Petitioners may not include more than one statutory section, rule, or order in each petition for declaratory order.
- (4) If a petitioner fails to comply with any requirement of this rule, the petition is deemed submitted by an unaffected person and/or beyond the scope of T.C.A. § 4-5-223 and for whom response requirements of that section are not triggered.
- (5) Receipt of a petition for declaratory order is deemed effective upon opening and no sooner than three business days following its mailing postmark.
- (6) The department's requirement to set a contested case hearing for a petition is met upon filing within 60 days of receiving the petition a proposed scheduling order with the administrative law judge or hearing officer presiding over the matter.
- (7) In lieu of a contested case hearing for a petition, upon agreement of the parties the department may issue a public guidance document for how the statute, rule, or order will be interpreted or applied. Upon issuance of such guidance, the petition for declaratory order is resolved and disposed.

Authority: T.C.A. §§ 4-3-203 and 4-5-223.

0080-01-01-.05 WORTHLESS CHECKS.

- (1) When any check or other instrument is issued to the department as partial or complete satisfaction of an account due and the instrument is refused for payment by the drawee, the department may assess a \$30 handling charge in accordance with T.C.A. § 47-29-102, provided that the charge may be applied only once per instrument. Handling charges assessed under this rule are in addition to, and not in lieu of, any amounts due on the account or any administrative action against the payor.
- (2) If a payor does not make good for the amount of a worthless check within 10 days of notice that the check or instrument was returned, the department may waive the assessed handling charge and refer the matter for investigation under T.C.A. § 39-14-121.
- (3) The department may revoke or deny any license associated with unpaid handling charges or unpaid license fees or late charges resulting from the underlying denial of payment.

Authority: T.C.A. §§ 4-3-203, 39-14-121, and 47-29-102.

CHAPTER 0080-01-04
FARMLAND PRESERVATION

0080-01-04-.01 Scope	0080-01-04-.06 Payment Maximums and Cost Limitations
0080-01-04-.02 Definitions	0080-01-04-.07 Ongoing Holder Requirements
0080-01-04-.03 Minimum Requirements	0080-01-04-.08 Deed Provisions
0080-01-04-.04 Application Process and Scoring	0080-01-04-.09 Easement Extinguishment or Loss
0080-01-04-.05 Valuation and Process to Close	

0080-01-04-.02 DEFINITIONS.

- (1) Terms in this chapter share those meanings of terms in T.C.A. § 43-1-110.
- (2) When used in this chapter, unless the context requires otherwise:
 - (a) Act means T.C.A. § 43-1-110;
 - (b) Agricultural land means a parcel that, at the time of application:
 1. Contains less than 75% forest cover; and,
 2. Any portion of the parcel is:
 - (i) Zoned agricultural by a competent jurisdiction;
 - (ii) Classified as farm property, under T.C.A. §§ 67-5-501 et seq., by the county assessor in the county where the parcel is located; or,
 - (iii) Enrolled with the State Board of Equalization for Greenbelt classification as agricultural land.
 - (c) Captive insurance means self-insurance wholly owned by its group of land trust members;
 - (d) Commerce or similar words mean involving payment for an item or payment for services incident to production of the item;
 - (e) Common ownership means ownership in fee simple and that for all deeds relative to land within a parcel, the owners and their ownership relationships stated in the deeds are the same. This definition does not preclude variations in titles, suffixes, or use of owners' alternate names on deeds provided that the sameness of the persons is established;

- (f) Conservation defense insurance means an insurance product for provision of financial and legal resources benefitting the investigation, defense, and enforcement of conservation easements, including but not limited to coverage of legal fees, expert witness costs, court costs, settlement expenses, and damages arising from disputes or violations regarding conservation easements' validity and enforcement;
- (g) Department means the department of agriculture;
- (h) Farm products and nursery stock have the same meaning as provided under T.C.A. § 43-1-113;
- (i) Forest land means a parcel containing at least 75% forest cover;
- (j) FSA means USDA, Farm Services Agency;
- (k) Fund means the farmland preservation fund created under the Act and administered by the department;
- (l) Greenbelt means the Agricultural, Forest and Open Space Land Act of 1976, codified at T.C.A. §§ 67-5-1001, et seq.;
- (m) Parcel means the property for which application to participate in the program is made. For purposes of this definition, boundaries of a parcel are wholly defined by the parcel owners seeking participation in the program and may be different than the boundaries for the larger lot on which the parcel is located, as otherwise stated in either its deed or the assessor's map for the property;
- (n) Person means an individual, partnership, corporation, or any other form of legal entity;
- (o) Program means the farmland preservation program for funding of conservation easements administered by the department and funded under the Act;
- (p) Qualified easement holder or similar words mean a 501(c)(3) nonprofit organization, registered in good standing with the Tennessee Office of the Secretary of State, and that is either:
 1. Accredited by the Land Trust Accreditation Commission; or,
 2. Capable of showing coverage under a conservation defense insurance policy issued by a captive insurance body authorized to issue policies in this state.
- (q) Site index means the total height to which dominant trees of a given species are expected to grow on a given site at some index age, where dominant trees are the tallest trees in the stand; and,
- (r) USDA means United States Department of Agriculture.

Authority: T.C.A. §§ 4-3-203 and 43-1-110.

0080-01-04-.03 MINIMUM REQUIREMENTS.

- (1) The following are minimum application requirements for consideration in the program. Satisfaction of the following does not ensure acceptance into the program, but failure to satisfy any of the following will result in rejection of an application.
 - (a) Universal application minimum requirements.
 1. For each parcel submitted for participation in the program, applications must be submitted jointly by all owners of the parcel and a qualified easement holder.
 2. The parcel must meet the definition of either agricultural land or forest land.

3. The parcel must be eligible for classification under Greenbelt as agricultural land or forest land, provided that there are no maximum acreage limitations for parcels applying to the program.
 4. For structures, facilities, and other improvements on the property that have a primary purpose other than agricultural or forestry production in commerce, impervious surfaces on the parcel may not occupy more than five percent of its area. This requirement applies for, but is not limited to, residential development, driveways, access roads, and the like. This limitation does not apply to public roads or utilities.
 5. The parcel may not undergo a change of ownership between submission of an application and close of sale on a program easement. If any portion of the parcel undergoes a change in ownership during that time, the department will void the parcel's program application for that application period. A change of ownership triggered under joint tenancy with rights of survivorship does not constitute a change of ownership under this part.
 6. A parcel owner may not encumber the parcel between submission of an application and close of sale on a program easement. If any portion of the parcel is newly encumbered during that time, the department will void the parcel's program application for that application period.
 7. All of the parcel must be held under common ownership.
 8. Surface rights on the parcel must be intact.
 9. The parcel must not house structures or facilities with a primary purpose for commercial production of energy.
 10. The parcel must not be subject to any permanent conservation easement that preexists a program easement.
- (b) For agricultural land applications, a parcel owner must have a current agricultural sales and use tax exemption issued by the Tennessee Department of Revenue.
- (c) For forest land applications, a parcel owner must have a current multi-resource management plan that meets USDA Forest Service's Forest Stewardship Program National Standards and was prepared by a forester accredited by the Society of American Foresters or by any state accreditation program. There is no requirement for when the plan must have been created or last amended; however, the plan must have been approved by the state forester within two years preceding application.
- (2) Applications must include information on forms provided by the department, which may require:
- (a) Parcel owner information.
 1. Name of each current owner of the parcel;
 2. Date of birth of any owner who is an individual or a partner in a general partnership;
 3. Proof of registration in its state of incorporation for any owner that is a formalized business entity;
 4. Contact information to include name of person legally responsible for each owner, telephone number, email address, and mailing address;
 5. Identification of all subordinate, recorded leases and their lessees for property within the parcel;

6. Identification of all existing lienholders, for property within the parcel, and their contact information, including mailing address and email address; and,
 7. A statement of good faith among all owners of the parcel and its lienholders, that:
 - (i) By amendment to each underlying security agreement, lienholders intend to be bound by deed restrictions under the resulting easement; or,
 - (ii) By contract for sale of the easement, owners intend to pay lienholders in full by the time of close on the easement sale.
- (b) Holder information.
1. Name of the qualified easement holder;
 2. Charitable organization number as registered with the Office of Secretary of State;
 3. Proof of accreditation through the Land Trust Accreditation Commission or proof of existing coverage under a conservation defense insurance policy issued by a captive insurance body authorized to issue policies in this state; and,
 4. Contact information, to include name of person legally responsible for the holder, telephone number, email address, and address of principal place of business.
- (c) Parcel information.
1. Copy of any vesting deed for the parcel (i.e. reflecting current ownership), as filed with the register of deeds in the county or counties where the parcel is located;
 2. Address of the parcel;
 3. Approximate acreage of the parcel;
 4. An aerial map of the parcel indicating its approximate boundaries; and,
 5. Estimated value of conservation easement rights on the parcel, less owner's anticipated donation of easement value, if any, and holder's anticipated addition of alternate funding sources for acquisition of the easement.
- (d) Supporting documentation. For evaluation of an application, the department may require, among other things, proof of: local zoning or assessor classification for the parcel; enrollment of the parcel or adjoining property in Greenbelt or Forest Legacy programs; agricultural tax exemption status of owners; preliminary surveys, site indexes, appraisals or other assessments conducted by state licensed surveyors, accredited foresters, or property appraisers; notarized attestations of owners or their representatives regarding estate planning; owners' government issued identification sufficient to establish age; soil mapping surveys; nutrient management plans, conservation plans, and multi-resource management plans; designation of a parcel's agricultural district; century farm registration; owners' FSA filings relative to a parcel; certificates of completion for masters programs or other agricultural curricula; and American Tree Farm System certification.
- (e) Other information or documentation as required by the department.

Authority: T.C.A. §§ 4-3-203 and 43-1-110.

0080-01-04-.04 APPLICATION PROCESS AND SCORING.

- (1) Applications for participation in the program are scored by assigning point values to various characteristics specific to the parcel and to an owner, identified in the application, relative to commercial production of farm products or nursery stock.
- (2) The department will tailor scoring criteria to evaluate parcel alignment with departmental goals for efficient and equitable distribution of the fund and for preservation of agricultural and forest land within the state. In setting scoring criteria, the department will consider for each application: development pressure in surrounding areas, population increases in surrounding areas, parcel size, estate and management planning, soil quality, proximity to other protected lands, suitability for agricultural and forestry production, production experience of current parcel owners, and other criteria as necessary for the program to serve and administer the purpose of the Act.
- (3) The department will score applications on a scale not to exceed 200 points. Applications with greater sums of scored points will be considered more competitive than applications with lesser scored points. The department will score each application based on information available at the time of application and will reject for participation in the program any application that does not receive a score of at least 130 points.
- (4) When any criterion is scored relative to a parcel's county, for parcels located in multiple counties characteristics specific to the parcel are scored as to the one county for each criterion that may afford an application the greatest number of points.
- (5) When any criterion is scored relative to a parcel's owner, for parcels owned by multiple owners characteristics specific to the owner are scored as to the one or first owner identified in the application for the program.
- (6) The department may conduct only one application period for the program per year, which shall be opened on September 1 in any fiscal year in which appropriations are made to the fund by the General Assembly or in which the balance of the fund exceeds five million dollars. The department may limit the application period to any definite amount of time, provided that its period and the scoring criteria that will be applied to applications are publicly noticed more than 30 days prior to the beginning of the period and that the period shall be held open for at least ten consecutive business days.
- (7) For any applications not selected during an application period, the department may hold those applications for two years, to be considered for future participation in the program.
- (8) Prior to close of sale on a program easement, the department may deny any application that is not completed in full or that is not completed in conformance with the Act or this chapter of rules.
- (9) If at any time prior to close of sale on a program easement an owner or holder identified in an application request in writing that the application be withdrawn, the department will void the application. The department will not hold over for consideration in subsequent application periods any application that is withdrawn by its applicant.
- (10) For any fiscal year in which an application period is opened, the department will submit an annual report to the chairs of the joint government operations committee detailing the scoring criteria used for evaluation of applications, the number of applications received, the number of applications that received an offer under the program, the total maximum funding for the application period allowed by this chapter of rules, an estimate of the number of acres accepted into the program, a list of counties in which parcels were accepted into the program (all annual totals specific to the application period occurring immediately prior to the report), and total funds expended and acreage enrolled during the history of the program.

Authority: T.C.A. §§ 4-3-203 and 43-1-110.

0080-01-04-.05 VALUATION AND PROCESS TO CLOSE.

- (1) Easement funding offers. In each application period, for the highest scored applications that may be funded under payment maximums created by the program, the department will present offers to qualified easement holders for program enrollment of the associated easements.

(2) Performance and review.

- (a) Acceptance of the offer and execution of its contract may require holder's performance of temporal benchmarks during the term, including but not limited to production of:
1. Appraisal for the value of a conservation easement on the parcel, produced by a state licensed property appraiser in accordance with Uniform Standards for Professional Appraisal Practice, and any accompanying reports or other documents incident to the appraisal. The easement value must be calculated as the difference between the parcel's fair market value before and after the easement is granted;
 2. Boundary survey and legal description of the parcel to be encumbered by the easement;
 3. Preliminary assessment of improvements on the parcel and the percentage of impervious surfaces on the parcel with a primary purpose other than commercial production of agriculture or forestry;
 4. If subsurface rights on the parcel are severed, a remoteness study and written statement of a state licensed geologist that subsurface interests on the parcel are so remote as to be negligible;
 5. Title commitment containing title search results identifying parcel ownership, any current lienholders, recorded leases, or other encumbrances affecting the suitability of the parcel for the program; demonstrating marketable and insurable title of the owners indicated in the application; and all supporting documents;
 6. Proposed final draft of deed language;
 7. Recorded deed for conveyance of the easement interest, drafted in accordance with the Act and this chapter and recorded in each county where the parcel is located; and,
 8. Owner's title policy insuring the holder in an amount equal to the appraised value of the easement or the amount paid to the holder under the program for acquisition of the easement, whichever is greater.
- (b) For documents required under this rule, holders shall select service providers from a list of approved vendors maintained by the department of general services, State of Tennessee Real Estate Asset Management (STREAM).
- (c) The department may forward to STREAM any documents submitted under the contract, and upon departmental request STREAM may review those documents for accuracy and validity in operating the program, using all processes that are appropriate and generally accepted within the real estate industry for transfer of property interests in agricultural and forest land. If STREAM review indicates inaccuracy or invalidity of documents submitted under the contract, including inaccuracy or overvaluation of the appraised value of the easement or other non-compliance with requirements of the Act or this chapter, the department may pursue remedies in accordance with the contract or void the parcel application for that application period.
- (d) If an application selected for an easement funding offer is later voided or withdrawn for any reason, e.g. failure to perform contract requirement, easement valuation exceeds payment caps, etc., the department will not extend additional offers to alternate applicants in the same application period.
- (e) Except for provisions relative to payment caps, nothing in this chapter may be construed to limit or to influence construction of contract terms extended under offers for program funding.

- (3) Term. Easement funding offers run for a term not to exceed 360 days from the date a program funding offer is made. For good cause shown and with the department's sole discretion, the department may grant one extension of the performance period, up to 180 days from the end of the term. The department will not extend the time for performance for delays arising from the applicants' lack of diligence or for general market conditions, but may consider extensions for documented circumstances beyond the applicants' reasonable control. If a qualified easement holder is unable to execute the contract in full prior to the end of the term and extension, if applicable, the offer expires and is withdrawn.

Authority: T.C.A. §§ 4-3-203 and 43-1-110.

0080-01-04-.06 PAYMENT MAXIMUMS AND COST LIMITATIONS.

- (1) Application period limits.
- (a) Total. In the first year of administering the program, the department will limit the total disbursement of program funds to 50 percent of the fund's balance. For any application period after the first year, the department may commit the fund's balance in full, as it is calculated at the beginning of the application period less any amounts for previous program offers committed but which are still outstanding from the prior year's application period. These limits on expenditures per application period shall apply inclusive of both easement purchase funds and payment of ancillary enrollment. Notwithstanding these limits on expenditures, commitments may be made only for applications that meet all eligibility and scoring requirements set forth in this chapter, including the minimum scoring threshold established in 0080-01-04-.04(3).
- (b) Easement purchases. For any application period, the department shall limit the total funds available for easement purchases to 92 percent of the application period limit established under subparagraph (a).
- (c) Ancillary costs. For any application period, the department shall limit the total funds available for support of ancillary enrollment costs to eight percent of the application period limit established under subparagraph (a).
- (2) Individual application limits.
- (a) Easement purchase.
1. The department shall limit the funds available for easement purchase per application to 30 percent of the total easement purchase limit established under subparagraph (1)(b).
 2. The department shall further limit easement purchase funding per application based on the lowest valuation of each easement (i.e. among the estimated value indicated in the application, the appraised value submitted under contract, and any STREAM evaluation under appraisal review or re-appraisal, etc.), less any percentage points of the easement value that owners indicated in the application a willingness to donate and less any matching or other funds the holder represents in writing to the department as applicable to the easement purchase.
 3. Provided that payment maximums under this subparagraph are followed, the department may offer up to 100 percent of the funds necessary to purchase an easement.
 4. Notwithstanding the department's payment of funds for purchase of an easement, nothing in this chapter may be construed to limit parcel owners' and easement holders' right to contract, provided it conforms with requirements of the Act, including but not limited to the manner or schedule by which purchase price funds are distributed to owners and establishment of easement restrictions on the parcel that are more restrictive than required by the program.
- (b) Ancillary costs.

1. Eligibility. Other than funds necessary to purchase the easement, only the following items are eligible for funding under the program:
 - (i) The following documents submitted under contract with the department for enrollment of the easement:
 - (I) Appraisal;
 - (II) Boundary survey;
 - (III) Baseline documentation report detailing current conditions of the parcel prior to recording the easement;
 - (IV) Subsurface interests remoteness study; and,
 - (V) Title insurance.
 - (ii) Multi-resource management plan prepared by an accredited forester, if produced within one year prior to application for the program; and,
 - (iii) One-time, upfront stewardship fee payable to the holder for costs associated with maintenance and enforcement of easement restrictions, including but not limited to ongoing monitoring, inspection, enforcement, conservation defense insurance, and legal fees.
2. All ancillary costs are subject to payment only once per item and, except as to calculation of the stewardship fee, only in the amount as reflected on the closing statement for purchase of the easement or upon valid receipt submitted to the department directly by the vendor providing the service.
3. Cost limitations.
 - (i) The department shall limit the funds available for ancillary costs per application to the lesser of the following:
 - (I) Total ancillary costs limit established under subparagraph (1)(c) divided by the number of applications selected for funding during the application period, rounded to the nearest dollar; or,
 - (II) One-fifteenth of the total ancillary costs limit established under subparagraph (1)(c), rounded to the nearest dollar.
 - (ii) Provided that payment maximums under this subparagraph are followed, the department may offer up to 100 percent of ancillary costs for easement enrollment.
 - (iii) The department shall limit payment of stewardship fees to ten percent of the per application ancillary cost limitation established per application period under subpart (i) of this part.

(3) Example.

Inaugural Application Period Funding Breakdown
\$25M Fund Balance at 50% Disbursement

Total Application Period Limits

Total Period Funding	\$12,500,000
Easement Purchases	\$11,500,000
Ancillary Costs (total)	\$1,000,000

Per Individual Application Limits

# of Selected Applications	Easement Purchase	Total Ancillary Costs Limit, per Application	Stewardship Fee	Other Ancillary Costs
1 – 15	\$3,450,000	\$66,667	\$6,667	\$60,000
16	\$3,450,000	\$62,500	\$6,250	\$56,250
17	\$3,450,000	\$58,824	\$5,882	\$52,942
18	\$3,450,000	\$55,556	\$5,556	\$50,000
19	\$3,450,000	\$52,632	\$5,263	\$47,369
20	\$3,450,000	\$50,000	\$5,000	\$45,000

Authority: T.C.A. §§ 4-3-203 and 43-1-110.

0080-01-04-.07 ONGOING HOLDER REQUIREMENTS.

- (1) Any holder who owns an easement purchased with program funds will be required to enter renewable contracts with the department for the resulting easement's inspection, maintenance, and other items, which may include:
 - (a) Renewal of contract obligations every five years;
 - (b) Annual proof of active registration with the Tennessee Secretary of State as a charitable organization;
 - (c) Annual proof of accreditation through the Land Trust Accreditation Commission or proof of existing coverage under a conservation defense insurance policy issued by a captive insurance body authorized to issue policies in this state;
 - (d) Proof of title insurance for the easement;
 - (e) Recordkeeping requirements;
 - (f) Annual requirements for easement monitoring and reporting;
 - (g) Requirements for enforcement of easement provisions and remedy of violations;
 - (h) Requirements for notification to the department of any conveyance, extinguishment, or loss of the easement; and,
 - (i) Payment to the state of its proportionate value relative to funds received for extinguishment or loss of the easement interest.

- (2) Any holder who possesses an easement purchased with program funds but who does not enter into a renewable contract with the department for the easement's inspection, maintenance, and other items, and any holder who allows ownership transfer of a program easement to a non-holder, shall within 90 days of written notice from the department:
 - (a) Cause to be conducted a current appraisal of the parcel by a licensed real estate appraiser, as if the parcel were otherwise unencumbered;
 - (b) Submit to the state payment of its proportionate value for the easement calculated as the amount of funds supplied by the department for purchase of the program easement, divided by the value of parcel before the easement was enrolled, and multiplied by the current appraisal value of the parcel as if it were unencumbered. E.g. if at the time of enrollment the department funded the purchase of an easement at \$400,000 on a parcel valued at \$500,000, a violation of this rule

triggers payment to the state of the proportionate value, and the current appraisal of the parcel is \$3,000,000, the last holder under contract relative to the easement shall pay to the department \$2,400,000: $\$400,000 / \$500,000 = 0.8 \times \$3,000,000 = \$2,400,000$.

- (c) After the 90-day notice, if a holder has failed to submit the proportionate value for the easement, the department may revoke the holder's eligibility to receive funding under the program for a period of five years and may collect civil penalties from the holder in the amount of \$500 for each day the proportionate value is not paid to the department.

Authority: T.C.A. §§ 4-3-203 and 43-1-110.

0080-01-04-.08 DEED PROVISIONS.

The deed of easement conveyed in connection with the purchase of an easement under the program shall incorporate an exhibit containing the following provisions:

- (1) A granting clause stating: "NOW, THEREFORE, for _____ dollars and for the reasons given and other good and valuable consideration and in consideration of their mutual covenants, terms, conditions, and restrictions contained herein, the Grantor hereby voluntarily grants and conveys to the Grantee, and the Grantee hereby voluntarily accepts, a perpetual conservation easement in the protected property, which is an immediately vested interest in real property of the nature and character described herein."
- (2) "The primary purpose of this deed is to preserve the protected property for agricultural and forestry use by maintaining its viability and productivity. Non-agricultural and non-forestry uses that significantly impair the current or potential agricultural or forestry uses of the protected property, or that otherwise conflict with this purpose, are prohibited."
- (3) "Except as provided in this paragraph, Grantee shall not sell, transfer, release, or otherwise divest itself of any rights, title, or interests in this deed without the Grantor's prior consent. If the Grantee dissolves, ceases to exist, or no longer qualifies as a holder under Tenn. Code Ann. § 43-1-110 (2025), the Grantee shall, within 180 days of dissolution, termination, or disqualification, transfer any right, title, and interest in this deed to a third party that at the time of transfer is a qualified easement holder under Tenn. Code Ann. § 43-1-110 (2025), provided the third party expressly agrees to assume the responsibilities imposed on the Grantee by this deed. If transfer of this deed fails to comport with this provision or if the Grantee fails to timely transfer this deed in accordance with this provision, the State of Tennessee may petition a court of competent jurisdiction for transfer of this deed, and the rights and obligations created hereunder, to a qualified easement holder under Tenn. Code Ann. § 43-1-110 (2025) that agrees to assume the obligations imposed on the Grantee by this deed."
- (4) "This deed imposes legal rights and obligations running with the land in perpetuity. Every provision of this deed that applies to Grantor and Grantee shall also apply to and be binding upon their respective agents, heirs, executors, administrators, assigns, and all other successors as their interests may appear."
- (5) "Grantee and Grantor may amend this deed by an amended deed of easement, provided that an amendment shall not affect this deed's perpetual duration or conflict with the purposes of Tenn. Code Ann. § 43-1-110 (2025). No amendment shall be effective unless documented in a notarized writing executed by Grantee and Grantor and recorded in the register's office of the county in which the protected property is located."
- (6) "With reasonable notice to the Grantor, the Grantee and its employees, agents, successors, and assigns, shall have the right to enter the protected property at reasonable times to inspect for compliance with the terms, conditions, and restrictions of this deed."
- (7) "Grantee shall not restrict Grantor's rights to engage in agriculture or forestry on the protected property, or Grantor's rights to permit others to engage in agriculture or forestry on the protected property, as

agriculture and forestry are defined in Tenn. Code Ann. §§ 1-3-105 (2023), 11-4-103 (1986), and 43-1-113 (2014), provided that such agricultural or forestry activities conform with applicable federal and state law or regulation.”

- (8) “The terms and provisions of this deed shall be interpreted in accordance with the laws of the State of Tennessee, including Tenn. Code Ann. § 43-1-110 (2025).”
- (9) A clause prohibiting use or improvement of the protected property that may irreparably harm the agricultural or forestry use of the property, to include limitation of impervious surfaces on the protected property to no more than five percent of its area, when applied in conformance with Tenn. Code Ann. § 43-1-110 (2025):

“Grantor is prohibited from using or improving the protected property in a manner that irreparably harms the agricultural or forestry use of the property, and impervious surfaces shall not exceed ____ percent of the protected property, when applied in conformance with Tenn. Code Ann. § 43-1-110 (2025), excluding public roads or utilities.”
- (10) “On-site energy production is permitted for localized needs of the protected property. Structures or facilities with a primary purpose for commercial production of energy are prohibited.”
- (11) “If the fee and the easement interest in the protected property become vested in the same party the doctrine of merger shall not operate to extinguish this easement. Within 180 days of acquiring ownership of the fee and the easement interest, the Grantee, Grantor, or any successor thereof shall transfer the fee or the easement, but not both, to a third party. The easement interest may be transferred only to a third party that at the time of transfer is a qualified easement holder under Tenn. Code Ann. § 43-1-110 (2025) and expressly agrees to assume the obligations imposed on Grantee by this deed. If the Grantee fails to timely transfer the fee or the easement in accordance with this provision, the State of Tennessee may petition a court of competent jurisdiction for transfer of this deed, and the rights and obligations created hereunder, to a qualified easement holder under Tenn. Code Ann. § 43-1-110 (2025) that agrees to assume the obligations imposed on the Grantee by this deed.”
- (12) “In the event of conflicting terms, terms of this exhibit shall supersede any other terms of this deed.”

Authority: T.C.A. §§ 4-3-203 and 43-1-110.

0080-01-04-.09 EASEMENT EXTINGUISHMENT OR LOSS.

- (1) A conservation easement under the program may be extinguished only pursuant to lawful condemnation or by judicial order applicable under state or federal law.
- (2) Payment to department of proportionate value.
 - (a) If at any time a holder receives payment relative to the extinguishment or loss of an easement interest funded under the program, the holder shall within 90 days of receiving the payment pay to the department its proportionate value of the funds received.
 - (b) The department’s proportionate value remains constant over time, equal to the amount of funds the department supplied for purchase of the easement relative to the parcel’s appraised value at that time. The department’s proportionate value of funds received is that percentage multiplied by the amount of funds the holder received for extinguishment or loss of the easement interest. E.g. if at the time of enrollment the department funded the purchase of an easement at \$400,000 on a parcel valued at \$1,000,000, and the easement is later extinguished and the holder receives \$2,000,000 for the extinguishment, the holder shall pay to the department \$800,000: $\$400,000 / \$1,000,000 = 0.4 \times \$2,000,000 = \$800,000$.

- (3) Nothing in this rule shall apply relative to condemnation payments by the State of Tennessee. All other condemnation payments, e.g. by cities, counties, other municipalities, federal authorities, and utility districts, etc., shall be subject to this rule.

Authority: T.C.A. §§ 4-3-203 and 43-1-110.

CHAPTER 0080-04-02 DAIRY

0080-04-02-.01 Scope	0080-04-02-.05 Uniform Code System for Product Identification
0080-04-02-.02 Definitions	
0080-04-02-.03 License Application and Fees	0080-04-02-.06 Violations
0080-04-02-.04 Grade "A" Pasteurized Milk Ordinance	

0080-04-02-.01 SCOPE.

- (1) This chapter applies to any person who, in commerce, produces, stores, transports, handles, processes, packages, or labels dairy products, trade products, or bulk milk for use in producing dairy products or trade products.
- (2) The department shall not refund fees for early termination of any license issued under this chapter.
- (3) Licenses issued under this chapter are not transferable from person to person or location to location.

Authority: T.C.A. §§ 4-3-203 and 53-3-104.

0080-04-02-.02 DEFINITIONS.

- (1) Terms in this chapter share those meanings of terms in T.C.A. title 53, chapter 3, otherwise referenced as the Dairy Law of the State of Tennessee.
- (2) When used in this chapter, unless the context requires otherwise:
 - (a) Act means the Dairy Law of the State of Tennessee;
 - (b) Adulterated milk has the same meaning as T.C.A. § 53-1-104 and includes any milk into which a foreign substance has been added or introduced. For purposes of this definition, any milk, a sample of which is collected according to protocols established by the department and determined to have a cryoscope reading of greater than -0.528 H, is adulterated by the presence of added water;
 - (c) Commerce or similar words mean involving payment for an item or payment for services incident to production of the item;
 - (d) Mix means the pasteurized unfrozen combination of two or more ingredients permitted in a frozen dessert with or without fruits, fruit juices, candy, baked goods and confections, nut meats, or other ingredients, food additives, or food colorings; and,
 - (e) Pasteurized Milk Ordinance or PMO means the most current edition of the Grade "A" Pasteurized Milk Ordinance, as published by the United States Food and Drug Administration.

Authority: T.C.A. §§ 4-3-203 and 53-3-104.

0080-04-02-.03 LICENSE APPLICATION AND FEES.

- (1) Applicants for any license under this chapter must submit required information on forms provided by the department, which may include:
 - (a) Name of the applicant;
 - (b) Date of birth of any applicant who is an individual or a partner in a general partnership;
 - (c) Proof of registration in its state of incorporation for any applicant that is a formalized business entity;
 - (d) Contact information for applicant, to include name of person legally responsible for applicant's operations, telephone number, email address, and address of principal place of business;
 - (e) Address of location to be licensed; and,
 - (f) Other information as required by the department.

- (2) Applicants for a license shall include with their application payment of an annual license fee as appropriate for the following categories of licenses.
 - (a) Dairy Products Plant/Trade Products Plant. The annual fee for a dairy products plant or trade products plant license is determined based on the greater of either the combined weight of milk and cream received or the output of dairy and trade products produced by the applicant, during the previous calendar year (January 1 – December 31), provided that \$200 shall be the minimum fee for any dairy products plant or trade products plant issued by the department.
 1. Up to 10,000 pounds and plant operated less than six months: \$200.
 2. Up to 10,000 pounds and plant operated six months or more: \$400.
 3. More than 10,000 pounds up to 30,000,000 pounds: \$750.
 4. More than 30,000,000 pounds: \$750 per each 30,000,000 pounds milk and cream received or dairy and trade products produced.
 - (b) Frozen Dessert Manufacturer. The annual fee for a frozen dessert manufacturer license is determined based on the volume of mix used by the applicant during the previous calendar year (January 1 – December 31), provided that \$200 shall be the minimum fee for any frozen dessert manufacturer license issued by the department.
 1. Up to 5,000 gallons and manufacturer operated less than six months: \$200.
 2. Up to 5,000 gallons and manufacturer operated six months or more: \$400.
 3. More than 5,000 gallons up to 100,000 gallons: \$500.
 4. More than 100,000 gallons up to 1,650,000 gallons: \$750.
 5. More than 1,650,000 gallons: \$750 per each 1,650,000 gallons of mix used.
 - (c) Distributor. The annual fee for a distributor license is \$25 multiplied by the number of trucks used by the applicant for distribution of dairy products, trade products, or frozen desserts during the previous calendar year (January 1 – December 31).
 - (d) Sampler. The annual fee for a sampler license is \$25. However, no license fee is required for a sampler employed exclusively by a licensed dairy products plant, trade products plant, or frozen dessert manufacturer.
 - (e) Tester. The annual fee for a tester license is \$50. However, no license fee is required for a tester employed exclusively by a licensed dairy products plant, trade products plant, or frozen dessert manufacturer.

- (f) Dairy Farm. A dairy farm permit is required annually for any person who produces bulk milk or dairy products in commerce. Annual fees for dairy farm permits are not required.
- (3) Licensees must notify the department of any changes to the contents of their application on file within 30 days after the change takes place, including any change of contact information.
- (4) Licenses issued under this chapter expire on June 30 of the licensing cycle for which they are issued. Applicants for renewal must submit to the department on or before the following July 1 payment of the annual license fee. If an applicant for renewal fails to pay the annual license fee by the following July 16, the applicant shall also be required to pay a 50% late charge for the license prior to its renewal.
- (5) The department may deny any application for licensure that is not completed in full or that is not completed in conformance with this rule.

Authority: T.C.A. §§ 4-3-203, 43-1-703, 53-3-104, 53-3-105, and 53-3-106.

0080-04-02-.04 GRADE "A" PASTEURIZED MILK ORDINANCE.

- (1) The department adopts by reference all substantive provisions of the Pasteurized Milk Ordinance, as applicable to commercial production, storage, transportation, handling, processing, packaging, or labeling of dairy products, trade products, or bulk milk.
- (2) No portion of the Pasteurized Milk Ordinance may be relied upon for administrative procedures or regulatory enforcement actions of licensees. Administrative procedures and regulatory actions with respect to licensees must conform with state law, including but not limited to requirements of the Uniform Administrative Procedures Act and constitutional protections of due process.

Authority: T.C.A. §§ 4-3-203 and 53-3-104.

0080-04-02-.05 UNIFORM CODE SYSTEM FOR PRODUCT IDENTIFICATION.

- (1) All product plants must display on all dairy and trade product consumer packages plant numbers in the following format:
 - (a) Plant numbers employ five digits. The first two digits are 47 and must be separated from the last three digits by a dash, e.g. 47-000.
 - (b) The third digit represents the type of operation for which the number is issued. Number 1 indicates a fluid milk or Grade "A" plant operation, e.g. 47-100. Number 2 indicates a frozen dessert manufacturer, e.g. 47-200. Number 3 indicates any other manufacturing plant operation, e.g. 47-300.
 - (c) The fourth and fifth digits identify the individual plant.
- (2) If a product is processed by one company and distributed by another, the name and address of the processor or the distributor must be included on the information panel of the product and the name and address must correspond with the plant number included on the product. If a processor operates more than one plant, in lieu of the actual address of the product plant the processor may include the address of its office headquarters.
- (3) A person shall not produce or move in commerce consumer packages of dairy products or trade products unless they include individual plant numbers, authorized by the department and legible as displayed on the consumer package.

Authority: T.C.A. §§ 4-3-203 and 53-3-104.

0080-04-02-.06 VIOLATIONS.

- (1) A person is responsible for violations of the Act or this chapter when committed by either the person or their agent.
- (2) Each violation of the Act or this chapter is grounds for issuance of hold or destruction orders for any dairy product or trade product held by the violator or their agent; denial, suspension, or revocation of any license or registration issued by the department; actions for injunction; imposition of civil penalties; and/or pursuit of criminal charges against the violator.

Authority: T.C.A. §§ 4-3-203 and 53-3-104.

Amendment

CHAPTER 0080-01-01
ADMINISTRATIVE ACTIONS AND PROCEEDINGS

0080-01-01-.01 Civil Penalties
0080-01-01-.02 Hearings
0080-01-01-.03 Notice

0080-01-01-.04 Petitions for Declaratory Order
0080-01-01-.05 Worthless Checks

Chapter 0080-01-01 Rules and Regulations Concerning Aid to Agricultural Fairs is amended by retitling the chapter Administrative Actions and Proceedings.

Authority: T.C.A. § 4-3-203.

Rules 0080-01-01-.01 through 0080-01-01-.03 are amended by deletion in their entirety and substituting instead the following language so that, as amended, the rules shall read:

0080-01-01-.01 CIVIL PENALTIES.

- (1) Schedule. For violation of each statute, rule, or order under the administrative charge of the department, the department may enforce a minimum penalty of \$0 up to a maximum penalty of \$500, in addition to any other statutorily authorized penalties.
- (2) Boards and commissions administratively attached to the department may assess civil penalties under their jurisdiction on the same schedule as the department: minimum \$0; maximum \$500. The department may provide administrative support to the boards and commissions in enforcing and collecting civil penalties assessed.
- (3) Civil penalty amount.
 - (a) In determining the amount of a civil penalty, the department, board, or commission assessing the penalty may consider any factor, including but not limited to:
 1. Mental culpability of the violator, e.g. negligence, recklessness, knowledge, or intent;
 2. History and frequency of violations committed by the violator;
 3. Risk of potential injury to persons or property arising out of the violation;
 4. Magnitude of actual harm caused by the violation; and,
 5. Corrective actions taken by the violator to prevent future violations.
 - (b) The department, board, or commission may waive any portion of an assessed penalty for good cause shown.

Authority: T.C.A. § 4-3-203.

0080-01-01-.02 HEARINGS.

- (1) For any hearing before the department or any board or commission administratively attached to the department, the department adopts as procedural rules for the hearing Tenn. Comp. R. & Regs. 1360-04-01, provided that the commissioner, his or her designee, or an administrative law judge over the matter may upon reasonable notice to the parties amend or waive any procedural requirement when necessary in the interest of equity and expediency of the parties.
- (2) This rule shall apply to:

- (a) Contested case hearings required under the Uniform Administrative Procedures Act;
 - (b) Hearings required under enabling legislation for any license issued by the department;
 - (c) Petitions for declaratory order under T.C.A. § 4-5-223; and,
 - (d) Hearings before a board or commission administratively attached to the department.
- (3) This rule shall not apply to:
- (a) Informal reviews among parties for the purpose of exploring informal resolution of a matter;
 - (b) Public hearings held as part of the department's rulemaking process under the Uniform Administrative Procedures Act;
 - (c) Opportunities for an affected party to explain under the enabling legislation why an administrative action should not proceed;
 - (d) Motions before administratively attached boards and commissions for purposes of conducting business; and,
 - (e) Any other opportunity to be heard before the commissioner not listed in paragraph (2) of this rule, provided that the commissioner may in his or her discretion and upon notice to the parties enlist regulations adopted under paragraph (1) of this rule for the conduct of hearing on any matter.

Authority: T.C.A. § 4-3-203.

0080-01-01-.03 NOTICE.

- (1) Notwithstanding adoption of standardized procedural rules for hearings, notice of an enforcement action against any person licensed by the department is presumed properly served upon mailing of notice to the person's address of record with the department. This rule applies to any action by the department including but not limited to assessment of a civil penalty, issuance of notices affecting licenses, and conduct of hearings.

Authority: T.C.A. § 4-3-203.

CHAPTER 0080-01-04
FARMLAND PRESERVATION

0080-01-04-.01 Scope	0080-01-04-.06 Payment Maximums and Cost Limitations
0080-01-04-.02 Definitions	0080-01-04-.07 Ongoing Holder Requirements
0080-01-04-.03 Minimum Requirements	0080-01-04-.08 Deed Provisions
0080-01-04-.04 Application Process and Scoring	0080-01-04-.09 Easement Extinguishment or Loss
0080-01-04-.05 Valuation and Process to Close	

Rule 0080-01-04-.01 Worthless Checks is amended by deleting the rule in its entirety and substituting instead the following language so that, as amended, the rule shall read:

0080-01-04-.01 SCOPE.

- (1) The farmland preservation program facilitates enrollment of conservation easements that are applied for jointly by landowners and qualified easement holders, to be granted in perpetuity with the holders. The program competitively selects applications that present the greatest opportunities for preservation of high value agricultural or forest land and provides grant funding to selected applications for a portion of: the

current market value of the parcel's development rights and reimbursement of costs associated with enrolling the easement.

- (2) This chapter applies to any person who applies for grant funding through the program; any holder of a conservation easement that was enrolled with funding provided under the program; and each easement funded through the program.

Authority: T.C.A. §§ 4-3-203 and 43-1-110.

DIVISION 0080-03
BUSINESS DEVELOPMENT

Division 0080-03 Dairy is amended by retitling the division Business Development.

Authority: T.C.A. § 4-3-203.

Repeal

CHAPTER 0080-01-02
REPEAL

Chapter 0080-01-02 Administrative Action is repealed in its entirety.

Authority: T.C.A. § 4-3-203.

CHAPTER 0080-01-03
REPEAL

Chapter 0080-01-03 Civil Penalties is repealed in its entirety.

Authority: T.C.A. §§ 4-3-203 and 43-21-110.

CHAPTER 0080-03-01
REPEAL

Chapter 0080-03-01 Dairy is repealed in its entirety.

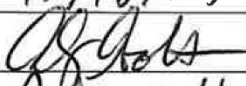
Authority: T.C.A. §§ 4-3-203 and 53-3-104.

CHAPTER 0080-03-08
REPEAL

Chapter 0080-03-08 Dairy Licensure is repealed in its entirety.


Authority: T.C.A. §§ 4-3-203 and 53-3-104.

I certify that the information included in this filing is an accurate and complete representation of the intent and scope of rulemaking proposed by the agency.

Date: 12/18/25
Signature: 
Name of Officer: Andrew H. Holt
Title of Officer: Commissioner

Department of State Use Only

Filed with the Department of State on: 12/19/2025


Tre Hargett
Secretary of State

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