



Lebanon Valley Conservancy, Inc.

Conservation Easement

A conservation easement is established by mutual agreement of a landowner and a land trust or government agency. The conservation easement permanently limits certain uses of the land in order to achieve a specified conservation purpose. The conservation easement is the tool most often used because it allows landowners to achieve their conservation goals while maintaining ownership and a high degree of control over their property.



When donating a conservation easement to a land trust, you give up some of the rights associated with the land. For example, you might give up the right to build additional structures, while retaining the right to grow crops. Easements can be tailored to protect the land's natural and cultural values, meet financial and personal needs, and attain conservation goals. Future owners also will be bound by the terms of the easement. The land trust is responsible for making sure the easement's terms are followed. Conservation easements offer great flexibility. An easement on property containing rare wildlife habitat might prohibit any development, for example, while one on a farm might allow continued farming and the building of additional agricultural structures, an easement may apply to just a portion of the property, and need not require public access. One of the greatest advantages of a conservation easement is that private property remains private property.

A landowner sometimes sells a conservation easement but usually easements are donated. If the donation benefits the public by permanently protecting important conservation resources and meets other federal tax-code requirements—it can qualify as a tax-deductible charitable donation. The amount of the donation is the difference between the land's value with the easement and its value without the easement.

Perhaps most important, a conservation easement can be essential for passing land on to the next generation. By removing the land's development potential, the easement lowers its market value, which in turn lowers estate tax. Whether the easement is donated during life or by will, it can make a critical difference in the heirs' ability to keep the land intact.

The flexibility of conservation easements may prove beneficial in financial planning. An easement can either be applied to a part of a property or placed on the entire tract, while allowing for a building site within which construction can occur.

Easements are also effective in reducing tax burdens on landowners. To qualify as tax-deductible, the IRS requires that the easement be: Perpetual in duration. Donated exclusively for conservation purposes. Donated to a qualified conservation organization.

Tax benefits are provided in three ways: **Income tax deductions:** The Internal Revenue Service may grant the donor of a conservation easement an income tax deduction equal to the value of the easement as determined through a certified general appraisal. **Estate tax deductions:** Upon the death of a landowner, the probate court appraises the estate tax. Conservation easements can prevent high valuations on the land by restricting land uses resulting in lower probate appraisal and subsequent tax burden. Any land owner considering passing land to members of their family should investigate this option thoroughly.

Local property tax: Easements may lower the annual tax value of land. A certified appraisal that demonstrates the reduction in value gives cause for revision in local tax bills.

The Lebanon Valley Conservancy will assist you with any questions you may have relating to conservation easements. Please call us: 717-273-6400 or email: lvconserve@lebanonvalleyconservancy.org



Preserved Property in Lebanon, Co. Photos this page by George C. Gress