

The Guide to Conservation Easements

Conservation easements are one of the most popular and effective tools available for the conservation of private lands. More than 1,250 land trusts across the United States have successfully used conservation easements to ensure millions of acres of wildlife habitat, farms and ranches, and open space are protected now, and for the future.

In Arizona, conservation easements have been around for over 40 years. A conservation easement is a voluntary, permanent land protection agreement between a landowner, land trust, or public agency. The purpose of a conservation easement is to strategically limit further development and maintain open land, along with its many ecological and communal benefits, in exchange for financial benefits.



Key Benefits of Conservation Easements

Conservation easements provide many benefits for wildlife, the public, and private landowners.



KEY BENEFITS FOR WILDLIFE

- Conserving watersheds, aquifers, and key waterways, which help ensure a clean water supply, healthy water cycles, and aquatic habitat.
- Protecting migratory corridors for rangeland animals, which requires large tracts of uninterrupted habitat.
- Protecting native grasslands, plants, and wildlife.



KEY BENEFITS FOR THE PUBLIC

- Conserving watersheds, aquifers, and key waterways, which help ensure a clean water supply for public use.
- Safeguarding open space and enhancing quality of life in rapidly growing urban and suburban areas.
- Creating buffer zones around treasured protected landscapes from development and human activity.



KEY BENEFITS FOR LAND OWNERS

- Provides financial compensation to landowner.
- Lands with conservation easements compete well for restoration and water-efficiency project funding. Easement holders often form partnerships and help identify opportunities.
- Potential federal income tax deductions for either partial or full donation of the easement's value.
- Makes land easier and more affordable to pass to family or other successors by lowering estate taxes and/or purchase costs—helping keep land intact rather than subdivided.

How does it actually work?

Conservation easements are voluntary, legally binding agreements that protect land while keeping it in private ownership. They are tailored to each property and ensure long-term conservation of important natural resources. Conservation easements establish shared roles between the landowner and the easement holder, each responsible for different things:

LAND OWNERS

- Retains ownership
- Continues to manage land within easement terms
- Transfers the property subject to the easement

EASEMENT HOLDER (e.g., TNC)

- Holds the conservation easement to fulfill a conservation purpose
- Monitors the property for compliance
- Enforces the terms of the easement

The conservation easement might require prior written approval from The Nature Conservancy before landowners do certain activities on the property, like:

- Addition of buildings and structures
- Constructing a road or driveway
- Large-scale irrigation projects
- Starting a home-based business

1 Agreement is Created

A landowner voluntarily enters into a conservation easement with a qualified easement holder (such as TNC). The terms are negotiated to meet shared conservation objectives and applicable funding and legal requirements. The easement is appraised, and the landowner may receive financial compensation or choose to donate the easement.

2 Private Ownership Continues

The land remains in private ownership. The landowner retains the right to use, manage, and transfer the property, subject to the terms of the easement, which are designed to protect identified conservation values.

3 Terms are Property-Specific

Each conservation easement is tailored to the individual property. The agreement defines permitted and restricted uses to protect resources such as water, wildlife habitat, agricultural lands, and open space, while allowing for compatible land uses.

4 Permanent Protection

The conservation easement is recorded in the public record and runs with the land in perpetuity. All future owners are bound by the terms of the easement.

5 Stewardship and Monitoring

The easement holder monitors the conservation easement annually for landowner compliance with the terms of the easement. This includes an annual property visit with photos and landowner interview.

“It’s what we would consider a forever farm. So the way it looks now, it will look the same in 50 years, 200 years, 500 years.”

Claudia Hauser

Long-Term & Legal Considerations

Conservation easements may not always be a fit for every landowner. But for hundreds of Arizona landowners, farmers, and ranchers who care for the land, it makes good financial sense for their operations. When considering a conservation easement, it’s helpful to understand the potential challenges and trade-offs, including:

Project Timeline

Each project is unique, and the careful, start-to-finish process often unfolds over multiple years to ensure the best conservation outcomes.

Ongoing Stewardship

Monitoring responsibilities are ongoing and part of the agreement.

Enforcement Matters

Legal enforcement may be required if violations of the easement terms are discovered. Annual monitoring assures that any potential issues are caught early and brought back into compliance. Legal enforcement can be used if needed.

Funding Takes Time

Conservation easement funding is available, but can be competitive and requires time to obtain.



Tax Advantages

Conservation easements offer significant federal tax benefits, including a substantial income tax deduction for the easement’s value, with long carry-forward periods.

Potential Out-of-Pocket Costs

Even if the property is donated, the landowner may incur costs. Examples include closing costs to pay for title, escrow or deed recording, an independent appraisal or financial advisor as part of the tax filing process, or legal counsel to review important documents.

Common Myths AND THE Reality

MYTH

Properties with conservation easements are tax-exempt.

REALITY

Lands with conservation easements remain on local tax rolls, with property taxes typically assessed at agricultural rates.

MYTH

Conservation easements take ownership and management decisions away from landowners.

REALITY

Lands with conservation easements remain in private ownership and management.

AND THE Reality

Conservation easements are widely misunderstood. Here are some of the most common misconceptions we hear and the reality of how conservation easements actually work.

MYTH

Conservation easements allow public access to private lands.

REALITY

Conservation easements protect property rights, rarely allowing public access to private lands.

MYTH

Conservation easements are one-size-fits-all, rigid restrictions.

REALITY

Conservation easements are individually tailored to protect specific conservation values and to meet the landowner’s needs.

MYTH

Conservation easements are forced on private land owners.

REALITY

Conservation easements are voluntary agreements, driven by willing landowners.



Empowering the Landowner

Conservation easements are tools that provide landowners with the power to permanently protect what they love and steward. It's about gaining more – not less – agency to determine what happens on the land. Conservation easements can have lasting positive impacts for individuals, families, and entire communities for generations to come.

Conservation easements are a collaborative, flexible, and financially sensible way to protect important places forever.

For more information, please contact az_protection@tnc.org.

How to Get Started

Conservation Easements are a powerful tool that every landowner should know about. As landowners work on a plan for the future of their land and legacy, asking a few key questions may help determine if a conservation easement may be a good option:

- Do you desire to limit development on your property?
- Is the land important as a future revenue source to your family?
- Would a tax deduction be beneficial for your situation?
- What are your current and future financial plans with regard to the property?
- Does your property contain a unique habitat type, threatened or endangered species?

The Nature Conservancy can help by exploring options, explaining our conservation goals, and providing general information on legal and tax issues. It is essential, however, that landowners also obtain their own independent, professional legal, tax, and financial advice.

Dive Deeper: [Nature.org/LandsAZ](https://www.nature.org/LandsAZ)

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THE NATURE CONSERVANCY IS AN ACCREDITED LAND TRUST

The Nature Conservancy's stewardship, conservation, governance and fundraising all meet the highest national standards for land trusts. As an accredited land trust since 2012, the Conservancy complies with rigorous standards (called "Land Trust Standards and Practices") in all aspects of its work and must undergo an in-depth re-accreditation process every five years. The accreditation program is run by the Land Trust Accreditation Commission, an independent oversight organization that serves as the national accrediting body for land.

ABOUT THE NATURE CONSERVANCY

The Nature Conservancy is a global environmental nonprofit working to create a world where people and nature can thrive. Our mission is to conserve the lands and waters on which all life depends. Since 1951, The Nature Conservancy has been working in partnership with individuals, local communities, government agencies and private businesses to protect the natural landscapes that harbor the diversity of plant and animal life on Earth. As the largest land trust in the United States, the Conservancy manages hundreds of nature preserves that are open to the public and partners with thousands of conservation easements.