

## **Minnesota Land Trust: Conservation Easement FAQ**



### ***What is a conservation easement?***

A conservation easement is a set of restrictions a landowner voluntarily places on his or her property in order to preserve its conservation values. The conservation values of the property and the restrictions created to preserve those values, along with the rights reserved by the landowner, are detailed in a legal document known as a conservation easement. This document is filed with the local county land records.

A conservation easement is conveyed to a government agency or nonprofit conservation organization qualified to hold and enforce easements. Most conservation easements—including all of those held by the Minnesota Land Trust—are perpetual. They apply to the current owner and all future landowners, permanently protecting the property.

Each conservation easement is unique, specifically tailored to the conservation values of the land and to the particular situation of the landowner.

### ***What types of land can be protected through conservation easements?***

Conservation easements can be used to protect a variety of lands, but the Minnesota Land Trust concentrates its efforts on relatively undisturbed natural habitat, the shoreline of lakes, rivers and streams, and scenic landscapes, particularly those with local significance. Lands that are hayed and/or grazed can also be protected.

### ***What restrictions are included in a conservation easement?***

First, the conservation values of the land are defined, and then restrictions are created to protect those values. Restrictions may apply to all of a landowner's property or to only a portion of it.

Typically, easements address subdivision, commercial or industrial uses, mining, construction of buildings or roads, utilities, disturbance of the vegetation or topography and any activities on the property that might interfere with the conservation purpose for the easement.

For example, an easement preserving rare woodland habitat may require that the property be left entirely in its natural state, prohibiting all development. Or, to protect a lake or stream, an easement may allow limited inland construction of buildings or trails while restricting such activities along the more fragile shoreline. Other easements may provide for the enhancement of wildlife habitat or restoration of native prairie or wetlands.

### ***What are the effects of a conservation easement on a landowner's property rights?***

A landowner retains all rights to the property not specifically restricted or relinquished by the easement. The landowner still owns the land and has the right to use it for any purpose that is consistent with the easement, to sell, to transfer or to leave it through a will. Typically, landowners also retain the right to restrict public access. Habitat management plans will be developed to protect the land while still allowing landowners to conduct grazing or haying operations. Other recreational uses such as hiking, hunting, horseback riding and similar activities are typically allowed.

### ***What obligations come with a conservation easement?***

**Landowner:** The landowner remains responsible for the land, for its maintenance and upkeep, for paying taxes and for otherwise meeting the typical obligations of land ownership. Conservation easements add a few further requirements:

- To comply with the restrictions stated in the easement
- To notify the Minnesota Land Trust of any proposed changes to the property
- To allow annual monitoring visits by Minnesota Land Trust staff
- To notify the Minnesota Land Trust when selling or transferring the property

**Minnesota Land Trust:** The Minnesota Land Trust is obligated to oversee and enforce the terms of the easement, and will legally defend it in the event of a violation. The Land Trust does not otherwise have the right to use the property without the landowner's permission.

### ***What are the benefits of a conservation easement?***

**Land Protection**—Conservation easements are a cost effective way to protect land, costing much less than purchasing land outright.

**A Living Legacy**—Conservation easements give landowners the knowledge that their land will remain an enduring legacy to their family.

**The Common Good**—Conservation easements contribute to the common good by protecting the land and water resources that provide all of us with quality of life.

**Financial Benefits**—Successful applications will be provided a one-time payment upon finalizing a conservation easement with the Land Trust. Conservation easements may also reduce a landowner's tax obligations in the following ways:

- **Income Taxes:** As with other charitable contributions, the donation of a conservation easement may allow the landowner to claim a federal income tax deduction for the value of the easement.
- **Estate taxes:** A gift of a conservation easement may reduce estate taxes, making this an effective way to transfer land to the next generation.
- **Property Taxes:** An easement's effect on property taxes is complex. Consult your local assessor to determine if an easement will impact your property taxes.

*NOTE: The rules governing all of these potential tax savings are complex and require the advice of professional advisors.*