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Transmitted via Email

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MINNESOTA BULLETIN 300-8-3

**SUBJECT: LTP – COST RECOVERY FROM CONSERVATION SECURITY PROGRAM (CSP)
PARTICIPANTS WHO INVOLUNTARILY LOSE CONTROL OF LAND UNDER
A CSP CONTRACT DUE TO ACTION OF LANDOWNERS**

Purpose. To provide information and instructions on CSP participants who lose control of land under a CSP contract due to actions of the landowner.

Expiration Date. September 30, 2008.

Conservation Program Manual, Title 440, Part 512, Conservation Programs Contracting, Sections 512.57 and 512.58 describe the process for canceling and terminating CSP contracts and cost recovery. The Natural Resources Conservation Service (NRCS) generally seeks a recovery of costs when a Conservation Program Contract (CPC) is terminated or canceled. Refer to the CPC Appendix to determine if cost recovery applies to the contract in question. Recovery costs include an estimated value of technical assistance (liquidated damages) and a refund of financial assistance (payments disbursed). NRCS, in most cases, must consider the following when determining the cost recovery amount:

- (i) Whether the participant had attempted to comply with the terms and conditions of the contract in good faith; or
- (ii) Whether the participant was unable to comply with the terms and conditions of the contract due to economic or personal hardship which has arisen since the obligation of the contract.

The NRCS State Conservationist (STC) may waive all or part of any liquidated damage assessment or cost recovery according to the applicable program regulation. Loss of land under a CSP contract by the participant due to actions of the landowner will be considered as involuntary on the part of the participant. Any action by a landowner to change the terms, conditions, or lessee may be considered beyond the control of a tenant.

In cases of involuntary loss of control after the annual payment for that fiscal year (FY) has been made, no cost recovery will be requested if the recurring conservation system has been put into place for that FY. If the conservation system for that FY has not been applied, cost recovery would be required for that FY.

The CSP participant in cases of involuntary loss of control must provide to NRCS the following:

- Written notification of loss of control from the current landowner; and
- A written statement from the participant stating loss of control, describing the land, and requesting its removal from the contract.

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If the participant cannot provide both of the above, the participant must provide a letter to the STC describing the situation and requesting that the contract be cancelled or land removed from the contract.

The participant may request that the STC consider a waiver or reduction of cost recovery.

The field staff should continue to follow the guidance provided in Minnesota Amendment 57, which is a supplement to 440-V-CPM, National Amendment 36, regarding non-compliance.

If you have any questions, please contact Paul Flynn, State Resource Conservationist, at (651) 602-7867.

/s/

WILLIAM HUNT
State Conservationist

Attachments

DIST: ASTC, ARC, Program Specialists, FO