



Introduction to

# CONSERVING YOUR LAND

with Aspen Valley Land Trust



# Thank you for your interest in conserving your land. Your legacy. Forever.

Inside this guide learn more about:

- Why conserve your land?
- What do land trusts do?
- Steps to completing a conservation project
- Financial costs and benefits to consider
- Answers to frequently asked questions

# WHY CONSERVE?

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## Landowner benefits of conserving your land.

A conservation easement on your land guarantees your vision forever.



### Support Family Transitions

Permanent protection of your land leaves a legacy for your family, your children, your community, and the future. A conservation easement on your land today means that the generations of stewardship and care that have gone into your family's land will not be lost in the future. It may also be the key to assuring continued family ownership of your land, ensuring your family's legacy forever.



### Partnership and Support

We view conservation as a partnership with you, the landowner. When you conserve your land with AVL, we ensure the agreement we reach with you is honored forever. We also offer ongoing benefits such as access to land stewardship programs and resources, and assistance with technical land management issues. Your family's land is woven into the fabric of our heritage and community.



### Financial and Estate Benefits

Conserving your land may generate significant financial benefits for you and your family. You may use these incentives to plan for retirement, reduce tax burden, pay down debt, or reinvest in the land. Estate tax reductions may be realized as well, which can help keep land within your family for generations to come.



### Sustain Your Business

Working ranches and farms provide food for our community, put money into our local economy, and protect cherished viewsheds and wildlife habitat. Conserving your land could result in the financial benefits you need today to push your land-based business into a sustainable future.

## How your community benefits.

When you conserve your land, we all benefit.



### Clean and Abundant Water

Irrigation is essential to agricultural productivity, and helps sustain wetlands and wildlife. Conserving land along rivers and streams helps protect important habitat and safeguards our water quality. Conserving your land helps protect these important natural systems for wildlife and humans alike.



### Wildlife and Plant Habitat

Conservation easements can be a critical tool for preserving winter range for big game such as elk and mule deer, migratory routes for wildlife and birds, and native plant communities. Ranchlands are often the most productive, diverse, and least fragmented private lands and are key to the health and productivity of many wildlife populations.



### Recreation

Colorado is known for its beauty, wide open spaces, and unrivaled outdoor opportunities. While conserving your land does not mean you have to provide public access, you directly help protect the Colorado experience when you protect your land. Development near and around our special recreation destinations would greatly diminish our outdoor experiences, impact wildlife, and forever change our way of life.



### Health and Local Economy

Conservation supports land-based livelihoods and a high quality of life. Agricultural productivity, tourism, and recreation are important contributors to our local economy. By protecting our land, water, and recreational opportunities today, we ensure the prosperity of our community tomorrow. Recent studies have shown that for every \$1 invested in conservation easements in Colorado, we realize up to \$12 in environmental benefits including clean air and water, protected habitat, carbon sequestration, and soil health.

# WHAT DO LAND TRUSTS DO?

Land trusts across the nation are working with landowners to conserve properties with important agricultural or natural values. Conservation easements are a tool land trusts use to protect land while allowing for its continued private ownership and management.

## What is a conservation easement?

A conservation easement is a voluntary legal agreement between a landowner and land trust that protects certain conservation purposes while still allowing for private ownership and use of the land.

## So, how does it work?

Once you've talked with your family and decided you'd like to explore your conservation options to keep your land intact and undeveloped, we will meet with you to discuss your specific goals and the conservation needs of your property. If a conservation easement is a good fit, we will help you through the steps to complete your conservation goals. We recommend you consult with your financial and legal advisors along the way.

## What stays the same?

- Conserved property remains under your ownership, management, and control just as before.
- You can sell or mortgage your land at any time, though the conservation easement runs with the land and stays in place, forever.
- Public access is not required.
- Hunting is permitted within state guidelines.
- Farming, ranching, and home-based businesses are encouraged to continue.
- Buildings may be permitted within designated areas on the property.
- Conservation easements do not grant the government any rights to your land or how it is managed.

## What changes?

- AVLT will hold the conservation easement and monitor the land annually to uphold the terms of the agreement. Even if the land changes hands, we will defend the easement and ensure the land is protected, forever.
- Water rights historically used on the property will be tied to the land to protect its conservation purposes.
- Development of homes and other structures is limited to protect the land's conservation priorities.
- Subdivision may be limited to ensure your land is kept healthy and intact.
- Surface mining, such as gravel pits or strip mines, is not permitted, though some subsurface oil and gas development may be permitted within limits.
- Commercial feed lots and industrial operations that impact the land are not allowed.



# Conserving Our Valleys

AVLT works in the Roaring Fork and Colorado River valleys. Private lands are a critical piece to the region's conservation quilt.



COLORADO

COLORADO  
UTAH



**LEGEND**

- AVLT Protected Land
- BLM Land
- USFS Land
- Rivers / Creeks
- Roads
- AVLT Service Area

# HOW DO YOU CONSERVE YOUR LAND?

## Seven Steps to Conserving Your Land

### 1. Discuss your options with your family and AVLT

We provide tools that landowners use to ensure their open and productive lands remain open and productive in the future through restricting development. We suggest that your family discuss what you'd like your land to look like in 10, 20, 50 years, and together we can create a plan that protects your land's resources while helping meet your family's goals. We respect that this is a personal and important decision for you and your family. Once we understand the vision and goals you have for your property, we can explore the options available to you. The commitment to save land requires partnership, thoughtfulness, and planning. Your commitment to the land is the first step. These conversations are confidential to allow you time to consider whether conservation is right for you, at your own pace, and in your own timeframe.

### 2. Site visit, review, and project initiation

AVLT staff will join you on your property to learn about your land and specific conservation goals. Our Board of Directors will review the project and, if conservation is a good fit, we will send you an engagement letter to get things rolling.

### 3. Paperwork (Let us do the heavy lifting).

AVLT will walk you through the entire process of conserving your land. We cannot represent you, but we can help you assemble a team of professionals to guide you through the details:

- Appraisal
- Baseline report
- Mineral report
- Environmental report
- Legal review
- Title work
- Mortgage subordination (if needed)

### 4. Create a conservation agreement for your land

Each property and each project is different. Together, we will draft a customized agreement to address your specific conservation goals.

### 5. Sign, seal, deliver!

This is the exciting day! We will meet to sign and submit the deed of conservation easement to the county for recording. At this point, the agreement becomes a part of the title to your land forever. You did it!

### 6. Apply for tax benefits, if eligible

Your easement may be able to provide tax benefits including a Colorado tax credit (that can be sold for cash) and a federal tax deduction. AVLT can help you submit your Colorado tax credit application. You will want to consult with your accountant or tax advisor to help you understand and claim any tax benefits that may be available to you.

### 7. Stewarding your land and staying in touch

You are now a trusted and important conservation partner. Your role as a caretaker and steward of the land continues, and we are here to serve as a helpful resource. We will touch base with you and visit your land each year. We look forward to these annual visits but please know that we are available at any time to help answer questions or address concerns pertaining to your land or conservation easement.

# Financial Costs and Benefits

Your Land's Value Today:



Your Land's Value After It Is Conserved:



Your Land's Conservation Easement Value: (CE value)



State Tax Credit

Federal Tax Deduction

Colorado State Tax Credit = CE value x 90% (maximum \$5 million)

Federal Tax Deduction = CE value – state tax credits claimed

This may be sold, transferred, or used over 20 years.

This is non transferrable and can be used over 16 years.

**Federal Tax Deduction** - The federal conservation easement (CE) tax incentive allows taxpayers to claim an income tax deduction for the charitable donation value of qualifying conservation easements. An income tax deduction reduces the amount of income that is taxed. The federal CE tax incentive allows you to deduct the full value of your qualified CE donation, minus the amount of state tax credits claimed. You can deduct up to 50% of your Adjusted Gross Income per year for up to 16 years, including the year of donation, until your full donation value (less the amount of state tax credits claimed) is used. Qualified farmers and ranchers can deduct up to 100% of their income per year over the same period.

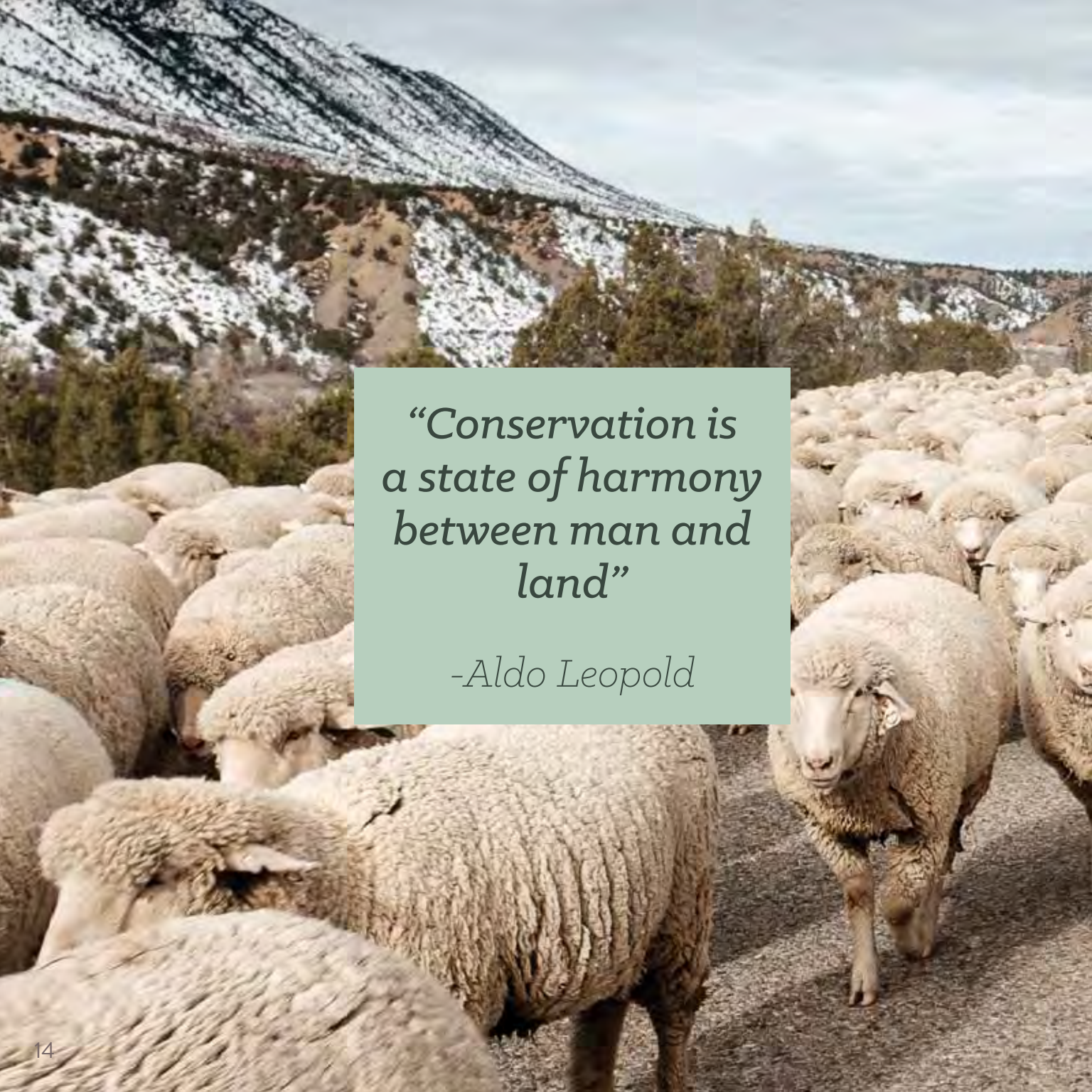
**State Tax Credits** - The State of Colorado leads the nation in providing a transferable income tax credit for donated conservation easements. Qualifying donations may earn a state conservation easement tax credit worth 90% of the donated value up to a maximum tax credit of \$5 million. Tax credits may be used against the donor's state tax liability over 20 years, transferred to another Colorado taxpayer, or sold for cash. Rates vary but landowners can generally expect to sell a credit for 85% of its value. Please note that the sale of Colorado conservation credits creates taxable income and credits are only transferable once.

Please note that this information is provided as a general description of tax incentives available for qualified conservation easement donations. If you are interested in pursuing a conservation easement or purchasing Colorado tax credits, please seek professional tax and legal advice.

**Estate Tax Planning** - A conservation easement may make it more feasible to pass land along to your heirs by lowering its value for estate purposes. In addition, land protected by a qualified conservation easement may be eligible for an estate tax exclusion up to a maximum amount based on current tax law.

**Property Tax Benefits** - Your property taxes may be reduced or fixed at an agricultural tax rate as a result of granting a conservation easement. Please check with your attorney or county assessor for details.

**Costs** - Please note that the process of granting a conservation easement involves substantial costs. You can expect your project to cost \$75,000-\$85,000, including the appraisal, baseline report, mineral report, title policy, stewardship donation to AVLTL, and your state tax credit application fee. We recognize this is A LOT of money and those costs may be offset with tax benefits. Aspen Valley Land Trust is a nonprofit organization; we do not profit from conserving your land. Please inquire with us if you need cost assistance and we can explore loan and grant options available to you.



*“Conservation is  
a state of harmony  
between man and  
land”*

*-Aldo Leopold*

# FREQUENTLY ASKED QUESTIONS

## Who is Aspen Valley Land Trust?

Aspen Valley Land Trust is the only local nonprofit, non-political organization dedicated to conserving land forever in the Roaring Fork and middle Colorado River valleys. As a trusted, community-supported organization, we have had the honor of working with landowners to protect over 67 square miles of important open land since 1967. Land conservation is a partnership between you and us. We are honored to talk with you about your vision for your property and the conservation options that might be available to you.

## What is a “conservation easement”?

A conservation easement is a voluntary legal agreement between a landowner and a land trust or qualified government agency that permanently limits certain high-impact uses and development, while allowing for uses consistent with your conservation goals, such as farming and ranching. Land placed under a conservation easement is still managed and owned by you; you can continue working your land. A conservation easement with AVLTL does not grant public access nor any authority to any government agency. It is recorded in the county records and becomes a permanent part of the title to the land, acknowledged by all future owners of the land. It is an important planning tool for the future.

## Will my land be protected forever?

Yes. You and AVLTL will create a formal agreement, called a conservation easement, which assures that the place you love will be protected. Forever. The promise of forever makes this process especially meaningful – a legacy for future generations.

## Will I still own my land after a conservation easement?

Yep. The land is still yours and you are free to sell it, transfer it, or mortgage it, with the knowledge that the conservation easement will protect it in perpetuity.

## What is the purpose of a conservation easement?

Land conservation is meant to keep treasured places open and natural and to protect our region’s land, water, wildlife, and culture. The use of conserved land may change over time, but will remain undeveloped. Maintaining space for farming, ranching, scenic corridors, wildlife habitat, and places for kids to play... are all benefits of land being left as just that, land. Once it’s gone, it’s gone.

## Are there certain criteria for my land to be considered for conservation?

Every property is unique and, while there are no minimum acreage requirements for considering a project, AVLTL has adopted certain criteria for selecting conservation projects. If you’d like to determine if your property is eligible for a conservation easement with AVLTL, we’d love to hear from you. There is no risk or cost to inquiring.

## How does a land trust ensure my land remains undeveloped?

AVLTL is obligated to visit your conserved land annually, ensuring the terms of the agreement are upheld – even after you no longer own the land. We maintain a stewardship fund to help pay for monitoring and defense of your easement, far into the future.



# FREQUENTLY ASKED QUESTIONS

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

Conservation easements allow you to conserve your land for future generations, while maintaining private ownership and use of your property. Conserving your land may qualify you for a variety of financial benefits. These benefits are established at the federal, state, and local level in order to encourage landowners to conserve their land, including:

- Federal charitable income tax deduction
- Transferrable Colorado state income tax credits
- Reduced estate tax burden for your family members
- Potential to maintain agriculture tax classification or reduced property taxes

In certain cases, grant funding may be available to reduce the project's costs.

## Why is it called 'donating' a conservation easement?

Your commitment to keep your land undeveloped is seen by federal and state governments as a charitable gift in the interest of the public. What you are 'donating' are the rights to develop, divide, and use your land in certain ways. In some cases conservation easement are bought using grant funding, eliminating the tax benefits.

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

Nope, unless you specifically want that to happen.

## How long does it take to complete a conservation easement?

There is no set timeline, but the process of conserving your land usually takes about a year. This allows you and your family to be thoughtful and deliberate in your decisions. Appraisals and the required reports all take time to complete, and some landowners need extra time to mull things over, but one year is an average timeframe from start to closing.

## Does any generation have the right to tie the hands of future generations through conservation easements?

Every generation ties the hands of succeeding generations; if we build houses over a hayfield, that is what the next generation gets. The key for every generation is to try to make intelligent and well-planned choices about BOTH conservation and development. If we don't conserve land today, we may not have an option to conserve it in the future. Population growth and housing pressure will make that decision for us.

## I want to buy a piece of property that has a conservation easement on it. What do I need to know?

Each conservation easement is unique to that particular property. If the property you are interested in has a conservation easement on it held by Aspen Valley Land Trust, we'd be happy to discuss the terms of the easement with you so you can make an informed decision.

## Our region faces a housing crisis. What about leaving some space for affordable housing?

AVLT is not anti-development. We fully support comprehensive planning efforts and work hand-in-hand with local municipalities to ensure we save space for growing communities as well as wildlife and ranching. Our goal is to conserve recreational opportunities, family farms and ranches, and critical wildlife habitat between our communities, which helps to protect the character, health, and vitality of our communities.

## I've heard about some people in Colorado being audited for their conservation easement donations in the past. What's up with that and do I need to worry?

The risk of audit by the State of Colorado as a result of donating a conservation easement has been drastically reduced in the last several years by creation of a conservation easement oversight program administered by the Colorado Division of Conservation. Since 2014, land trusts accepting conservation easements for which tax credits are claimed must be certified by the State of Colorado, and all conservation easement transactions claiming a tax credit must be reviewed and certified. Once a tax credit certificate is issued by the State, the Department of Revenue may not audit a transaction based on issues of conservation purpose or valuation. (This certification only relates to Colorado and does not impact the actions of the IRS. Conservation easements may increase your risk of federal audit.)

## Can a conservation easement ever be amended, terminated, or condemned?

Conservation easements are permanent encumbrances that cannot be revoked or terminated, except by a court order. Amendments to conservation agreements may be made in rare cases to further the purposes of the agreement (such as to add additional acreage or increase protections) or to correct or clarify details within the agreement. Condemnation by a government agency or utility company cannot be prevented though we will help you to negotiate for the best possible outcome that minimizes conservation impacts and loss.

## How does the Colorado tax credit work?

As a benefit for protecting the state's future health and natural resources, Colorado taxpayers may be eligible for transferable income tax credits for the donation of a qualified conservation easement. Your tax credit is based on a qualified appraisal. Financially, you're eligible to receive 90% of the appraised conservation easement value up to a maximum credit amount of \$5,000,000. Conservation tax credits may be sold at a discount for cash. AVLT can help with this process. See the "Financial Costs and Benefits" page for details.

## How can my water rights be protected?

Your conservation agreement can permanently tie all or part of your property's water rights to the land. This eliminates the threat of your water ever being sold for purposes that don't support the agriculture or wildlife of your region.

[Have more Questions?](#)

Contact us at [AVLT@AVLT.org](mailto:AVLT@AVLT.org) or (970) 963-8440





**To learn more:**

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ASPEN VALLEY  
**LAND TRUST**

Protecting the places you love