



The Northern Neck Land Conservancy and the Virginia Farm Bureau Federation are working together to encourage land preservation. Saving farmland ensures that the essential industry of agriculture remains viable and our natural resources thrive, for the good of all Virginians.

Northern Neck Land Conservancy

For more information, please write or call us at:

P.O. Box 125, Lancaster, VA 22503

Telephone: (804) 462-0979

Fax: (804) 462-5232

nnlc@kaballero.com

www.nnconserve.org

Or visit the NNLC office at:

8424 Mary Ball Road,

Lancaster Courthouse

Lancaster, VA 22503

The Virginia Farm Bureau Federation

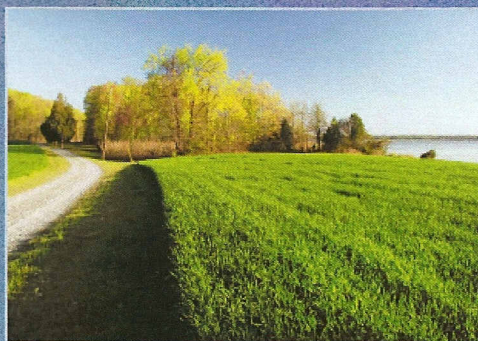
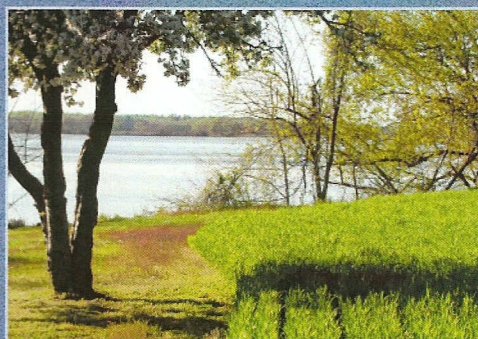
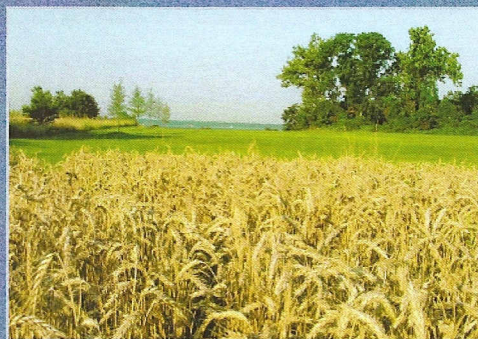
For more information, please call the following:

King George – 540-775-9650

Northumberland/Lancaster – 804-580-4422

Richmond – 804-333-4410

Westmoreland – 804-493-8004



PRESERVING FARMLAND for the FUTURE

Northern Neck Land Conservancy

Virginia Farm Bureau Federation

Farmland is a Resource We Can't Afford to Lose

The American Farm Bureau Federation has found that the biggest concern of young farmers across the nation is whether there will be enough farmland available in the future to stay in business. In Virginia's Northern Neck, cradled by the Chesapeake Bay and Potomac and Rappahannock Rivers, it is easy to see how quickly farmland is being converted into land for houses.

Once this precious farmland is paved over or changed into suburban neighborhoods, it's gone forever. And once the families who used to work this land are out of farming, no one will replace them. Eventually, less food will come from America and we will have to rely on foreign countries.

Residential development is advancing rapidly through the agricultural landscape of Virginia. Over the last 50 years, Virginia farmland has shrunk from 13.5 million acres to 8.5 million, according to the Virginia Department of Agriculture and Consumer Services.

Nationally, farmland is disappearing at an alarming rate of 2 acres per minutes, according to the American Farmland Trust. That's 120 acres per hour, 2,880 acres per day, 10,160 acres per week, and more than 1 million acres per year!

But there are steps that farmers and other landowners can take to ensure their land will not be lost. By donating or selling a conservation easement, people who care about their land gain the assurance that it will remain in farmland, forests, or open space. These landowners can also gain needed tax relief, make it easier to pass land on to the next generation,

and receive cash which they can invest back into their family or their farm.

What is a Conservation Easement?

A conservation easement is a simple legal agreement between a landowner and a government agency or a non-profit conservation organization that places permanent limits on the future development of the property in order to protect the conservation values of the land. The easement may also specifically protect natural, scenic or historic features of the property. Each easement is unique and is negotiated to meet a family's long-term needs. Under a conservation easement, landowners continue to own, use and control their property. The agreement will limit the amount of subdivision and residential development that can occur on the property, and in some cases, it may require buffers for streams or designated scenic areas.

What are the Benefits?

An easement will protect the land you love forever, preserving family farms, wildlife habitat, streams, open space, woodlands and scenic vistas. Landowners who willingly preserve their land are making a difference in their communities. They are keeping land available for the next generation of farmers, so that America can continue to produce abundant food, wood products and other fibers. They also protect important natural resources such as our region's drinking water supply. An easement donation can also motivate a landowner's neighbors to do the same, ultimately leading to the protection of larger landscapes in the local communities.

While most people donate easements primarily because of their love of the land and their desire to see it protected, there are also significant tax advantages associated with a donation. For many easement donors, this translates into substantial savings on their federal, state and local tax bills. In summary, these tax benefits include:

Tax Incentives

The following summary of land preservation tax benefits is provided for informational purposes only. Please consult your attorney and/or accountant for professional advice.

Federal Income Tax Deductions — The donation of a conservation easement is treated as a charitable gift. Donors can deduct the value of the easement, within certain limits, from their adjusted gross income. An appraiser will calculate the value of the easement, by assessing the value of the donor's land before the easement is given, then subtracting the value of the land after the easement is donated. The current federal tax deduction is 30 percent per year for up to six years or until all the deduction is used up, whichever comes first. This is subject to change and your tax advisor should be consulted for current tax laws.

State Income Tax Credit — When a landowner permanently preserves property, he or she may also be eligible to receive a Virginia income tax credit of 40 percent of the value of the restriction. The landowner may use the credit to offset taxes owed and sell any unused portions of the credit to other Virginia taxpayers. Because the tax credit can be sold to other Virginia taxpayers, this benefit is particularly useful for people who do not have large taxable incomes.

Estate Tax Benefits — Estate taxes can make it difficult for landowners to pass land on to their children. Heirs may be forced to sell all or part of their land in order to meet their tax obligations. This is because estate taxes owed can represent a significant percentage of the value of the property. Land preservation can significantly lower estate taxes in two ways: (1) since the easement reduces the value of the property, the estate taxes will be lower; and (2) other reductions in estate taxes associated with inheritance of land under easement may also be available.

Property Tax Benefits — In Virginia counties where use value taxation is in place, land subject to a conservation easement is usually entitled to taxation at use value rates.

Can I Be Paid for Preserving My Land?

While the majority of properties placed under easement are donated, some federal agencies and private conservation organizations do purchase easements from landowners for protection of specific environmental values.

Through the USDA Conservation Reserve Enhancement Program (CREP), farmers can also be reimbursed for protecting water quality. Under the terms of a CREP agreement, which can be temporary or permanent, farmers may limit livestock access to riparian areas, restore wetlands, and/or establish buffers of mixed hardwood forest or warm-season grasses near streams, wetlands and sinkholes. Cost-sharing is available to help pay for fencing, watering facilities, hardwood tree planting, filter strip establishment and wetland restoration. A flat

rate incentive payment is also available for placing a permanent "riparian easement" on the enrolled area.

Who Accepts Conservation Easements?

In Virginia, easements can be donated to a number of public and private entities. The vast majority of conservation easements are donated to the Virginia Outdoors Foundation (VOF), a state agency established by the Virginia General Assembly to hold easements in public trust. In special cases, the Virginia Department of Historic Resources and the National Park Service may also accept easements. Additionally, easements can be held by certain qualified non-profit conservation organizations. The Northern Neck Land Conservancy (NNLC) may hold easements in the future, but it currently concentrates on assisting landowners in making their decisions about land conservation. There are advantages to state-held easements, but NNLC has also worked with landowners who decided to place their easements with the Chesapeake Bay Foundation, Ducks Unlimited, or The Nature Conservancy. Soil and Water Conservation districts may also hold easements.

How Do I Preserve My Property?

A good first step is to contact NNLC. Our knowledgeable staff can help you evaluate what program may work best for you and guide you through the process you choose. As the process proceeds, you will also want to work with a lawyer and financial advisor to help with the decision-making process. NNLC maintains a list experts.

Another valuable tool in farmland preservation is the **Virginia Farm Link Program**, which is administered by the Virginia Department of Agriculture and Consumer Services (VDACS) Office of Farmland Preservation. This program is designed to help retiring farmers and landowners who want to see their businesses continue and their land stay in production.

As part of this program, VDACS is administering an online database designed to help link farmers who want to retire with aspiring farmers who need land, equipment and experience. The Farm Link database is located at www.vafarmlink.org. Summary information provided by each farm owner can be viewed on the site, and registered farm seekers can e-mail their information directly to farm owners through the database. For more information on the Virginia Farm Link Program, please contact the Office of Farmland Preservation at 804-786-1346 or e-mail Kevin. schmidt@vdacs.virginia.gov.

