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(h) If available funds are insufficient to accept the highest ranked application, and the applicant is not interested in reducing the acres offered to match available funding, USDA may select a lower ranked application that can be fully funded. Applicants may choose to change the duration of the easement or agreement or reduce acreage amount offered if the application ranking score is not reduced below that of the score of the next available application on the ranking list.

§ 1415.9 Enrollment of easements and rental agreements.

(a) Based on the priority ranking, USDA will notify applicants in writing of their tentative acceptance into the program for either rental agreement or conservation easement options. The participant has fifteen calendar days from the date of notification to sign and submit a letter of intent to continue. A letter of intent to continue from the applicant authorizes USDA to proceed with the enrollment process.

(b) An offer of tentative acceptance into the program does not bind the USDA to acquire an easement or enter into a rental agreement, nor does it bind the participant to convey an easement, enter into a rental agreement, or agree to restoration activities.

(c) For easement projects, land is considered enrolled after the landowner signs the intent to continue. For rental agreements, land is considered enrolled after a GRP contract is approved by USDA.

(d) USDA will present a contract to the participant, which will describe the easement or rental area; the easement terms, or rental terms and conditions; and other terms and conditions for participation that may be required by CCC.

(e) For easements, after the contract is executed by USDA and participant, USDA will proceed with development of the conservation plan and various acquisition activities, which may include conducting a survey of the easement, securing necessary subordination agreements, procuring title insurance, developing a baseline data report, and conducting other activities necessary to record the easement.

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(f) Prior to execution by USDA and the participant of the contract, the USDA may withdraw its offer anytime due to lack of available funds, title concerns for easements, or other reasons. The offer to the participant shall be void if not executed by the participant within the time specified in an option to purchase agreement.

§ 1415.10 Compensation for easements and rental agreements.

(a) Compensation for easements will be based upon:

(1) The fair market value of the land less the grassland value of the land for permanent easements; and

(2) Thirty percent of the value determined in paragraph (a)(1) of this section for 30-year easements or for an easement for the maximum duration permitted under State law.

(b) For 10-, 15-, 20-, and 30-year rental agreements, the participant will receive not more than 75 percent of the grazing value in an annual payment for the length of the agreement.

(c) In order to provide for better uniformity among States, the FSA Administrator and NRCS Chief may review and adjust, as appropriate, State or other geographically based payment rates for rental agreements. NRCS State Conservationists may establish easement payment amounts on a site specific or geographic area basis.

(d) Easement or rental agreement payments received by participant shall be in addition to, and not affect, the total amount of payments that the participant is otherwise eligible to receive under other Federal laws.

(e) For easements, to minimize expenditures on individual appraisals and expedite program delivery, USDA may complete a programmatic appraisal to establish regional average market values and grazing values. The programmatic appraisals would remove the need to conduct appraisals on each parcel selected for funding.

§ 1415.11 Restoration agreements.

(a) Restoration agreements are only authorized to be used in conjunction with easements and rental agreements. NRCS, in consultation with the program participant, will determine if the grassland resources are adequate to

meet the participant's objectives and the purposes of the program, or if a restoration agreement is needed. Such a determination will also be subject to the availability of funding. NRCS may condition participation in the program upon the execution of a restoration agreement depending on the condition of the grassland resources. When the functions and values of the grassland are determined adequate by NRCS, a restoration agreement will not be required. However, if a restoration agreement is required, NRCS will set the terms of the restoration agreement. The restoration agreement will identify conservation practices and measures necessary to improve the functions and values of the grassland. If the functions and values of the grassland decline while the land is subject to a GRP easement or rental agreement through no fault of the participant, the participant may enter into a restoration agreement at that time to improve the functions and values with USDA approval and fund availability.

(b) Eligible restoration practices include land management, vegetative, and structural practices and measures that will improve the grassland ecological functions and values on native and natural, and introduced plant communities. The NRCS State Conservationist, with advice from the State Technical Committee and in consultation with FSA, will determine the conservation practices, measures, payment rates, and cost-share percentages, not to exceed statutory limits, that will be available for restoration. A list of eligible practices will be available to the public. NRCS working through the local conservation district with the program participant will determine the terms of the restoration agreement. The conservation district may assist with determining eligible practices and approving restoration agreements. Restoration agreements will not extend past the date of a rental agreement or easement.

(c) All restoration practices and measures are eligible for cost sharing. Payments under GRP may be made to the participant of not more than 90 percent for the cost of carrying out conservation practices and measures on grassland and shrubland that has

never been cultivated, and not more than 75 percent on restored grassland and shrubland on land that at one time was cultivated.

(d) Restoration activities are applicable to native and natural plant communities. When seeding is determined necessary for restoration, USDA will give priority to using native seed. However, when native seed is not available, or returning the land to native conditions is determined impractical by USDA, plant propagation using species that provide similar functions and values may be utilized.

(e) Cost-shared practices shall be maintained by the participant for the life of the practice. The life of the practice shall be consistent with other USDA cost shared or easement programs. Failure to maintain the practice will be dealt with under the terms of the restoration agreement and may involve repayment of the Federal cost-share.

(f) All conservation practices will be implemented in accordance with the NRCS Field Office Technical Guide.

(g) Technical assistance will be provided by NRCS, or an approved third party, as needed by the participant.

(h) Federal cost sharing shall be adjusted so that the combined cost share by Federal and State government or subdivision of a State government shall not exceed 100 percent of the total actual cost of the restoration. The participant cannot receive cost-share from more than one Federal cost-share program for the same conservation practice.

(i) Cost-share payments may be made only upon a determination by a qualified individual approved by the NRCS State Conservationist that an eligible practice has been established in compliance with appropriate standards and specifications.

(j) Identified practices may be implemented by the participant or other designee. Payments will not be made for practices applied prior to submitting an application to participate in the program.

(k) Cost-share payments will not be made for practices implemented or initiated prior to the approval of a rental agreement or easement acquisition unless a written waiver is granted by

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USDA at the State level prior to installation of the practice.

§ 1415.12 Modifications to easements and rental agreements.

(a) After an easement has been recorded, no modification will be made to the easement except by mutual agreement with Chief, NRCS, and the landowner.

(b) Easement modifications may only be made by the Chief, NRCS, after consulting with the Office of General Counsel. Minor modifications may be made by the NRCS State Conservationist in consultation with Office of General Counsel. Minor modifications are those that do not affect the substance of the conservation easement deed. Such modifications include, typographical errors, minor changes in legal descriptions as a result of survey or mapping errors, and address changes.

(c) Approved modifications will be made only in an amendment to an easement which is duly prepared and recorded in conformity with standard real estate practices, including requirements for title approval, subordination of liens, and recordation.

(d) The Chief, NRCS, may approve modifications on easements to facilitate the practical administration and management of the enrolled area so long as the modification will not adversely affect the grassland functions and values for which the land was acquired or other terms of the easement.

(e) NRCS State Conservationists may approve modifications for restoration agreements and conservation plans as long as the modifications do not affect the provisions of the easement or rental agreement and meets GRP program objectives.

(f) USDA may approve modifications on rental agreements to facilitate the practical administration and management of the enrolled area so long as the modification will not adversely affect the grassland functions and values for which the land was enrolled.

§ 1415.13 Transfer of land.

(a) Any transfer of the property prior to the participant's acceptance into the program shall void the offer of enrollment, unless at the option of the

NRCS State Conservationist, in consultation with the FSA State Executive Director, an offer is extended to the new participant and the new participant agrees to the same easement or rental agreement terms and conditions.

(b) After acreage is accepted in the program, for easements with multiple payments, any remaining easement payments will be made to the original landowner unless USDA receives an assignment of proceeds.

(c) Future annual rental payments will be made to the successor participant.

(d) The new landowner or contract successor shall be held responsible for complying with the terms of the recorded easement or rental agreement and for assuring completion of all measures and practices required by the associated restoration agreement. Eligible cost-share payments shall be made to the new participant upon presentation that the successor assumed the costs of establishing the practices.

(e) With respect to any and all payments owed to landowners, the United States shall bear no responsibility for any full payments or partial distributions of funds between the original landowner and the landowner's successor. In the event of a dispute or claim on the distribution of cost-share payments, USDA may withhold payments without the accrual of interest pending an agreement or adjudication on the rights to the funds.

(f) The rights granted to the United States in an easement shall apply to any of its agents, successors, or assigns. All obligations of the landowner under an easement deed shall also bind the landowner's heirs, successors, agents, assigns, lessees, and any other person claiming under them.

(g) Rental agreements may be transferred to another landowner, operator or tenant that acquires an interest in the land enrolled in GRP. The transferee must be determined by USDA to be eligible to participate in GRP and must assume full responsibility under the agreement. USDA may require a participant to refund all or a portion of any financial assistance awarded under GRP if the participant sells or loses control of the land under a GRP rental