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## LAND CONSERVATION OPTIONS FOR THE LANDOWNER

GIFT OF CONSERVATION EASEMENT: Landowner maintains ownership and use of the land. Conservation restrictions delineate specific prohibited and permitted uses of the property. Permitted uses usually include agriculture, forestry, recreation, other open space uses, and maintenance of existing roads, structures and residences. Prohibited uses typically include industrial, commercial, and residential real estate development; occasionally, limited home sites are reserved with the approval of the land trust. Restrictions may cover all or part of the property. Landowner becomes eligible for federal income tax deductions.

GIFT IN FEE SIMPLE (DONATIONS OF LAND): The property is given to the land trust, which may manage the property for the long term as a nature preserve; sell the property while retaining conservation restrictions; or retain ownership and lease the land with conservation restrictions to a private party, such as a farmer. The donor is entitled to an income tax deduction for the value of the property.

GIFTS OF A REMAINDER INTEREST: Some landowners donate land to a land trust, while retaining a life estate for themselves, their families, and sometimes their farm employees to continue living on it. The donor can realize potentially significant tax deduction during his/her lifetime. Upon the donors or named persons' death, the land trust will have full ownership of the property.

DONATION OF UNDIVIDED INTEREST: By donating an undivided percentage interest in the property to the land trust, the landowner creates a shared tenancy with the land trust. At some point the landowner and the land trust will separate their interests into ownership and conservation restrictions, or plan phased donations over time until the land trust obtains full ownership of the land.

SALE OF DEVELOPMENT RIGHTS: This is the same as selling a conservation easement that restricts the use of land to primarily agricultural and/or conservation use. The value (price) of development rights is the difference between the land's fair market value for development and its value for agricultural or conservation purposes. The landowner retains title to the land, but the right to develop all or part of the land in the future has been extinguished. Frequently, landowners will sell the conservation easement at less than its full market value (a "bargain sale"), entitling them to tax benefits for the donated amount.

SALE OF LAND: If funding is available, a land trust occasionally purchases a piece of land that is very important to the local community or region and is under threat of development. The land trust may manage the property for the long term as a nature preserve, or transfer the land (often to public agencies or private ownership) while retaining conservation restrictions on the lands where conservation is most important. Often landowners sell the land at less than its full market value (a "bargain sale"), entitling them to tax benefits for the donated amount.

CONSERVATION BUYER: A real estate buyer who wants to preserve the conservation values of the land will purchase the land directly from a willing seller. The buyer agrees to donate a conservation easement to a land trust after the land purchase, becoming eligible for tax benefits associated with the donation.