

# Purchase of Development Rights



USDA PHOTO

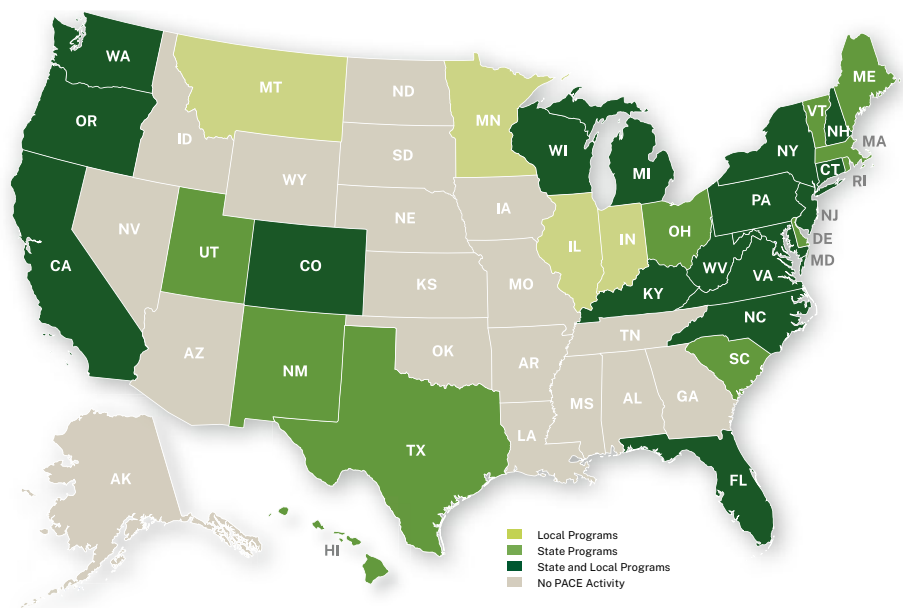
**P**urchase of Development Rights (PDR) programs protect farmland for farming forever. Based on the principle that private property rights can be donated, transferred, limited, and/or sold, PDR programs pay willing landowners to restrict non-farm development on their land in perpetuity—including through future changes in ownership. They achieve this by using an agricultural conservation easement—a voluntary and flexible legal agreement—to protect the land’s natural resource values.

Conservation easements keep land in private ownership while protecting a full range of natural resources from water quality to wetlands and wildlife habitat. *Agricultural conservation easements* specifically protect land for agriculture. So in many places, PDR programs are called Purchase of Agriculture Easement (PACE) programs, and the federal program is called the [Agricultural Land Easement Program](#) (ALE) program.

As of January 2024, 30 states had established PDR programs (see map). Of these, 17 had local programs, including Virginia. Private conservation organizations, like land trusts, also accept

donated easements and sometimes buy them, often using federal matching funds. Qualified entities can partner with USDA’s ALE program which may contribute up to 50 percent of the easement’s fair market value.

**Together, public and private efforts have permanently protected about 7.5 million acres of farmland across the U.S.**



Several state and local programs have enhanced their programs by adding affordability mechanisms to maintain protected farmland in active agricultural use. One approach is an *Option to Purchase at Agricultural Value (OPAV)*. As its name suggests, OPAV requires protected land to be sold for a price that reflects its agricultural land value, not its full market value for non-farm use. Similar to OPAV, *pre-emptive purchase rights* are meant to ensure that protected land is sold to qualified farmers. *Affirmative easements* go a step further to require that protected land remain in active agricultural use.

## Virginia PDR Program

### PURPOSE

The purpose of the Virginia program is to help localities develop PDR programs to protect farmland and the agricultural industry, especially by retaining a critical mass of farmland comprised of parcels that are economically viable farming operations.

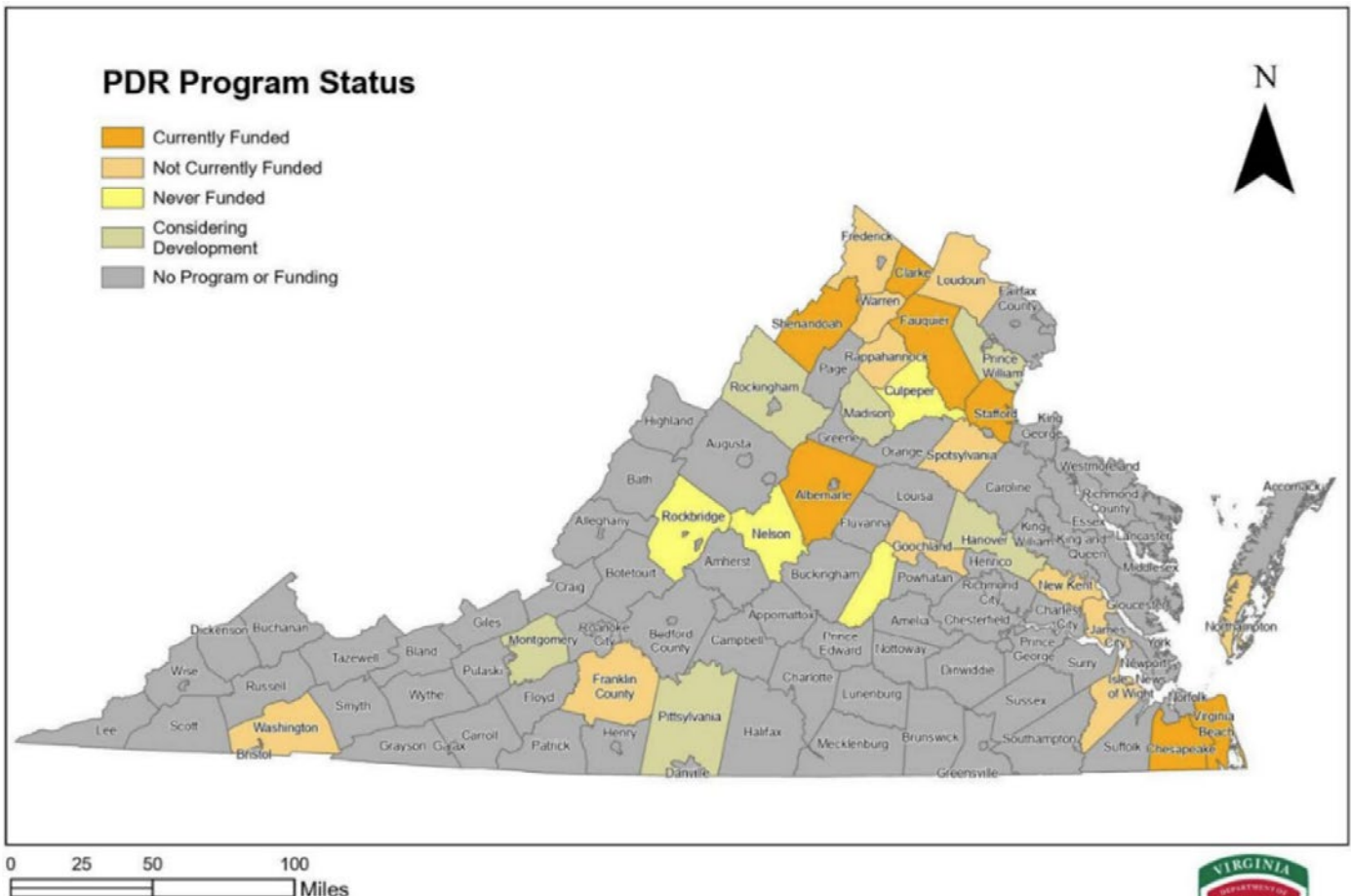
### HOW IT WORKS

In 2001, Virginia's General Assembly created the Office of Farmland Preservation within the Virginia Department of Agriculture and Consumer Services (VDACS). In 2008, the program expanded to create the Farmland Preservation Fund, which allocates state matching funds to local purchase of development rights programs. VDACS helps both public and private entities create local PDR programs by developing criteria, policies, and practices, and by identifying sources of funding. In 2024, the General Assembly transferred the Office of Farmland Preservation to the Department of Forestry (DOF), merging the office with DOF's existing easement program and creating the Office of Working Lands.

As of January 2024, VDACS had invested about \$23.5 million in PDR and helped 21 localities develop programs. In 2024, this included \$875,000 in grants to six localities



**Status of Local PDR Programs in Virginia**



Map Updated 11/13/2024





GERVILLE/ISTOCKPHOTO

including Clarke, Fauquier, Shenandoah, and Stafford counties, and the cities of Chesapeake and Virginia Beach.

To apply, localities must codify a PDR program by ordinance or resolution. The Office of Working Lands reviews their proposals to ensure they meet state guidelines. Guidelines include providing information on project ranking, monitoring and stewardship, and education and outreach, among other things. Additionally, the Farmland Preservation Fund requires a 1:1 match from the locality to access state funds.

To receive funding, eligible entities must submit two forms annually:

- » [Fiscal Certification Form](#)
- » [Program Certification Form](#)

In addition, although no locality has adopted a program, under 1981 amendments to Virginia's Open Space Land Act, localities may lease conservation easements for a short period of time, determining eligibility, duration, restrictions, and compensation. Virginia landowners also can donate a conservation easement to a land trust or other qualified entity. The donation may qualify as a non-cash charitable gift, which may yield a federal income tax deduction, a state income tax credit, or federal estate tax exemptions. Local officials may consider partnering with a land trust that services their area to raise awareness of farmland protection opportunities in their communities.

### CONSIDERATIONS

PDR saves a permanent supply of farmland for future generations. It frees up liquid assets for farmers who often are

“land rich but cash poor,” protecting land ownership and sustaining agricultural land use. Because landowners tend to reinvest PDR proceeds into local economies—buying equipment, livestock, inputs, and so on—it stimulates local economic development. It also has been shown to encourage conservation adoption and to support farm transfer to the next generation.

Some Virginia counties have had great success and achieved multiple benefits with PDR programs (See [Stafford County case study](#)). Their success relies on consistent investment and personnel capacity to do deals and to effectively monitor and enforce easement terms.



JACOB GILLEY

### To Learn More

- › [VDACS: “Farmland Preservation”](#)
- › [VDACS: “PDR Ordinance”](#)
- › [Virginia Department of Forestry: “Conservation Easements”](#)
- › [American Farmland Trust: “Agricultural Conservation Easements”](#)
- › [American Farmland Trust: “Purchase of Agricultural Conservation Easements”](#)
- › [American Farmland Trust: “Status of State PACE Programs, 2024”](#)
- › [American Farmland Trust: “Status of Local PACE Programs, 2024”](#)
- › [American Farmland Trust: “ACEP-ALE for Entities”](#)
- › [Tom Daniels, “An Analysis of the Economic Impact of Pennsylvania’s Farmland Preservation Program”](#)
- › [Virginia United Land Trusts \(VAULT\)](#)
- › [Office of Working Lands Preservation Annual Report 2024](#)
- › [Land Trust Alliance: “What is a Land Trust?”](#)