



Donating a conservation easement to Tar River Land Conservancy (TRLC) can help you permanently preserve your property while continuing to own and enjoy the land. Placing a conservation easement on your land can result in significant income tax benefits and estate tax savings. A conservation easement remains intact even if you sell the land or pass it to your heirs. The purpose of a conservation easement is to protect a property's natural features and assets while limiting future development.

Here are the steps to conserving your land by donating a conservation easement:

- 1. Initial Contact and Meeting.** TRLC and the landowner meet to discuss the landowner's conservation objectives and available options. TRLC provides an overview of its mission and available conservation tools. TRLC and the landowner discuss the potential financial benefits associated with donating the conservation easement and the federal and state requirements that must be met for the landowner to be eligible for tax benefits.
- 2. Property Visit and Data Gathering.** TRLC staff visit the property, often with the landowner and family members, to assess the land's conservation values and natural features, such as forest, wetlands, open land, and streams. The landowner shares copies of deeds, surveys, maps, and land management plans related to the property with TRLC. TRLC reviews data available from other sources, including county soil surveys and inventories of natural and cultural resources completed by partner agencies.
- 3. Project Proposal.** TRLC staff prepares a land protection proposal for the landowner to review and approve. The proposal summarizes the conservation values of the property, the expected terms of the conservation easement, and the general financial implications of the project for TRLC and the landowner. The proposal includes a summary of any costs that TRLC might need the landowner cover as part of the project. The landowner reviews the proposal and shares it with family members and his/her financial and legal advisors. The landowner signs a copy of the proposal to signify concurrence and willingness to proceed with the project.
- 4. TRLC Board Review.** TRLC staff present the project to the TRLC Board of Directors for review and approval at a regularly scheduled meeting. The Board evaluates the project to ensure that it is consistent with TRLC's mission and policies and that TRLC has or can secure the financial resources to complete the project as envisioned. The Board passes a resolution that authorizes the TRLC staff to complete the project.
- 5. Project Fundraising.** Once the landowner and the TRLC Board approve the project, the TRLC staff work to secure the funds needed to cover anticipated costs of the conservation easement project. These costs could include preparing a Baseline Documentation Report, boundary survey, closing attorney fees, and deposits into TRLC's Stewardship Endowment and Conservation Lands Defense Fund. In many cases, a landowner is asked to help cover a portion or all of the project costs. If a landowner is unable to help cover these costs, TRLC must raise the necessary funding through grants and donor contributions. Contributions to the Stewardship Endowment and Defense Fund ensure that TRLC has the resources to monitor and enforce the terms of the easement in perpetuity.

6. **Conservation Easement Deed.** The TRLC General Counsel prepares a draft Conservation Easement Deed that will outline the restrictions and allowed uses of the property. The Conservation Easement Deed is crafted to meet the IRS and NC Dept. of Revenue requirements; however, TRLC cannot guarantee the acceptability of the donation. A TRLC staff member meets with the landowner to discuss the easement and any other necessary documents. The landowner receives feedback on the draft from family members and his/her attorney, financial advisor, accountant and other advisors. The parties work together to make sure the final Conservation Easement Deed reflects the landowner's vision and intentions.

7. **Boundary Survey.** If the property has not recently been surveyed by a licensed professional land surveyor, TRLC arranges for one to be completed. The boundary and corners of the conservation easement are marked in the field to aid in monitoring. Any boundary discrepancies with neighbors are resolved. Any areas designated for future structures are surveyed as are stream buffer areas that will be off-limits to commercial timber harvests or agricultural activities. The surveyor records a plat with the county Register of Deeds so that the plat may be referenced in the final Conservation Easement Deed.

8. **Baseline Documentation Report.** TRLC prepares a Baseline Documentation Report (BDR) to summarize the current conditions of the land. The BDR provides a benchmark of conditions from which future changes to the property can be tracked through TRLC's annual monitoring visits. The landowner reviews the BDR to ensure it accurately reflects the current conditions of the land.

9. **Closing.** After the Conservation Easement Deed is finalized and the BDR is prepared, a "closing" is scheduled at a local's attorney's office. The Conservation Easement Deed and BDR are signed by TRLC and the landowner. The Conservation Easement Deed is then recorded in the county Registry of Deeds. TRLC receives the original signed Conservation Easement Deed and BDR after closing for safekeeping. The landowner is provided with copies for his/her files.

10. **Appraisal & Tax Forms.** The landowner hires a qualified land appraiser to determine the "value" of the conservation easement for income tax benefits. The landowner may hire the appraiser after the easement deed has been drafted to determine the value of the charitable gift before closing. The landowner shares copies of the appraisal report with his/her accountant and with TRLC. To claim federal tax deductions for the gift, the landowner's accountant prepares an IRS Form 8283, which is signed by the appraiser and then TRLC. If TRLC has significant concern about the tax deductibility of the transaction or that the project could threaten its own tax exempt status, it must decline to participate in the project.

11. **Celebrating the Partnership.** With the closing of the conservation easement, TRLC may wish to share the news of the landowner's commitment to conservation by issuing a press release to local news outlets. TRLC may also highlight the project on its website and in its membership newsletter.

12. **Stewardship.** The signing of the final conservation easement documents is just the beginning of TRLC's relationship with a landowner. TRLC staff will make contact at least once a year to a scheduled visit to the property to document changes to the land and ensure that the terms of the easement deed are fully honored. The landowner is encouraged to contact TRLC anytime he/she has questions about the easement terms and conditions.

For more information about donating a conservation easement to Tar River Land Conservancy, please contact us at (919) 496-5902 or info@tarriver.org.