

FAQs - GEORGIA FARMLAND CONSERVATION PROGRAM



What is a conservation easement?

A conservation easement is a voluntary legal agreement between a property owner and a land trust or governmental agency that restricts further development and activities that negatively impact the property's conservation values. Key components of conservation easements:

- 1 The landowner continues to own and manage the property. At a later date, the property can be transferred (i.e. sold or inherited) to another party, and the restrictive easement passes along with the property.
- 2 Each conservation easement is tailored to the particular property and to the goals of the landowner. A conservation easement can allow for a variety of uses including farming, hunting, and limited residences.
- 3 The rights retained by the landowner and the restrictions on land use are spelled out in the conservation easement, which becomes attached to the property's deed.



How is a standard conservation easement different from an agricultural conservation easement?

Conservation easements have been used for decades in Georgia and across the US to **provide private property owners the legal right to exert their preferences** for protecting various natural resource values of their land, while sometimes providing financial benefits for doing so as an incentive.

Conservation values are protected by extinguishing some property rights, such as mining and subdivision, while reinforcing rights such as passive recreation, agriculture, silviculture and some limited construction.

Agricultural conservation easements are a **type of conservation easement** aimed at protecting high value agricultural land and/or preserving agricultural use on the land. Such agricultural conservation easements establish conditions aimed at preserving agricultural use, recognizing the importance of farming as an economic activity, an important way of life for individuals and as a cultural component of a community, and as part of a larger area's beloved landscape. Such agreements establish conditions aimed expressly at preserving agricultural use on the land. This is a much narrower application than standard conservation easements which protect existing wildlife habitat, scenic views, and important water, soil, and air resources.

Reference: Georgia Soil and Water Conservation Commission (gaswcc.georgia.gov/conservation-easements)



Does a conservation easement always apply to the entirety of a property?

No. A property owner can negotiate a conservation easement on the whole or only part of a property.



Are conservation easements perpetual?

Yes, in Georgia and in most places across the country, conservation easements are perpetual. Most conservation easements are written to protect the conservation values of the land forever. Perpetual conservation easements ensure that the protected property continues to provide public benefits of high-quality farmland, clean air and water, wildlife habitat, and beautiful rural scenery for generations to come without the threat of losing those values to development. This allows landowners to be fairly compensated for giving up development rights on their property.



Is Georgia's Farmland Conservation Program a tax credit program?

No. Georgia's Farmland Conservation Program is a cash incentive program that offers property owners a one-time payment in exchange for foregoing future development rights on a property. This voluntary program, like other such state-wide programs across the US, aims to provide private property owners the legal right to exert their preferences for their property. Present and future owners continue to pay taxes as determined by the property's assessed value and the established millage rate. The Farmland Conservation Program will benefit farmland owners who want to protect their farm but may not be able to take advantage of a tax deduction or tax credit program.

It is important to note that 29 other states have long had agricultural conservation easement programs, often called Purchase of Agricultural Conservation Easement (PACE) programs. Just a few examples are programs in Texas, Florida, North Carolina, and Pennsylvania. The programs have in common the desire to protect agricultural activity on private property through conservation easements with financial incentives for farm landowners. The federal government provides matching dollars for states with such programs, allowing any state funding to go that much further in protecting agriculture acres; Georgia is currently missing out on significant federal matching dollars by not having such a program as some of our neighboring states.

Reference: Please see accompanying fact sheet on PACE programs created by the Georgia Conservancy and The Conservation Fund.



How is the value of development rights determined?

The value of development rights is determined through a specialized real estate appraisal process called a conservation easement appraisal. A conservation easement appraisal takes into account a variety of factors that bear upon the development potential of the land, such as current land use, established zoning laws and regulations, and development demand in the area. An appraiser uses this information to derive the market value for a property's

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development rights, which determines the payment to the property owner in exchange for establishing a conservation easement. As Georgia already has other conservation easement programs, a process currently exists within the State Properties Commission for establishing the value of such easements.



What is an example of an agricultural conservation easement transaction?

Establishment of an agricultural conservation easement might proceed in the following manner:

Farmer A enters into an agreement with a land trust or governmental agency to establish an agricultural conservation easement on their property. The easement is meant to restrict future development rights. An appraiser determines the fair market value of the development rights and a payment equal to that amount is made to Farmer A in exchange for attaching the agricultural conservation easement to the property. The purchase of development rights provides a monetary incentive to Farmer A that is a viable alternative to selling the property to a developer. After the conservation easement is attached, Farmer A and all future owners continue to contribute tax payments on the property as a function of its assessed value. The land remains in agricultural production, providing farming opportunities for the next generation of farmers.



What is the Conservation Use Valuation Assessment (CUVA)?

The Conservation Use Value Assessment, or CUVA, is **not a permanent conservation easement**.

The CUVA program establishes a ten-year covenant (or agreement) where a landowner pledges to maintain land in a qualifying use in exchange for property tax values based on the land's productivity, not the fair market value. **Property owners enrolled in CUVA do not receive a payment for their development rights.** Instead, they receive a stepped-down tax assessment allowed for important land uses in the state, including agricultural and timber production.

Landowners participating in Georgia's Farmland Conservation Program would receive both a cash payment for giving up development rights detailed in their easement and future property tax bills based on reduced development possibilities of that land.



Do properties enrolled in CUVA pay taxes?

Yes, land that is enrolled in the CUVA program continues to pay property taxes at a reduced rate equivalent to the land's productivity.



Does CUVA conflict with the Georgia Farmland Conservation Fund?

No. The Georgia Farmland Conservation Program will provide private property owners the legal right to exert their preferences for their property through voluntary sale of their development rights through placement of an agriculture conservation easement on their land. The Georgia Farmland Conservation Program is aimed at conserving productive farmland that is under development pressure.

Since most productive farmland in Georgia is already enrolled in CUVA, the addition of a conservation easement attached to that land is unlikely to affect the tax assessment or have a major impact on a county's tax revenue.

A farm enrolled in CUVA will remain in CUVA after the conservation easement attaches and the farmer will continue to contribute to the community's tax support. Present and future owners will continue to pay taxes as determined by the property's assessed value and the established millage for the property.



What happens to the farm with a conservation easement after the farmer wants to sell or passes away?

The conservation easement remains attached to the property in perpetuity, but the farmer retains the fee ownership to the property, meaning the farmer can sell the property or deed it to their heirs at any time.

PURCHASE OF AGRICULTURAL CONSERVATION EASEMENT PROGRAM



What Is a PACE program?

A Purchase of Agricultural Conservation Easement (PACE) program is a state-led initiative to partner with farmers who wish to protect the state's best farmland for future generations. By working with farmers seeking to voluntarily restrict their right to develop their farmland, a PACE program ensures that the best farmland for food production will stay farmable for Georgia's next generation of farmers.

What is an agricultural conservation easement?

An agricultural conservation easement is a voluntary permanent restriction of development rights on private property to ensure that farmland will continue to be used as a farm and not be fragmented, while contributing food and soil, air, water, and wildlife habitat for the community.

Why should Georgia have a PACE program?

Georgia's agriculture industry is the biggest economic driver in the state. A PACE program will ensure the industry's long-term viability while providing rural economic benefits and extend land protection to voluntary private landowners.

PACE programs coordinate with federal dollars and local matching funds to extend conservation objectives. The USDA allocates \$450 million per year in matching dollars for state farmland protection programs.

The Conservation Fund in Georgia has secured \$3.8 million of federal funds for farmland conservation over the next 5 years to match 1:1 with state and local programs.

National Farmland Protection Statistics:

29 state PACE programs
4.8 billion \$ in farmland value secured
3.2 million acres of farmland protected

How will Georgia farmers benefit?

As Georgia continues to expand its role as a leading agricultural state in the country, we need a robust state program that supports farmland protection. A PACE program would give Georgia's farmers an opportunity to generate on-farm revenue while retaining ownership and control of farming operations. The bottom line: PACE programs provide direct financial support for farmers, while simultaneously strengthening our state's top economic sector.

Benefits

- Preserves rural heritage
- Protects Georgia's #1 economic sector
- Expands wildlife habitat protection
- Expands water quality protection
- Provides small farmers with options for maintaining property

PURCHASE OF AGRICULTURAL CONSERVATION EASEMENT PROGRAM



How Can Georgia start a PACE program?

- 1** Work with GA Dept. of Agriculture to identify PACE program examples
- 2** Enact legislation to administer and fund a PACE program
- 3** Fund a pilot PACE program for 5 years, with \$5M/year in funding including program administration costs
- 4** Statewide partners conduct outreach to farmers to increase participation
- 5** Evaluate outcomes of land protection program to assess implementation strategies

Where have PACE programs been implemented?

PACE programs have been established in 29 states nationwide, several of which can be found in the southeastern U.S. Below are 4 programs in leading agricultural states that have been recognized for their successful implementation.

North Carolina

Impact

- Year enacted: 1999
- Farmland protected: 25,380 acres
- Funds spent: \$27.4 million



Florida

Impact

- Year enacted: 2001
- Farmland protected: 59,263 acres
- Funds spent: \$82.2 million



Virginia

Impact

- Year enacted: 2001
- Farmland protected: 23,074 acres
- Funds spent: \$17.0 million



Pennsylvania

Impact

- Year enacted: 1989
- Farmland protected: 591,819 acres
- Funds spent: \$1.07 billion

