

# PACE— Purchase of Agricultural Conservation Easements

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## Wisconsin Working Lands Initiative

July 2009

The PACE program provides state funding for the purchase of agricultural conservation easements. The Department of Agriculture, Trade and Consumer Protection (DATCP) will provide funding to cooperating local entities (local governments or non-profit organizations) for the purchase of easements from willing landowners. Local entities purchase the easements and may be reimbursed for up to 50 percent of the easement cost by the PACE program. The state and local entities will then be co-holders of the easement. PACE funded easements are intended to strengthen areas that have been planned and designated as local farmland preservation areas in a certified county farmland preservation plan. Agricultural conservation easements may also provide additional protection to areas that have been designated as agricultural enterprise areas.

### What is an Agricultural Conservation Easement?

An agricultural conservation easement prohibits development that would make the land unavailable or unsuitable for agricultural use. Easements are voluntary and allow a landowner to be compensated for limiting development on his or her farmland. Easements are permanent and are carried over to subsequent landowners if the property is sold. With an agricultural conservation easement, a landowner continues to pay property tax on the land at the current required rate.

### What does it mean to have an easement on my land?

Land with an agricultural conservation easement cannot be developed for any purpose that would prevent the land from being used for agriculture. Land with an agricultural conservation easement will remain on property tax rolls.

With an agricultural conservation easement on the property, a landowner will continue to:

- Privately own and manage the land;
- Keep farming the land;
- Keep the title to the property;
- Be eligible for the farmland preservation income tax credit (if standards are met for tax credit eligibility);
- Control public access

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## When can I apply for an easement?

Application materials for interested landowners may not be available until fall of 2009. After a request for proposals is made by the department, the cooperating local entity can submit easement proposals to DATCP. Landowners should contact their cooperating local entities if they are interested in an agricultural conservation easement for their land.

## What are the easement criteria for receiving state PACE funds?

PACE funds can be used as long as the proposed land is located in a farmland preservation area as identified in a certified county farmland preservation plan. Landowners must be willing to relinquish the easement or development rights. Proposed easements must protect or enhance waters of the state or other public assets and the location of the easement should be consistent with county and local farmland preservation plans.

Easements considered for PACE funding will be also judged based on the ability to:

- Preserve agricultural capacity and conserve important or unique agricultural resources
- Be consistent with county and local farmland preservation zoning
- Enhance an agricultural enterprise area, as designated by the state
- Be practical and consistent with other methods of land preservation
- Be close to other protected lands or enhance other protected lands
- Be cost effective
- Be in danger of conversion from agricultural use

## How will the PACE approval process work?

- An interested landowner applies to the local cooperating entity for easement consideration.
- A local government or non-profit organization submits a proposal for an easement. DATCP will solicit proposals at least annually, in consultation with the PACE council.
- After preliminary approval by DATCP and the PACE council, the cooperating entity must submit the following information to DATCP:
  - A copy of the legal document used to convey the easement
  - An appraisal of the fair market value of the easement by a state-certified appraiser commissioned by the cooperating entity
  - Easement purchase cost
  - Estimate of the reimbursable transaction costs (incurred by cooperating entity)
  - A complete title search
  - Documentation showing that any material defects or conflicting property interests have been resolved
  - After receiving this information, DATCP will enter into a contract with the local cooperating entity for the purchase of the easement