



## FAQ: Conservation Easements

### What is a conservation easement?

A conservation easement is a voluntary, legally binding agreement between a landowner and a qualified organization or public agency. It is used to permanently protect natural, agricultural, open space, historical, forested, and/or scenic resources on the landowner's land. In California, this is authorized by California Civil Code §815.

### Who can hold a conservation easement?

In California, conservation easements can be held by qualified non-profit conservation organizations (like the Land Trust of Napa County), public agencies or municipalities, and federally or state-recognized Native tribes.

### I want to explore conservation for my land, but I still want to own and retain responsibility for the land. How does a conservation easement work?

The Land Trust works with the landowner to develop a set of terms for the conservation easement to protect certain aspects of the property. Afterward, the landowner continues to own the land, is responsible for its management, and retains the ability to sell the land or pass it on to future generations. Many properties in Napa have changed hands after landowners have completed conservation easements that protect them.

### What does a conservation easement look like on my land?

Conservation easements protect land by removing some development potential, typically industrial or commercial development. It is important to note that a conservation easement is not an “all or nothing” approach to land conservation. An easement may cover part of the property. Conservation easements may allow some residential, commercial, and agricultural uses, as well as existing and potential future uses. Also, conservation easements are flexible and tailored to meet each landowner's needs while protecting the property's unique natural, open space, or agricultural characteristics.



## Does a conservation easement give the public access to my property?

No, the land continues to be private property, so public access is not allowed. A landowner can specifically request that public access be allowed. Otherwise, conservation easements rarely enable public access.

## Why do people place a conservation easement on their property?

Conservation easements provide a range of benefits. Many landowners pursue conservation easements to protect some cherished attribute of their land: a meadow, a forest, an oak woodland, a stream, or a vineyard. Others want to ensure that historical features are protected in perpetuity. For many landowners, the financial rewards resulting from easements can make it easier to pass on their land to their heirs. Other landowners might intend to sell their land but also want to ensure that it is not later converted into a residential or commercial development. Finally, landowners have also expressed their interest in participating with others in Napa County to protect Napa's unique resources and beauty permanently. The financial incentives involved - income, estate and/or property tax benefits – are also often important. Whatever the reason, it is essential to plan ahead to protect your land forever.

## Is a conservation easement a permanent decision, or can I change my easement terms later?

A conservation easement is permanent. According to California and IRS rules, conservation easements must be perpetual to be eligible for charitable tax deductions – see below. It is possible to amend a conservation easement after it is already in place, but only to further increase the conservation that it achieves.

## Are there financial incentives for donating a conservation easement?

Yes, there are a number of potential financial benefits:

***Federal and state income tax deductions:*** a donation of the value of the conservation easement to a qualified organization may generate charitable tax deductions, lowering the landowner's taxable income for both federal and state income tax purposes. If the donor cannot use the entire value of the tax deductions, they can be spread out over time. The conservation easement must also meet specific standards to be deductible for federal income tax purposes.

***Federal estate taxes:*** a conservation easement over a property typically decreases estate tax liability. A conservation easement could help heirs avoid the threat of having to sell land to pay estate taxes, thereby allowing the land to stay in family ownership. A conservation easement may even be donated after the death of the landowner and still provide estate tax benefits.

***Federal gift taxes:*** recipients of a gift are required to pay taxes when the gift exceeds a certain value, as identified by the IRS. Because of these limitations, gifts of land to heirs may require transferring ownership in installments. A conservation easement may make it possible to pass the land to heirs in a shorter time frame.

***Local property taxes:*** county assessors are required to consider whether or not a conservation easement impacts the assessed property value. In some instances, e.g. when the terms of the conservation easement have the potential to change the current tax designation or a property has recently changed ownership, property owners should contact the Napa County Assessor's office for information.

**The Land Trust always recommends** that you consult a qualified professional to explore the potential of these incentives in your particular situation.

I've been doing just fine protecting my land. Why should I work with the Land Trust on a conservation easement?

Working with the Land Trust of Napa County allows you to protect your property in perpetuity while receiving financial benefits today. Since 1976, the Land Trust has developed an efficient and proven program to ensure a property's protection - forever. The Land Trust is an active member of local, regional and national land conservation communities, keeping up with the best practices in land conservation, and can bring the latest ideas to discuss with you about approaches to conserving your land. The Land Trust holds more than 150 easements in Napa County, protecting tens of thousands of acres. Our approach has proven to be successful with a large number of landowners across the county. In fact, after completing their first conservation easement, numerous landowners have come back to pursue additional easements with the Land Trust.

Conservation easements are complex and unique to both landowners and properties. We are more than happy to provide more information and talk specific details with you about your property. Please contact Lena Pollastro, Conservation Director, at 707.252.3270 x16 or [lana@napalandtrust.org](mailto:lana@napalandtrust.org).