

What Does the Land Trust Protect?

Mission

The Central Savannah River Land Trust is committed to safeguarding the forests, wetlands, and open spaces that define our region's character. Our mission is to preserve these areas of natural beauty today, and leave a legacy of environmental stewardship that lasts for generations.

*preserving our natural landscape,
forever*

The Conservation Easement

Our main vehicle for protecting these areas is the conservation easement. A conservation easement 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 the landowner to continue to own and use the land, to sell it, or pass it on to heirs.

Selecting for Quality and Permanence

In order to maximize the Land Trust's success in achieving our mission, we evaluate all potential conservation properties on how they contribute to the following nine criteria:

1. Flood Protection
2. Erosion Protection
3. Wetlands Protection
4. Buffer Protection (particularly of water bodies)
5. Protection of Water Quality
6. Scenic/Viewshed Protection
7. Recreational Potential
8. Historic Value
9. Connection Potential (to other conserved or natural areas)

These criteria are based on the indicators developed by the GA Department of Natural Resources for the Georgia Community Greenspace Program. They represent the wide range of ecological values which a conservation easement seeks to protect. In order to qualify for a conservation easement, a property must score highly in several of these categories. The Board of Directors reserves the right to ultimately decide whether or not to accept a conservation easement or donation of conservation property, based upon how strongly the property supports the achievement of the Land Trust's mission.

For more information on conservation easements and properties currently protected with the Land Trust, visit us at www.csrlt.org or contact our offices at 706-312-LAND.

Conservation Easements 101

What is a Conservation Easement?

A conservation easement 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 the landowner to continue to own and use the land, to sell it, or pass it on to heirs. It does not necessarily grant public access.

How Does it Work?

By donating a conservation easement, a landowner gives up some of the rights associated with their land, while retaining others. For example, you might give up the right to build a subdivision, but retain the right to grow timber or live on the land yourself. All future owners will be bound by the terms you set forth.

Why Should I Conserve My Land?

People use conservation easements because they love their land and want to protect it from inappropriate development, while keeping their private ownership of the property. Easements can also result in tax savings for the owner.

What are the Benefits for My Family?

If the easement is donated to an IRS-qualified charity, such as the Land Trust, the landowner can be eligible for an income tax deduction. In both Georgia and South Carolina, the landowner may also be eligible for state tax credits and/or lower property taxes within their municipality. Additionally, a conservation easement can make a critical difference in an heirs' ability to inherit the land intact. By restricting the land's development potential, the easement lowers its market value, which in turn can lower the estate tax.

Are They Flexible?

Conservation easements offer great flexibility. An easement on property containing rare wildlife habitat might prohibit development, while one on a farm might allow farming or timbering and additional agricultural structures, and an easement on a private estate might allow for the construction of one or two additional home sites for heirs, but restrict large-scale development or alteration of the natural landscape.

Where Do I Start?

Explore the conservation values you want to protect on your property and discuss what you wish to accomplish and what development rights you may want to retain with a Land Trust representative. Always remember to consult with other family members and your own attorney or financial advisor as well.

Your Local Land Trust

The Central Savannah River Land Trust is nationally accredited conservation organization operating throughout the Central Savannah River Area, in both Georgia and South Carolina. The CSRLT partners with local landowners to achieve their conservation and estate-planning goals while preserving our natural landscape forever.

The Conservation Easement Process Step By Step

Protecting your land with a conservation easement is a relatively straightforward process, and our board and staff are here to help walk you through each step. In this letter we wish to give you an overview of process from start to finish, including many of the typical components and costs associated with each.

Step 1: Preliminary Site Visit

We begin every one of our conservation projects by visiting with you, the landowner, and your land. By touring your property, taking photos and observations, listening to your stories and vision for its future, we are able to get a better picture of your property's conservation values. We will use these photos and observations to begin preparation of a Baseline Documentation Report for you (see below) and to present your project to our full Board of Directors for preliminary approval. Once we all agree to pursue this project, we will dive into the heart of the preparation process.

Step 2: Due Diligence & Document Preparation

In order to properly protect your property for perpetuity, there are a number of processes that must be completed. The most common of these are explained for you here.

Baseline Documentation Report – The baseline documentation report (“baseline”) is a full report of the property and its conservation values, including photos, maps, narratives, physical descriptions, and information about ownership and access. It describes the conservation values of the property at the time you establish the conservation easement. We will begin compiling this report during our initial site visit with you. Shortly before you sign the final easement document, we may come back to your property to take further observations and update the report for you.

If you expect to apply for a federal or state tax incentive, please be aware that it is ultimately the landowner's responsibility to provide baseline documentation for your property. We offer baseline services to our landowners, but should you wish to obtain a different or more in-depth report than the one we provide, please know that you are welcome and encouraged to do so.

- Completed by: the Land Trust (or landowner's agent, if requested)
- Paid for by: the Landowner
- Must be signed by both Landowner and Land Trust at closing

Title Report, Insurance, & Mortgage Subordination – A title report is a legal document identifying all owners of the property, any lien holders or mortgages, encumbrances and pre-existing easements (i.e. gas or power line), and must be completed before closing on the easement. Typically, the Land Trust will order the report early in the process, and have it updated just before

closing. In the case that you have a mortgage on your property, we will need to consult with the lending agency to secure from them a letter of subordination. This simply states that, in the event of a foreclosure, the lender agrees to the terms of the conservation easement and that the easement will not be extinguished.

- Completed by: the Land Trust, and the Land Trust's title search agent
- Paid for by: the Landowner

Note: *A deposit of \$500 for these expenses will be required before beginning due diligence and conservation easement negotiations*

Survey & Legal Description - A surveyed plat and legal description are also crucial components in the conservation process. These two documents help identify the exact property being protected by the conservation easement. The survey is a graphic representation of the property's size, shape, and location, while the Legal Description provides a written legal description of the property's meets and bounds. Both the survey and legal description will be attached to the final conservation easement. In many cases, a current survey and legal description can be obtained at minimal cost from the County Records office.*

- Completed by: A licensed Land Surveyor authorized to practice in the State of Georgia, for properties located in Georgia, or South Carolina, for properties in South Carolina
- Paid for by: In the case that a new survey is needed, the survey shall be paid for by the Landowner.

Note: *If your conservation easement allows for the construction of any additional structures in the future, a survey must be completed showing the locations where construction is permitted.*

Conservation Easement Document – This is the main document which protects your property's conservation values. It defines the conservation values of the property, outlines the activities and uses prohibited in order to preserve those values, describes the public benefit of conserving the property with the Easement, outlines ways in which the Land Trust will ensure your conservation wishes will be fulfilled in perpetuity (forever), and provides the mechanism for resolving future issues. The details of the conservation easement document will be discussed and negotiated by you, the landowner, your legal counsel if you wish, and the Land Trust. We will spend considerable time with you ensuring that your wishes for your property are properly described, and preserved in this document.

- Prepared by: the Land Trust
- Paid for by: the Land Trust
- Must be signed by both the Landowner and Land Trust and recorded at the County records office. The date the document is recorded becomes the effective date of the Easement.

Stewardship Gift – As a non-profit organization, the Land Trust must rely upon charitable contributions to support our conservation initiatives. A portion of this support is obtained through stewardship contributions donated in concert with the donation of conservation easements. When you place a conservation easement on your land, the Land Trust accepts the responsibility for managing and upholding the easement’s terms forever. This responsibility comes with predictable expenses, including the cost to establish and then annually monitor your easement in perpetuity, the cost of annual conservation easement defense insurance, as well as the risk of larger expenses for enforcing the easement in court should a violation occur in the future. At the end of the day, we must have the resources necessary to keep our promise to you to protect your land forever.

In order to do this, we request a one-time, tax-deductible donation from each of our landowners. This donation, or “stewardship gift,” will be used to provide for the costs associated with establishing, monitoring, and defending our easements. The size of the gift requested will be based on the property’s annual monitoring costs, which will be determined once we determine the terms of your easement. A receipt for your tax records will be provided to you at the time of your donation.

Note: *Other costs and fees associated with the easement process are business expenses, which may also be tax deductible. We suggest you consult your tax advisor for details on this.*

IMPORTANT NOTE: In order for your conservation project to be considered for completion in a given calendar year, the following items must be completed before December 1st of that year:

- Preliminary Title Report - to be updated shortly before closing
- Baseline Documentation Report - to be updated with current photos and current observations shortly before closing only
- Final Conservation Easement language agreed upon by landowner and Land Trust
- Map of the Property or area of the Property to be conserved, with acreage calculation
- Appraisal and completed Form 8283, for owners other than individuals, sole proprietorships, or family partnerships

The Board reserves the right to table final approval of a conservation project until after the New Year if these above-listed items are not received by December 1st. Work on the conservation project may then resume after the New Year.

Step 3: Closing and Recordation of the Conservation Easement

Once all the documents have been finalized, the Land Trust will schedule a time to meet with you to sign them. The conservation easement and Baseline Documentation Report will be signed by all property owners and the Land Trust. A closing attorney will secure a Certificate of Title Insurance.

The conservation easement document will then be recorded in the County courthouse. Stewardship gift donations will also be made at this time.

Overview of those items paid for by the Land Trust:

- ◆ Site Visit(s) to your property
- ◆ Conservation Easement Document
- ◆ Annual Monitoring Visits for perpetuity
- ◆ Conservation Easement Defense Insurance
- ◆ Any Legal Costs to defend your Conservation Easement

Overview of those items paid for by the Landowner:

- ◆ Property Title Report and Insurance (deposit required)
- ◆ Baseline Documentation Report
- ◆ Survey and Legal Description (if needed)
- ◆ Closing and Recording of Conservation Easement
- ◆ Stewardship Gift
- ◆ Appraisal

Step 4: Claiming a Tax Deduction (optional)

In order to qualify for a tax deduction for your donation of a Conservation Easement, you must obtain an appraisal of the value of your conservation easement from a qualified appraiser licensed to practice in the state in which the property is located. The value of a Conservation Easement is generally the difference in the fair market value of the property before and after the easement is placed on it. The appraiser will determine the value of the land with the development restrictions you placed on your land through the easement, and will evaluate those values with the land values derived from an economic analysis of the highest development/yield potential for your land.

In order to claim a tax deduction, you must file a Form 8283 with your income tax return for the year of donation. The Form 8283 must be signed by both your appraiser and the Land Trust. An information sheet to help you with this process will be provided by the Land Trust. However, we recommend that you obtain your own independent tax advice, as the Land Trust cannot serve as your tax advisor.

Note: *For conservation projects where the owner is anyone other than a single individual, sole proprietorship, or family partnership, the Land Trust requires receipt of the appraisal and completed Form 8283 with all attachments sufficiently prior to closing on the conservation easement as to have ample time to read, review, and ensure compliance with all Land Trust, IRS, Land Trust Accreditation Commission, and any other pertinent requirements. The Land Trust will not participate in Tax Shelter Transactions, as defined by the Land Trust Alliance and the Internal Revenue Service. (Ref. Land Trust Alliance Tax Shelter Advisory, published February 5, 2018 and any subsequent revisions thereof)*

Before signing the 8283, the Land Trust must have ample time to review a full copy of your appraisal(s). Please be advised, that the Land Trust will not knowingly participate in a conservation project if it has significant concerns about the type or amount of tax deduction being sought after by a potential conservation easement donor. The Land Trust reserves the right to not sign a donor's Form 8283. In the event that we do not sign the Form 8283, you may submit the Form along with an explanation.

- Prepared by: A qualified appraiser familiar with conservation easement valuation, and licensed to practice in the state in which the property is located.
- Paid for by: The appraisal is ordered by and paid for by the Landowner. The Land Trust may provide recommendations on qualified appraisers in the area, but by law, we cannot be relied upon to establish the monetary value of your property or whether it qualifies for a tax deduction.
- Timeframe: The appraisal must be dated no earlier than 60 days prior to the effective date of the conservation easement and no later than the date of closing of the conservation easement.

Step 5: Monitoring the Conservation Easement

Federal regulations obligate the Land Trust to conduct field visits in perpetuity to ensure that the requirements of the conservation easement are being met. The Land Trust monitors all of its conservation easements on an annual basis through a prearranged visit with the owner. Each year, the Land Trust will contact you and schedule a time to visit your property, take photos, and update the Baseline Documentation Report to keep the property's file current. You may be present for this visit if you wish, but it is not always necessary. After we finish compiling our report, we will send you two copies for you to sign: one to keep, and one to return to us.

If you or we should encounter a violation of the easement, we will contact you and attempt to resolve the problem as quickly and efficiently as possible.

The Conservation Easement Process An Overview

- 1. Initial Meeting and Site Visit** (*landowner + CSRLT staff*)
- 2. Board Review:** Project Proposal, Notice to Proceed given (*CSRLT Board*)
- 3. Due Diligence Deposit** (*paid by landowner before work begins*)
- 4. Due Diligence** (*completed by CSRLT staff, contractors, and landowner’s agents*)
 - ◆ Site Visit(s), with landowner as necessary
 - ◆ Baseline Documentation Report
 - ◆ Property Title Report and Insurance
 - ◆ Mortgage Subordination (if necessary)
 - ◆ Survey and Legal Description
 - ◆ Conservation Easement Appraisal (if claiming a tax incentive)
 - ◆ Form 8283 – *filled out/signed by landowner, then signed by appraiser and, lastly, CSRLT*
- 5. Conservation Easement** (*language agreed upon by landowner and CSRLT staff*)
- 6. Board Review:** Due Diligence & Conservation Easement, Final Approval given (*CSRLT Board*)
- 7. Conservation Easement Signing Day** (*landowner & CSRLT Staff*)
 - ◆ Balance of Due Diligence Fees paid by landowner
 - ◆ Conservation Easement & Baseline Report signed by landowner and CSRLT staff
 - ◆ Stewardship Gift given by landowner
 - ◆ Tax Receipt letter given by CSRLT
- 8. Conservation Easement Recorded at Courthouse** (*CSRLT Staff*)

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Congratulations, your land is now officially protected, forever!

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- 9. Claiming a Donation/Tax Filing** (*landowner – optional*)
 - ◆ Federal: Conservation Easement, Appraisal, and signed Form 8283 with attachments
 - ◆ State: State Tax Credit application (if applicable) – *sent to state agency*

We recommend that you consult a tax professional for specific instructions and advice regarding claiming a donation. By law, the CSRLT cannot serve as your tax advisor.

- 10. Long Term Stewardship** (*landowner + CSRLT Staff*)

Please return a copy of this signature page to the Central Savannah River Land Trust, PO Box 148, Augusta, GA 30903.

I _____, hereby acknowledge that I have read and understood this document, entitled “The Conservation Easement Process, Step by Step” and its accompanying documents as described in the letter above on page 1.

Signature

Date

Applying for Federal or State Tax Incentives Associated with Conservation Easement Donations

Conservation Easements are powerful tools for the savvy landowner. They help protect plant and wildlife, contribute to cleaner air and water, preserve the region's natural aesthetic and character, and ensure that future generations will have the opportunity to experience the beauty of the natural world. For many landowners and their heirs, conservation easements may also provide significant tax savings and help them keep the land in the family.

Applying for these tax savings is relatively straightforward, but does require some preparation. The Land Trust recommends that landowners work closely with an attorney or tax professional who can give independent, professional advice. The Land Trust's Board and Staff are not qualified to provide specific information on how a tax deduction or credit program applies to a specific property, the monetary value of a particular easement, or whether a landowner's application for tax benefits will be accepted.

We can, however, point you in the right direction. The next few pages provide a few basic guidelines that we hope will make the process as simple as possible.

Tax Code Requirements – Any claim of tax benefits must first meet the requirements of the appropriate tax code:

Federal - For a Federal Income-Tax Deduction, we refer you to IRC §170 and the accompanying Treasury Department regulations.

Georgia – For Tax Credits in the state of Georgia, we refer you to HB 1107 (2006) and HB 386 (2012). You may also contact the GA Department of Natural Resources' Land Conservation Partnership through their website at <http://glcp.georgia.gov>.

South Carolina – For Tax Credits in the state of South Carolina, please reference the SC Code of Laws Title 12-6-3515 (2007) or visit www.openspaceprotection.org/tax_sc.htm.

The Landowner's Responsibility – In order to claim a Federal Tax Deduction greater than \$5,000, a landowner must provide the IRS with a qualified appraisal, prepared by a qualified or certified appraiser no more than 60 days prior to the date of donation, along with his/her tax return. The Land Trust can help recommend appraisers that have proven experience with conservation easement appraisals, but the landowner remains responsible for hiring an appraiser of his/her choosing. The Land Trust reserves the right to not accept an easement if it has significant concerns about the appraisal value, deduction, or tax credit being claimed.

The Land Trust's Responsibility – Once a landowner has prepared an application for a Federal Tax Deduction, the Land Trust must sign the accompanying IRS Form 8283. It is the Land Trust Board of Directors' responsibility to review all information provided, including an appraisal, survey, baseline report, conservation easement, and any other documents before signing these forms. If the Board finds inaccuracies in the description of the property or project, or if it feels that the application may impact the Trust's credibility, it reserves the right to seek additional substantiation of value and/or not sign the form. A landowner may submit a Form 8283 without the Land Trust's signature if s/he provides a written statement explaining the reason the form is unsigned.

Conservation Easements, when done properly, leave a lasting impression of beauty and permanence on their landscape. They also continue providing benefits to their owners for years to come. They are a valuable addition to any landowner's toolbox, and are worth doing right the first time. We hope this information helps you understand the steps necessary to achieve your conservation and financial planning goals for your land.

The Federal Conservation Tax Incentive Associated with Conservation Easement Donations

How it Works:

For conservation easements donated to a qualified conservation organization after December 31, 2014, landowners may claim an **income tax deduction for the appraised value of the easement** by deducting up to 50% of his/her AGI (adjusted gross income) on the year of gift and for the following 15 years (for a total of 16 years) until the full value of the donation has been deducted. Certain landowners who qualify as “farmers or ranchers” may be able to deduct up to 100% of their AGI for the same time frame.

The land must be appraised for its value before and after the establishment of the conservation easement. The difference in the two values is the deductible amount.

Example:

Land Value (before) = \$400,000
Land Value (after) = \$125,000
Easement Value = \$275,000

Landowner's Adjusted Gross Income (AGI) = \$50,000/year
Amount Deductible per year (50% of AGI) = \$25,000/year (50% x \$50,000)

In this example, the landowner could deduct up to \$25,000/year for a total of 11 years (\$25K x 11 = \$275K, the easement's value).

Important Notes:

- Changes to the landowner's AGI will raise or lower the amount that can be deducted each year.
- Any value that has not been deducted by the end of the 16 year time frame (the year of the gift plus 15 years) is forfeited.
- The landowner cannot deduct more than the value of the easement from his/her taxes.
- The amount of deduction claimed yearly does not have to remain constant (i.e. a landowner may choose to claim a smaller deduction one year and a larger the next, provided s/he stays within the AGI limit and does not cumulatively deduct more than the full easement value)
- Certain restrictions do apply. For more information, we refer you to the Land Trust Alliance: www.landtrustalliance.org/topics/taxes/income-tax-incentives-land-conservation

The federal tax code is ever-changing. We encourage you to consult your chosen tax professional for the most current information.

Claiming a Tax Deduction for Your Donation Appraisal Checklist

A qualified appraisal is an appraisal document that:

1. Relates to an appraisal made not earlier than 60 days prior to the date of contribution of the appraised property (recordation date). The donor must receive the qualified appraisal before the due date, including extensions, of the return on which a charitable contribution deduction is first claimed for the donated property. If the deduction is first claimed on an amended return, the qualified appraisal must be received before the date on which the amended return is filed.
2. Does not involve a prohibited appraisal fee. Generally, no part of the fee arrangement for a qualified appraisal can be based on a percentage of the appraised value of the property. If a fee arrangement is based on what is allowed as a deduction, after IRS examination or otherwise, it is treated as a fee based on a percentage of appraised value. However, appraisals are not disqualified when an otherwise prohibited fee is paid to a generally recognized association that regulates appraisers if: the association is not organized for profit and no part of its net earnings benefits any private shareholder or individual; the appraiser does not receive any compensation from the association or any other persons for making the appraisal and the fee arrangement is not based in whole or in part on the amount of the appraised value that is allowed as a deduction after an IRS examination or otherwise.
3. A qualified appraisal must include the following information:
 - a. A description of the property in sufficient detail for a person who is not generally familiar with the type of property to determine that the property appraised is the property that was (or will be) contributed;
 - b. The physical condition of any tangible property; the date (or expected date) of contribution; the terms of any agreement or understanding entered into (or expected to be entered into) by or on behalf of the donor that relates to the use, sale, or other disposition of the donated property;
 - c. The name, address, and taxpayer identification number of the qualified appraiser and, if the appraiser is a partner, an employee, or an independent contractor engaged by a person other than the donor, the name, address, and taxpayer ID number of the partnership or the person who employs or engages the appraiser. Note that there can often be two ID numbers required: the appraiser's social security number as well as the employer's ID number;
 - d. The qualifications of the qualified appraiser who signs the appraisal, including the appraiser's background, experience, education, and any membership in professional appraisal associations;
 - e. A statement that the appraisal was prepared for income tax purposes; the date (or dates) on which the property was valued;

- f. The appraised fair market value on the date (or expected date) of contribution;
 - g. The method of valuation used to determine fair market value, such as the income approach, the comparable sales or market data approach, or the replacement cost less depreciation approach;
 - h. The specific basis for the valuation, such as specific comparable sales transactions;
 - i. A statement naming the Central Savannah River Land Trust and the Land Trust Accreditation Commission as authorized users of the appraisal; and
 - j. Listing "verification of compliance with the Land Trust Alliance's Tax Shelter Advisory" as an intended use.
4. Is prepared, signed, and dated by a qualified appraiser (who is an individual) who declares on the appraisal summary that s/he:
- a. Holds himself/herself out to the public as an appraiser or performs appraisals on a regular basis;
 - b. Is qualified to make appraisals of the type of property being valued because of his/her background, experience, education, and membership in professional associations and other qualifications described in the appraisal;
 - c. Understands that a substantial or gross valuation misstatement resulting from an appraisal value that the appraiser knows, or reasonably should have known, would be used in connection with a tax return, may subject the appraiser to a civil penalty under IRC §6695A;
 - d. Is not an excluded individual, which generally includes the taxpayer or a party to the transaction, someone employed by the foregoing or a related person; and
 - e. Understands that an intentionally false overstatement of the value of property may subject him or her to the penalty for aiding and abetting an understatement of tax liability.
5. The following persons **cannot** be qualified appraisers with respect to the particular property:
- a. The donor of the property, or the taxpayer who claims the deduction;
 - b. The donee of the property;
 - c. Any person employed by, married to, or related to any of the above persons; and
 - d. An appraiser who appraises regularly for any of the above, and who does not perform a majority of his/her appraisals during a tax year for other persons.

Finding an Appraiser:

We recommend hiring an appraiser with significant conservation easement appraisal experience. A list of appraisers who have successfully completed the Appraisal Institute's coursework on Conservation Easement Valuation can be found at:

http://www.appraisalinstitute.org/findappraiser/valuation_conservation_easements.aspx

Resources:

- Section 170(f)(11)(E) of the Pension Protection Act of 2006
- IRS Notice 2006-96
- *Tax Benefits and Appraisals of Conservation Projects*, 2007 Larry Kueter and Mark Weston, (S. Bates ed.) at:

<http://www.landtrustalliance.org/resources/publications/pubs-alphabetical-listing#c>

Claiming a Tax Deduction for Your Donation

Choosing an Appraiser

When choosing an appraiser, you will want to ensure that s/he has experience working with properties such as yours and is a “qualified appraiser” as defined by IRS Regulations. Asking questions such as these can help you identify the best individual to work with:

Legal Requirements:

- How long have you been appraising properties?
- What licenses and/or designations do you hold? (*in Georgia, the appraiser must, at minimum, hold a state license as a general property appraiser*)
- Have you ever had any of your license(s) or designations suspended or revoked?

Easement Experience:

- How many conservation easements have you appraised?
- How many properties have you appraised in my area?
- Have any of your appraisals been challenged by the IRS or Department of Revenue? What happened?
- Can you provide me with references of past conservation easement clients?

Nuts and Bolts:

- How do you charge for completing conservation easement appraisals?
- What is your process? Do you provide a ballpark figure or restricted report in advance of the full appraisal?
- What information will you need me to provide you with in order for you to appraise my property? Do you require a site visit?
- What is your turnaround time for completing an appraisal?

Remember, to qualify for a federal tax deduction, the appraiser must be considered a “qualified appraiser” by IRS standards. IRS Publication 561 defines a “qualified appraiser” as an individual that:

- Holds himself/herself out to the public as an appraiser or performs appraisals on a regular basis;*
- Is qualified to make appraisals of the type of property being valued because of his/her background, experience, education, and membership in professional associations and other qualifications described in the appraisal;*
- Understands that a substantial or gross valuation misstatement resulting from an appraisal value that the appraiser knows, or reasonably should have known, would be used in connection with a tax return, may subject the appraiser to a civil penalty under IRC §6695A;*
- Is not an excluded individual, which generally includes the taxpayer or a party to the transaction, someone employed by the foregoing or a related person; and*
- Understands that an intentionally false overstatement of the value of property may subject him or her to the penalty for aiding and abetting an understatement of tax liability.*

Claiming a Tax Deduction for Your Donation

IRS Form 8283

IRS Filing Requirements:

Taxpayers are required to file an IRS Form 8283 for all non-cash contributions valued at greater than \$500 for which they wish to claim a deduction. The taxpayer in most cases must include an appraisal performed by a qualified appraiser with their return. It is *highly suggested* that the taxpayer also submit several other documents to help the IRS agents better evaluate the deduction claimed. Below is a list of these items that make up a complete Form 8283 filing:

1. Form 8283 and Correct Supplemental Statement (see Form 8283 Instructions)
2. Qualified Appraisal (full copy, not just summary)
3. Copy of the Recorded Easement
4. Completed, signed Baseline Documentation Report
5. Contemporaneous Written Acknowledgement Letter (given by the Land Trust)
6. Correct Mortgage Subordination (if applicable)

Form 8283

The Form 8283 must be signed by the individual appraiser (not just the appraiser's firm)

A sufficiently detailed "supplemental statement" may be many pages. You have years of experience with your property, while revenue agents have most likely never seen it. Make their job and your experience easier by providing a detailed statement that helps the agent understand its values. An address is *not* a sufficient description of the donated property.

The Form 8283 also has a signature line for the grantee (in this case, the Land Trust) to sign. This signature is not required, and does not represent agreement with the claimed value. The Land Trust reserves the right to not sign a donor's Form 8283 for a variety of reasons, including the rare case that it does not believe that the donation conforms to tax laws. In the event that the grantee does not sign the Form 8283, the taxpayer may submit the Form along with an explanation for why the grantee's signature is not present.

Resources:

- Internal Revenue Code §170 and Treasury Regulation §1.170A-13 (www.irs.gov)
- IRS Form 8283 and Instructions
- *Tax Benefits and Appraisals of Conservation Projects*, 2007 Larry Kueter and Mark Weston, (S. Bates ed.) at: <http://www.landtrustalliance.org/resources/publications/pubs-alphabetical-listing#c>

Protecting Your Legacy Stewardship Gifts

You Love Your Land

If you didn't, you would not be working with us to protect its precious values: it's wildlife, it's forests and fields, it's scenic beauty, it's recreational opportunities. By placing your land under conservation easement with the Land Trust, you are entrusting us to make sure your land stays just the way you want it. Forever.

Long-Term Stewardship: Our Commitment to You

By signing the easement with you, we are committing ourselves to monitoring your property every year and defending your legacy at all costs. If, three generations from now, a future landowner tries to clear-cut your old-growth forest, we'll be there to make sure he doesn't succeed. If a neighbor's controlled burn gets out of hand and threatens your fields, we pledge to be there. If any other hazard poses a danger to the conservation values you wish to protect in your easement, we will be there to protect them for you.

Land Changes Over Time

Some changes are natural, some good, and others detrimental. Once your land is preserved, we will track its progress by monitoring it once a year (sometimes more frequently, in special cases) and comparing its current state to the condition it was in when you first protected it. We will always give you, or the current landowner, ample notice before we come for a visit, and we welcome you to join us. If we should encounter a problem or threat to your easement, we will notify you, or the current landowner. We will then work until the problem is solved.

Some of the ways in which we will protect your land's conservation values include:

- Photographing key locations on your land annually, and tracking any changes
- Traveling the extent of your property each year on foot or in a vehicle
- Flying over your property every few years and taking aerial photographs
- Compiling annual written reports on various aspects of your land's health
- Communicating with you and all future landowners throughout the year
- Educating future landowners about your conservation easement
- Negotiating to avoid or repair any damages to your conservation values, including:
 - illegal dumping or destruction of natural features
 - improper land clearing, unpermitted development or mineral extraction
 - condemnation by government entities for utility construction (if not permitted)

The Cost of Perpetual Stewardship

Federal Law requires that we maintain the resources necessary to monitor and defend our conservation easements. Our Stewardship Fund is a managed account with one purpose: to protect conservation properties like yours, and their easements forever. Each gift to the fund is 100% tax deductible and is used solely for this purpose.

We ask every landowner who places their land's precious values in our care to contribute to this fund in an amount sufficient to sustain annual monitoring practices and provide a portion of the potential defense costs. This gift is tax deductible, and counts towards Land Trust membership for the owner and his or her family.

A stewardship gift can be given all at once to maximize your tax deduction, or pledged over a two year period, if necessary. In the event that a landowner is unable to provide for their property's stewardship, our staff will work with the owner on a personalized, creative solution for raising the necessary funds.

Example of Costs

Annual monitoring costs, which include staff time before, during, and after the visit, transportation to and around the property, photographs and maps, equipment and supplies depend upon the size and complexity of the easement, as well as its distance from our home office. Some larger, more intricate easements require additional attention, while others are smaller and easier to manage.

To protect the stewardship fund's principal, which is reserved for mitigating any violations or damages, we draw only on the fund's interest (not to exceed 4%) to cover the cost of annual monitoring.

In the unfortunate event of an easement violation, mediation and litigation costs to repair the damages can quickly rise to \$100,000 or more. If your property is in jeopardy, we will draw from the entire pool of resources in the stewardship fund to protect your easement. We certainly do not hope that this will ever happen - but prudence dictates that we be prepared.

What This Means for You

As you entrust us to protect your land's cherished qualities, we ask that you enable us to carry out your wishes by donating a stewardship gift. A member of our staff can help you determine an appropriate amount, based on your property's unique size and characteristics. You, above all people, know just how special your land is. We admire your passion, and commend your desire to preserve it forever. Together, we will work to make your dream a reality and help you leave a legacy that will last for generations to come.