



American Farmland Trust

- National nonprofit founded in 1980
- Funded by private donations, grants and consulting contracts
- Mission: To stop the loss of productive farmland and promote sound stewardship of the land



Outline

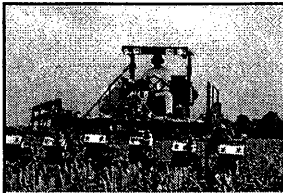
- Conservation Easements
- New York State Farmland Protection Program
- Financial Benefits of Conservation Easements
- Resources for Further Information





Conservation Easements

- Legal agreement between a landowner and a land trust or government agency that permanently limits uses of the land in order to protect its conservation values.
- Enabled by Article 49 Section 3 of the NYS Environmental Conservation Law (ECL)



Conservation Easements

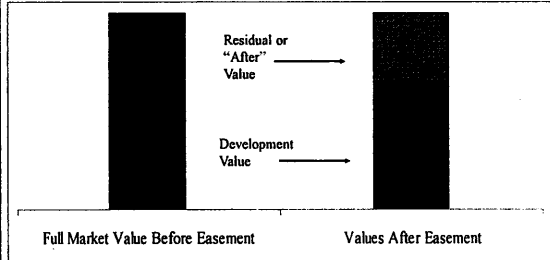
- Permanently extinguishes right to use property in ways incompatible with conservation purposes
 - "Purchase of Development Rights"
- Easement recipient monitors and enforces
- Property remains in private ownership and on tax roll



Conservation Easements

- Ways to Convey Permanent Conservation Easements
 - Purchase
 - Donation
 - Combination ("Bargain Sale")

Easement Valuation




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For example

150 Acre Farm

	Per Acre	Total
Full Market Value:	\$3,500	\$525,000
- Ag (After) Value:	\$500	\$ 75,000
Development		
Rights Value:	\$3,000*	\$450,000

Will Differ by Town and Parcel


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Agricultural Conservation Easements

Purpose Statement

- ✓ Protect Agricultural Soils;
- ✓ Protect Agricultural Viability;
- ✓ Protect Agricultural Productivity.
- ✓ Protect Other Conservation Values:
 - ✓ Wildlife Habitat, Water Quality
 - ✓ Scenic Landscapes, Historic Values


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Agricultural Conservation Easements

- ✓ Limit future non-farm use of the land
- ✓ Encourage the business of farming
- ✓ Permit construction of new farm buildings and employee housing
- ✓ Do not require public access
- ✓ Landowner retains private ownership of the farm subject to the easement restrictions


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PDR Programs

- Federal
 - Managed by USDA NRCS
 - States, Counties, Towns or Land Trusts Can Apply
 - Pays for 50% of Project Costs
 - \$600 Million Authorized in 2002 Farm Bill
- State
 - 19 State Programs


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New York's Farmland Protection (PDR) Program

- New York State
 - Administered by Dept. of Ag & Markets
 - Towns & Counties Can Apply
 - Will Pay for 75% of Costs
 - 25% local match can be met in several ways
 - Annual Request for Proposals (RFP) Process
 - 2008-09 RFP
 - \$60 Million in Requests
 - \$30 Million Available (Cut to \$23 Million Feb. 09)
 - \$150 Million interested but not submitted to NYS


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New York's Farmland Protection (PDR) Program

- 25% Local Match requirement can be met as follows:
 - Landowner donation, eligible for charitable tax deduction and income tax credits
 - County or town can contribute to project costs or administrative costs
 - Private funding


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New York's Farmland Protection (PDR) Program

- Ranking Criteria – three main priorities
 - “Viable agricultural land”
 - Quality of the soil, total farm acreage available for production, level of demonstrated farm management
 - Significant development pressure
 - Can vary according to location
 - Buffer for significant natural public resource
 - Water resources, other protected lands, critical habitat


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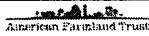
Benefits of Conservation Easements

- Voluntary
- Liquidates assets held in the land
- Protects land from development
- Maintains private ownership
- Can help facilitate intergenerational transfers
- Somewhat flexible documents that can be tailored to fit your needs


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Drawbacks of Conservation Easements

- Projects are expensive/local match isn't always available
- They take a long time to complete
- Do not ensure that the land will continue to be farmed
- Use of property is limited for the future
- PDR is subject to capital gains taxes


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Resources for Further Information

- American Farmland Trust
www.farmland.org
- Department of Agriculture and Markets
www.agmkt.state.ny.us
- Land Trust Alliance
www.lta.org


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Tax Benefits for Conveying a Conservation Easement

- Donation or Bargain Sale
 - Federal Income Tax Deduction for Donation
 - Historically: Up to 30% of AGI with 6 Yr. Carry Forward
 - For 08 & 09: Up to 50% of AGI with 15 Yr. Carry Forward*
 - 100% of AGI with 15 Yr. Carry Forward for Farmers*
- Donation, Bargain Sale or Purchase
 - NYS Conservation Easement Tax Credit (adopted 2006)
 - State Income Tax Credit = 25% of Property Taxes Paid on Protected Land Up to \$5,000 Per Taxpayer Per Year
- Property Tax Assessment – no change


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