Frequently Asked Questions About Easements on CREP Land

The CREP Memorandum of Agreement between USDA and the State of Maryland authorizes the continuation of a "voluntary program for the purchase of perpetual easements for Conservation Reserve Program (CRP) land." The following are some of the most frequently asked questions regarding this type of perpetual conservation easement.

1. What is a perpetual CREP easement?

A perpetual Conservation Reserve Enhancement Program (CREP) easement is a written legal agreement between a landowner and the State of Maryland in which there is an acquired permanent interest in the land to install or maintain conservation practices that protect water quality and natural resources. The easement option is available only to landowners who have an existing federal CREP or CRP contract and who have installed the prescribed CREP or CRP conservation practice(s). After the federal contract expires, the landowner agrees to keep the land in an approved conservation practice as defined in a conservation management plan or forest stewardship plan forever. The conservation values of the property and the restrictions that preserve those values, along with the rights reserved by the landowner, are detailed in a legal document known as a conservation easement. This document is filed with the county land records. The conservation easement is conveyed to a government agency or nonprofit conservation organization qualified to hold and enforce easements. These conditions and rights apply to the current owner and all future landowners, permanently protecting the property and instituting a stewardship ethic that passes through the generations. Each conservation easement is unique, specifically tailored to the particular land being protected as well as to the particular situation of the landowner. The restrictions on land use are specified in the easement and generally state that the land must be maintained in the vegetation type indicated in the conservation plan. No structures may be built on the lands enrolled.

2. Who administers the CREP easement program in Maryland?

Maryland Department of Natural Resources (DNR) administers the CREP permanent easement program. DNR is assisted by a number of local government and non-government organization sponsors.

3. Are all landowners who have a current federal CREP contract eligible for a CREP easement? Yes, all landowners in every County are eligible. (Prior to January 2024, not all counties were eligible.)

4. Why should I consider a CREP easement?

A CREP easement ensures that your decisions about wise use of your land *remain unchanged*. Easements pass with ownership, so efforts to protect water quality & wildlife habitat continue even if you don't control the land. There also may be tax advantages to an easement. By removing the land's development potential, the easement also lowers the market value, which in turn lowers estate tax, allowing the next generation to continue to own the land.

5. What amount of money can I expect if I sell a perpetual easement?

Values are determined by an easement valuation system, which takes into account the current fair market value of the property, the size of the buffers, the number of CREP/CRP contract and match acres, and whether or not the whole farm is protected.

6. How many acres can I enroll?

Landowners can be compensated for all the acres they have in a current CREP or CRP contract, and "match acres". Match acres are capped at 10 times the acres in the CREP or CRP contract. Landowners can also

include "additional acres" which are not compensated; however, if the whole farm is put under easement, a higher per-acre payment will be allocated on the contract and match acres.

7. What type of adjoining land qualifies as match acres?

Match acres can only be hayfields, pasturelands, and forestlands. Developed areas and plowed or cultivated lands do not qualify as match acres; however, the Department of Natural Resources encourages adding developed and cropped lands into the easement as "additional acres" in order to get complete protection for an entire farm

8. What restrictions are included in a perpetual easement?

First, conservation values are defined and then restrictions are created to protect those values. Typically, easements prohibit development, commercial or industrial uses, mining, construction of buildings or roads, utilities, and activities on the property that might interfere with the conservation purpose that are defined in the conservation or forest stewardship plan.

9. Will the public have access to the land under the easement?

No. The public will not have access to the easement land. Permission to access land protected by a CREP Easement is at the discretion of the landowner.

10. Will the easement restrict use of portions of my property not included in the easement?

No. The Easement does not restrict use of portions of your property not included in the Easement.

11. What are the effects of an easement on a landowner's property rights?

A landowner retains all rights to the property not specifically restricted or relinquished by the easement. The landowner still owns the land and has the right to use it for any purpose that is consistent with the easement; the landowner may also sell, transfer, or leave the land through a will.

12. What obligations come with an easement?

The landowner remains responsible for the land—for its maintenance and upkeep, for paying taxes, and for otherwise meeting the typical obligations of landownership. Conservation easements add only a few further requirements:

- To notify the easement holder of proposed changes to the property
- To allow annual monitoring visits
- To notify the easement holder when selling or transferring the property
- To comply with the restrictions in the easement

13. What are the benefits of a conservation easement?

Conservation easements can be a cost-effective tool to protect increasingly threatened land and water resources and preserve wildlife habitat. Conservation easements can give landowners peace of mind, knowing that their commitment to protecting their unique land will be forever respected and remain an enduring legacy for their family and their community. Easements may provide financial benefits by reducing a landowner's tax obligations as previously mentioned.

14. How will this affect a future sale, or inheritance of the land?

You can sell, mortgage, or otherwise transfer the property in every normal fashion; at the same time, it remains subject to the restrictions of the CREP Easement.

15. Can a landowner enroll acreage that is in a Rural Legacy easement in a CREP contract?

In most cases, Rural Legacy Easements require stream buffers, which would preclude such lands from qualifying for a CREP or CRP Contract or a CREP or CRP contract renewal.

16. When negotiating a CREP Easement, can a landowner sell a CREP permanent easement on land that is already protected in perpetuity by an existing easement?

No. A landowner cannot sell a CREP permanent easement on land that is already protected under an existing easement, such as one held by the Maryland Agricultural Land Preservation Foundation, Rural Legacy, a county government or a land trust

17. What is the Farm Services Agency's role in the easement process?

The Farm Services Agency has no role in the application or administration of the CREP Permanent Easement Program. The Farm Services Agency refers all inquiries from landowners interested in the easement program to the Department of Natural Resources.

18. Can the CREP easement be changed or revoked?

Not readily – because CREP easements are designed to be permanent, any change can only be accomplished through court action.

19. Who do I contact? The contact list is <u>here.</u>