



CONSERVATION EASEMENTS

OVERVIEW

Conservation Easements are voluntary, perpetual agreements. They are custom crafted to meet the specific needs of the landowner and limit the amount and type of residential development on all or part of a property. These agreements ensure the land is maintained for ranching and/or open space for future generations. With a conservation easement, landowners continue to own and manage the property, make daily decisions, and control access to their property.

Sheridan Community Land Trust (SCLT) monitors conservation easements annually as approved by landowners. Developing a conservation easement typically results in significant tax advantages and / or payment for the property owner.

SCLT has protected **over 5,000 acres** in partnership with **15 private landowners** in Sheridan County.

Our conservation easements include property that is farmed, grazed, hayed, open space, and available for conservation subdivision.



Sheridan
Community
LAND TRUST
Conservation | History | Recreation

Connecting people to land and history

What are the financial benefits of a conservation easement?

Financial incentives, including cash and various tax incentives, have been established to encourage landowners to conserve their lands with a conservation easement. These incentives help landowners to diversify or expand their operations, pay down debt, or save for retirement. The value of a conservation easement is determined by a qualified appraiser and will vary considerably depending upon the terms of the easement and local development pressure.

Example: Your property is valued at \$1,000,000. After a conservation easement is placed on the property your property is valued at \$600,000. The value of the conservation easement is \$400,000 which is calculated as the \$1,000,000 (the before) minus \$600,000 (the after) = \$400,000.

Tax incentives

A conservation easement may be treated as a charitable gift, making the value of the easement tax deductible.

Example: The same conservation easement from above is fully donated which equates a \$400,000 donation. This donation can be a qualified tax deduction with a 15 year carry over period.

Cash

Sheridan Community Land Trust works to raise money from public and private funding sources to purchase a portion of a conservation easement with cash. This is known as a “bargain sale” conservation easement.

Example: Typically around 75% of the value of the conservation easement is purchased. Therefore, for the same conservation easement from above: 75% of \$400,000 would be a cash payment of \$300,000; plus the remaining value \$100,000 (\$400,000 - \$300,000) is a donation.

What is meant by placing a conservation easement on a property “in perpetuity”?

Voluntary conservation easements “run with the land” and remain on the property even if it is sold or passed on to heirs. Perpetuity is required by federal tax law for an easement donation to be tax-deductible.

Will a conservation easement result in the loss of landowner control of management?

A conservation easements put limitations on future development of the property to retain the land’s agricultural capacity and / or open character. The terms of a conservation easements are designed to conserve these features without undermining the ability of a landowner to make day-to-day decisions about the management of their farm, ranch, or non-agriculture property. By prohibiting or limiting residential development (the main effect of a conservation easement), a conservation easements secure the land base or open character of a non-agriculture property.

What are the public benefits?

A conservation easements help to ensure that lands are available to produce our food and fiber, provide habitat for our wildlife, and protect the watersheds which recharge our streams and aquifers. In addition, they maintain our defining views and open spaces.

Do conservation easements require public access?

No. Decisions regarding public access to the property are left solely to the landowner.

Is a conservation easement right for my property?

If you are interested in talking with us about your conservation options, please call Sheridan Community Land Trust at (307) 673-4702. We will set up a visit with you and your property to further discuss your specific conservation goals and how we might be able to work with you.

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SCLT is unable to provide legal or tax advice.