



## HARFORD LAND TRUST DONATED EASEMENTS BASICS

### WHO ACCEPTS DONATED CONSERVATION EASEMENTS?

#### Harford Land Trust

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#### Maryland Environmental Trust

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<http://dnr.maryland.gov/met/Pages/default.aspx>

Whenever possible, the Harford Land Trust (HLT) and the Maryland Environmental Trust (MET) work together to co-hold donated conservation easements. The co-holding arrangement provides benefits to the landowner and land trusts.

#### Harford County Agricultural Land Preservation Program (HCALP)

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<https://www.harfordcountymd.gov/366/Agricultural-Preservation>

### HOW DO DONATED EASEMENTS WORK?

**CONSERVATION PURPOSE** – The donation of a conservation easement is treated as a tax-deductible charitable contribution if it meets the “qualified conservation contribution” requirements of the Internal Revenue Service Code, Treasury Regulation 1.170A-14. A “qualified” easement must be granted in perpetuity and contributed exclusively for at least one of the conservation purposes below:

- Farmland and forestland
- Scenic
- Historic or cultural
- Wildlife or ecological
- Public recreation or education

**OTHER ACCEPTANCE CONSIDERATIONS** – The easement administrator evaluates the proposed conservation parcel with the following considerations in mind:



- Whether the landowner insists on provisions in the easement which would seriously diminish the property's primary conservation values;
- Whether the property is of sufficient size so that its conservation resources are likely to remain intact even if adjacent properties are developed;
- Whether the property is part of a larger conservation plan for the community or region; and,
- Whether the easement would be difficult to enforce or would require extensive management.

**TERMS** – See the model easement used by both MET and HLT here.

[http://dnr.maryland.gov/met/Documents/PDFs/MET\\_ModelEasement.pdf](http://dnr.maryland.gov/met/Documents/PDFs/MET_ModelEasement.pdf)

**TAXES** – See here [http://dnr.maryland.gov/met/pages/tax\\_benefits.aspx](http://dnr.maryland.gov/met/pages/tax_benefits.aspx)

**TIMING** – Donated easements require approvals by several organization and/or agencies. Generally, the purchase of a conservation easement takes six months to one year from the time the landowner commits.

**APPLICATION DEADLINES** – Applications for MET and HLT can be made at any time. Applications for HCALP are due by a specific deadline that may change each year. Contact HLT for more upcoming deadlines.

#### **WHY DONATE A CONSERVATION EASEMENT?**

**ELIGIBILITY/COMPETITIVENESS** – Landowners often consider donating an easement when their property is either not eligible or does not score highly for one of the purchased easement programs.

**TAXES** – The potential tax benefits provided by donating a conservation easement may be more advantageous than a direct payment to a landowner.

**TERMS** – The terms of the conservation easement for one of the purchased easement programs may not suit the long-term needs or desires of the landowner. In some cases, landowners may have more flexibility to negotiate terms when donating a conservation easement.

The information contained in this document is only an overview of the major Internal Revenue Code requirements, Treasury Regulation and associated guidance documents as they relate to easement valuations and appraisals. This is not comprehensive listing or explanation of all requirements for obtaining a Federal Income tax deduction. The explanation of complex tax issues provided in this fact sheet has been greatly simplified. For more detailed information, you should seek professional council from your attorney and accountant. Your local land trust cannot ensure the deductibility of a conservation easement donation. For more information, additional resources, or a confidential consultation, please contact HLT