



Western Reserve Land Conservancy

land • people • community



## CONSERVATION EASEMENT

If you own land with important natural or agricultural resources, donating a voluntary conservation easement can be one of the smartest ways to conserve the land you love, while maintaining your private property rights and possibly realizing significant tax benefits.

### What is a conservation easement?

A conservation easement is an agreement entered into between a landowner and a land trust that permanently limits uses of the land to preserve its conservation or agricultural resource values.

### What are the common characteristics of a conservation easement?

- Conservation easements are unique and tailored to each landowner's long-term vision for their property; owners can restrict the property's development at different levels, provided that the property's conservation values, such as scenic views, agriculture and wildlife habitats, are preserved.
- Conservation easements can allow for farming, oil and gas leasing, timbering, wildlife management and the reservation of building areas.
- The property remains in private ownership and can be sold, leased, or transferred, but the conservation easement protections remain with the land forever.
- The land trust takes on the legal obligation to ensure the terms of the conservation easement in perpetuity; it does not have the right to use, sell or transfer the development rights.

## Do you accept easement on any land?

Since conservation easements serve to protect natural and agricultural resources, they are not necessarily a good fit on all land. Generally, the Land Conservancy will accept conservation easements that provide the following values: 1) recreation or education by the general public; 2) habitat protection; or 3) open space protection that yields a significant public benefit, which can include the preservation of farmland.

## Who owns the land after I donate a conservation easement?

You, the landowner, still own, control and possess your land. You can, of course, sell your land at anytime knowing the terms of the conservation easement will run with land. A conservation easement does not require you to provide public access to your property.

## What right do I retain?

It is important to remember that each conservation easement is individualized to meet the needs of the landowner and conservation values of the land. Different rights may be retained on different properties; it's best to speak with Land Conservancy staff about your intentions for your property.

## What are the potential tax benefits of granting a conservation easement?

Conservation easements can provide income, estate, and, sometimes, property tax reductions for the landowners. Current IRS income tax regulations allow a landowner to take a 50% federal income tax deduction (100% for qualified farmers) for the year they donate their conservation easement and an additional 15 years or until the value of the donation is fully deducted. Conservation easements can also be a powerful estate planning tool for landowners as they seek the most effective way to pass their property to the next generation. Conservation easements are written to be compatible with Current Agricultural Use Value (CAUV) and Ohio Forestry Tax Law (OFTL) programs.

## How is the value of a conservation easement determined?

A qualified appraiser must prepare an appraisal showing the "before value" (the value of the land without a conservation easement and having full development value) and the "after value" (the value after the property has been restricted by a conservation easement). It is the difference between these two numbers that the IRS views as the charitable gift.

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**To discuss specific option for a conservation easement on a land, please call 440-528-4150 to speak with a staff member who can walk you through the easement process.**

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**NOTE:** Any information contained herein relating to tax treatment or other transactional details is strictly informational and is not written or intended to be relied upon by any party as legal or tax advice. It is essential that landowners consult with their own legal and financial advisors to determine the impact on their individual situation. The grant of a conservation easement can take many months, so it is important to begin the process early.



"I'm passionate about the preservation of land, wildlife habitat, stream corridors, farms," shared David Mayo who recently granted a conservation easement on his 91-acre property in Sheffield Township, Ashtabula County. "But we have to do more than just talk. We have to act now before these beautiful places are gone."



"My wife and I have worked with the Land Conservancy to place conservation easements on approximately 2,200 acres in western Huron County, southwestern Erie County and eastern Sandusky County. We wanted to ensure this farmland would remain in production and never be developed," explains fifth-generation farmer, Robert Bumb.