

## Appendix C

### Conservation Easements

#### What is a Conservation Easement?

A conservation easement (or conservation restriction) is a legal agreement between a landowner and a land trust or government agency that permanently limits uses of the land in order to protect its conservation values. It allows you to continue to own and use your land and to sell it or pass it on to heirs.

When you donate a conservation easement to a land trust, you give up some of the rights associated with the land. For example, you might give up the right to build additional structures, while retaining the right to grow crops. Future owners also will be bound by the easement's terms. The land trust is responsible for making sure the easement's terms are followed.

Conservation easements offer great flexibility. An easement on property containing rare wildlife habitat might prohibit any development, for example, while one on a farm might allow continued farming and the building of additional agricultural structures. An easement may apply to just a portion of the property, and need not require public access.

A landowner sometimes sells a conservation easement, but usually easements are donated. If the donation benefits the public by permanently protecting important conservation resources and meets other federal tax code requirements it can qualify as a tax-deductible charitable donation. The amount of the donation is the difference between the land's value with the easement and its value without the easement. Placing an easement on your property may or may not result in property tax savings.

Perhaps most important, a conservation easement can be essential for passing land on to the next generation. By removing the land's development potential, the easement lowers its market value, which in turn lowers estate tax. Whether the easement is donated during life or by will, it can make a critical difference in the heirs' ability to keep the land intact.

### Land Trusts

#### What is a Land Trust?

A land trust is a nonprofit organization that, as all or part of its mission, actively works to conserve land by undertaking or assisting in land or conservation easement acquisition, or by its stewardship of such land or easements.

#### Are land trusts government agencies?

No, they are independent, entrepreneurial organizations that work with landowners who are interested in protecting open space. But land trusts often work cooperatively with government agencies by acquiring or managing land, researching open space needs and priorities, or assisting in the development of open space plans.

#### So, what are the advantages of working with a land trust?

Land trusts are very closely tied to the communities in which they operate. Moreover, land trusts' nonprofit tax status brings them a variety of tax benefits. Donations of land, conservation easements or money may qualify you for [income or gift tax savings](#). Moreover, because they are private organizations, land trusts can be more flexible and creative than public agencies - and can act more quickly - in saving land.

#### What does a land trust do?

Local and regional land trusts, organized as charitable organizations under federal tax laws, are directly involved in conserving land for its natural, recreational, scenic, historical and productive values. Land trusts can purchase land for permanent protection, or they may use one of several other methods: [accept donations of land](#) or the funds to purchase land, accept a bequest, or accept the donation of a [conservation easement](#), which permanently limits the type and scope of development that can take place on the land. In some instances, land trusts also purchase conservation easements.

From the Land Trust Alliance website: <http://www.lta.org/index.shtml>