



Agricultural Conservation Easements

What is an Agricultural Conservation Easement?

“Agricultural Conservation”

Preservation and protection of agricultural lands from conversion to non-agricultural uses.

“Easement”

An interest in land owned by another that entitles the easement holder to specify or limit uses of the land.

A conservation easement is a legal agreement between a voluntary landholder and a land trust or government agency. The agreement permanently

restricts specific types of development in exchange for financial benefits. Agricultural conservation easements benefit our communities by permanently safeguarding agricultural lands. The farm or ranch remains in private ownership for agricultural and/or other permitted uses.



How does it work?

The easement transfers some or all of the development rights from the landholder to a qualified nonprofit land trust or government agency (easement holder). The landholder and the easement holder create an agreement that supports agriculture, identifies current and future building sites, and meets legal standards. Easement values commonly range from 20% to 50% of the full property value.

The terms of the easement are voluntary and recorded with the county in an easement deed. The county's assessed value of the land, and thus property tax, may lower to reflect the reduced capacity to develop the land. Conservation easements are perpetual (forever) and remain with the land when it is sold, much like a utility or road easement.

Expectations of the Landholder

The landholder will manage their property for agriculture and determine their own farming or ranching methods within the terms of the easement.

Expectations of the Easement Holder

The easement holder is responsible for monitoring the property annually and enforcing the terms of the conservation easement.

What does it cost?

The costs to place a conservation easement on farmland or rangeland include those typical of a real estate transaction, such as appraisals, surveys, legal review, etc. Costs unique to conservation easements include



a baseline condition report and funding for ongoing annual monitoring. Some of these costs are paid by the landholder, and others by the easement holder.

Benefits of Agricultural Conservation Easements on Farmland and Rangeland

- An agricultural conservation easement can reduce the cost of land for farmers or ranchers to buy or lease.
- Agricultural conservation easements can lead to the reduction of greenhouse gas emissions.
- The climate benefits of intact farmland and rangeland, including its ability to capture and store atmospheric carbon, are lost when the land is converted to urban or other non-agricultural development. An acre of urban land emits 70 times more greenhouse gas emissions than an acre of irrigated cropland. (*University of California, Davis, 2013*)

Scenarios using Conservation Easements to Reduce the Cost of Purchased or Leased Land

- A landholder sells or donates a conservation easement on land they own. The landholder benefits from the cash sale or tax deduction. Future property taxes are reduced as a result of the lowered land value.
- A landholder leases land they've placed in a conservation easement to a farmer or rancher at a reduced rate because their ownership costs are lower due to the decreased tax rates.
- A rancher or farmer purchases land at market value, then sells or donates a conservation easement. The rancher or farmer benefits from the cash payment or tax deduction. Future property taxes are reduced as a result of the lowered land value.
- A rancher or farmer purchases land that already has a conservation easement on it. They pay a reduced price, as a result of the lowered land value.



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