

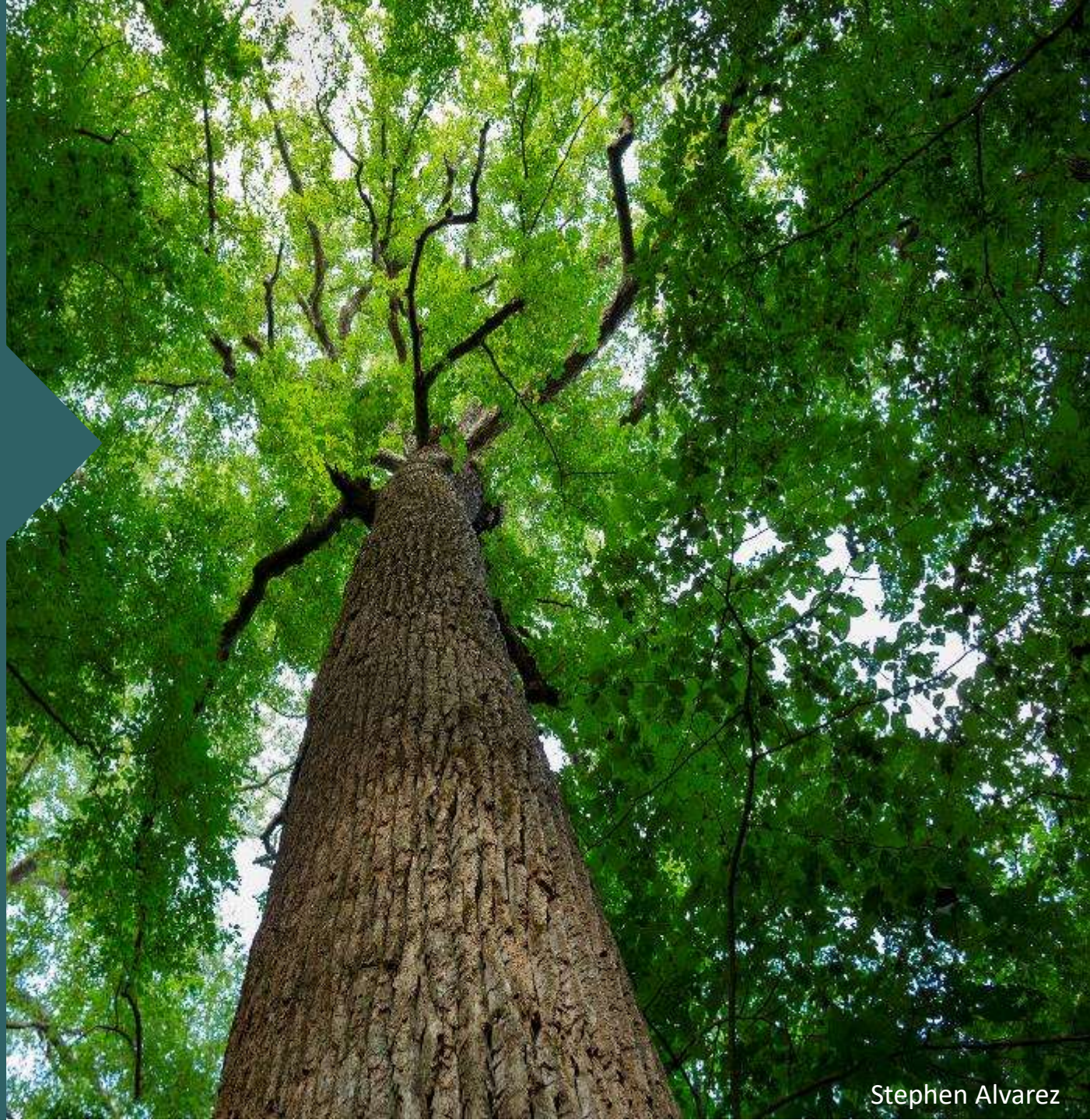
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THE LAND TRUST FOR TENNESSEE



What is a land trust?

Typically a private, non-profit organization with a mission to conserve land and/or water resources.

Most land trusts work directly with private landowners to help them achieve their conservation goals.



Approximately 1,700 land trusts across the country

Different sizes and areas of interest

Members of Land Trust Alliance

- Standards and Practices
- Accreditation





A Land Trust's work is guided by:

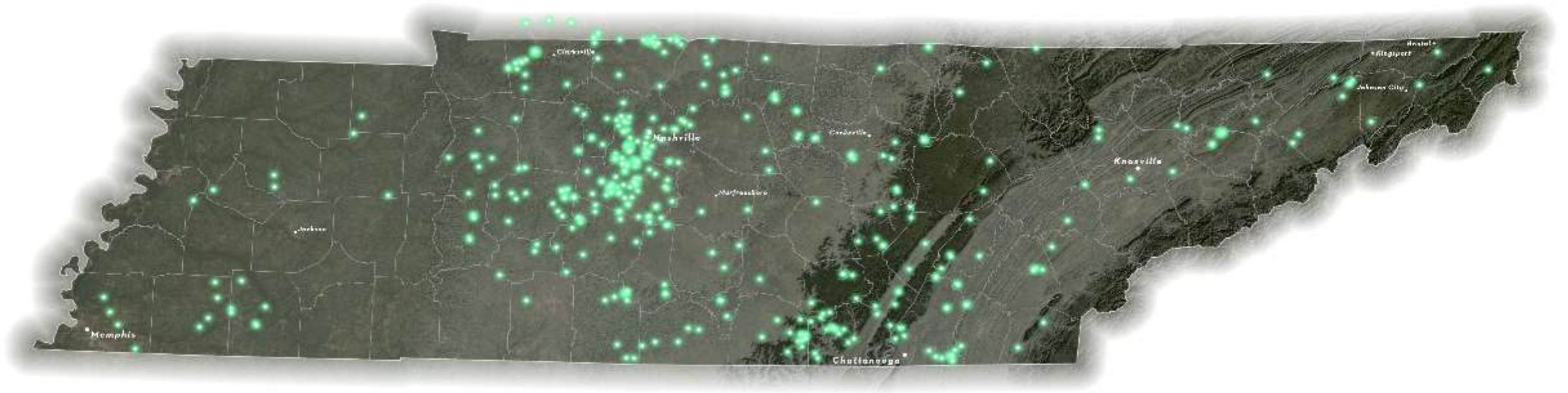
- Bylaws and charter
- Mission statement
- Board of Directors
- Strategic Plan
- Conservation priorities/values
- Treasury Regulations 170(h)
- Internal Policies and Procedures, S&Ps

The Land Trust for Tennessee:

To conserve the unique character of Tennessee's natural and historic landscapes and sites for future generations.



LAND PROTECTED SINCE 1999



Map current as of March 2020

A scenic view of a river flowing over rocks in a forested area. The water is clear and blue, with white rapids over the rocks. The surrounding forest is lush and green, with some trees showing early autumn colors. The scene is peaceful and natural.

How do land trusts protect land?

Conservation easements

Purchase, donation, bargain sale

Direct Acquisitions

Purchase, donation, bargain sale, bequest

Combination of Tools

Assistance or Facilitation



CONSERVATION EASEMENTS

A Landowner's Tool



Our primary tool
for conserving land.



CONSERVATION EASEMENTS

A real property interest established through a voluntary agreement between the landowner and the holder (a land trust or government).

Permanently limits development of land in order to protect its conservation values.

Conservation Values

- Scenic
- Agricultural
- Historic
- Natural habitat
- Watershed protection
- Public recreation or education



CONSERVATION EASEMENTS

§ 1.170A-14 Qualified Conservation Contributions

- The contribution of a qualified real property interest to a qualified organization exclusively for *conservation purposes*.
- Perpetual conservation restriction
- Conservation Purposes
 - Public recreation or education
 - Protection of relatively natural habitat of fish, wildlife or plants or similar ecosystem
 - Preservation of open space (including farmland or forestland)
 - Scenic benefit of the general public
 - Clearly delineated governmental policy
 - Historically important land area or certified historic structure



CONSERVATION EASEMENTS

Landowner maintains ownership & management responsibility.

A landowner may:

- Live on the land
- Keep it private
- Sell it
- Pass it to heirs



CONSERVATION EASEMENTS:

To protect conservation values, conservation easements:

- Limit development on the property
- Limit the ability to divide the property
- Limits certain uses
- Give Land Trust certain approval rights



CONSERVATION EASEMENT BENEFITS

Customization

- Tailored to specific property and landowner's goals
- Can be phased in over time
- Totally voluntary
- Can be done post-mortem



CONSERVATION EASEMENT BENEFITS

Permanence

- Peace of mind
- Landowners wishes remain forever – even if the land changes hands
- The Land Trust monitors each property once per year & enforces in perpetuity





CONSERVATION EASEMENT BENEFITS TAX DEDUCTION EXAMPLE

Jane & John Doe Make \$80,000 a year
They decide to protect their 200-acre farm

CURRENT VALUE OF THE FARMLAND	VALUE OF LAND AFTER CONSERVATION EASEMENT	DIFFERENCE IN LAND VALUE
\$800,000	\$500,000	\$300,000

This \$300,000 reduction in value can be deducted on Jane and John's income taxes for up to 16 years.



CONSERVATION EASEMENT BENEFITS

TAX DEDUCTION EXAMPLE

Jane & John Doe Make \$80,000 a year
Value of their deduction = \$300,000

CURRENT VALUE OF THE FARMLAND	VALUE OF AFTER CONSERVATION EASEMENT	QUALIFYING TAX DEDUCTIONS
\$800,000	\$500,000	\$300,000

IF NOT FULL-TIME FARMERS	IF FULL-TIME FARMERS
Deduction = Up to 50% OF ADJUSTED GROSS INCOME	Deduction = Up to 100% OF ADJUSTED GROSS INCOME
Up to \$40,000 PER YEAR	Up to \$80,000 per year



CONSERVATION EASEMENT BENEFITS

Purchased Easement

Jane & John Doe decide to protect their 200-acre farm through a *purchased* conservation easement.

CURRENT VALUE OF THE FARMLAND	VALUE OF LAND AFTER CONSERVATION EASEMENT	DIFFERENCE IN LAND VALUE
\$800,000	\$500,000	\$300,000

The landowners receive \$300,000 in cash to sell a conservation easement on their farm (in lieu of tax deduction).



CONSERVATION EASEMENT BENEFITS

Purchased Easement- Bargain Sale

Jane & John Doe decide to protect their 200-acre farm through a *bargain sale purchased* conservation easement.

CURRENT VALUE OF THE FARMLAND	VALUE OF LAND AFTER CONSERVATION EASEMENT	DIFFERENCE IN LAND VALUE
\$800,000	\$500,000	\$300,000

Example- The landowners receive \$200,000 in cash and then take the remaining \$100,000 as an income tax deduction.

Greensward Farm
Rutherford County
225 acres

Protected by
Marianne Blackwell



Conservation values:

- Scenic
- Agricultural
- Open Space



Conservation easement specifics:

- Residential uses
- Agricultural uses and structures
- Forest management
- 1 Division of Property



Raintree

Williamson County

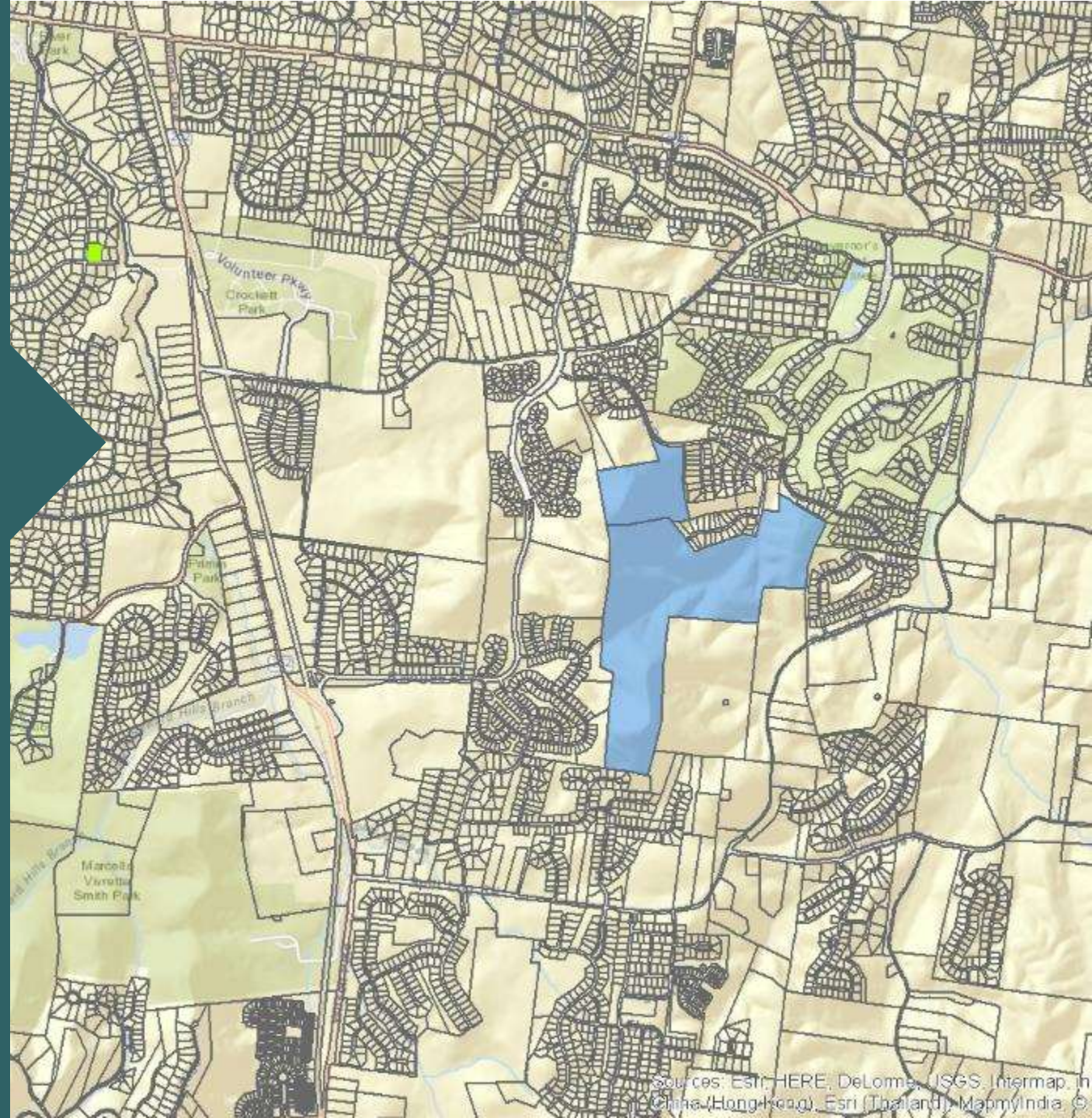
99 acres

**Protected by
Raintree Capital LLC**



Conservation values:

- Open space
- Governmental Policy
- Relatively natural habitat



Specifics:

- Residential uses
 - 2 homes with 4 choices
- Forest management
- Trails/Recreational
- 1 Division of Property

Other considerations

- Zoning ordinances/hillside protection
- Developer pitfalls



 Potential Sites
 RainTree LLC Property Boundaries

Active project

**Intended to become
public park**



Conservation values:

- Open space
- Public recreation
- Historic value



Conservation easement specifics:

- Residential use and structures
- Agricultural use and structures
- Build and No build zones
- Recreational uses/trails



NO-BUILD AREA
125 ACRES

HOMESTEAD
FARMSTEAD
AREA
21 ACRES

NO-BUILD AREA
125 ACRES

OPEN AREA
169.75 ACRES



Stewardship

- Monitoring
- Violations and Enforcement
- Approvals and Reserved Rights
- Easement interpretations
- Condemnations
- Property Transfers
- Landowner relationships



Hot Topics in Conservation

- Climate Change
- Community Conservation/ DEI
- IRS challenges/Tax Court





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