



# Carroll County Agricultural Land Preservation Programs

Carroll County Ag Land Preservation ~ Rural Legacy Program ~  
MET ~ Carroll County Land Trust ~ Critical Farms Program

## Carroll County Agricultural Land Preservation Program

**Program Purpose:** To preserve the county's best agricultural land by compensating landowners for voluntarily, and in perpetuity, forgoing land development through a Deed of Conservation Easement recorded in the Carroll County Land Records.

**Type of Easement:** Agricultural conservation easement in perpetuity held by County.

**Payment Options:** **1.)** Installment Purchase Agreement (IPA) - pays twice yearly tax-free interest for 20 years (for 2016 the rate is 5%) with balloon payment of full purchase price at end of period; **2.)** Lump-sum payment - full purchase price paid at settlement.

**Eligibility Factors and Criteria:**

1. A minimum of 60 acres required, or, if fewer than 60 acres, must be more than 30 acres, and: a.) adjacent to a preserved farm; b.) have a minimum of 4 lot rights; and c.) may not request to retain any lot right. Properties of fewer than 30 acres are not eligible.
2. Properties must have at least 50% USDA Class I, II or III soil capability and/or Woodland Groups I and II.
3. All properties must have subdivision potential.
4. The application will be reviewed for approval by the Carroll County Agricultural Land Preservation Advisory Board. The Board of County Commissioners will vote on final approval.
5. All properties will be ranked by qualification, and lump-sum applicants must provide an asking price and compete with other lump-sum applicants.

**Limitations on Development:** No development for non-agricultural uses, but in certain instances, the original easement seller may reserve one future building lot.

**Potential Tax Benefits:**

- ◆ Income - The difference between the easement value and actual offer may be deemed a charitable contribution. For the IPA option, the twice-yearly interest payments are exempt from federal and state income taxes.
- ◆ Capital Gains - Capital Gains Taxes may be deferred until the end of the 20-year term, meaning more interest is earned off of the easement value.

**Easement Value:** For the IPA option, easement value is capped by the county at 40% of the Fair Market Value as determined by a formula appraisal, and for lump-sum, easement value is capped at 70% (or less) of the Fair Market Value as determined by a formula appraisal. For more information, see application.

**Stewardship:** Seller agrees to allow periodic inspection of the property and to establish forested stream buffers; conservation plan implementation required.

**For More Information:** Call Carroll County Agricultural Land Preservation, 410 386-2214.

<b>Carroll County Agricultural Land Preservation Program Installment Purchase Agreement (IPA) Sample</b>	
<b>Sample IPA Payment Schedule for a 100 - acre farm:</b> Sample Easement Value (Principal) - \$400,000 Sample Easement Value Per Acre- \$4,000	
<b>Year</b>	<b>TAX-EXEMPT YEARLY INTEREST PAYMENTS for a 20-Year Installment Purchase Agreement (Based on 5% Interest for 2016 Applicants)</b>
2016	\$20,000
2017	\$20,000
2018	\$20,000
2019	\$20,000
2020	\$20,000
2021	\$20,000
2022	\$20,000
2023	\$20,000
2024	\$20,000
2025	\$20,000
2026	\$20,000
2027	\$20,000
2028	\$20,000
2029	\$20,000
2030	\$20,000
2031	\$20,000
2032	\$20,000
2033	\$20,000
2034	\$20,000
2035	\$20,000
<b>Total Interest Payments</b>	<b>\$400,000</b>
<b>Principal Payment</b>	<b>\$400,000</b>
<b>Total Interest and Principal Payments</b>	<b>\$800,000 (\$8,000 Per Acre)</b>

# Carroll County Critical Farms Program

**Program Purpose:** To boost the local agricultural economy and land preservation by assisting farmers in the purchase of valuable farmland. The Critical Farms Program

provides up-front money to a farmer who is a contract purchaser of a farm.



**Type of Easement:** Purchase assistance obligates the applicant to enter into a permanent agricultural conservation easement. The buyer must have a current contract of sale to be eligible.

The Critical Farms Option Agreement requires the applicant to apply, for up to five years, to sell an easement on the property to the Maryland Agricultural Land Preservation Foundation (MALPF). Once an easement has been established, the MALPF program reimburses the County to assist other farmers in purchasing farmland. If the applicant does not receive an offer for easement sale after five years, he or she can either:

1. Give back Critical Farms funds and get out of the program all together, or
2. Keep the Critical Farms funds and establish a County easement on the property.

### **Eligibility Factors and Criteria:**

1. The property must be under a contract of sale.
2. Property must be at least 75 acres in size.
3. Property must have at least 50% USDA Class I, II or III soil capability and/or Woodland Groups I and II.
4. Property must contain development potential.

**Purchase Assistance:** The offer will be equal to 52.5% of the purchase price or appraised fair market value, whichever is lower.

**Stewardship:** Seller agrees to allow periodic inspections of the property and to implement a soil and water conservation plan and where applicable, a forest stewardship plan.

**For More Information:** <http://ccgovernment.carr.org/ccg/agpres/default.asp>. Call Deborah Bowers, Program Manager, at 410 386-2214.

# Maryland Rural Legacy Program

**Program Purpose:** To establish greenbelts of forests and farms around rural communities in order to preserve their cultural heritage and sense of place; to preserve critical habitat for native plant and wildlife species; to support natural resource economies such as farming, forestry, tourism and outdoor recreation; to protect riparian forests, wetlands, and greenways to buffer the Chesapeake Bay and its tributaries from pollution run-off.

**Type of Easement:** County/State purchased perpetual conservation easements.



**Eligibility Factors and Criteria:**

1. Properties are prioritized and must be located within the approved Rural Legacy Area. There are two approved Rural Legacy Areas in Carroll County: Little Pipe Creek in the northwestern portion of the County and Upper Patapsco Watershed in the northeastern portion.
2. Preference is given to properties over 30 acres, however, in some cases smaller properties may be considered.

**Limitations on Development:** Development for non-agricultural/natural resources uses are generally restricted, however in some cases the right to reserve an additional building lot may be permitted.

**Easement Value:** Easement value is determined by a formula based on development potential, parcel size, contiguity to existing easements, soils, and natural resources to be protected.

**Stewardship:** Seller agrees to allow periodic inspection of the property and establish forested stream buffers and adhere to a total resource management plan and forest stewardship plan.

**Method of Payment:** Landowners receive lump sum payments.

**More Information:** <http://www.dnr.state.md.us/land/rurallegacy/index.asp> or call Preservation Specialist Deborah Bowers of the Carroll County Agricultural Land Preservation Program at 410 386-2214.

## Carroll County Land Trust

**Easement Purpose:** To promote the preservation of farmland and open space in Carroll County through public education and donations of conservation easements that restrict the development of land and, the purchase of easements when grant funds are available.

**Type of Easement:** Donated perpetual conservation easement to the Carroll County Land Trust (CCLT). The CCLT is a private, nonprofit entity, and its programs are independent of Carroll County government.

**Eligibility Factors and Criteria:**

1. CCLT considers such factors such as cropland, pastureland, woodland, undisturbed open space, ecologically significant areas, scenic landscapes or features, historic sites and other significant or unique features.
2. A minimum of 20 acres is preferred, but exceptions will be considered on a case-by-case basis.

**Limitations on Development:** CCLT prefers no additional development except accessory structures. The right to reserve a very limited number of building rights will be considered on a case-by-case basis. Generally CCLT prefers to maintain a density of existing and proposed structures on the property substantially below what local zoning allows. Additional farming and residential accessory structures are typically allowed.



**Potential Tax Benefits:**

- ◆ Income – The difference between the easement value and easement offer may be deemed a charitable contribution. Congress approved a permanent enhanced Conservation Tax Incentive on December 18, 2015, retroactive to January 1, 2015.
- ◆ Property – County property tax credit

**Easement Value:** For tax purposes, easement value equals the Fair Market Value (FMV) of the unrestricted property minus the FMV of the property with easement restrictions in place. The easement value is determined by appraisals.

**Stewardship:** CCLT inspects each easement property periodically to ensure compliance.

**For More Information:** <http://www.carrollcountylandtrust.org/>

## Maryland Environmental Trust

**Easement Purpose:** To protect scenic open areas, including farm and forestland, wildlife habitat, waterfront, unique or rare areas and historic sites.

**Type of Easement:** Donated perpetual conservation easement to the Maryland Environmental Trust (MET).

**Eligibility Factors and Criteria:**

1. MET considers such factors such as cropland, pastureland, woodland, undisturbed open space, ecologically significant areas, scenic landscapes or features, historic sites and other significant or unique features.
2. A minimum of 25 acres is preferred.



**Limitations on Development:** MET prefers no additional development except accessory structures. The right to reserve a very limited number of building rights will be considered on a case-by-case basis. Generally, MET prefers to maintain a density of existing and proposed structures on the property substantially below what local zoning allows. Additional farming and residential accessory structures are typically allowed.

**Potential Tax Benefits:**

- ◆ Income - The difference between fair market value of the property unencumbered with a conservation easement and the fair market value after it is encumbered may be deemed a charitable contribution. Congress approved a permanent enhanced Conservation Tax Incentive on December 18, 2015, retroactive to January 1, 2015.
- ◆ Property - Assessed value of land for tax purposes is reduced to reflect restrictions of easement. Maryland law allows a 100% property tax credit (state & local).

**Easement Value:** For tax purposes, easement value equals the Fair Market Value (FMV) of the unrestricted property minus the FMV of the property with easement restrictions in place. The easement value is determined by appraisals.

**Stewardship:** MET inspects each easement property periodically (at least once every 4 years) to ensure compliance.

**For More Information:** <http://www.dnr.state.md.us/met/> or call Megan Benjamin, MET Central & Western Region Planner, at 410-514-7912.

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