

## WHAT'S INVOLVED IN DONATING A CONSERVATION EASEMENT?

*Please feel free to pass this along to a friend or neighbor.*

***A conservation easement is a voluntary permanent restriction on a piece of property that protects scenic, natural and historic values and limits development of the property. The gift of an easement by a landowner to a land trust is a legal transaction that is treated by the IRS as a non-cash charitable donation.***

***While there is a cost to donating a conservation easement, the benefits are many, and last forever!***

Following is a brief summary of the typical process you would go through if you chose to donate an easement.

### ***1. Determine if your property qualifies.***

Meet with LTV staff to determine if your property has conservation values that satisfy federal and Virginia state tax requirements. Does your property contain scenic rural open space visible from a public road? Does it contain important natural resource values such as forests, farmland, wildlife habitat, streams, ponds or wetlands? Or, does it contain an historic site?

### ***2. Decide if you want to proceed.***

Discuss with LTV staff what conservation values and future uses you may want to protect. Review the packet of information that LTV provides. Familiarize yourself with the costs and benefits of an easement donation. Consult with your family and with your professional advisors. If you are ready to proceed, then sign the Letter of Intent included in the packet and send it to LTV.

### ***3. Understand the costs.***

LTV charges a \$2,500 easement processing fee, \$1,000 of which is due as a deposit at the signing of the Letter of Intent. In addition, you will incur legal and appraisal fees, and the cost for the preparation of a Baseline Documentation Report. Once the easement is recorded, LTV assumes the permanent responsibility for ensuring that the terms of your easement are followed.

LTV charges a stewardship fee to help fund the perpetual annual monitoring of your property and, if necessary, the defense of your easement. The amount of this one-time fee varies, depending upon the size of the property and the complexity of the easement.

### ***4. Retain professional advisors.***

LTV can provide you with a list of qualified professionals. Hiring an attorney familiar with easements and an appraiser qualified to do conservation easement appraisals can save you time and money. If you are eligible for Virginia Land Preservation Tax Credits and plan to sell any of those credits, you may want a tax credit broker to handle those transfers.

### ***5. Reach an agreement and record the easement.***

LTV staff will prepare a draft easement deed for you to review with your advisors. After the staff works with you on the terms of the easement, the final step is review and approval by LTV's Board of Directors. LTV assumes a responsibility to protect your easement in perpetuity; therefore, it conducts a thorough review before signing off on any easement donation.

### ***6. Obtain the tax benefits.***

Conservation easement donation can result in significant local, state and federal tax benefits, and you will want to seek professional tax advice from your accountant and/or financial advisor.