

Mendocino County Sustainable Ag Lands Committee (SALC)

CONSERVATION EASEMENTS FACT SHEET



Tax Benefits of Conservation Easements

In 2015 Congress enacted one of the most powerful conservation measures in decades: the enhanced federal tax incentive for conservation easement donations. The

permanent conservation easement tax incentive is a powerful tool that helps Americans conserve their land voluntarily.

For land trusts across the country, the permanent incentive represents vastly increased opportunities to protect the special places in their widely varied communities.

If you own land with important natural, agricultural or historic resources, donating a conservation easement can be a prudent way to both save the land you love forever and to realize significant federal tax savings.

Additional information can be found at:
www.landtrustalliance.org

Or for more information on the Sustainable Ag Lands Committee, contact: Seth.Myrick@mcrd.org

Conservation Easements Defined

A conservation easement, also called a conservation agreement, is a voluntary and legally binding agreement between a landowner and a land trust or government agency.

When a landowner donates an easement to a land trust or public agency, she or he is giving away some of the rights associated with the land. The easement permanently limits uses of the donated parcel in order to protect its conservation values, as specified in the Internal Revenue Code (IRC) 170(h).

Conservation easements offer private landowners flexibility in protecting their land. For example, a donating landowner can retain the right to grow crops on a parcel while, at the same time, relinquishing the right to build additional structures on the parcel.

MENDOCINO COUNTY EXPERTS IN

CONSERVATION EASEMENTS

Anderson Valley Land Trust

Mendocino Land Trust

Mendocino Inland Land Trust

Land Trust Alliance

The Benefits of Conservation Easements:

- **Potential tax and estate planning benefits**
- **Preservation of agricultural lands**
- **The preservation of rural character, cultural heritage and quality of life**
- **Wildlife habitat and reduced habitat fragmentation**

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Conservation Easements vary greatly in value. In general, the highest easement values are found on tracts of open space under high development pressure. In some jurisdictions, placing an easement on one's land may also result in property tax savings for the landowner.

Conservation easements can be used to achieve a wide range of conservation purposes, including open space preservation, agricultural preservation, and natural resource protection. The conservation easement is recorded in the form of a grant deed and is binding on successive owners of the property in perpetuity. In other words, it is forever.

A conservation easement is an adaptable tool, and may be tailored for each specific property based on the common preservation goals of the landowner and the holder of the easement. For example, conservation easements may prohibit development over scenic landscapes; prohibit non-agricultural uses over agricultural land; restrict timber harvests to sustainable levels over forest land; or require that land be kept "forever wild" over natural areas.

CONSERVATION EASEMENT OPTIONS:

Stay on your land. A.) If you want to own and control your land during your lifetime, but assure its protection after your death, you can donate by will. B.) You may donate your property subject to a reserved life estate, meaning that you can continue to live on the donated property during your lifetime. C.) Another very effective way for landowners to conserve property while continuing to own and to occupy the land is to create a conservation easement. A conservation easement is a voluntary legal agreement between a landowner and Mendocino Land Trust which restricts the use of a particular property in order to protect its conservation values.

Gift your land. Donating land for conservation is one of the finest legacies a person can leave to future generations. If you choose to donate your land, we can work with you to identify the best arrangement.

Sell your land. Some landowners want their land to be conserved, but are not in a position to donate it, so they may consider selling it. In order for Mendocino Land Trust to purchase your land, we would need to research and secure funding from a variety of sources, which takes some time. This might include local, state or federal government funding, private entities and grassroots campaigns. Landowners may offer to sell for less than fair market value, which is called a "bargain sale." A bargain sale might make it easier to receive funding, and might also provide charitable deduction opportunities.