ECONOMIC BRIEF NO. 37

How to Keep Land In Open Space

This series of economic briefs explores fundamental concepts in economics and community and economic development.

If citizens value open space as a part of quality of life, there are ways to protect land from development.

Regulation that limits the use of property through zoning and other restrictions is one approach. Condemnation or eminent domain offers another alternative. Regulation imposes most of the costs of maintaining open space on landowners, even though the benefits are enjoyed by members of the public.

In the interest of equity, therefore, legislators, farmers, and environmentalists are increasingly turning to market-based methods to preserve farms and open space. Maryland, Pennsylvania, and Washington serve as models of the use of market-based growth management techniques.

Purchase of development rights, conservation easements, and transfer of development rights, all closely related techniques, have become popular in the last two decades. They slow the conversion of prime land to development uses while respecting the rights of property owners.

The state of Maryland uses conservation easement programs, while counties make irrevocable purchases of development rights. This system is incentive- based and voluntary, with prices reflecting both market appraisals and landowner bids.

In some cases, development rights are sold to developers who may transfer them to another parcel of land for higher density developments. Nongovernmental organizations can also accept transfers or make purchases of development rights and retire them.

Through purchase of easements and development rights, Maryland aims to preserve as many acres as possible with limited funds. The state gives preference to parcels bordering other preserved lands, productive operating farms, and land under immediate threat of conversion.

In all cases, the land can continue in its current use but cannot be developed. In Montgomery County in 1997, the cost of purchasing development rights was $3,652 an acre.

Pennsylvania has chosen to use conservation easements within established agricultural security areas that meet certain soil class requirements and contain crop, pasture or grazing land on 50 percent or more of the affected acreage. By 1997, 977 farms containing 123,423 acres were in the program with an average payment of $1,946 an acre.

The state and counties both provide financing for this program. The program is so popular in some counties that farmers outside targeted areas who want to remain in farming are pressuring to be included.

In Washington state, the purchase of development rights program is based on bids by farmers to participate in the program. In the mid-1980s, prices per acre ranged from $480 to $18,975, with a mean of $4,250.

In South Carolina, land trusts and conservation organizations first used innovative land conservation methods, often with the cooperation of state government. York and Beaufort counties are among the leaders in developing conservation and open space programs.

As South Carolina struggles with the impacts of growth and loss of rural landscapes, state and local governments have an opportunity to learn from other states as they seek to preserve the state's natural beauty and open spaces.

California's Williamson Act in 1965 was the first major market-incentive program in the United States. The act's purpose was to protect agricultural land, preserve open space as an asset to urban development, and discourage leap-frog patterns of development that made it more expensive to supply public services.

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