

ACEP-ALE Cost-share Assistance, Matching Requirements, and Waivers

- 1) ACEP-ALE cost-share assistance will not exceed 50 percent of the fair market value of the agricultural land easement. The Cooperating Entity must provide an amount that is at least equivalent to the Federal share. A Cooperating Entity may include as part of its share a qualified conservation contribution from the landowner, if it contributes its own cash resources in an amount that is at least 50 percent of the Federal share.

Example 1 (standard option):

Easement Fair Market Value =	\$100,000
NRCS Contribution =	\$50,000 (50% of FMV)
Non-federal Cash Contribution =	\$50,000 (50% of FMV & equivalent to the NRCS Contribution)

Example 2 (standard option):

Easement Fair Market Value =	\$100,000
NRCS Contribution =	\$50,000 (50% of FMV)
Non-federal Cash Contribution =	\$25,000 (25% of FMV & 50% of NRCS Contribution)
Landowner Donation =	\$25,000 (25% of FMV)

- 2) NRCS contribution increase waivers for Grasslands of Special Environmental Significance (GSS). NRCS may authorize a waiver to increase the 50 percent Federal share of the cost of an agricultural land easement to an amount not to exceed 75 percent of the fair market value of the agricultural land easement. An eligible entity will share in the cost of purchasing an agricultural land easement in an amount that is no less than 33.33 percent of the Federal share. The eligible entity share may include a qualified landowner contribution if the eligible entity contributes its own cash resources in an amount that is at least 16.67 percent of the Federal share. All of the following must apply to request a GSS Contribution Waiver:

- The eligible entity has identified on the application that the offered project is to be considered for funding as a GSS.
- NRCS determines the lands to be enrolled are GSS as defined by the ACEP Manual
- The eligible entity agrees to incorporate and enforce additional deed restrictions to manage and enforce the easement to ensure the GSS attributes are protected.

Example 1 (Waiver for Grasslands of Special Environmental Significance):

Easement Fair Market Value =	\$100,000
NRCS Contribution (GSS Waiver) =	\$75,000 (75% of FMV)
Non-federal Cash Contribution =	\$25,000 (25% of FMV & 33.33% of NRCS Contribution)

Example 2 (Waiver for Grasslands of Special Environmental Significance):

Easement Fair Market Value =	\$100,000
NRCS Contribution =	\$75,000 (75% of FMV)
Non-federal Cash Contribution =	\$12,500 (12.5% of FMV & 16.67% of NRCS Contribution)
Landowner Donation =	\$12,500 (12.5% of FMV)

- 3) Cash contribution waivers for projects of special significance. NRCS may waive a portion of the non-federal entity cash contribution requirement for an ALE or ALE-GSS project that NRCS determines is a project of special significance.

A waiver of the entity cash contribution requirement shall not result in an increase in the applicable Federal share and may only be authorized if NRCS determines that:

- The project meets one or more of the criteria to be considered “of special significance” (listed below in next section)
- The transaction is subject to an increase in the private landowner donation that is equal to the amount of the waiver.
- The increase in the landowner donation is voluntary.
- The property is in active agricultural production which means that the land is in agricultural use and that agricultural or forest-related products or livestock are being produced or have been produced within 1 year of the date of application.
- The Agricultural Land Easement Plan will address the protection of the attributes resulting in the parcel being a project of special significance.

To be considered a project of special significance, it must meet one or more of the following criteria:

- Listed on the National Register of Historic Places or is a traditional cultural property
- Located within a micropolitan statistical area and 50 percent of the adjacent land is agricultural land
- Located within a metropolitan statistical area
- An education or demonstration farm or ranch focused on agricultural production and natural resource conservation
- A farm or ranch operated for the purpose of increasing participation in agriculture and natural resource conservation by underserved communities, veterans, beginning farmers or ranchers, or disabled farmers or ranchers
- The subject of a conservation buyer transaction where a member of underserved community, veteran, beginning farmer or rancher, or a disabled farmer or rancher has a valid purchase and sale agreement to acquire the property subject to an agricultural land easement
- Officially designated as having been in the same family ownership for over 100 years
- Meets the definition of Grasslands of Special Environmental Significance

The cash contribution waiver request must provide the following documentation:

- A written request for a waiver from the entity.
- A signed letter from the landowner confirming that the increase in the landowner donation is voluntary.

- Evidence that the land is in active agricultural production.
- Evidence that the parcel meets the criteria for a project of special significance as outlined in the “Eligible Entity Cash Contribution Requirement Waiver” worksheet
- For entities requesting a waiver to reduce the entity cash contribution to 10 percent of the Federal share, the entity must provide documentation of the State tax program that provides State tax credits for qualified conservation contributions on agricultural land.

(i) *For projects of special significance that are not GSS* that request a cash contribution waiver, the Cooperating Entity must provide cash-match for at least 25 percent of the amount of the Federal share, or at least 10 percent of the Federal share in States that offer a State tax credit for a qualified conservation contribution on agricultural land.

Example 1 (Waiver for Projects of Special Significance):

Easement Fair Market Value =	\$100,000
NRCS Contribution =	\$50,000 (50% of FMV)
Non-federal Cash Contribution =	\$12,500 (12.5% of FMV & 25% of NRCS Contribution)
Landowner Donations =	\$37,500 (37.5% of FMV)

Example 2 (Waiver for Projects of Special Significance for States that offer a tax credit):

Easement Fair Market Value =	\$100,000
NRCS Contribution =	\$50,000 (50% of FMV)
Non-federal Cash Contribution =	\$5,000 (5% of FMV & 10% of NRCS Contribution)
Landowner Donation =	\$45,000 (45% of FMV)

(ii) *For projects of special significance that have also received a GSS waiver*, the Cooperating Entity must provide cash-match for at least 8.33 percent of the amount of the Federal share, or at least 3.33 percent of the Federal share in States that offer a State tax credit for a qualified conservation contribution on agricultural land.

Example 1 (Waiver for Projects of Special Significance with a GSS Waiver):

Easement Fair Market Value =	\$100,000
NRCS Contribution =	\$75,000 (75% of FMV)
Non-federal Cash Contribution =	\$6,250 (6.25% of FMV & 8.33% of NRCS Contribution)
Landowner Donations =	\$18,750 (18.75% of FMV)

Example 2 (Waiver for Projects of Special Significance w/GSS Waiver for States that offer a tax credit):

Easement Fair Market Value =	\$100,000
NRCS Contribution =	\$75,000 (75% of FMV)
Non-federal Cash Contribution =	\$2,500 (2.5% of FMV & 3.33% of NRCS Contribution)
Landowner Donation =	\$22,500 (22.5% of FMV)

**Agricultural Conservation Easement Program - Agricultural Land Easements
Easement Compensation Match Scenarios**

General ACEP-ALE Parcel: Easement value = \$100,000				
General ACEP-ALE Parcel	Federal Share	Entity Cash	Landowner Contribution	Entity Cash as Percent of the Federal Share
Standard options	\$50,000	\$50,000	\$0	100%
	\$50,000	\$25,000	\$25,000	50%
Special significance projects	\$50,000	\$12,500	\$37,500	25%
Special significance projects in States w/ tax credits for farmland preservation	\$50,000	\$5,000	\$45,000	10%

ACEP-ALE-GSS Parcel: Easement value = \$100,000				
ACEP-ALE GSS Parcel	Federal Share	Entity Cash	Landowner Contribution	Entity Cash as Percent of the Federal Share
Standard options	\$75,000	\$25,000	\$0	33.33%
	\$75,000	\$12,500	\$12,500	16.67%
Special significance projects	\$75,000	\$6,250	\$18,750	8.33%
Special significance projects in States w/ tax credits for farmland preservation	\$75,000	\$2,500	\$22,500	3.33%