



Donated Conservation Easement Process

Overview: A conservation easement is a legal transaction between the landowner and the Greater Lovell Land Trust (GLLT). If the landowner intends to take a tax deduction for a conservation easement donation valued at more than \$5,000, the transaction must meet legal requirements to qualify for tax deductibility under the IRS code. **GLLT strongly recommends that the landowner seeks legal and tax advice throughout the conservation easement donation process.**

STEPS IN PROCESS	Responsible Party		
	GLLT	Landowner	GLLT & Landowner
INITIAL STAGE			
Agree to interest in placing property under conservation easement.			X
Review & summarize information about property's conservation and other values.			X
Meet to review conservation easement structure, near and long-term protection and ownership goals, conservation values, overview of financial implications, need for appraisals and surveys, current and future needs of the landowner, and timeline. GLLT may provide list of appraisers.			X
GLLT's Acquisition/Exec. Committee reviews the potential project and determines its relevance to our mission based on established land selection criteria.	X		
Inform landowner of the Committee's/Board of Directors' decision about continuing with the project.	X		
Visit and walk property with landowner.			X
Strongly recommended: Landowner seeks tax and legal advice about implications of a conservation easement (additional information attached).		X	
Draft a conservation easement specific to property values and landowner needs.	X		
Determine Stewardship Fund contribution needs and discuss with landowner.	X		
Landowner reviews the draft conservation easement to determine if the concept and draft terms meet with their goals for the property. Decision to move forward.		X	
COMMITTED STAGE/MATURE PROJECT			
Order opinion of title to ensure clear title.	X		
(If applicable, GLLT will request a subordination of mortgage prior to closing).			X
Commission a survey of the property if no recent survey exists.			X
Negotiate to ensure that the final conservation easement terms meet the goals of GLLT, the needs of the landowner.			X
Legal review of the conservation easement by GLLT's attorney.	X		
Legal review of the conservation easement by the landowner attorney.		X	
Prepare Baseline Documentation, required by the IRS, that reports the conditions of the property at the time that the conservation easement is granted (including survey, deeds, natural resource maps, on-site photographs, and GPS data).	X		
Baseline Documentation Report reviewed by landowners prior to closing.		X	
GLLT Board of Directors reviews and approves final conservation easement.	X		

PROJECT CLOSING			
Donate or agree to terms of payment of the requested Stewardship Fund contribution.			X
Decide on closing location and schedule date.			X
Sign deed and Baseline Documentation Report			X
Record deed	X		
Request permission to publicize the conservation easement.	X		
POST-CLOSING			
Obtain IRS qualified appraisal if landowner planning to take advantage of potential tax deduction.		X	
Review & sign IRS Form 8283 provided by landowner	X		
Send Certified Written Acknowledgement letter to landowner	X		
Monitor property annually to ensure compliance with the terms of the conservation easement.	X		
Provide advance written notification of certain activities, including transfer of title, as specified by conservation easement.			X

Key Landowner Responsibilities	Key GLLT Responsibilities
1. Fully understand the concept and structure of a conservation easement and its implications for the value and future uses of the property.	1. Inform the landowner of the concept and structure of a conservation easement.
2. Engage legal and tax advice to make an informed decision about a conservation easement.	2. Advise landowner to seek tax and legal advice.
3. Ensure that the conservation easement meets their goals for the protection of the property while allowing for intended current and future uses.	3. Determine landowner's reasons, goals, and desired outcomes for a conservation easement.
4. Obtain and pay for a boundary survey, if no recent survey exists or boundaries are not clearly marked.	4. Draft conservation easement.
5. If considering a tax deduction, obtain and pay for an IRS qualified appraisal.	5. Ensure that conservation easement terms align with GLLT mission.
6. Clear any and all title encumbrances, and obtain mortgage subordination (if applicable).	6. Ensure that the process meets the legal requirements.
7. Donate or agree to the terms of payment of the requested contribution to GLLT's Stewardship Fund.	7. Prepare the "Baseline Documentation" Report.
8. Provide for adequate counsel at closing.	8. Obtain a statement of clear title.
	9. Obtain expert legal review of the conservation easement prior to closing.
	10. Obtain landowner's permission to publicize the transaction.
	11. Record all pertinent documents with the appropriate Registry of Deeds.

Summary of Costs:

Survey-Landowner, possibly GLLT

Landowner's legal counsel-Landowner

Land Trust's legal counsel-GLLT

Stewardship Fund Contribution-Landowner donation encouraged

Appraisal for tax deduction purposes-Landowner