

South Kingstown Land Trust

Status & Financials for _____ project
10/16/2019

Fee or CE
Donation or Purchase

Process Summary

Date

1. Site evaluation
2. LP Comm
3. Prelim bd appr
4. P&S agreement
5. Final Bd approval to close
6. Approved by State Prop. Comm
7. Closing

Financials for Project

1. Purchase Price

Income	Amount
source/s	award date/s
Total Income	\$0

Expense	Amount
Purchase Price	Appraised value: \$_____
Income - Expenses	\$0

2. Out of Pocket Expenses

Income	Amount
source	
Expense	Amount
Appraisal	\$3,000 estimate
Survey	\$9,000
Envir. Assess	\$145
Misc	
Title Insur	\$1,200
Recording	\$500
Total Expense	\$13,845
Income - Expenses	-\$13,845

3. Stewardship Fund

Income	Amount
source	from private donations
Expense	Amount
	goal
Income - Expenses	\$0

4. OOP Expense Detail

Category	Date	Vendor	Amount	Notes
Appraisals				Appraisal - awarded after bid process
Envir. Assess.		EDR		Environmental hazard assessment
Survey				Survey - Definition of Perimeter
Title Insurance				Title search & commitment
Town Fees		Recording fees		Title update & insur - on HUD form
		Municipal Lien certif		on HUD form
Legal Fees				Conduct closings and record documents
Misc Expenses				
Total Out-of-Pocket Expenses			\$0	

**SOUTH KINGSTOWN LAND TRUST
PROJECT CHECKLIST**

Project name: _____

Location: _____

Type: Purchase: Fee _____ Easement _____
Donation: Fee _____ Easement _____

Plat _____ Lot _____
Date opened: _____

1. Initial Review

DATE:

- _____ Conduct research on the property and the landowner
- _____ Obtain natural resource and cultural data, heritage program info, etc.
- _____ Identify zoning ordinances or regulations that apply to the property or its designation, if any, in local or regional plans
- _____ Obtain maps of the property
- _____ Visual inspection and photos of the property (8C1)
- _____ Document public benefit of the project (8B3)
- _____ Evaluation of potential threats to property's conservation values (8C2)
- _____ Current or potential risks associated with the project (8C3)
- _____ Assessment of project's stewardship implications (8D2)
- _____ Project meets land trust's selection criteria (8B2)

Posted to Dropbox folder:

- Project Status Summary Reports updated as needed; includes financial and approval tracking
- Documentation collected and drafted - ongoing

2. Committee review/ Board approval of initial findings

- _____ Initial Committee/Board approval or denial of the transaction (3D1)
- _____ Communicate results of initial Board screen to landowner

3. Landowner contact

- _____ Contact or meet landowner and visit property
- _____ Send a letter to landowner recommending that s/he obtains independent legal, financial and tax advice (9B2), and explain SKLT's stewardship responsibilities and fund needs
- _____ Complete any letters of understanding about the purpose or use of the property

4. Funding the Project

- _____ Identify possible funding sources and application deadlines for land or easement purchase and out-of-pocket costs
- _____ Identify documentation and/or interest in the land required by funding agencies
- _____ Discuss bargain sale option with landowner

5. Project Documentation

- _____ Title investigation (9F1) and evaluation/action on title exceptions, encumbrances (9F2)
 - _____ Obtain landowners deed and mortgage deed (if any)
 - _____ Identify any liens, encumbrances, easements, or restrictions on the property, including ownership of mineral rights
 - _____ Obtain title insurance commitment
 - _____ Obtain mortgage subordination if needed (for conservation easements)

**SOUTH KINGSTOWN LAND TRUST
PROJECT CHECKLIST**

- _____ Obtain an independent appraisal by qualified appraiser (by the landowner or land trust, depending on type of transaction See #8 below) (9H)
- _____ Complete an evaluation of risk for hazardous wastes (9C1)
- _____ Identify boundaries or obtain boundary survey; determine legal description and physical boundaries of property (9D1)
- _____ Purchase and sales agreement signed (for purchases)
- _____ Legal review by both the landowner's and land trust's counsel appropriate to complexity of the project (9A1)
- _____ Staff, attorney and committee (as needed) review of terms of Deed and/or Conservation Easement (9E)
- _____ Baseline documentation report (11B1)
- _____ Land management plan for each fee conservation property (12B1)

6. Final Board & Committee review and approval

- _____ Committee final review
- _____ Resolution made by Board for authorization to close, sign and record documents (9F3),
Date of vote: _____

7. Trade lands

- _____ Donor acknowledgment of land trust's intent to sell before acquiring non-conservation real property (5D1a)

8. Donation or Bargain Sales

- _____ Contemporaneous written acknowledgment in keeping with IRS charitable contribution substantiation requirements (5B2)
- _____ Landowner notification for those who may claim a federal income tax deduction (10A1)
- _____ Completion by the donor of Form 8283 and review & signing by the land trust (10B2)
- _____ Landowner appraisal – SKLT review (10C2, 10C3, 10C4)

9. Post-closing activities

- _____ Thanking the donor
- _____ Prepare and distribute press releases
- _____ Post announcement to website
- _____ Administrative follow-up: organize files; Originals of all documents essential to the defense of the transaction moved to permanent, secure storage (9G3)
- _____ Boundary posting
- _____ Stewardship Activities:
 - _____ Organize baseline data, maps, CE restrictions; and add to monitoring schedule
 - _____ Mgmt Plan copied & filed in project folder, and LM office

SAMPLE LANDOWNER LETTER

Date

Name

Address

Address

Re: Conservation Easement on _____ acres located at _____

Dear _____,

The South Kingstown Land Trust (SKLT) is delighted to work with you to develop a conservation easement on your _____ acre property located at _____. The conservation easement will be tailored to your individual property, your needs, and the resources being protected. We hope that we all will take pride in the resulting conservation easement as a lasting legacy.

This letter outlines the steps required to prepare a conservation easement for your property, estimates the costs involved, and contains general information about conservation easements. Please read this letter carefully and completely, as it discusses many (but not all) important legal issues and costs which you may or may not have considered.

Background

The South Kingstown Land Trust is dedicated to preserving the sense of place in the town of South Kingstown by protecting open spaces and critical wildlife habitat, by creating trails, and by protecting the traditional landscapes and farmland that make our community unique. One of our most important and effective tools for achieving this mission is the conservation easement.

A conservation easement is a landowner's voluntary agreement to permanently restrict the use and development of their property. The landowner continues to own, use, and manage the property subject to the terms of the conservation easement. The landowner may sell, rent, lease, bequeath, or mortgage the property like any other landowner, although the property always remains subject to the conservation easement.

Criteria

In order to be eligible for federal tax benefits, a donated conservation easement must meet strict federal standards. Among other requirements, a "qualified" easement must be granted in perpetuity and meet at least one of the conservation purposes described in the regulations and outlined below:

- The protection of relatively **natural habitat** of fish, wildlife, or plants, or similar ecosystem;

- The preservation of **open space** (including farmland and forest land) either for the **scenic enjoyment** of the general public or pursuant to a clearly delineated **governmental policy** and that will yield a "significant public benefit";
- The preservation of an **historically important** land area or a certified historic structure; and/or
- The preservation of land areas for the outdoor **recreation** by, or **education** of, the general public.

Please keep in mind that the final determination of whether the conservation easement complies is up to the Internal Revenue Service (for the federal income tax deduction).

Tax Benefits

Although SKLT makes every effort to ensure that the technical and substantive requirements of the tax code are met, **we cannot guarantee that a tax deduction will result from your conservation easement donation.** It is important to understand that the federal government will not allow a tax deduction if the conservation easement does not meet the conservation purposes test. In addition, if your property meets one of the enumerated purposes but the conservation easement allows development or other use of your property that would impair the conservation values (*e.g.*, as a result of reserved building sites), the conservation easement will not qualify. SKLT will do its best to provide information to you throughout the process, but **we do not provide tax or legal advice and all tax and legal issues are ultimately the sole responsibility of the landowner.** As each property and each donor's situation are different, **you must consult your own accountant and attorney for tax and legal advice.**

Appraisal

To claim a federal income tax deduction for a gift valued over \$5000, the landowner (not SKLT) is responsible for obtaining what the IRS terms a "qualified" appraisal of the value of the donated conservation easement. That value is typically determined as the difference between the value of your property before the conservation easement and the value of your property after the conservation easement. The cost of such an appraisal depends upon the complexity of the conservation easement, the size of the property, and the fee schedule of the individual appraiser. Conservation easement appraisals are complex and subject to special rules with which your appraiser should be familiar. If you like, we can provide you with names of some qualified appraisers who are experienced in appraising conservation easements and who follow Uniform Standards of Professional Appraisal Practice.

Once the appraisal is complete, to claim a federal income tax deduction, you must submit an IRS Form 8283 for "Noncash Charitable Contributions." See irs.gov for the most recent form and instructions. Form 8283 calls for an acknowledgement and signature from the donee organization (*i.e.*, SKLT). Prior to signing the Form 8283, however, SKLT requires receipt and review of your appraisal, and requires that all relevant parts of the form are correctly filled out and that the appraiser has signed. Also, for a "qualified conservation contribution" as defined in section 170(h) of the Internal Revenue Code (which includes conservation easements), the Form 8283 must include the supplemental statement referenced in the instructions to Form 8283, which statement shows the fair market value of the underlying property before and after the gift and the contribution purpose furthered by the gift.

If, in our opinion and at our discretion, the appraisal is deficient in any way, **we reserve the right to decline to sign the Form 8283** until such deficiency is corrected. Failure to submit a Form 8283 signed by the donee organization may have substantial adverse impacts on your claimed deduction. In any event, SKLT's execution of the Form 8283 is neither a guarantee of desired tax benefits nor an endorsement of the appraisal.

Appraisals should be completed before the conservation easement is finalized (but no more than sixty days before closing). Appraisals can be done after the conservation easement is signed and recorded as long as the date of valuation is the date of the donation, *i.e.*, appraisers can "look back" and determine the fair market value of the donation as of the date it was made. If an appraisal is done after the conservation easement is signed and recorded, however, and the appraised value of the donation is not satisfactory to the landowner, **the conservation easement donation cannot be undone**. Thus, we strongly recommend that you consult with a qualified appraiser early in the process and review the results of the appraisal prior to finalizing a conservation easement.

Please note that if the transaction is a bargain sale, the appraisal used for the purchase will be out of date by the time the transaction is completed, so the landowner would need an updated or supplemental appraisal to state value for IRS and Form 8283 filing purposes.

Land Trust Commitment

Our commitment does not end when the conservation easement is recorded; it is just beginning. Your conservation easement is held in perpetuity, and we shoulder the legal obligation to uphold it. We will monitor the conservation easement on a regular basis, usually annually, and maintain records of all communications, land use activities, and site inspections. If necessary, we will defend the conservation easement in court. We will answer your inquiries if questions arise regarding your land. Building a cooperative relationship with you and your successors is vital if we are to meet our obligations to defend the conservation easement in perpetuity.

Expenses

Completing a conservation easement involves preparation not only of the conservation easement document itself, but also a baseline documentation report that is required by federal regulations and includes fieldwork to document, inventory, and photograph your property's existing conditions, improvements, and conservation values.

In stewardship, by accepting a conservation easement, SKLT assumes the responsibility and legal obligation to uphold the conservation easement's terms and conditions in perpetuity. These responsibilities include periodic inspection of your property, administration of all conservation easement documents and records, and legal defense of the conservation easement provisions if necessary. As a point of reference, in analyzing SKLT's costs, we have found that the average property costs \$400 each year in stewardship expense. Therefore, the SKLT Board of Trustees requests a stewardship contribution with each conservation easement, to help offset future costs of caring for this land. This donation is placed in a pooled investment fund, with the income produced being available to cover monitoring and administrative expenses, and the principal available for legal defense if necessary.

For a project of this size and scope, we suggest \$7000. Landowners often find that this contribution is more than offset by benefits realized through tax deductions or reduced property tax assessments. Please consult with your tax professionals to determine the deductibility of these contributions.

Additional Landowner Expenses

SKLT will work with you throughout the process of preparing and documenting a conservation easement. Some other expenses a landowner can expect to incur include:

- *Appraisal.* See the above discussion of appraisals.
- *Tax and Legal Advice.* You should anticipate additional expenses for tax and/or legal advice from your own experts.
- *Survey.* In many cases, a survey showing your property and delineating the conservation easement is required.
- *Biologist's Report.* If "protection of relatively natural habitat" is a conservation criterion qualifying your property for tax benefits, the landowner should obtain a biologist's report detailing the biological attributes of your property.

Engagement

We will work with you to craft a conservation easement that is acceptable to both you as the landowner and SKLT as the easement holder. You are free to withdraw from the process at any time, and SKLT will not accept the conservation easement until it has been finalized, reviewed, and accepted by our Board of Trustees.

We look forward to working with you on this project. If you have questions or concerns, please do not hesitate to contact me.

Sincerely,

Joanne M. Riccitelli
Director of Land Protection

AGREED AND ACCEPTED:

[Landowner]

[Landowner]

SKLT Review Checklist – Landowner Appraisal for Donations

Project Name:

Landowner:

Appraiser:

Reviewer:

Date:

Appraiser Information

- Is the appraisal signed & dated on the appropriate pages? Y N
- Is the appraiser certified? Y N
 - Is his/her certification included? Y N
- Does the appraisal conform to USPAP? Y N
- Does the appraiser provide SSN or EIN? Y N

Appraisal

- What is the effective date of the appraisal? _____
 - Must not be more than 60 days prior to donation and must not ‘as of’ after donation
- Does the appraisal indicate that the fee is a percentage of the value? Y N
- What type of appraisal? (Restricted rpt not ok) Summary Self-contained
- Does the appraisal contain:
 - Language that it is prepared for tax purposes? Y N
 - The federal definition of fair mkt value: ‘the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having a reasonable knowledge of the facts’ Y N
 - A description of the property and interests in sufficient detail to ensure that it is an accurate description of the gift? Y N
 - The appraised fair market value of the contribution? Y N
 - Are there significant concerns about the value? Y N
 - The method of valuation used? Y N
 - Specific basis for the valuation, ie comparable sales? Y N
- For conservation easements
 - Does landowner own abutting land? Y N
 - If so, has analysis been done on value of contiguous property?
 - Valuation done on before & after analysis? Y N

Comments/Follow-Up:

SKLT Form 8283 Review Checklist

Project Name:

Landowner:

Reviewer:

Date:

- | | | | |
|---|---|---|-----|
| ➤ Does the form contain the landowner name/s? | Y | N | |
| ○ Are they the same as on the deed/CE? | Y | N | |
| ➤ Is the correct gift type checked in #4? | Y | N | |
| ○ 'Qualified Conservation Contribution' for CE, 'Other Real Estate' for Fee | | | |
| ➤ Is the gift description sufficient in # 5? | Y | N | |
| ➤ If a bargain sale, is payment recorded? | Y | N | N/A |
| ➤ If CE, is supplemental statement attached? | Y | N | N/A |
| ➤ Is the Form 8283 signed by the appraiser? | Y | N | |
| ➤ Does the fair market value on the 8283 correspond to the appraisal value? | Y | N | |
| ➤ Is the date of the gift accurate? | Y | N | |
| ➤ Is the unrelated use box checked 'no'? | Y | N | |

Comments/Follow-up

PRESERVING YOUR LAND

A Guide to Land Protection in South Kingstown

South Kingstown Land Trust
227 Robinson Street, Wakefield RI 02879
401-789-0962
www.sklt.org

October 2018

WHY PROTECT YOUR LAND

South Kingstown is rich in the diversity of its natural areas – forests, farmland, wetlands, coastal barrier beaches and other wildlife habitats. The natural environment provides habitat for hundreds of plant and animal species, protects clean air and clean groundwater for drinking, offers recreational opportunities and contributes substantially to our quality of life and our rural sense of place.

If your land has special natural features that you want to insure remain for future generations to enjoy, you may want to consider a formal, legal arrangement to provide lasting protection. This protection could cover an entire parcel or a portion of it.

Preserving natural areas may offer financial benefits. If you donate your land or place a conservation easement on it, you may be eligible for income tax reductions, estate tax deductions or property tax relief.

The good news (and challenging news) is there are a variety of ways to preserve land. Good because you can likely find the right approach for you and your land. Challenging because the process has many options to understand and analyze to be sure of the correct approach for you. It can be a complex process that will involve significant research on various topics.

This guide is intended as an overview of the most common techniques for land protection; it should not be used as the only reference in making your decision. In addition, *consulting with an experienced lawyer, accountant or estate planner is essential*. The most important first step is for the landowner to define his or her goals for the land, then to consider the financial implications and conservation goals, many of which are summarized in this guide.

ABOUT SKLT

The South Kingstown Land Trust is dedicated to preserving the sense of place in the town of South Kingstown by protecting open spaces and critical wildlife habitat, by creating trails, and by protecting the traditional landscapes and farmland that make our community unique.

SKLT was founded in 1983 as a private nonprofit 501(c)(3) charitable organization to acquire and protect open space in the town of South Kingstown. Since its inception, SKLT has preserved over 2800 acres of open space. Our priorities for land preservation focus on those areas which

provide protection of biodiversity and ecosystem resources, groundwater resources and farmland resources.

SKLT actively coordinates with other agencies involved in land preservation in our town, including the Town of South Kingstown, RI Department of Environmental Management, The Nature Conservancy, US Fish & Wildlife Service, Audubon Society of RI and the Narrow River Land Trust.

SKLT raises funds for each acquisition project that we undertake. SKLT has successfully sought funds from many federal, state, local and private organizations. In addition to raising funds for the purchase price, SKLT also needs to raise funds for a stewardship contribution for each project that we do, so that long-term responsibilities can be ensured. SKLT asks landowners to make a voluntary donation for this specific purpose. Stewardship contributions from all projects are pooled in a restricted stewardship fund that is available to meet the expenses of SKLT's stewardship program.

Our staff will work with many landowners in any given year, providing information on protection options as needed. When the landowner is ready to either sell or donate land to the land trust, we will negotiate an agreement, based on their goals and ours, and on appraisals and other fact-based analyses. For acquisitions, we will coordinate with our partner organizations to determine the best funding sources, and then proceed with grant applications and other fundraising. The average project takes 18 months to complete.

OPTIONS FOR PROTECTING YOUR LAND

If you wish to preserve your land, you'll find a variety of ways to protect the natural features of your property. The challenge is to find the method that best suits your needs as a landowner.

The first decision is whether you wish to retain ownership of the land or to transfer ownership. The second decision is whether you can donate the land or easement or whether you wish to sell. If you wish to sell, could you sell at below market value, in a bargain sale, and if so, how much of a bargain sale? Consulting with your tax preparer is essential to see how the numbers work for you.

SKLT is happy to work with landowners to find the best approach for preserving land. SKLT has extensive experience in preserving land through both fee transfer and conservation easement methods. Protecting land and stewarding that land is the core function of our organization. In accepting land and easements, SKLT takes on significant, long-term stewardship responsibilities including annual field monitoring, addressing violations or encroachment and, when needed, legal defense. To ensure SKLT's ability to carry out these stewardship and enforcement obligations, SKLT asks each landowner to make a voluntary contribution to our pooled stewardship reserve. The amount of the requested contribution varies by the size and complexity of the project.

This guide is organized by method of preservation:

Section 1: Gifts of Land

- Outright Donation of land
- Donation through a Will
- Trade Lands

Section 2: Sale of Land

- Fair Market Value Sale
- Bargain Sale

Section 3: Conservation Easements

Section 4: Other Scenarios

- Donation of Land with a Reserved Life Estate
- Deed Restrictions

Section 1: GIFTS OF LAND

Most of the land protected by SKLT has been donated by generous property owners. If you are able to consider a gift of your land, you could consider the approaches listed below.

A. Outright Donation

Giving your land to a non-profit conservation organization or a government agency is the simplest and quickest way to protect your land. Both are qualified under Internal Revenue Service rules to receive gifts of conservation land. You only need to discuss your goals for the land and obtain acceptance of your gift from the organization, then have an attorney prepare the deed, and sign it. A gift ensures long-term protection of the land, relieves the owner of management responsibilities and property taxes, and offers income tax benefits. Capital gains taxes are avoided, and instead, the owner can use the value of the gift as a charitable deduction in calculating income taxes. In addition, a landowner's cash contribution for future stewardship may also be tax deductible – consult with your preparer.

B. Donation by Will

If you wish to donate land but do not want to give up use of it immediately, you could direct in a will that the land be given for conservation after death. It is important to discuss the gift with the organization to which the land will be left prior to its inclusion in the will, both to discuss future use of the land and to ensure that the organization will accept the gift. In most cases, a conservation organization will request that a stewardship donation to help fund the long-term care and stewardship of the land also be gifted in the will.

The major benefits of a donation by will are that, as the owner, you retain full control over the land during your lifetime, while being assured that it will be cared for after your death. Removing the land from your estate also reduces the estate or inheritance taxes, thereby

eliminating a potential major stumbling block to preservation of the land by your heirs. You would still, of course, remain responsible for property taxes while you own the land.

C. Trade Lands

If you own developed real estate, or open land which is not strategically located for preservation, you could donate it as a 'trade land' to SKLT. The Land Trust would only accept such a gift with the understanding that it would be sold and the proceeds used to purchase other high priority natural areas. Such lands must have a fair market value of at least \$25,000 because of the high administrative costs of resale.

By giving trade lands, you will still enjoy the same tax benefit as for conservation land, and you will be providing financial resources to help SKLT continue to protect important open space in South Kingstown.

Section 2: SELLING YOUR LAND

If you cannot donate your land, you may wish to sell it outright to SKLT. SKLT would apply to appropriate agencies and foundations to fund the acquisition, and our ability to complete the deal would be contingent on grant awards from those sources. Options for the sale include selling at fair market value, or at a bargain sale.

Fair Market Value

The fair market value of a property would be determined by an appraisal done by a certified appraiser. SKLT maintains a list of qualified certified appraisers who have experience valuing vacant land, which we are happy to share with landowners.

If your land is sold for full fair market value and it has appreciated in value since your purchase of it, you will be liable for income tax on the capital gain, which directly affects your net profit. Land trusts like SKLT ask the landowner to consider a bargain sale to offset the impact of the capital gains tax.

Bargain Sale

In a bargain sale, your land is bought for less than fair market value. The amount of the bargain sale could simply offset capital gains taxes or could be more substantial, and lead to an income tax deduction on your federal taxes, as allowed by the Internal Revenue Service.

In any acquisition of land, the value of the land must be determined by a qualified appraiser and documented in a report that meets funder and/or IRS guidelines. SKLT will not pay above appraised fair market value.

Section 3: CONSERVATION EASEMENTS

A conservation easement enables the landowner to protect land in perpetuity while retaining ownership by placing legal restrictions on the property that bind both the present and future landowners. The conservation easement is a permanent restriction that runs with the land.

A conservation easement is a landowner's voluntary agreement to permanently restrict the use and development of their property. The landowner continues to own, use, and manage the property subject to the terms of the conservation easement. The landowner may sell, rent, lease, bequeath, or mortgage the property like any other landowner, although the property always remains subject to the conservation easement. Any existing mortgages must be subordinated to the easement.

The landowner may donate or sell a conservation easement on land. The most common purchase of conservation easements is for agricultural land. Each conservation easement is created to suit the landowner's needs and to protect the natural values targeted by the easements and to allow activities acceptable to the landowner. SKLT has a conservation easement template that can be used as the basis for discussions. An easement does not have to cover the entire property; it may cover only a portion which would be delineated by a survey. Public access is not a requirement to qualify for an income tax deduction.

Landowners donate conservation easements primarily to protect their land's natural values. However, the financial benefits of granting an easement in perpetuity can be significant. The value of a conservation easement donated to a charitable organization can be claimed as a charitable contribution against your other income which may be subject to federal tax. In contrast, if an easement is sold, the amount received by the landowner would be taxed by the IRS as a taxable gain.

To place a conservation easement on your land and to claim the value of that easement as a charitable deduction for income tax purposes, three conditions must be met:

- 1- The easement must be given to an organization qualified to accept it – government agencies and private land trusts like SKLT qualify;
- 2- The easement must be given in perpetuity. And
- 3- The easement must be for conservation purposes as defined in section 170(h) of the IRS code – must be of public conservation value, such as the preservation of significant wildlife habitat, open space, farmland or watersheds.

An easement usually decreases the market value of the land because it limits its development potential. This reduction in value can lead to lower property taxes – consult the Town's Tax Assessor's Office for specific information.

The reduction in market value of the land will also reduce future estate and inheritance taxes. Too often, heirs who inherit family land must sell some or all of the land to pay these taxes. Conservation easements are a very effective way to pass land on to the next generation in its natural state.

A Baseline Documentation Report is created for every conservation easement. It records the characteristics of the land at the time of the easement recording and identifies the conservation values of the property. It includes maps, photos and descriptions of the land. The baseline report serves as the foundation for future monitoring and documentation in the event an issue arises.

Section 4: OTHER SCENARIOS and RESOURCES

There is a myriad of more complex approaches that can include land protection, such as like-kind exchanges and charitable remainder trusts. This guide presents an overview of the basic options – once you have a general idea of your goals, please consult with your tax preparer, attorney or other professionals.

Donation of Land with a Reserved Life Estate

To reduce your real estate tax burden and receive an income tax deduction during your lifetime, you may want to consider a donation with a reserved life estate. In this way you can donate a remainder interest in the land to a qualified conservation organization while you and the other members of your family retain the use of all or part of the land during your lifetime or their lifetimes.

A reserved life estate ensures that your land is accepted by a conservation organization and protected in perpetuity, yet you may continue to live there. The tax advantages with a retained life estate are less than those of an outright donation.

Deed Restriction

Restrictions on the future use of your land may be placed in the deed before the property is transferred. However, deed restrictions are weaker than conservation easements in two important ways. First, with an easement, a conservation organization assumes responsibility for monitoring and enforcing the restrictions placed on the land. Second, deed restrictions cannot be made in perpetuity, so ultimately cannot protect the land's natural values. In addition, the IRS does not allow deductions for deed restrictions.

Resources

Landowners can read more about conservation options on The Nature Conservancy website, tnc.org, or the Land Trust Alliance website, lta.org. Both are national organizations with years of experience and with a wealth of information on land preservation on their sites.

SKLT'S LAND PROTECTION PROCESS

SKLT receives many requests from landowners interested in preserving their land, and we appreciate all offers of gifts of land or easements.

A good first step is for the landowner to send SKLT's Land Protection staff a letter and map of the land, or a reference to the plat and lot, either by mail or email. Include your goals for the land, and your contact information.

SKLT staff will evaluate the property and discuss options with the landowner. At that time a site visit would be scheduled, then staff will review the project with the Board of Trustees, which has the ultimate decision-making authority on which projects are accepted.

Not all properties in South Kingstown can or should be protected. At all stages, the staff and board must scrutinize projects to assess their risks and benefits in light of the goals and purposes of SKLT, the natural resource and public benefit values, the feasibility of the project, and its significance or priority.

Conservation values are determined by a combination of site visits, statewide databases, and information from the landowner. Features that support a conservation option with significant public benefit include:

- (a) most of the land in a relatively natural, undisturbed condition,
- (b) active agricultural use,
- (c) presence of rare, threatened or endangered species or natural communities,
- (d) proximity to a riparian area or marshland,
- (e) an exemplary ecosystem of scientific or educational value,
- (f) an important scenic vista, visible to the general public,
- (g) significant historic value as well as natural value,
- (h) prominent or strategic location in how people perceive their community,
- (i) sufficient size and likely to retain conservation values even if adjacent properties are developed, and
- (j) abutting or near lands that are already permanently protected.

If SKLT decides a project is not suitable for conservation, it may be acceptable as a trade land, which would be sold to support other conservation acquisitions. The following factors tend to indicate that a project may not be suitable for preservation:

- (a) small size, where adjacent properties have not been protected and there is little likelihood that they will be protected in the future; high-density residential parcels are inappropriate, but small parcels may be considered if the parcels are adjacent to existing protected lands or otherwise important.
- (b) part of a development proposal or activity that would unduly compromise or diminish conservation values to an extent that SKLT cannot be involved,
- (c) adjacent properties developed in a way that is likely to diminish significantly the conservation values of the property in question, such as subdivision open space,
- (d) landowner provisions in the CE that SKLT believes would unduly diminish the property's conservation values, present difficult monitoring or enforcement problems, or compromise SKLT's long term objectives,
- (e) difficult enforcement because of fractured ownership, irregular configurations, or other circumstances, or
- (f) parcels with toxic substances or similar risks; or parcels with unresolved boundary or ownership disputes.

Once your land is protected by SKLT, it will be inspected annually as part of our ongoing monitoring process. Periodic monitoring is crucial to the continued security of the conservation values protected by the deed or easement. When the land is protected by easement, SKLT will notify landowners of the upcoming monitoring visit; landowners are welcome to accompany SKLT staff or volunteers on the inspection visit.