



Western Reserve Land Conservancy

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STEPS TO DONATING A CONSERVATION EASEMENT

Western Reserve Land Conservancy Introductory Meeting

During this initial meeting you, the landowner, have the opportunity to share with the Land Conservancy your goals, needs, and interests regarding your property, as well as express specific concerns and questions that apply to your particular situation. In turn, Land Conservancy staff will explain the role of our organization, how conservation easements work and address your specific concerns and questions.

Throughout the entire conservation easement process, the Land Conservancy facilitates the transaction, but you retain your own advisors, such as an attorney, accountant, appraiser, and surveyor.

Property Visit

In order to evaluate the conservation values of your property in preparation for drafting a conservation easement, one or more Land Conservancy staff members walk your land to become familiar with its features and characteristics.

Property Title Review and Resolution of Mortgage Issues

The Land Conservancy researches the details of your property's title in order to determine if there are title-related issues that need to be addressed by the conservation easement, such as third-party ownership of natural resources (gas, oil, and/or minerals), access easements, mortgages, and other liens. If your land is subject to a mortgage, the mortgage must be subordinated to the conservation easement so that it cannot be eliminated should the mortgage be foreclosed.



Conservation Easement Drafting and Discussion of Conservation Easement Terms

The Land Conservancy prepares the first draft of the conservation easement and then you and your lawyer review it. This can require a significant amount of time depending on the complexity of the conservation easement. The Land Conservancy is in frequent contact with the you and/or your representatives, in order to create a mutually acceptable conservation easement document.

Baseline Documentation Report

A Baseline Documentation Report (BDR) is completed by the Land Conservancy once the terms of the conservation easement are generally agreed upon. The purpose of the BDR is to establish the condition of the property at the time the conservation easement is granted and to document its conservation values. Land Conservancy staff complete the detailed report which includes maps, photographs, habitat descriptions and a list of all flora and fauna located on your property. This document becomes an exhibit to the conservation easement and is required by the tax law.

Land Conservancy Board Approval

Once you decide to move forward with the conservation easement and Land Conservancy staff conclude that the property meets our conservation guidelines, the Land Conservancy's Board of Trustees must approve the project.

Execution of Final Conservation Easement

The final conservation easement must be signed by you and the Land Conservancy; the easement must be notarized. The landowner is given a fully executed copy at the time of signing.

Recordation of the Conservation Easement

The signed conservation easement document, including the BDR and legal description, is recorded at the County Recorder's office. The original is then returned to the Land Conservancy.

Completion of an Appraisal

If you are planning on claiming a charitable gift income tax deduction for the conservation easement donation and you believe the gift is greater than \$5,000, the tax laws require that you have an appraisal made to determine the value of the conservation easement. A conservation easement donation may qualify as tax deductible if the conservation easement constitutes a "Qualified Conservation Contribution." A "Qualified Appraiser" (as defined by the tax laws) must prepare the appraisal showing the "before value" (the value of the land without a conservation easement) 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 tax laws consider a charitable gift. The full appraisal is completed after the conservation easement is signed. It is useful, however, to involve an appraiser early in the process if the extent of the tax deduction is an important factor in the design of the conservation easement. The Land Conservancy can provide you with a list of qualified conservation easement appraisers upon request.

Acknowledgement of Charitable Gift

Once the appraisal is completed and the value of the charitable gift has been determined, you or your tax advisor complete Form 8283 indicating the value of the charitable gift. Form 8283 must also be signed by the appraiser and by the Land Conservancy for the purpose of acknowledging receipt of the charitable gift.

Stewardship Visits

Federal tax law requires that a properly executed conservation easement remains enforceable forever. The Land Conservancy is required by law to have the resources necessary to uphold the terms of the conservation easement restrictions. We fund this obligation, in part, by including a transfer fee in the conservation easement and by charitable gifts made by conservation easement donors.

Land Conservancy staff and/or trained volunteers visit the property at least once each year to monitor the conservation easement to ensure that the terms of the easement are being upheld.



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

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.