



For information on membership, volunteer opportunities, land protection, and preserving Lake George's unique natural heritage, please contact:



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*The design and printing of this brochure were underwritten
by the Lake George Rotary Club.*

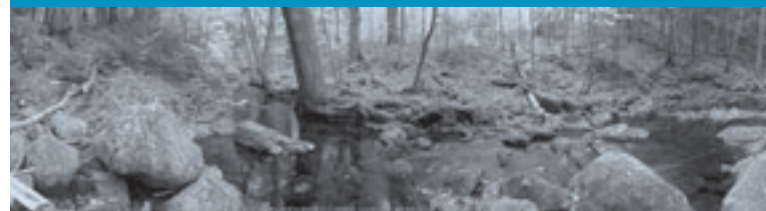
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Much of the material set forth in this brochure has been graciously provided by the Land Trust Alliance. Photos by Carl Heilman II/Wild Visions, Inc., www.carlheilman.com.

you can protect
your land

Conservation Options

FOR PRIVATE LANDOWNERS



You and your family have kept your land free from inappropriate development for years. Whether a working farm, forest land, shoreline, or other natural area, you would like to ensure that it remains as it is for your children and for future generations.

The good news is that you can protect your land. Working with a land trust (a private, non-profit conservation organization, such as the Lake George Land Conservancy) or a conservation agency within government (such as the New York State Department of Environmental Conservation), there are many ways you can safeguard land of conservation, historic, scenic, or other natural value – but only if you make plans for your land's preservation.


Why must you take action, when you simply want to keep your land as it is? State and federal estate taxes are one reason. Families are sometimes forced to sell all or part of family lands in order to pay such taxes, which together can be as high as 50% of the estate's value. And, of course, future owners may be compelled by ever-increasing property values – or simply by lack of appreciation for the land – to sell it for development.

As the conservation techniques briefly described here make clear, there are many ways you can protect your land that can make good financial sense for you and your family.

*nature
is our future*

conservation easement

- Leaves land in private ownership.
- Can result in an income tax deduction, estate tax reduction, and *possibly* reduced property taxes.

 A conservation easement (or land protection agreement) is a legal agreement between a landowner and a land trust or conservation agency that permanently limits the uses of the land in order to protect its conservation values. It allows you to continue to own and use your land and to sell it or pass it on to heirs.

When you donate a conservation easement to a land trust, you permanently give up some of the rights associated with the land. For example, you might give up the right to build additional residences, while retaining the right to grow crops. Future owners also will be bound by the easement’s terms, and the land trust is responsible for making sure the easement’s terms are followed.

Conservation easements are flexible land protection tools. A land protection agreement on property containing rare wildlife habitat might prohibit any development, for example, while one on a farm might allow continued farming and the building of additional agricultural structures. A land protection agreement can allow appropriate development and even permit some commercial use of the land. It may apply to just a portion of the property, and need not require public access. In short, an easement must protect the land’s conservation values, but it also can be fashioned to meet the financial and personal needs of the landowner.


A conservation easement donation that meets federal tax code requirements – in essence, that provides public benefit by permanently protecting important conservation resources – can qualify as a tax-deductible charitable donation. For income tax purposes, the value of the donation is the difference between the land’s value with the easement and its value without the easement. Additionally, conservation easement donations can provide important estate tax benefits, even if the conservation easement is donated after the family property is in an estate.

Placing an easement on your property also may result in property tax savings.

Perhaps most important, a conservation easement can be essential for passing land on to the next generation. By removing the land’s development potential, the easement lowers its market value, which in turn lowers estate tax. Whether the easement is donated during life or by will, it can make a critical difference in the heirs’ ability to keep the land intact.

land donation

- Can result in a substantial income tax reduction.
- Can be structured in a way that allows you to continue to live on the land or to receive a life income.

 Donating land for conservation purposes is truly one of the finest legacies a person can leave to future generations. It may be the best conservation strategy for you if you do not wish to pass the land on to heirs; own property you no longer use; own highly appreciated property; have substantial real estate holdings and wish to reduce estate sales tax burdens; or would like to be relieved of the responsibility of managing and caring for land.

An outright donation of land to a willing land trust releases you from the responsibility of managing the land and can provide substantial income tax deductions and estate tax benefits (while avoiding any capital gains taxes that would have resulted from selling the property). Most important, if the land is donated because of its conservation value, it will be protected. (Although our focus here is on conservation land, commercial and residential properties also can be donated to a land trust, with the understanding that they will be sold to support the land trust’s conservation work).

Donating a remainder interest in land. An outright donation is not the only way to give land. You can continue to live on the land by donating a remainder interest and retaining a reserved life estate. In this arrangement, you donate the property during your lifetime, but reserve the right for yourself or any other named persons to continue to live on and use the property (called a “reserved life estate”). You have donated to the land trust a “remainder interest” in the property. When you or those you’ve specified die or release their life interests, the land trust will have full title and control over the property.

By donating a remainder interest, you can continue to enjoy your land and may be eligible for an income tax deduction when the gift is made. The deduction is based on the fair market value of the donated property less the expected value of the reserved life estate.

Donating land by will. If you want to own and control your land during your lifetime, but assure its protection after your death, you can donate it by will. You should make sure the chosen recipient is willing and able to receive the gift.

Land donations that establish a life income. If you have land you would like to protect by donating it to a land trust,



but need to receive income during your lifetime, you might use a charitable gift annuity. In a charitable gift annuity, you agree to transfer certain property to a charity, and the charity agrees to make regular annuity payments to one or two beneficiaries you specify for life.

Your gift of land usually qualifies for a charitable income tax deduction at the time of the gift based on the value of the land less the expected value of the annuity payments.


Another option for donating property and receiving regular income is a charitable remainder unitrust. You place the land in a trust, first putting a conservation easement on it if it is to be protected. Then the trustee sells the land and invests the net proceeds from the sale. One or more beneficiaries you specify receive payments each year for a fixed term or for life, then the trustee turns the remaining funds in the trust over to the land trust.

The gift qualifies for a charitable income tax deduction when the land is put in the trust, based on the value of the land less the expected value of the payments.

Charitable gift annuities and charitable remainder unitrusts are most useful for highly appreciated land, the sale of which would incur high capital gains tax.

bargain sale of land

- Combines income-producing benefit of sale with tax-reducing benefit of donation.

 If you need to realize some immediate income from your land, yet would like the property to go to a land trust, a bargain sale might be the answer. In a bargain sale, you sell the land to a land trust for less than its fair market value. This not only makes it more affordable for the land trust, but offers several benefits to you: it provides cash and entitles you to a charitable income tax deduction based on the difference between the land’s fair market value and its sale price.



your next step

If you have land you would like to see protected for future generations, learn more about the options available to you:

CONTACT THE LAKE GEORGE LAND CONSERVANCY. Our land protection staff can help you arrive at a conservation plan that makes the most sense for you, and can provide to you lists of attorneys, appraisers, accountants, and land planners who are experienced with conservation techniques.

TALK WITH YOUR OWN LEGAL AND FINANCIAL ADVISORS. The brief explanations provided here are intended only to give you an idea of what can be done. You should make decisions affecting the ownership and use of your property only after careful consideration and professional consultation.

READ FURTHER. There are several books and publications that discuss easements and other conservation techniques. Contact the Lake George Land Conservancy for recommended reading and authors.