

## § 625.7

or reducing the acreage offered, unless these changes result in a reduction of the application ranking score below that of the score of the next available application on the ranking list.

### § 625.7 Enrollment of easements, contracts, and agreements.

(a) *Offers of enrollment.* Based on the priority ranking, NRCS will notify an affected landowner of tentative acceptance into the program. This notice of tentative acceptance into the program does not bind NRCS or the United States to enroll the proposed project in HFRP, nor does it bind the landowner to convey an easement, or to contract or agree to HFRP activities. The letter notifies the landowner that NRCS intends to continue the enrollment process on their land unless otherwise notified by the landowner.

(b) *Acceptance of offer of enrollment.* An agreement to purchase or a restoration cost-share agreement or contract will be presented by NRCS to the landowner which will describe the easement, agreement, or contract area; the easement, agreement, or contract terms and conditions; and other terms and conditions for participation that may be required by NRCS.

(c) *Effect of the acceptance of the offer.* After the agreement to purchase or restoration cost-share agreement or contract is executed by NRCS and the landowner, the land will be considered enrolled in the HFRP. For easements, NRCS will proceed with various easement acquisition activities, which may include conducting a survey of the easement area, securing necessary subordination agreements, procuring title insurance, and conducting other activities necessary to record the easement or implement the HFRP, as appropriate for the enrollment option being considered. For restoration cost-share agreements and contracts, the landowner will proceed to implement the restoration plan with technical assistance and cost-share from NRCS.

(d) *Withdrawal of offers.* Prior to execution of an agreement to purchase, a restoration cost-share agreement, or contract between the United States and the landowner, NRCS may withdraw the land from enrollment at any time due to lack of availability of

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funds, inability to clear title, or other reasons. An agreement to purchase will be void, and the offer withdrawn, if not executed by the landowner within the time specified.

### § 625.8 Compensation for easements and 30-year contracts.

(a) *Determination of easement payment rates.*

(1) NRCS will offer to pay not less than 75 percent, nor more than 100 percent of the fair market value of the enrolled land during the period the land is subject to the easement, less the fair market value of the land encumbered by the easement for permanent easements or easements for the maximum duration allowed under State law.

(2) NRCS will offer to pay not more than 75 percent of the fair market value of the enrolled land, less the fair market value of the land encumbered by the easement for 30-year easements or 30-year contracts.

(b) *Acceptance and use of contributions.* NRCS may accept and use contributions of non-Federal funds to make payments under this section.

(c) *Acceptance of offered easement or 30-year contract compensation.*

(1) NRCS will not acquire any easement or 30-year contract unless the landowner accepts the amount of the payment that is offered by NRCS. The payment may or may not equal the fair market value of the interests and rights to be conveyed by the landowner under the easement or 30-year contract. By voluntarily participating in the program, a landowner waives any claim to additional compensation based on fair market value.

(2) Payments may be made in a single payment or no more than 10 annual payments of equal or unequal size, as agreed to between NRCS and the landowner.

(d) If a landowner believes they may be eligible for a bargain sale tax deduction that is the difference between the fair market value of the easement conveyed to the United States and the easement payment made to the landowner, it is the landowner's responsibility to discuss those matters with the Internal Revenue Service. NRCS disclaims any representations concerning