

CREP Permanent



Easement Program

Now available statewide!



Photo credit: Bob Schwartz,
Washington County forester

What is the CREP Permanent Easement Program?



Under the program the state purchases perpetual conservation easements (recorded in the county land records) from willing landowners that requires continued maintenance of the prescribed CREP conservation practices after expiration of the federal contract and in perpetuity.

It is available only to landowners who have existing federal CREP contracts.

Memorandum of Understanding with USDA CCC



(opening section only; on page 1 of 16 page document)

THE STATE OF MARYLAND

CONCERNING THE IMPLEMENTATION OF

THE MARYLAND CONSERVATION RESERVE ENHANCEMENT

PROGRAM

This Agreement is entered into between the U.S. Department of Agriculture (USDA), the Commodity Credit Corporation (CCC), and the State of Maryland (Maryland) for certain purposes in the vicinity of the Chesapeake Bay under the Conservation Reserve Enhancement Program (CREP). The CREP is part of the national Conservation Reserve Program (CRP) operated by the Farm Service Agency of USDA for CCC. For all new CRP contracts entered into this CREP after approval and implementation of this Agreement (including new CRP contracts for lands reenrolling in the Maryland CREP), this Agreement supersedes all earlier CREP Agreement provisions between USDA, CCC and Maryland. For all existing CRP contracts, entered into this CREP before this Agreement, the earlier Agreement provisions will continue to apply and be adhered to between USDA, CCC and Maryland during the life of those CRP contracts.

Program Purpose



Per the MOU with USDA, the parties “seek to take actions that will help reduce the occurrence of runoff, sediment, and nutrient accumulation in the Chesapeake Bay and that will promote enhanced wildlife habitats.”

and

Maryland will “Continue the voluntary program for the purchase of perpetual easements for CREP land.” The easement extends the life of 10- to 15-year federal contracts for conservation practices into perpetuity.

Memorandum of Understanding with USDA CCC (relevant sections of the MOU)



II. AUTHORITY

The CCC has the authority under provisions of the Food Security Act of 1985, as amended (1985 Act) (16 U.S.C. § 3830 *et seq.*) and the regulations at 7 CFR part 1410 to perform all its activities contemplated by this Agreement.

The Maryland Department of Agriculture (MDA) is authorized to pay cost share and provide in-kind services under the Annotated Code of Maryland Agricultural Article 8-(701-705). The Maryland Department of Natural Resources (DNR) is authorized to implement the CREP easement program and provide in-kind services under the Annotated Code of Maryland Natural Resources Article, 5-901 *et. seq.* and 5-1202(a).

IV. FEDERAL COMMITMENTS

- L. In cooperation with Maryland, provide information to producers concerning the Maryland CREP and Maryland's CREP easement program, and provide technical assistance for implementing the Maryland CREP in general.

Memorandum of Understanding with USDA CCC (relevant sections of the MOU)



IV. FEDERAL COMMITMENTS

- L. In cooperation with Maryland, provide information to producers concerning the Maryland CREP and Maryland's CREP easement program, and provide technical assistance for implementing the Maryland CREP in general.

V. STATE COMMITMENTS

- B. Continue the voluntary program for the purchase of perpetual easements for CRP land.
- M. Allow participants who reenroll lands in this CREP to choose to participate in Maryland's permanent easement program.

Memorandum of Understanding with USDA CCC



Through the MOU, Maryland will provide landowners the opportunity to convey permanent conservation easements on lands restored through CREP.

The State's commitment to providing landowners this option creates matching funds for the federal monies dedicated toward the overall CREP program.

Funded through Program Open Space Stateside



Program Open Space (POS) was established in 1969.

- Program Open Space Stateside preserves natural areas for public recreation (POS Local), as well as watershed and wildlife protection across Maryland through fee simple and conservation easement acquisitions (POS SS).

How is Program Open Space Funded?

- When a person buys a house or land, a 0.5% State property transfer tax is collected which funds Program Open Space. This was designed to directly tie development to available funding for open space and recreational facilities for the public good.

Acres and Dollars



Currently there are 12,780 acres preserved across 15 counties.

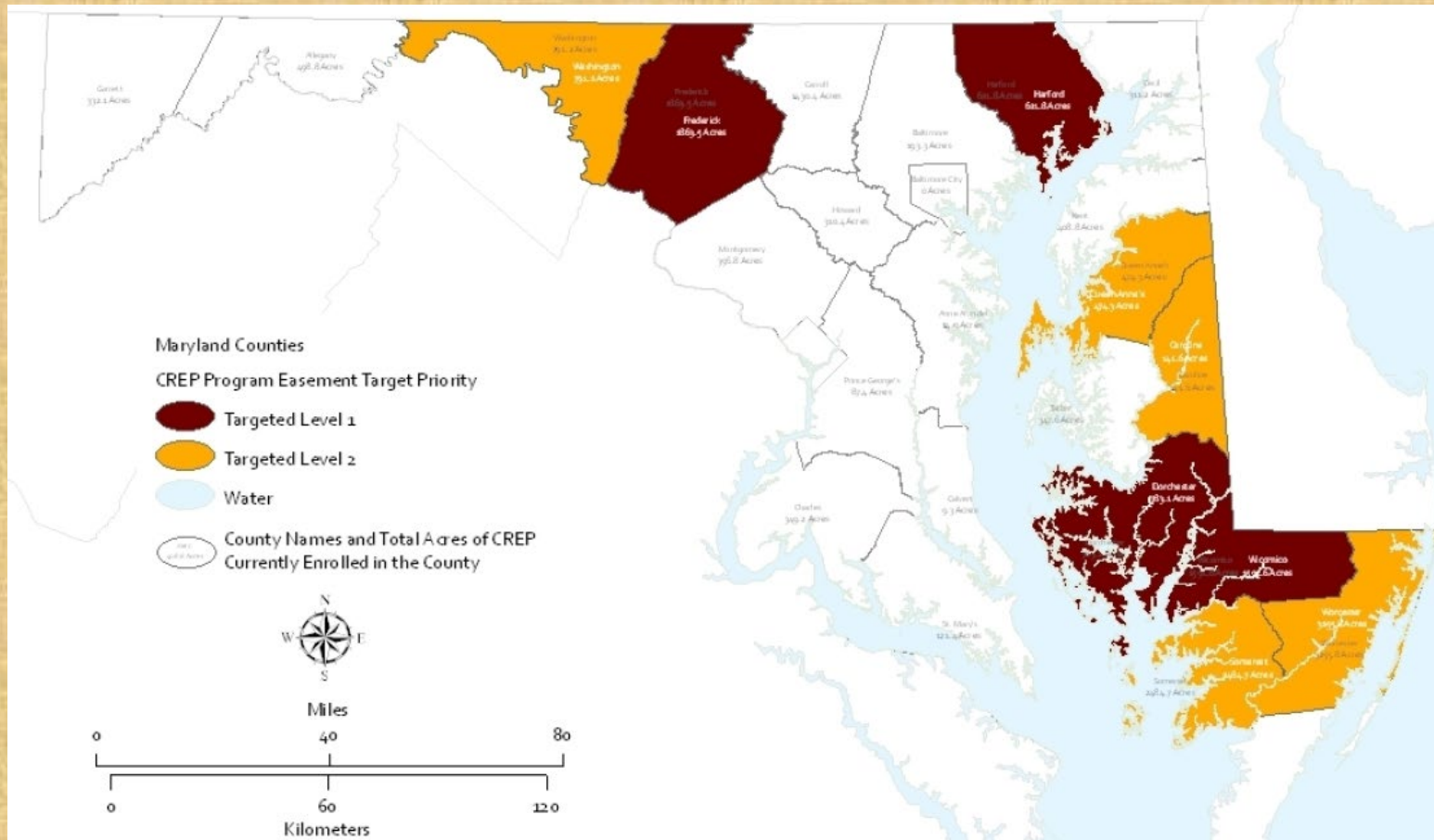
The greatest amount of acreage and number of properties currently preserved the CREP permanent easement program are in Frederick, Somerset, Washington, Wicomico and Worcester counties.

Total State Investment =/+ \$43 million

Statewide Expansion



For the past 15 years, the program was available in only nine targeted counties, which were designated at Tier 1 or Tier 2. In Jan 2024, the BPW approved it for statewide use and removed Tier designations.



Our Local Sponsors



Partnering with County governments and land trusts to administer the program, the Department provides oversight and funding for the purchase of conservation easements. Partner/Sponsor List (on RL webpage):
<https://dnr.maryland.gov/land/Documents/RuralLegacy/Sponsors.pdf>

Project Agreement



Sponsors submit project agreements that provide all the information including price of the easement payment, incidentals, administrative costs (3%) and compliance costs (1.5%).

Maryland Department of Natural Resources
Conservation Reserve Enhancement Program (CREP)
Easement Option
Project Agreement

Date:

Easement Payment	\$ _____	Payable to: _____ LANDOWNER
Incidental Costs	\$ _____	Payable to: _____ LAND TRUST OR LOCAL GOVERNMENT
Administrative Costs (up to 3%)	\$ _____	
Program Compliance (up to 1.5%)	\$ _____	
Total \$	_____	

Project Agreement



Project agreement continued...

Maryland Department of Natural Resources
Conservation Reserve Enhancement Program (CREP)
Easement Option
Project Agreement

Date:

CREP Contracts: (Please fill out a separate box below for each CRP-1 Contract).

Contract #	Sign up #	Field #	#Acres Enrolled:
Farm #	Tract #	Contract Period:	

Location of Buffers: e.g. Ag Ditches, Streams, etc.				Type of Buffers:		
Contract	Matching	Donated	Buffers	Forested	Vegetative	Wetland
acres	acres	acres	Lft.	acres	acres	acres

(Acreage determined by survey)

Land under existing CREP contracts and “match” land are eligible for payment

In order to preserve the remaining acreage, that land is then donated to the easement – hence there are payment incentives to achieve whole farm protection.

Easement Valuation System



The EVS awards points starting with the following:

- Whole Farm protection & extinguishment of development rights = 60
- Partial Farm protection & extinguishment of development rights = 50
- Partial Farm protection & no extinguishment of dev. rights = 40

Then points are awarded depending on the width of the buffers (max of 40) and the number of CREP contract acres (max of 40).

These two steps can total a maximum of 100 points

See next slide

Easement Valuation System



EVS continued...

Then apply a cap on the value, if necessary.

- When there is Whole Farm protection with extinguishment of development rights then the per acre value is capped at 75% of the annual MALPF Fair Market Value (FMV) for the county.
- Partial Farm protection with extinguishment of dev. rights is capped at 60% of the MALPF FMV.
- Partial Farm protection w/o extinguishment of dev. rights is capped at 55% of the MALPF FMV.

See next slide

Easement Valuation System



EVS continued...

A. THREE-FACTOR FORMULA Percentage Points (Step 1)

B. LEVEL OF PROTECTION Percentage Points (Step 2)

C. Select the lower of the above Percentage Points (A or B) _____

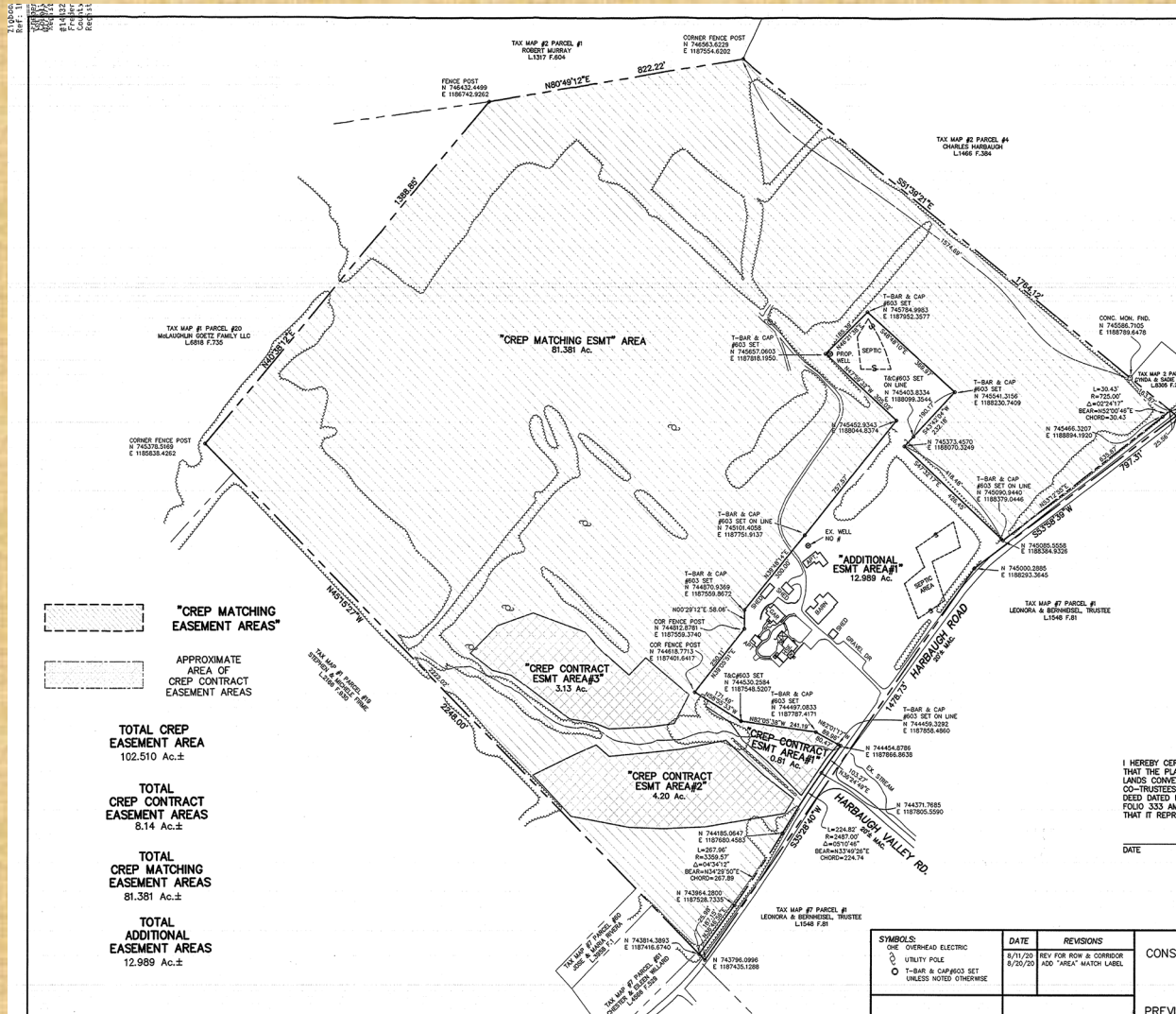
D. Current MALPF FMV per acre (FY __)*

E. Multiply C and D for Per Acre Easement Value

F. Project Acres (contract and match)

G. Multiply E and F for Total Easement Payment

CREP Survey



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Questions?

