

# **Protecting Your Land on Islesboro**

## *with a Conservation Easement*

### **What Is A Conservation Easement?**

A conservation easement is a legal agreement between a landowner and Islesboro Islands Trust (a private, nonprofit conservation organization) that permanently limits a property's uses to protect its conservation values.

Landowners hold many rights associated with their property, such as the right to harvest timber, build structures, sell subdivisions, and so on. When you donate a conservation easement to Islesboro Islands Trust, you permanently give up some of those rights. For example, you might give up the right to build additional residences while retaining the right to manage the forest. Future owners are also bound by the terms of the easement.

The conservation easement is fully described in the legal document. Its terms are tailored to meet the financial and personal needs of the landowner while also protecting the land's conservation values. An easement aimed at protecting wildlife habitat might prohibit development of any kind; an easement preserving a public scenic view might allow limited development that has been sited carefully.

In some cases a conservation easement will apply only to a portion of the property, leaving the option of future development open for the unaffected piece.

Islesboro Islands Trust assumes the responsibility of enforcing the easement forever. If a future owner or someone else violates the easement, whether inadvertently or purposely — perhaps by building a road that the easement doesn't allow — Islesboro Islands Trust will work to have the violation corrected.

### **The Conservation Easement Process**

The first step in the conservation easement process is usually a meeting between Islesboro Islands Trust and the landowner where the interests of both parties can be explored. A more detailed analysis of the land's ecological characteristics follows and a final determination to proceed is made.

Drafting the easement may be accomplished by either the landowner's or Islesboro Islands Trust's attorney. More than one draft is often necessary to make sure that all concerns are met.

When complete and signed by both parties, the document is filed at the Waldo County Registry of Deeds where it thence forward goes with the land.

### **Qualifying for a Federal Income Tax Deduction**

Because conservation easements provide ecological benefits to the community at large, the value of the easement can, if written to conform with federal tax code requirements, be treated as a charitable gift and deducted from income tax (to the extent your particular tax situation allows). For income tax purposes, the value of the easement is the difference between the land's fair market value with the easement and its value without the easement. While easement values vary greatly, in general, the highest easement values result from very restrictive conservation easements on developable land.

### **Other Tax Considerations**

A conservation easement that restricts development of your land will almost always reduce its fair market value. This effect may result in lower Islesboro property taxes and lower federal estate taxes.