

Case Study: Tax Base Reduction in Finney County, Kansas Resulting from in-Perpetuity Conservation Easements through Federal Wetlands Reserve Program

By Kansas Statute, private lands encumbered with in-Perpetuity Conservation Easements (PCEs) through the Federal Wetlands Reserve Program (WRP) must carry the “Native Grassland” State designation and be valued at \$10/acre. Native Grassland valuations typically range from \$10/acre to \$25/acre, depending upon soil type; agriculture lands may have a different valuation (dry lands ranging from \$10/acre-\$162/acre, irrigated lands from \$10/acre to \$494/acre).

Placement of a PCE through US Department of Agriculture’s (USDA) Natural Resource Conservation Service (NRCS) Wetlands Reserve Program has resulted in the following, demonstrable impact to the tax base:

- Prior to the change in designation created by the PCE-WRP **2011** tax bill was **\$502.30**;
- Following the PCE placement and statutory designation change to Native Grassland, the **2012** tax bill was **\$86**, resulting from a lowered valuation to \$10/acre;
- The property’s designation as Native Grassland represents an **83% decrease in taxes receivable**

Contract Language included in PCEs-WRP deeds recorded in KNRC counties read:

Page 1 – “the Grantor(s), hereby grants and conveys with general warranty of title to the

UNITED STATES OF AMERICA and its assigns, (the Grantee), in *perpetuity*, all rights, title and interest in the lands... It is the intention of the Landowner to convey and *relinquish any and all other property rights* not so reserved. This easement shall *constitute a servitude upon the land so encumbered*”

Page 3 – “The Landowner shall *comply*... *are prohibited* on the easement area: ...any activities to be carried out on the *Landowner's land* that *is immediately adjacent* to, and *functionally related to*, the land that is subject to the easement if such activities will alter, degrade, or otherwise diminish the functional value of the eligible land.”