

Conservation Easement

conserving land, water and the way of life in Colorado

WHAT IS A CONSERVATION EASEMENT?

A conservation easement is a permanent restriction placed on a piece of property to protect its natural features. In a conservation easement, a landowner voluntarily agrees to donate or sell certain rights associated with his or her property, such as the right to subdivide, and a private organization or public agency agrees to hold the landowner's promise not to exercise those rights. A property may still be sold, transferred or inherited while covered by a conservation easement and conservation easements do not require public access. Each conservation easement is unique, tailored to the specific needs of the landowner and the property.

Conservation easements keep land in private hands, preserve traditional land use, and protect land for future generations

Private property subject to a conservation easement remains privately owned, and landowners may continue to live on the property and work the land.


Many types of private land use, such as ranching, haying and timber harvesting, can continue under the terms of a conservation easement.

The option to place conservation easements on private land is an important private property right that comes with land ownership in the United States.

Current and future landowners are bound by the easement's restrictions in perpetuity, ensuring that land will be protected beyond the lifetimes of the easement donors.

HOW DO YOU KNOW IF YOUR PROPERTY QUALIFIES FOR AN EASEMENT WITH THE NATURE CONSERVANCY?

In Colorado, The Nature Conservancy focuses its conservation efforts on biologically rich sites that have been identified and prioritized by our team of scientists. Among the factors considered are: location of the land and proximity to other protected property and the presence of specific plants and animals as well as aquatic and riparian features. A threats analysis to determine whether a conservation easement is the appropriate tool for conserving the identified conservation values is also part of the qualification process.



Conservation easements are one of the most effective tools available for the conservation of private land. Their use has successfully protected millions of acres of wildlife habitat and open space in the United States and in many countries around the world.



TAX BENEFITS AVAILABLE FOR CONSERVATION EASEMENT DONATION

Conservation easements that benefit the public by permanently protecting important conservation resources and meet other federal tax code requirements can qualify for state and federal income tax and estate tax benefits as charitable donations. The amount of the easement donation is the difference between the market value of the land with the easement and the market value of the land without the easement.

Federal Tax Deductions

Federal tax deductions may be available for donated conservation easements. Deductions for the donation of conservation easements may offset up to 50% of a taxpayer's adjusted gross income. These deductions may be carried forward for 15 years. Farmers and ranchers may be eligible to offset 100% of their adjusted gross income.

Colorado State Tax Credits

State tax credits are available to Colorado taxpayers for the donation of a perpetual conservation easement to a qualified conservation organization on property located in Colorado. The credits are 50% of the value of the donated conservation easement, up to a maximum of \$375,000 per donation. The credits are transferable and may be sold for cash, or used by the donor over a 20 year period to offset state income tax.

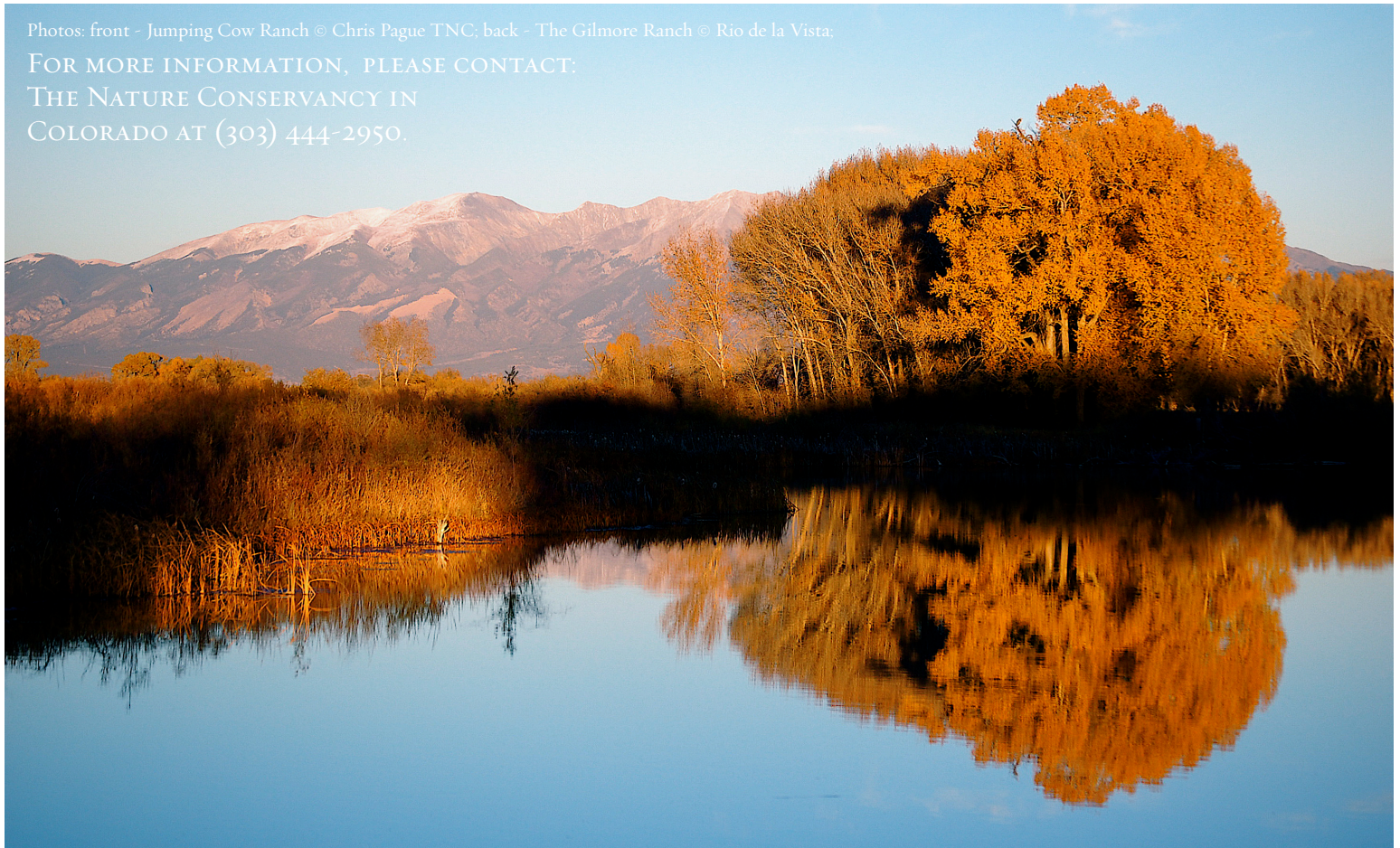
Estate Tax Benefits

Through conservation easement, landowners can more easily pass on their land to their children and grandchildren. By removing the land's development potential, an easement can result in lowered estate taxes. Such a tax reduction can make a critical difference in the ability of heirs to keep the land intact; the alternative has often been subdividing the land to pay heavy estate taxes.

As with all tax matters, The Nature Conservancy recommends that you consult with your attorney, accountant or other competent professional advisor to see how these incentives would apply to your particular situation.

Photos: front - Jumping Cow Ranch © Chris Pague TNC; back - The Gilmore Ranch © Rio de la Vista;

FOR MORE INFORMATION, PLEASE CONTACT:
THE NATURE CONSERVANCY IN
COLORADO AT (303) 444-2950.



A CONSERVATION SUCCESS STORY — THE GILMORE RANCH

The 1,025-acre Gilmore Ranch contains three miles of the Rio Grande River, cottonwood forest, wetlands, irrigated meadows and land used for alfalfa production and cattle ranching. Family-owned for two generations, Jim and Tom Gilmore decided to

place a conservation easement on their property because they value the significant wildlife and water resources found on their ranch. Portions of the ranch have not been grazed to ensure regeneration of cottonwood forest, vital habitat for southwest willow flycatchers and bald eagles. "The Nature Conservancy has been a wonderful and practical partner in our efforts to protect the ranch. Our experience with the Conservancy shows that ranching and conservation are truly compatible." - Tom Gilmore, Gilmore Ranch