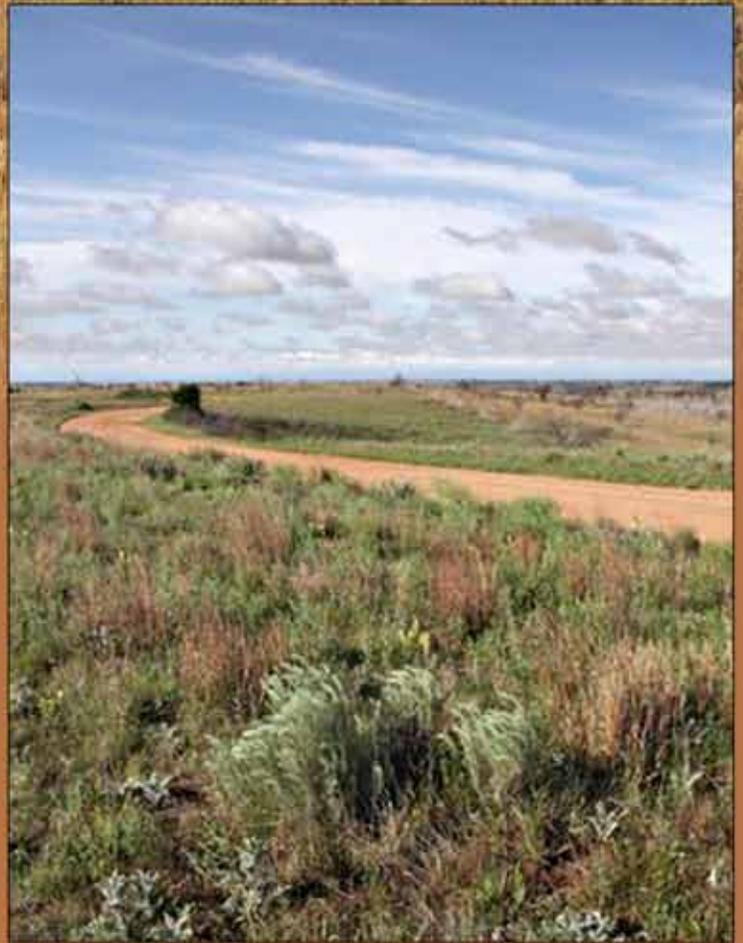


SECURING FAMILY RANCHING LEGACIES THROUGH CONSERVATION EASEMENTS

By Rob Manes & Ruth Palmer

Land ownership and the rights and responsibilities that go with it are sacred in America, particularly in the Great Plains, where ranching and farming undergird the region's economies, communities and cultures. In Kansas, private landowner rights are as prominent as the land stewardship ethics of most people who make their living from cattle and crops. Those values form the fabric of families that have made their lives on the same acreage for generations. These people are critical to securing the natural beauty and wildness that make the Great Plains . . . great.

So, it should come as no surprise that people who live and work on Kansas ranches would seek means of protecting a land heritage that was founded by their great and great-great grandparents. Estate taxes, unpredictable land value swings, urban expansion, ranchette proliferation and absentee heirs are among the threats to generations-old ranching enterprises. These threats pressure what could be the final ranching generation to subdivide and sell their land. If ranches were merely for-profit endeavors, it would



present only a fiscal management decision when an opportunity to sell for profit arises. But genuine love for the land and for family heritage makes ranching enterprises far more important than simple business investments.

Often the patriarch rancher, or his children who still live there, can see that the next generation of heirs is likely to divide, sell and dissolve the landholding that has long supported the family. Only a few tools for averting such heartbreaking outcomes exist, but a growing number of landowners are relying on conservation easements and partner land trust organizations to keep their ranches together. Land trusts, in turn, use easements as cost-effective means to guard the ecological, cultural and archeological assets of the land.

In simple terms, a conservation easement is a voluntarily established real estate agreement, with specific



provisions designed by the landowner (easement grantor) and the land trust that will receive the easement. Basic provisions of a conservation easement in Kansas generally include prohibitions against activities that would diminish or destroy natural features of

the land. Such features could include archeological sites, historical landmarks, and ecological assets such as pristine streams and extensive native grasslands. In the central Great Plains, threats to those features generally include subdivision, conversion of native rangelands to tillage crop production, some types of energy production, and other forms of construction or development that would negatively alter natural characteristics of the land. Easement agreements commonly accommodate building envelopes or carve-outs that allow some limited development

for such things as improved livestock handling facilities and home sites for returning adult children. It's important to note that while conservation easements restrict activities deemed incompatible with the natural values of the land, the landowner always has

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the final decision whether to enter into an easement agreement.

Landowners have typically favored perpetual conservation easements, and with few exceptions, land trusts usually accept only permanent easements that run with the land deed. Depending on the landowner's financial situation and tax profile, as well as the land trust's financial resources, an easement may be donated or sold to the land trust. Landowners who grant easements may receive significant tax benefits under current federal



tax law; some use proceeds from purchased easements to address other fiscal needs or even acquire additional land. Importantly, Nature Conservancy and other land trust staff in Kansas generally advise an interested landowner not to enter into an easement for monetary purposes alone; the agreement should reflect the owner's long-term vision for the land.

The value of an easement, either for payment to the landowner or for tax benefits, is based on a standard and rigorous appraisal process. The appraisal identifies the difference in value between the subject land before and after the development rights are removed by the easement. If, for example, an easement is calculated to reduce the land's value by 25 percent, and the pre-easement value of the land is \$1,600 per acre, the easement would be valued at \$400 for each acre covered under the easement. The amount paid to the landowner in a purchase scenario could be as much as \$400; or commonly it comprises some portion of that, depending on the program and the land trust used to acquire and hold the easement. Whether purchased or donated, or a hybrid arrangement, the land trust ultimately receives only a paper as-

set that bears no market value and a perpetual obligation to visit the property annually to ensure that the ease-

ment provisions are upheld. In reality, receiving an easement creates a financial liability; only the fact that the transaction advances the land trust's conservation mission gives it value.

Permanently conserving the intactness and ecological values of the ranch should be compatible with the owners' long-term plans for their land. Conservation easements in Kansas can be held only by one of the state's certified land trusts, which include, The Nature Conservancy (TNC), The Ranchland Trust of Kansas (RTK - a Kansas Livestock Association affiliate), the Kansas Land Trust (KLT), the U.S. Departments of Agriculture and Interior, and a few smaller and local land trusts. Easements held by KLT are generally near Fort Riley and in northeast Kansas, and most of RTK's easements are in the Smoky Hills west of Salina, with some presence in the Flint Hills. Easements held by The Nature Conservancy are currently concentrated in the Flint Hills, with a few in other regions. Recently, TNC has begun working to respond to landowner interest in conservation easements in the Red Hills of southcentral Kansas. Importantly, a conservation easement creates a long-term relationship between the grantor and the land

trust; so, landowners should carefully choose the organization they feel will be the best and most reliable partner

for maintaining the easement far into the future.

More than 100,000 acres are conserved under easements in Kansas to date. Some of those easements address wetland conservation, but most are based on the ecological, economic and cultural values of native grasslands. Temperate grassland ecosystems are among the globe's most diminished and imperiled habitat types, with more than three-fourths of North

America's prairies now lost to crop production, urban sprawl and other forces. Correspondingly, grassland bird populations are declining faster than any other suite of avian species. Large, intact native rangelands still exist in Kansas' tallgrass Flint Hills, western short-grass prairies, and central mixed-grass prairies of the Smoky Hills and Gypsum (or Red) Hills. These areas harbor some of the state's most rare and declining wildlife populations. Conservation easements present an effective means for guarding Kansas' remaining grasslands - both for their grazing and their ecological values.

So, when a ranch owner sees a future that could bring an end to his or her family's land heritage, conservation easements present a proven means for securing a vision for the legacy that includes a way of life, a profession, and a natural heritage. 🐾

Kansas' Nature Conservancy Director Rob Manes is a 30-plus-year conservation professional. A graduate of Kansas State University and Friends University, his home town is Pratt, Kansas. Rob presently resides in rural Wabaunsee County with wife Stephanie, has two grown daughters and a son and daughter at home

