



"This place has been so good to me that I thought it ought to be just like it is right now – so someone else might just be able to raise a family, grow some hay and make a life here."

– BLACKFOOT LANDOWNER

What is a Conservation Easement?

A conservation easement is a voluntary legal agreement by which a landowner chooses to limit certain uses of his or her land to conserve natural and traditional values.

Land placed into a conservation easement still belongs to the landowner, and the landowner retains the rights to sell the land or pass it to heirs. The landowner keeps the rights to live on and manage the land for farming, ranching, timber, recreation and all other uses consistent with the conservation values the easement seeks to protect. These agreements are tailored to meet the needs and long-term goals of each landowner. The role of Five Valleys Land Trust is to ensure that the mutually agreed-upon terms and conditions of the conservation easement are honored.

Want more information?

For more information on how conservation agreements can help you keep your land in the family, call Five Valleys Land Trust at 549-0755.

****IRS Circular 230 Disclosure****

This communication is not intended to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed on a taxpayer. A taxpayer should seek advice based on that taxpayer's particular circumstances from a qualified tax professional.

Photography by Mark Wilson and Nelson Kenter.



Protect the land. Preserve the place.

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VOLUNTARY CONSERVATION AGREEMENTS



A Guide to Conservation Easements

What is a land trust?

Land trusts are not government agencies. A land trust is a private, non-profit corporation that works with landowners to help them conserve and maintain their family lands with voluntary conservation easements. Five Valleys Land Trust is a local organization that is guided by an all-volunteer board of western Montana residents.

Why do landowners enter into a conservation easement?

Landowners typically enter into voluntary conservation easements because their land holds special value for them. Landowners know the value of clean water, rich soil, working farms and ranches, and wildlife habitat. Conservation easements are often used as planning tools to ensure that land will stay intact even as it changes hands between generations and subsequent landowners. In addition, there can be federal estate and income tax benefits associated with granting a conservation easement.

"Over 60 years ago, my father first saw and fell in love with this little ranch. We placed it in a conservation easement this past fall, guaranteeing that my parents' loving attitude for the land will be perpetuated."

— GRASS VALLEY LANDOWNER



What type of land qualifies for a conservation easement?

Five Valleys Land Trust's conservation program focuses on maintaining significant fish and wildlife habitat, water quality, family farms and ranches, scenic views and important recreational lands. There is no minimum or maximum acreage. Whether a particular property will qualify for a conservation easement will be based on a careful analysis of the property, its surroundings and the character of the land as a whole.

What types of uses are restricted?

Most conservation easements prohibit large-scale subdivision or development, mining and non-agricultural commercial and industrial uses that will negatively impact a property's conservation values. However, a conservation easement does not prohibit all future development. They are intended to be flexible enough to allow for limited residential development. The details of the agreement are negotiated between the landowner and Five Valleys Land Trust and will depend on the character of the land and the conservation values the easement is designed to protect.

Can I still work my land?

Yes, a typical conservation easement encourages continued use for agricultural production, grazing, timber harvesting and other uses consistent with the conservation intent of the easement. Landowners generally do not have to alter existing management activities.

Does land with a conservation easement remain private property?

Yes, a landowner granting a conservation easement retains full ownership. A conservation easement granted to Five Valleys Land Trust does not give government agencies any new rights or control over your land. After all, it's still your land.

Do conservation easements require public access?

The term easement can be misleading. Conservation easements do not require public access. While a landowner may choose to allow public access, there is no obligation to do so. As is the Montana tradition, the landowner decides who is allowed on the land and when.

How long does a conservation easement last?

All conservation easements with Five Valleys Land Trust are permanent and remain with the land regardless of future ownership.



"I was concerned about development. My family has always loved this place and the land has been good to all of us. I want to make sure it stays this way out of respect for the land and as a tribute to our grandparents."

— POTOMAC LANDOWNER

What are the tax benefits associated with donating a conservation easement?

The donation of a qualified conservation easement can be considered a charitable gift under federal tax law, potentially providing significant estate and income tax benefits. In summer 2006, Congress approved a significant expansion of these benefits. Under the new rule, the federal income tax deduction for donating a conservation easement increases from 30% to 50% of adjusted gross income. Qualifying farmers and ranchers will be allowed to take a 100% deduction. Additionally, the deduction can be taken over a period of 16 years, rather than six. The expanded incentives only apply to easements donated in 2006 and 2007.

A donated conservation easement may also lower estate tax liability, enabling the safe passage of family lands from one generation to the next.

Five Valleys Land Trust strongly encourages landowners to consult their attorney or tax advisor to fully explore the estate and income tax benefits flowing from the charitable donation of a conservation easement.

How is a conservation easement valued?

When a conservation easement is granted, the restrictions on future development often reduce the appraised value of the property. The value of a conservation easement is the difference between the property's appraised value before the donation and the property's value after the donation. For example: If the property's appraised value before the conservation easement is \$300,000, and after the easement the appraised value is \$200,000, then the value of the easement is \$100,000. The potential estate and income tax benefits are based on this value.

Are there costs associated with granting a conservation easement?

Yes. We ask landowners to share in the costs associated with granting a conservation easement to the extent they are able. In cases where these costs create a barrier to conserving important lands, we work with landowners to find funding.