



# BLUE PAPER

## Conservation Easements 101

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**What is it?** A Conservation Easement (“CE”) gives up or restricts a landowner’s rights in a specified land area to achieve certain conservation purposes and to protect conservation values.

Rights typically transferred or restricted may include logging, mining, drilling, construction of buildings, development or subdivision of the land. Each CE is tailored to the landowner’s and land trust’s desires and purposes.

Conservation purposes may include maintaining or improving water quality; maintaining or fostering growth of forests; maintaining and improving wildlife habitat and migration corridors; protecting scenic vistas; and ensuring lands are managed to be available for sustainable agriculture and forestry.

**How is it created?** Specific rights are voluntarily transferred by the landowner to a land trust / conservancy or government by legal agreement. The transfer “runs with the land” and is enforceable against future owners of the land. The CE is recorded in local land records and its terms are assessed through annual monitoring. Funds are often provided by the landowner under the CE to enforce or defend the terms of the CE. Financial arrangements are typically kept private.

The agreement spells out the rights and obligations between the landowner and the land trust / land conservancy. Often, the landowner continues to own and manage the land and may pass ownership to his or her heirs. The land trust / conservancy is permitted to enter the land for monitoring of the CE terms once a year and with granted permission.

Creation of a CE may create significant state or federal tax advantages for the seller or donor of the CE. The process for obtaining any federal tax advantages is currently determined by Section 170(h) of the Internal Revenue Code. The value of any tax deduction is generally determined by qualified appraisal of the fair market value of the land before and after the creation of the CE. Federal tax benefits have been scrutinized more closely by Congress and courts in recent years. Tax and legal counsel should be sought in creating a CE. For a comprehensive source of information about Conservation Easements, visit the Land Trust Alliance website ([landtrustalliance.org/Conservation Options](http://landtrustalliance.org/Conservation_Options)).

**Why is it important to CLTLC?** Conservation Easements can be an effective method of permanently protecting land within the Clear Lake Township and Watershed when a landowner prefers to create a CE rather than donate or sell land directly to CLTLC.

**Does CLTLC have any Conservation Easements?** Yes, we have one. The Woodland Conservation Easement was acquired by CLTLC in 2007 from Mary Ellen Spalding and permanently protects 4.15 acres of land located on the south shore of Clear Lake from development and preserves its natural habitat. The property is now owned and maintained by Mrs. Spalding’s family, Joan and Jim Eckstein. The CE is monitored annually by CLTLC. Financial resources were provided by the donor to defend the CE should it ever be necessary to do so and to offset the cost of required annual monitoring.

**Is the Woodland Conservation Easement open to access by the public?** No. The property is privately-owned and maintained.