



COSTS OF PROTECTING YOUR LAND WITH A CONSERVATION EASEMENT



To meet federal and state regulations, a conservation easement requires up-front costs. In many cases, landowners can recover their expenses from tax benefits, and some easement costs may be tax-deductible.

FREE SERVICE: Potomac Conservancy will facilitate the process, create a Baseline Documentation Report, and work with you to create a conservation easement for your land, for as long as it takes and at no cost to you.

Typical Landowner Easement Costs

Occasionally, we can pay some costs, so please let us know if you are concerned about expenses.

Title Search

A title report is required for all conservation easements. It provides a legal property description and reveals liens, mortgages, leases, and rights-of-way, so we're aware of (& can correct) anything that could override the easement.

Mortgage Lease/Subordination

Any mortgages or active mineral leases must be subordinated (placed second) to the conservation easement so that the easement cannot be overruled by another party. Subordination is an IRS requirement.

Survey

A survey is needed to delineate property boundaries and/or special use areas. An existing survey may serve, or you may need a new one.

Appraisal

Landowners wishing to apply for tax benefits of conservation easements must obtain an appraisal from a qualified appraiser to determine the easement value. We recommend that you consult with a tax attorney and/or accountant.



Financial Advisor Consultation

Donating an easement can reduce your property, income, and estate taxes at local, state, and federal levels. We recommend consulting with a tax attorney, accountant, or other financial advisor about your financial resources, expected tax burden, estate plans, and easement-related expenses and tax benefits.

Attorney Consultation

A conservation easement is a legal document that dictates the use of your land forever and states how communication, violations, and legal action shall be handled. It is important that you understand and agree fully with the language. Advice of an attorney looking out for your interests is a wise investment.

Closing & Recordation

Conservation easement closings are similar to other real estate transactions. An attorney or notary presides as you and the land trust sign the easement documents. The easement is recorded in the county land records.

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Potomac Conservancy Stewardship Contribution

What is conservation easement stewardship?

Ensuring that your easement continues to protect your property as it was intended — forever.

How is it conducted?

Conservancy staff will visit your property annually and note changes, such as timber harvests. We will contact you, and every following landowner, before each visit to discuss any easement questions or upcoming plans, such as sale of property or construction of new structures allowed by the easement.

If we see an activity that violates the conservation easement, we will use our staff and, if needed, legal resources to address it.

If we notice an invasive plant or other management issue, we can recommend treatment before it threatens the health of your property's woods, fields, or streams.

How much does stewardship cost Potomac Conservancy?

Stewardship usually costs the Conservancy \$200-\$500 per year, depending on the property size and location and the easement complexity. These costs include staff time, supplies, and mileage.

If a major violation or encroachment requires legal action, costs can rise to \$50,000.

Our policy is to put a minimum of \$6,000 per easement into our Stewardship Endowment Fund within a year of the closing. At a 5% interest rate, \$300 is generated for that property's stewardship each year, ensuring that we can steward the property forever.

How much should you contribute?

There is no easy answer to this question, but think about your financial resources, the importance of your property's protection, and any income or tax relief the conservation easement may generate. We typically request a one-time \$6,000 contribution to cover our basic annual stewardship costs. Complicated easements may result in us requesting a higher figure.

We realize that cash gifts are not always possible and are happy to discuss alternatives, such as:

- Contributing over the course of a few years
- Pledging to give on a particular date, such as after selling state tax credits
- Bequeathing a gift in your will



We don't want the cost of stewardship to dissuade you from placing an easement on your property, so please speak with us about your options.