



A Resource for Landowners Considering Voluntarily Conserving Their Property

Rio Grande Headwaters Land Trust

Overview

Thank you for considering conserving your property in Colorado. This resource is designed to provide you with baseline information about conservation easements, the benefits of conservation on private property, and how we may be able to work together to ensure the conservation values of your property are preserved for years to come.

An easement is a win-win-win: The land you choose to protect in perpetuity will benefit you and future generations who live and work on it, the wildlife that has habitat on or moves across this land, and Coloradans who value knowing that the landscapes they love will be protected from development. Should you choose to conserve your property with our help, you will be part of a unique community of people committed to ensuring Colorado stays beautiful, healthy and productive.

Conservation easements are voluntary legal agreements to protect land in perpetuity, usually done in partnership with a land trust or a public agency. In general, they allow landowners to retain ownership of the land, while protecting the land from future development on the property. Each conservation easement is unique and tailored for the needs of the specific property. Some conservation easements keep land in production through ranching or farming, while others aim to restore land for the benefit of plants and wildlife, and in some cases, easements provide public access to the land for recreation. This document covers some of the basic background about conservation easements, as well as your role as a landowner considering a conservation easement.

In addition to conservation easements, there are a variety of tools available to private landowners to help steward, or take care of, the land once the easement is in place. **Land trusts are a key resource for landowners.** You are encouraged to get to know your land trust, raise questions with its staff, and consider new projects that maximize the conservation value of your land.

Your Role as a Landowner with a Conservation Easement

Owning land with a conservation easement includes a handful of rights and responsibilities. The conservation easement agreement lays out the specific activities that can and cannot take place on the land.

Restrictions will generally relate to where or whether you can build new structures on the property, use the land for commercial or industrial purposes, subdivide the property, and create limited, individual-scale renewable energy products. Additionally, conservation easements might tie water rights to the land and might protect other identified resources like wildlife habitats, open space or scenic views.



"Don't get bogged down in the details and focus instead on the values, the reasons for protecting the land, the long-term vision for the land."

- Landowner Chuck McAfee's advice to those considering a conservation easement (partnered with Montezuma Land Conservancy)

MB and Chuck McAfee

As part of the conservation easement, you as the landowner would be required to be involved in any discussions or actions related to monitoring and enforcing the terms of the easement, as well as any decisions that might affect the surface of the land (e.g., oil and gas leases or right-of-ways). A land trust, and in some cases a public agency, is the "holder" of the conservation easement. In this role, they are partners to the landowner — helping to monitor and steward the land, and enforce the terms of the conservation easement agreement.

Land Trusts: A Support System for Landowners

Land trusts are nonprofit organizations that work with landowners who volunteer to protect their land, usually through permanent conservation easements. In addition to ensuring that the protections in the conservation easement are enforced, land trusts partner with landowners to support conservation work. Land trusts can also purchase or receive land outright to permanently protect it. Their staff members have expertise in completing the conservation easement process, implementing conservation projects and stewarding the land.

Colorado's land trusts vary greatly in geographic location, scope and scale, as well as in the conservation programs and initiatives they lead. Many are also active in engaging their communities through volunteer projects such as property monitoring and restoration; talking with communities about the public benefits of private lands conservation; and hosting educational workshops for landowners about topics from soil health improvement to weed mitigation.

Stewarding the Land

The conservation easement is only the beginning of a long-term relationship between the land trust or public agency and the landowners. The land trust or public agency assumes perpetual stewardship responsibilities to ensure that the integrity and terms of the conservation easement are upheld. These stewardship responsibilities include annual property monitoring and enforcement of the terms of the easement. Activities may also include watching for and managing weed infestation, ensuring that boundaries are not encroached upon, and ensuring that no new buildings are constructed. Landowners are encouraged to join the land trust or public agency staff as they "walk the land" to monitor at least once a year.

Keep in mind that as the landowner, you are the best and most important steward of your land. Stewardship activities incur costs of their own, and many land trusts offer support to landowners over time to address concerns and support the conservation vision for the land.

What's Protected under a Conservation Easement

Each conservation easement is unique. As its original author, you can tailor it for your specific property to allow or restrict a variety of activities.

For some private landowners, a conservation easement offers a way to permanently protect the land from prospective development and enable traditional uses on the land, like farming, ranching and habitat protection. For landowners who have culturally significant structures or particularly unique landscapes, a conservation easement offers a way to safeguard these features permanently. Landowners also use conservation easements as ways to restore land for native wildlife and plants, or to re-establish natural habitats. Conservation easements also empower landowners to protect significant scenic or biodiversity values. In some cases, easements empower landowners to offer public recreation access and educational opportunities.

In some counties, the land is subject to the local land use code, which may restrict allowable uses. It is recommended that you work closely with your land trust or open space agency to determine your criteria for conservation on your property, and what may be allowed or restricted.

"The conventional wisdom used to be that placing a conservation easement on a property devalued it by some amount. I believe in many instances, that is no longer the case. There are folks out there who see conservation easements as a value-added feature, especially if their neighbors have one too. Easements can also help farmers and ranchers stay in business or even help newbies get into the business in a very competitive market."

- Peter Clark, landowner (partnered with Rio Grande Headwaters Land Trust)



Peter and Leah Clark

The Financial Benefits Of Conservation For Private Landowners

While every conservation easement is different, in general, they provide tax benefits and sometimes cash benefits to landowners. As a landowner who chooses to conserve your land under easement, you can anticipate multiple benefits from the effort — namely regarding your tax burdens. The IRS statutory requirements say, "A deductible conservation easement is an easement granted for the preservation of land areas for outdoor recreation, protection of habitat, preservation of open space, or preservation of historically important land area or buildings."

Currently, the primary way to determine the value of a conservation easement is through a qualified appraisal process. Among the tax incentives offered for most conservation easements are state and federal tax credits and tax deductions. Colorado also offers state property tax benefits as well as estate tax incentives in recognition of the easement.

Potential tax benefits include:

- **State and federal tax benefits.** If your conservation easement is permanent, was donated (not sold) to a land trust for conservation purposes, and meets certain other IRS conditions, it can qualify as a tax-deductible charitable donation that can reduce your state and federal income taxes. The easement is treated as a donation of the rights to develop your land. That means the value of the donation (and the amount of the deduction you can claim) would be the difference between the property's market value before the restrictions of a conservation easement are in place, and its value with the easement's restrictions after the conservation easement is in place.
- **State of Colorado's conservation easement tax credit:** Colorado law provides that donors of conservation easements may receive a tax credit of up to 90% of the value of the donated easement. Donors can transfer their tax credits to one or more persons to be used against their Colorado tax bill. As the donor, you may transfer or sell your tax credits by yourself or through a tax credit broker.
- **Property tax benefits.** A conservation easement that removes your land's development potential typically lowers its market value — and that means lower taxes for you as the landowner.
- **Estate tax benefits.** A conservation easement can significantly reduce estate taxes when you pass your property on to the next generation, making it easier to keep the land in the family and intact.

To learn more about the potential tax benefits of your easement, it's best to connect with a tax professional or legal counsel who can help you evaluate your particular situation.

The Legal Process For Securing A Conservation Easement

The process for securing a conservation easement is multi-fold and often takes two years or longer to complete. Landowners who decide to create a conservation easement will work with attorneys, appraisers, and other professionals through the process to ensure the easement appropriately reflects the landowner's wishes and that the value of the land is appropriately appraised. Landowners will also work with state agencies during the process to make sure the easement adheres to existing regulations.



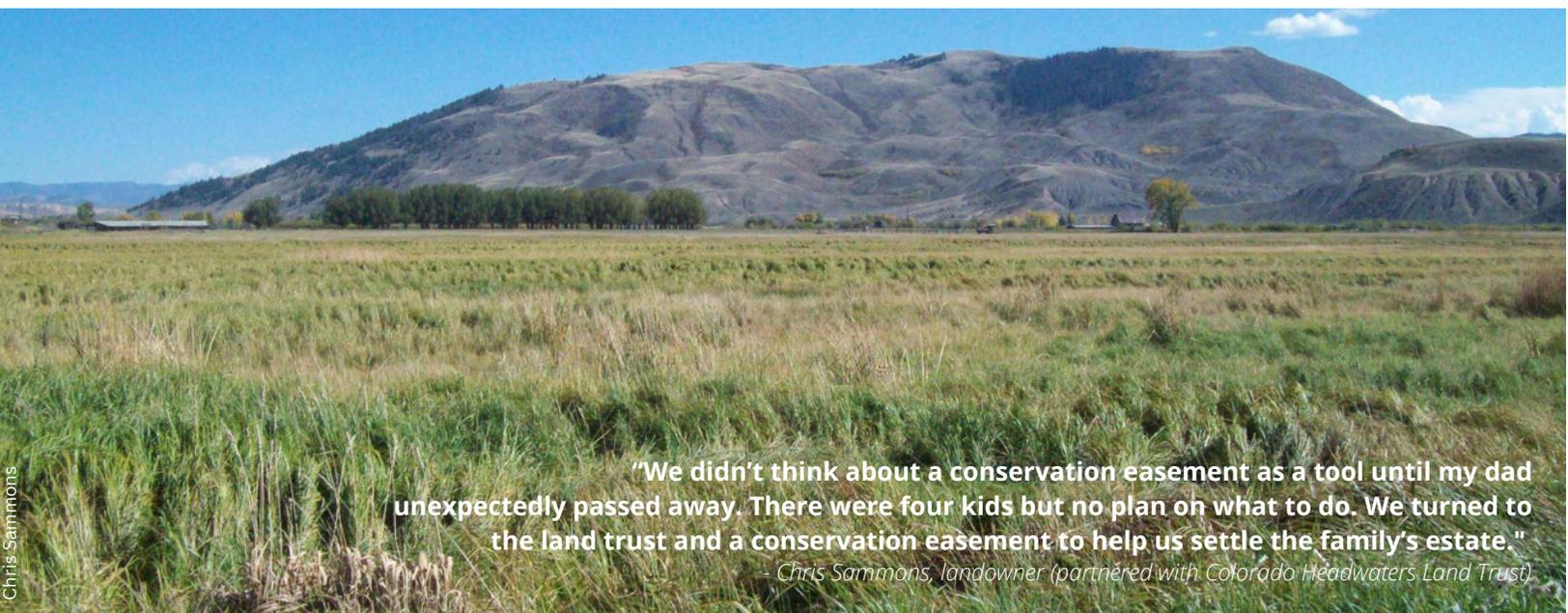
[Learn more in this three-page guide](#)

Transferring a Conservation Easement

A conservation easement is designed to “run with the land” or to exist in perpetuity, meaning it binds current and all future landowners to the terms set out by the original landowner. To learn more about transferring your easement, connect with an attorney or real estate professional.



[View a few attorney resources](#)



“We didn’t think about a conservation easement as a tool until my dad unexpectedly passed away. There were four kids but no plan on what to do. We turned to the land trust and a conservation easement to help us settle the family’s estate.”

- Chris Sammons, landowner (partnered with Colorado Headwaters Land Trust)

Fees Associated with Securing and Maintaining Conservation Easements

Conservation easements are valuable and cost-effective, but they do come at a financial cost. The landowners bear the cost of completing the conservation easement process. Primary expenses associated with developing a conservation easement include:

- Appraisal
- Attorney's Fees
- Baseline Documentation
- Closing Costs
- Environmental Assessment
- Maps/Surveys
- Mineral Assessment
- Title Policy
- Water Rights Due Diligence

According to a survey Keep It Colorado conducted in 2020, the average cost of a conservation easement transaction is \$50,000; some transactions cost less while others cost more. Financial resources are available to assist landowners in paying for the conservation easement process. Philanthropic foundations and government agencies offer grant programs. Many land trusts have a stewardship endowment to help offset the costs, and others offer loans or conduct fundraising campaigns.

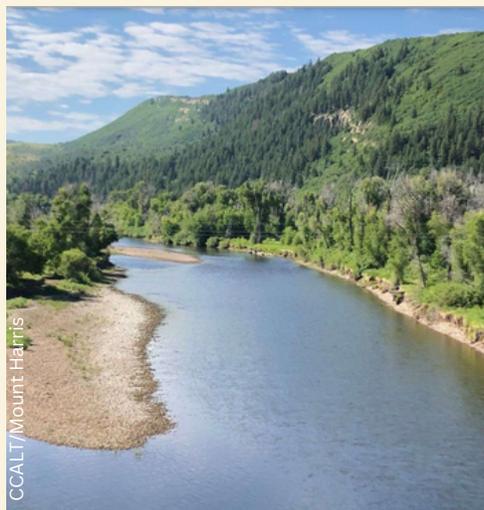
Keep It Colorado offers the Transaction Cost Assistance Program (funded by Great Outdoors Colorado), which grants funds to land trusts and open space agencies specifically dedicated to covering the costs associated with the conservation easement transaction – freeing landowners from this burden. In 2021, through a competitive grant application process, Keep It Colorado awarded \$516,915 in transaction cost assistance grants enabling 8 Colorado land trusts to complete 14 conservation projects. Projects will help conserve more than 5,600 acres of land and leverage more than \$8.3 million in tax credits.

Read stories about how Keep It Colorado's grant program has helped landowners reach their conservation goals:

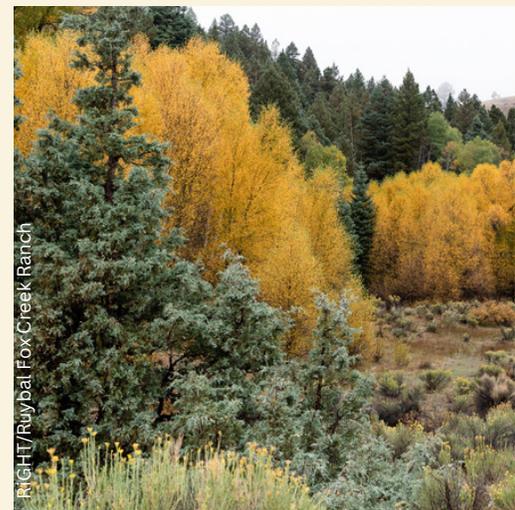
[Weaselskin:
Protecting a special place
in Durango](#)



[Mount Harris:
Conserving the past and
ensuring the future](#)



[Ruybal Fox Creek Ranch:
Preserving a cultural and
environmental legacy](#)



Resources Available to You

- [Land Trusts in Colorado](#)
- [Attorneys and Tax Credit Brokers](#)
- [Private Lands Conservation and Conservation Easements: A Toolkit](#)
- [A Brief Guide to Conservation Easements](#)
- [Keep It Colorado, a statewide coalition of conservation organizations](#)

Land management offices and resources

- [Natural Resources Conservation Service](#) and [list of NRCS Colorado contacts](#)
- [US Forest Service](#) and [list of USFS Colorado contacts](#)
- [Bureau of Land Management — Colorado](#)
- [Colorado State Forest Service](#)
- [Colorado Parks and Wildlife](#)
- [Colorado State University Extension](#)
- [Colorado Division of Water Resources and Division Offices by River Basin](#)



The Benefits of Conservation for Colorado

Conservation contributes to a high quality of life in Colorado for both people and wildlife throughout the state. It keeps working farm and ranch lands in production, putting food on Coloradans' tables every day and supporting a way of life for many of our rural families. It protects critical wetlands and habitat that wildlife, birds, fish and other species depend on for survival and that keep ecosystems healthy. It keeps open spaces open so we can enjoy the land and be close to nature – whether we're hiking, biking, hunting, fishing or going for a walk. And it preserves the signature landscapes, views and natural beauty Colorado is known for. We see it whether we're driving down the highway or walking through the local park.



Crested Butte Land Trust



Colorado Parks and Wildlife



Douglas Land Conservancy



Linda Lidov/Heartland Ranch Nature Preserve

An Economic Benefit for Communities

Your conserved land provides economic benefits for the broader community. Research from [Colorado State University](#) shows that for every \$1 invested in conservation through the tax credit, the people of Colorado receive up to \$12 in economic benefit through the conservation of prime farmland or habitat for Colorado's wildlife, as well as land along streams, lakes and rivers.

For land that provides scenic views or recreational opportunities, conservation can also benefit people who like to hike, camp, see wildlife, fish and hunt, and for companies that manufacture and sell equipment for those activities – pumping dollars into our state's economy.

Fifteen percent of leisure visitors to Colorado come specifically for the parks, trails, rivers, open spaces, recreation amenities and wildlife. People who come primarily to visit the outdoors are estimated to spend \$1.21 billion annually in Colorado, generating tens of millions of dollars in state and local tax revenues.

In the agriculture sector alone, new investments in conservation programs have the potential to pump hundreds of millions of dollars into Colorado's economy, and give a much-needed boost to our rural communities, too.

Snapshot:

LAND CONSERVATION AND OUTDOOR RECREATION ARE LOCAL ECONOMIC DRIVERS.

A research study found that parks, trails and open spaces in Colorado Springs:

- Raise the value of nearby residential properties by \$502 million and increase property tax revenues by \$2.58 million a year.
- Provide health benefits and reduce pollution control costs by \$201,000 per year and equate to an annual medical cost savings of \$56.5 million.
- Provide residents a benefit of \$58.7 million annually for the use of these facilities.
- Are frequented by visitors who are estimated to spend \$135 million annually in Colorado Springs and generate \$6.36 million in local tax revenues.
- Support \$32.4 million in resident spending on sports, recreation, and exercise equipment annually at 88 sporting goods stores that generate \$178 million in sales and provide 986 jobs.

Source: Trust for Public Land



Palmer Land Conservancy

Ecological Benefits for All Coloradans

Your conserved land also helps protect and preserve healthy ecosystems. Protected natural areas reduce runoff and toxins in the lakes, rivers and streams that bring us clean water for drinking and for food production. By protecting native plants and trees, we help control erosion. This encourages more growth of those plants, and provides habitat that animals, birds and fish need to survive. By protecting and restoring habitat from the prairies to the mountains, we enable the survivability of the wildlife that calls Colorado home.



Southern Plains Land Trust

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