



New York Agricultural Land Trust
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What does a Conservation Easement do?

Does	Does not
<ul style="list-style-type: none"> ❖ Restricts use of a property as necessary to protect its important natural, agricultural, scenic and historic features ❖ Restricts number, type and locations of residential dwellings and certain other buildings ❖ Restricts and sometimes prohibits quarrying and excavation of mineral resources ❖ Restricts dumping of solid and liquid waste ❖ Guides forestry activities under an approved woodlot management plan ❖ Restricts or eliminates industrial and commercial activities, except those associated with agriculture 	<ul style="list-style-type: none"> ❖ Permit public access to the protected areas, unless specifically desired by the landowner and the conservation organization; (In certain situations, public access to a portion of the property may be necessary to meet the IRS's public benefit right.) ❖ Change the ownership of the land. Property owners continue to use and enjoy the land consistent with the terms of the easement ❖ Prohibit all subdivision. The property can often be subdivided, subject to the terms of the easement agreement

What is a Conservation Easement?

A conservation easement is an interest in land that restricts the owner's use of property in specified ways and grants the easement holder the right to enforce the restrictions. The easement holder is typically a non-profit conservation organization, often called a land trust.

- ❖ The purpose of an easement is to protect the natural, scenic, agricultural or historic values of a property.
- ❖ The owner retains title to the property and continues to use it, subject only to certain specific restrictions.
- ❖ The owner also retains the right to sell, lease or bequeath the property.
- ❖ The easement is granted in perpetuity and will apply to all future owners.



Conservation Easement Fact Sheet

What are the benefits of a Land Trust?

For Landowners	For the Public
<ul style="list-style-type: none"> ❖ An easement may provide significant financial benefits through the reduction of federal income taxes, estate taxes and/or gift taxes. ❖ Owners can feel secure knowing that the property they have lived on or worked with for many years will be preserved and cared for in the future. ❖ By jointly placing conservation easements on several contiguous parcels, neighboring landowners may enjoy mutual benefits. ❖ Neighbors can provide mutual protection against unplanned development; protect larger resource areas such as watersheds, scenic landscapes or agricultural areas; and reduce individual landowners costs through shared planning. 	<ul style="list-style-type: none"> ❖ Easements serve to protect a community's important natural assets - water resources, wildlife habitats, agricultural lands, historic sites and scenic amenities - without the appropriation of public funds. ❖ Eased lands remain in private ownership and do not require public monies for support or maintenance. ❖ Because easements are granted in perpetuity, communities can depend upon eased lands as permanently protected open spaces - a lasting result often not possible through zoning or other land use regulations. ❖ Easement programs may be incorporated into a community's official plan to protect natural resources.

Financial Considerations

Financial benefits of conservation easements may take the form of significant reductions in federal income, estate and/or gift taxes. Landowners considering conservation easements should review the financial consequences with the appropriate financial and tax advisors.

❖ Federal Income Tax Benefits

The donation of an easement may qualify as a charitable contribution and may be treated as such on the landowner's federal income tax returns. The dollar value of an easement donation is established through a real estate appraisal of the property. The value of the deduction is the difference between the fair market value of the property without a conservation easement and the value of the property with an easement.

❖ Federal Estate Tax Benefits

Because conservation easements reduce the fair market value of land, an easement donated by the landowner prior to death (or by will) can reduce the total value of the taxable estate, which, in turn, reduces estate taxes. The landowner may choose to convey the easement by will if he or she does not need the income tax deduction or cannot use all of the donation's deductible value within the carry-over period. Granting the easement by will also allows the landowner to maintain control over the property during his or her lifetime.

❖ Potential Local Property Tax Benefits

The reduction of a property's fair market value due to a conservation easement may also lead to a decrease in local property tax but only if local assessors recognize the easement's effect on the property's value.

Is My Land Right for Easement?

The appraised value of the easement may be deductible from the donor's gross income for federal income tax purposes if the easement meets at least one of the following conservation purposes:

- ❖ The preservation of land areas for recreation or education by the general public
- ❖ The protection of a relatively natural habitat of fish, wildlife, plants or similar ecosystem
- ❖ The protection of open space, including woodland and farmland for either the scenic enjoyment of the general public or when such preservation is pursuant to a clearly delineated government conservation policy. In either case, a significant public benefit must result from the open space preservation
- ❖ The preservation of an historically important land area or a certified historic structure
- ❖ Important financial benefits without selling or losing the land

In addition to meeting at least one of the stipulated conservation purposes, an easement must be granted in perpetuity and be given to a qualified recipient, such as a governmental unit or a non-profit organization. Such an organization must hold the easement solely for conservation purposes.

The holder will inspect its easements at least once a year and be prepared to take legal action, if necessary, to protect the terms of the easement.

What is the Process for Donating Land?

Since conservation easements are perpetual, NYALT believes they should be considered as part of a master planning process. NYALT planners take the following steps in preparing a plan for conservation:

❖ Define objectives

Meet with the landowner to discuss his or her needs and objectives and to define various land use alternatives. These discussions are treated as private and confidential.

❖ Evaluate the property

Inventory, map, and evaluate the important scenic, historic, and ecological values of the property. Assess the property in relationship to surrounding lands. Review local land use regulations and development trends.

❖ Review Alternatives

Present various land use alternatives in terms of the landowner's goals, potential future uses and conservation restrictions. The alternatives are evaluated in terms of associated tax benefits. Alternatives can be reviewed with tax and legal advisors, and a final plan selected.

❖ Prepare a Plan and Easement

Draw up the necessary plans and easement documents for review with the landowner.

❖ Accept and Record the Plan and Easement

To be completed, the easement must be accepted by the NYALT Board of Directors and signed by the landowner and authorized officers of NYALT. The easement is then recorded in the local Recorder of Deeds office. This includes a conservation easement map that graphically depicts the defined terms of the easement including acceptable residential locations, trail easements, protected wetlands and protected woodlands.