



Protecting your property while
MAINTAINING OWNERSHIP

Conservation Restrictions & other options

CONSERVATION RESTRICTIONS

Qualified conservation restrictions (called conservation easements in other states) are voluntary legal agreements entered into between a landowner and a qualified conservation organization, such as the Sudbury Valley Trustees, or a government entity. Conservation restrictions (CR's) allow individuals or families to retain ownership of their land, while placing limitations on development and certain uses for themselves and future owners.

Each CR is tailored to the special features of the land and to the specific wishes of the donor. In most cases, the CR prohibits development and subdivision, road building, and other uses that would damage the land. Conservation restrictions can allow for certain uses to continue, such as woodland management, farming, fishing, boating, hiking, and horseback riding.

Most of the Conservation Restrictions held by Sudbury Valley Trustees are in place to protect sensitive natural resources or unique habitats. But CR's can also be used to protect working farmland (agricultural preservation restrictions, or APR's), historic resources, or scenic views. Watershed restrictions can also be used to protect high quality water bodies and drinking water supply areas.

Where a house stands on a parcel of land to be protected by a CR, the house and surrounding lot are generally kept separate from the protected areas. Depending on the property characteristics, the CR donor may retain the right to set aside a specified number of building lots not subject to the CR, or to

build specified additional structures within a defined area of the CR parcel itself. Except for rights expressly given up in the CR agreement, the owner continues to use and control the land as he or she sees fit.

CR's accepted by SVT are perpetual. Restricted property may be bought and sold, but the CR "runs with the land" -- it is recorded with the Registry of Deeds and is binding on both the present and future owners of that property. In Massachusetts, CR's must be approved by a municipality *and* by the State to be considered valid.

The organization that holds the conservation restriction has a legal responsibility to uphold the terms of the CR. Sudbury Valley Trustees has a stewardship staff that monitors CR's annually.

RAWSTRON CONSERVATION RESTRICTION

Bill and Ann Rawstron donated a conservation restriction to Sudbury Valley Trustees so that they could protect 62 acres of their family's beautiful and ecologically significant farm. The CR permanently preserves many important resources of Mentzer Farm, including a brook, a meadow, and a wooded hillside, while continuing to allow for woodland management and agriculture. The Rawstron CR complements approximately 400 acres of protected land in the vicinity of Mount Pisgah in Northborough.

In addition to their gift of a conservation restriction, Bill and Ann made a contribution of \$11,500 to SVT for the long-term care of the property -- a true testament to the Rawstrons' generosity and commitment to conservation and community.

Donations of Conservation restrictions may result in tax savings for the donor (see SVT's information sheet, *Tax Advantages of Conservation Giving*). To do so, they must serve certain "conservation purposes" as defined by the IRS. These include:

- The preservation of land areas for outdoor recreation by, or the education of, the general public
- The preservation of a relatively natural habitat for fish, wildlife, plants, or similar ecosystems; The preservation of open space (including farmland and forest land) where such preservation is for the scenic enjoyment of the general public, or is pursuant to a clearly delineated federal, state, or local conservation policy, and will yield a significant public benefit.
- The preservation of a historically important land area or a certified historic structure.

PROPERTY TAXES

If a conservation restriction is conveyed to a qualified organization with proper state and local approvals, the landowner may ask the local assessor to revalue the property to take into account the effect of the restrictions. If the restriction substantially reduces the overall development potential of the property (hence its fair market value), the landowner may make the case for a reduction in the property's assessment to the municipality's Assessor's Office. However, this adjustment is at the discretion of the individual assessor, and such reductions can vary widely from town to town and property to property.

RESERVED LIFE ESTATES

When donors give a gift of land with a reserved life estate, they and their beneficiaries may continue to live on and continue to use the property during their lifetimes. At the end of the specified life interests, ownership of the land automatically transfers to the land trust. In some cases, the land trust may resell the land, subject to a permanent conservation restriction.

Thus, the final outcome is very similar to that of an outright gift of land. Tax benefits to the donor can vary depending on life expectancies – the longer the period of expected use for the donor, the lower the value of the gift for tax purposes.

DONATING LAND BY BEQUEST

Often landowners wish to live out their lifetimes on their property, and either do not have heirs, or have heirs who are unable to care for the land. To ensure the perpetual protection of their land after they are gone, such landowners may choose to bequeath it to a land trust in their will. No income tax benefit is achieved through such a gift, but it may ease an estate tax burden on heirs.

Before including a gift of land in your will, it is important to confirm with the recipient land trust that it is willing and able to accept such a donation.



Wolbach Farm, SVT's future headquarters, was a bequest of John Wolbach

Consult your attorney and accountant when considering charitable contributions.