



## **Answers to common questions about conservation easements**

### *Why grant a conservation easement?*

People grant conservation easements to protect their land from inappropriate development while retaining private ownership. By granting an easement in perpetuity, the owner may be assured that the resource values of the property will be protected indefinitely, no matter who the future owners are. Granting an easement can also yield tax savings, as discussed later in this brochure.

### *What kind of property can be protected by an easement?*

Any property with conservation values can be protected by an easement. This includes forests, wetlands, farms, endangered species habitat, stream frontage, scenic areas, and more. NPC's staff can help a landowner evaluate the features of a particular property.

### *How large must a property be to have a conservation easement?*

Conservation easements protect the important features of a property, regardless of size. A rare plant or wetland may be protected in just a few acres, while protection of an important scenic view may require 100 or 1000 acres.

### *Does an easement require public access?*

No, landowners who grant conservation easements make their own choice about whether to open their property to the public. Some landowners convey certain public access rights, such as allowing fishing or hiking in specified locations - other landowners do not.

### *What happens after the easement is granted?*

The landowner still owns the property, pays taxes, and maintains insurance. The property can be sold, given away, or donated.

NPC will monitor the property at least once a year to ensure the terms of the easement are being upheld. A NPC representative will contact the property owner to schedule a time for the visit. Landowners are encouraged to accompany NPC on this visit. It provides the landowner with an opportunity to ask questions, and the organization with an opportunity to learn about how the property is being managed.

### *Are there charitable tax benefits to donating a conservation easement?*

The Northcentral Pennsylvania Conservancy (NPC) is a non-profit [501(c)(3)] organization. A donation of a qualified conservation easement is treated like other charitable contributions. A qualified real estate appraiser establishes the value of a conservation easement donation. The land's value before the conservation easement is determined based on the fair market value of the highest and best use of the land. The value after the restrictions is also determined. The difference is the value of the charitable donation of the conservation easement and may be taken as an income tax deduction. The donation of a conservation easement may also reduce the value of the landowner's estate for tax purposes.

NPC recommends that the landowner's tax advisor consult the IRS guidelines for this type of donation.

*Can granting an easement reduce an owner's property taxes?*

Property tax assessment is usually based on the property's market value, which often reflects the property's development potential. If a conservation easement reduces the development potential of the property, it may reduce the level of assessment and the amount of the owner's property taxes. The actual amount of reduction, if any, depends on many factors. State law and the personal attitudes of local officials and assessors may influence or determine the decision to award property tax relief to easement grantors.

It is up to individual property owners to seek preferential tax treatment.