

Explanations about Offering Price

1. The Hampshire County Farmland Protection Board's current Rate Cap for asking price of \$2100 dollars is based on recent certified conservation easement appraisal values of conservation easement properties in the surrounding area.
2. The Hampshire County Farmland Protection Board assesses the figures each year and feels this rate is good considering the current land sales and property values.
3. On purchased Easements the Hampshire County Farmland Protection Board and State and Federal Grants can pay the current rate cap of \$2100 if the conservation easement appraisal value is determined by a certified appraiser to be \$2100 or more.

The Conservation Easement Value is determined by a certified conservation easement appraiser in the following way:

The property is appraised at market value, then the property is appraised at the value it will have with a conservation easement on it. The difference between those two values is the easement value.

For example:

Farmer X is asking \$2000 per acre to sell a conservation easement to the Hampshire County Farmland Protection Board.

The Hampshire County Farmland Protection Board orders an appraisal on farms that are accepted into the program. The appraisal values are as follows:

Market Value of Property:	\$3000 per acre
Value of property with an Easement:	\$2000 per acre
Value of the Easement:	\$1000 per acre

The *value of the easement is the maximum* the Hampshire County Farmland Protection Board would be able to pay the landowner for the easement sale in the above example, \$1000 per acre. Farmer X would have the option to accept the \$1000 per acre price or withdraw the application. In a different example, if the easement value were to be \$2500 per acre, then the amount over the \$2100 rate cap would be considered donation. Farmer X would get \$2100 per acre, and the \$400 over the rate cap could be considered a tax deductible donation**.

**The example above is strictly an example only, and is for informational purposes in understanding how the program works.*

***The Hampshire County Farmland Protection Board will not give legal or tax advice. All tax code rules are subject to change. You should seek an experienced, qualified tax advisor to calculate your tax burden and potential deductions with up-to-date tax laws particular to your tax situation and tax return.*