

*The State of Ohio has designated \$25 million to be used in farmland preservation and since 2002; the Ohio Department of Agriculture has administered a purchase of development rights program. Experience around the country shows that even after selling their development rights, the value of this protected farmland continues to increase. Farmers continue to be able to secure loans based on the value of their land, and some farmers have used the proceeds of the sale to buy down their debt, thus securing their ability to secure future loans.*

Important: A landowner who places an agricultural easement on his or her farm still holds title to the property and enjoys all the rights of ownership, including the right to sell the property, lease the land, leave it to heirs, and so forth. The easement is binding on future owners. Under the terms of the conservation easement, the land cannot be used in a manner that significantly impairs the use of the property for agricultural production, but in no way does the conservation easement dictate the type of agricultural operation for the property.

The American Farmland Trust is the source for much of the information provided above.

We are the Agriculture for Tomorrow Committee, helping Licking County to protect and preserve farm families and farmland.

We are here to give you information that will help you plan the future of your farmland.

Other resources are:

American Farmland Trust  
Ohio Field Office:  
(614) 469-9877  
[www.farmland.org](http://www.farmland.org)

Ohio Department of Agriculture  
Office of Farmland Preservation  
(614) 728-6238  
[www.ohioagriculture.gov/pubs/divs/farm/farm-index.stm](http://www.ohioagriculture.gov/pubs/divs/farm/farm-index.stm)

Innovative Farmers of Ohio  
(740) 368-8552  
[3sisters@ifoh.org](mailto:3sisters@ifoh.org)

Locally the Licking County Agriculture for Tomorrow Committee is willing to help answer your questions. **Contact the Licking SWCD at (740) 670-5330 or OSU Extension-Licking County at (740) 670-5315.**

For Additional Information:  
<http://www.lcounty.com/planning>  
Then Click on the Agriculture for Tomorrow Link.

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## FARMLAND PRESERVATION

### WHAT EVERY LICKING COUNTY LANDOWNER SHOULD KNOW

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An informational brochure prepared by the Agriculture for Tomorrow Committee of Licking County

## **YOUR LAND is your family's legacy, financial future, and home.**

*What will you do with it  
when you no longer farm it?*

This is a question that many Licking County landowners are asking. A survey of landowners in 2001 showed that most hope that their land will continue to be farmed, either by their own heirs or by farmers outside their family, but few believe that this is what the future holds. This brochure is meant for those people. Its aim is to provide you with information you can use to achieve your goals for your land.

If you are interested in:

- ❖ Making sure your land continues to be farmland
- ❖ Transferring your land to another farmer
- ❖ Using your land to provide you with income
- ❖ Finding capital gains and income tax credits

you will find this information helpful.

Learn about the tools you can use to protect not just your land but also yourself and your family.

## **PROTECT YOURSELF AND YOUR LAND**

Preparing for the future of your land is an important part of your business plan as well as your estate plan. Even if you consider your assets to be quite modest, concerning yourself with these issues is important. There are ways you can lessen your tax burden – and that of your heir's – while at the same time protecting your land. The following are examples of how real people have preserved farmland while also creating financial benefits for themselves and their heirs.

One Ohio couple, concerned about development pressures, wanted to ensure that their farm was permanently protected as agricultural land. Their children had no interest in farming. It became clear that they should consider donating the properties to charity. However, they wished to continue to live on the land, and use it during their lifetimes.

Eventually, they donated their farm to a land trust, but they retained life use of the property. This was done with the understanding that following their deaths, the trust would sell the farm to local farmers, subject to agricultural conservation easements, and use the proceeds to protect other farms.

In another case, a woman who inherited a farm from her husband wanted to provide herself with more income from the land, while reducing her management

responsibilities and expenses related to the farm.

A plan involving a conservation easement and a charitable gift annuity was agreed upon. The woman deeded the land to a trust; the land was sold to a local farmer and the proceeds funded a lifetime annuity for her. She received an immediate income tax deduction and actually earns \$5,700 a year more now than she had previously.

## **AGRICULTURAL EASEMENTS**

An agricultural easement is a deed restriction landowners voluntarily place of their property to protect it. An easement is a flexible document tailored to the needs of the individual landowner. Agricultural easements are designed to keep land available for farming. The landowner who creates the easement (the “grantor”) continues to own the land but authorizes an organization or agency (“grantee”) to enforce the restrictions specified in the easement agreement. Among the possible grantees for Licking County farms are local governments, the Ohio Department of Agriculture, and the Licking Land Trust.

Easements can be donated or sold (the latter is often referred to as “purchase of development rights”).

Donated agricultural easements are treated as charitable gifts, and can result in reductions in income, estate, and property taxes.