

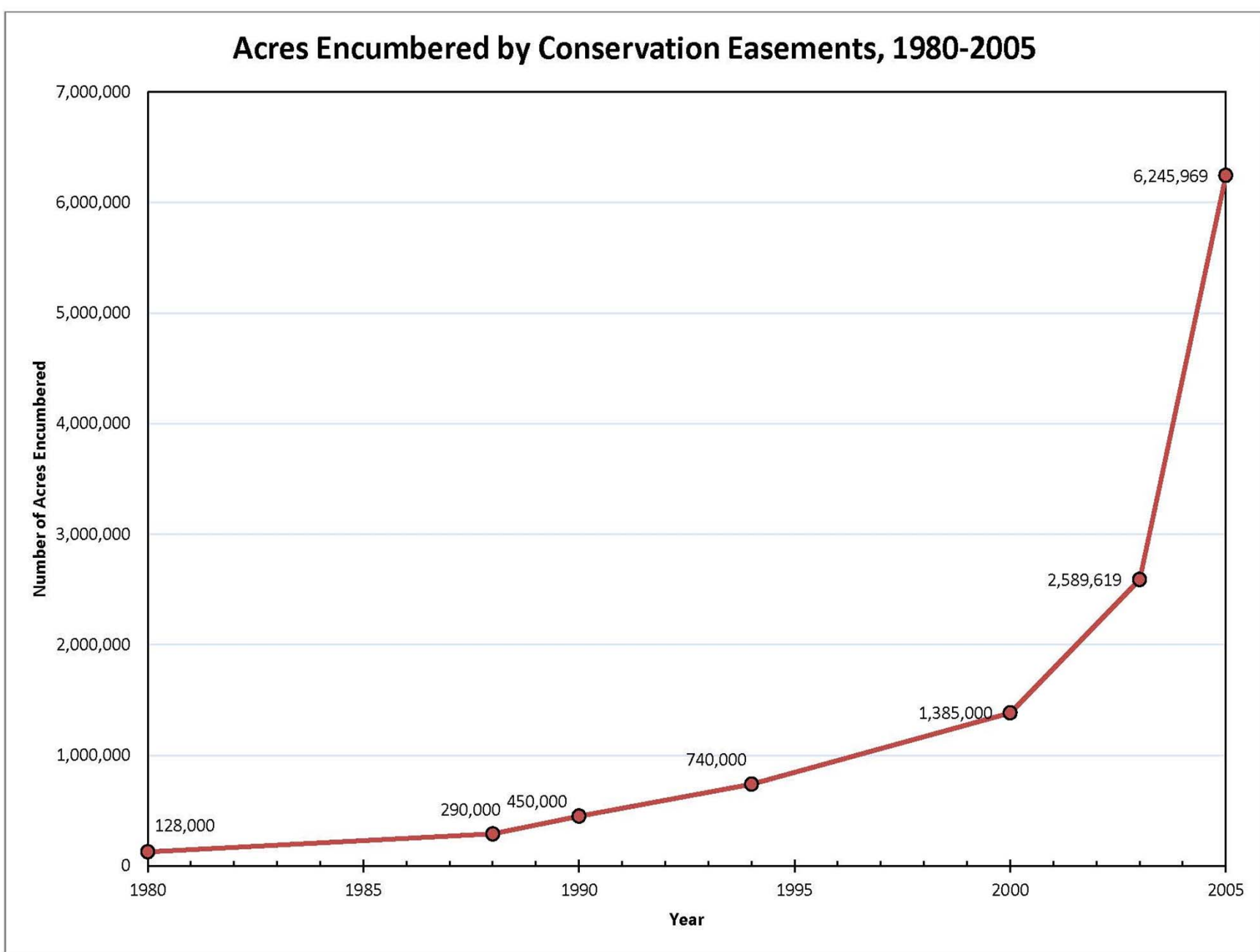
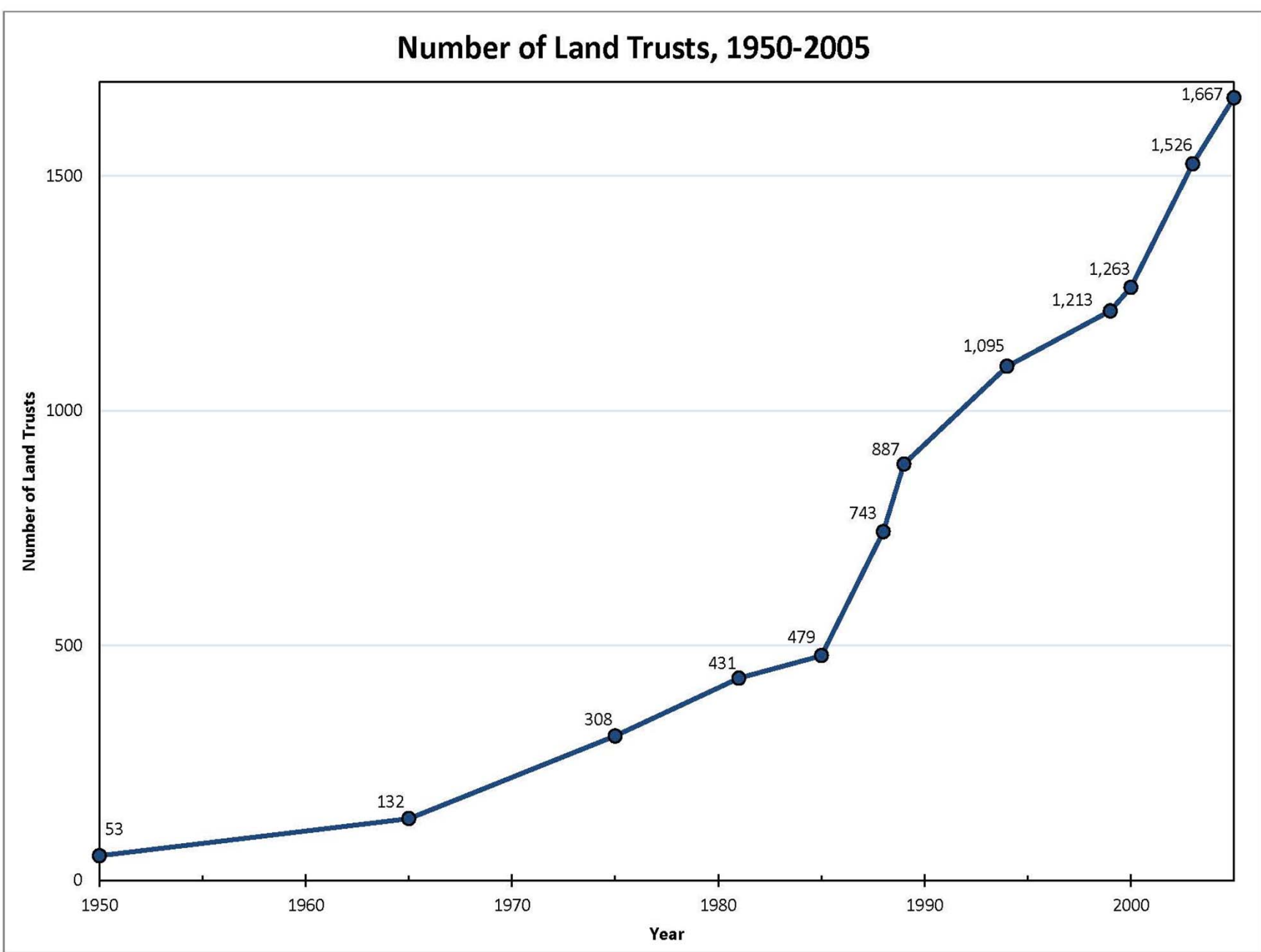
Approaches to the Conservation of Rural Land: The Case of Conservation Easements

Matthew Crawford
Geography Program, Saint Michael's College, Colchester, Vermont

Introduction

What is a Conservation Easement?

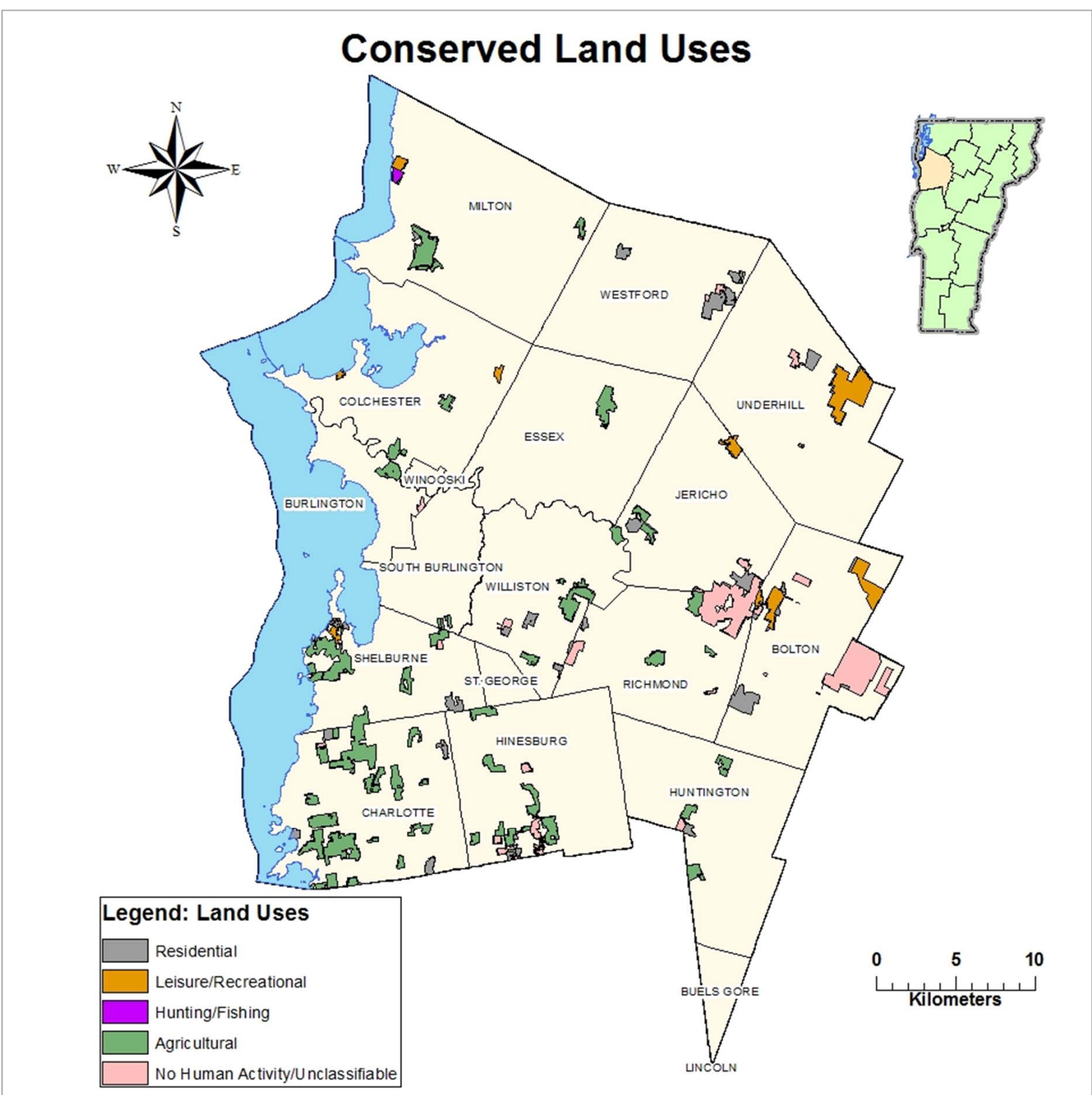
- A permanent, legally binding agreement between a landowner and at least one 'qualified organization' in which the landowner forfeits certain property rights/interests to the qualified organization(s)
 - 'qualified organizations': charitable organizations dedicated to land conservation (i.e. land trusts) and governmental organizations (e.g. departments, agencies, municipalities)
- Development rights are the most common property rights forfeited
- Forfeiture of these rights/interests may be by means of donation or sale to the qualified organization(s)
- Typically carried out for one or more specifically defined conservation purposes



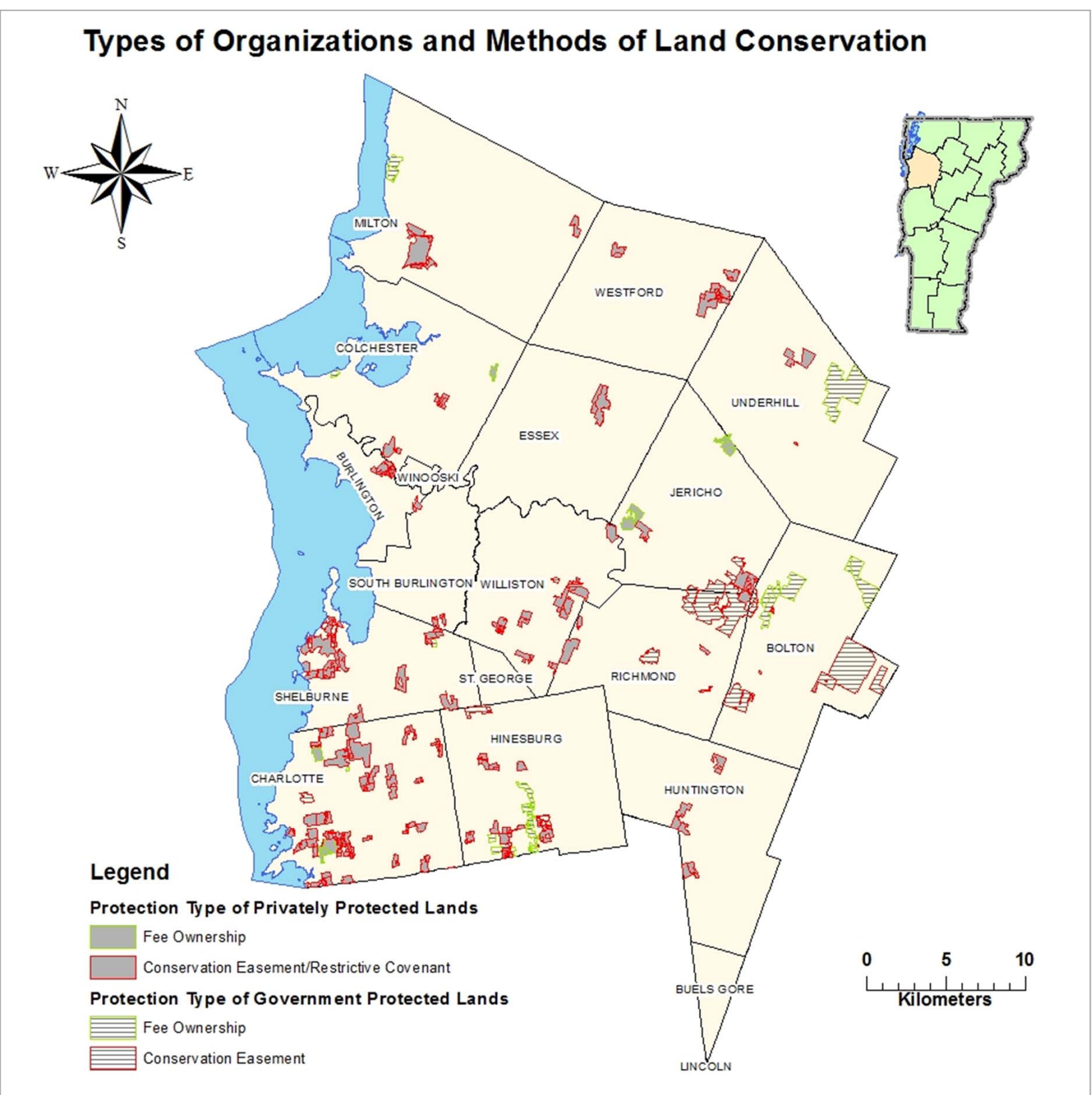
Legal Basis and Tax Implications of Conservation Easements

- Enabling legislation at the state level rather than the federal
- Most state statutes based on the model legislation of the Uniform Conservation Easement Act (UCEA) of 1981
- Most state statutes define specific conservation purposes, at least one of which must be met by a conservation easement
- Federal tax statutes allow for income tax deductions for donated conservation easements (first passed in 1976, finalized in 1980)
 - Amount of the deduction is equivalent to the value of the donated easement, or the forfeited property rights/interests
- These statutes provide economic incentive to conserve land as well as legal enforcement at the federal level, where enabling legislation for conservation easements does not exist

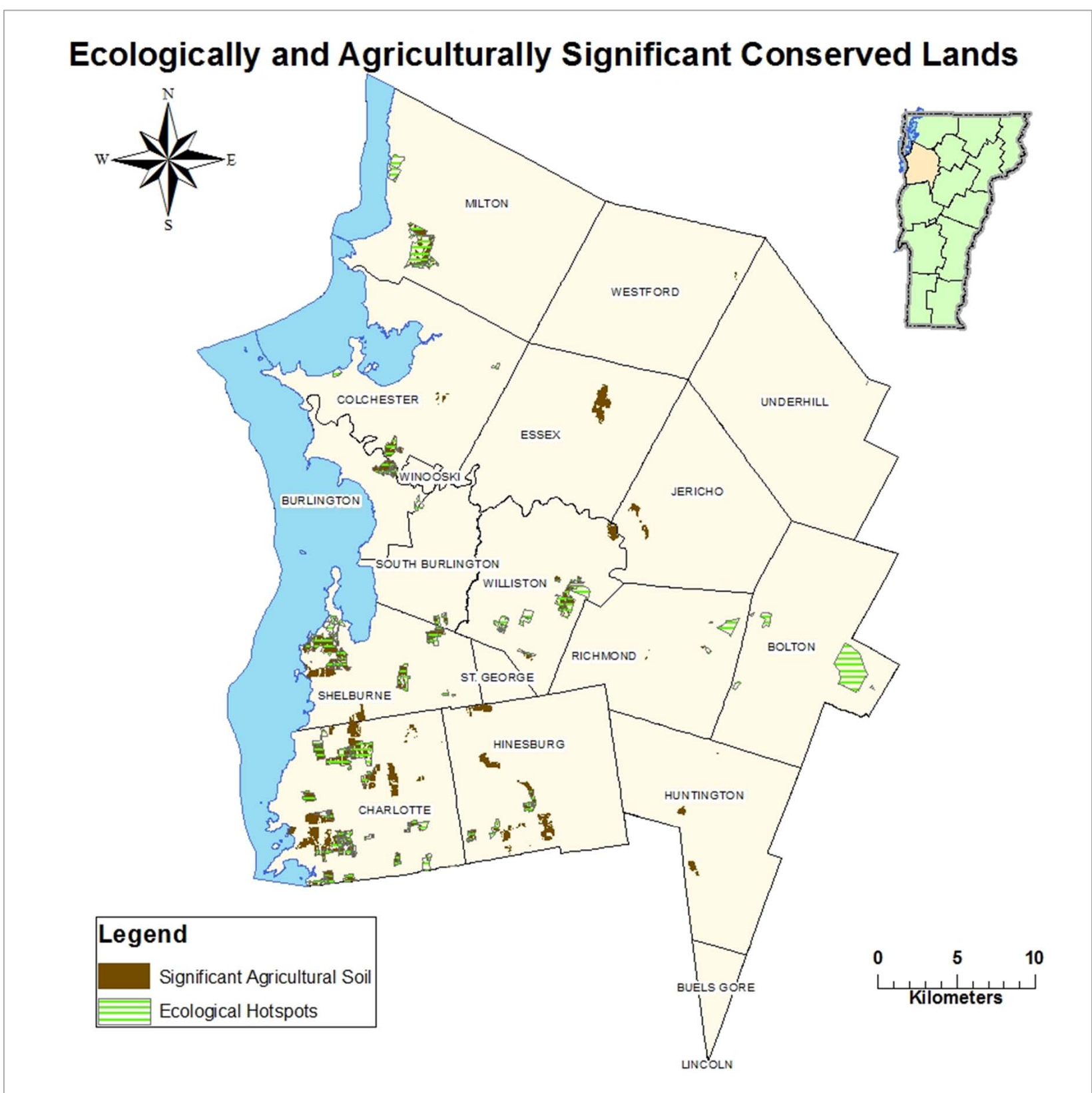
An Examination of Conserved Lands in Chittenden County, VT



Data Sources: www.vcgl.org and Vermont Land Trust



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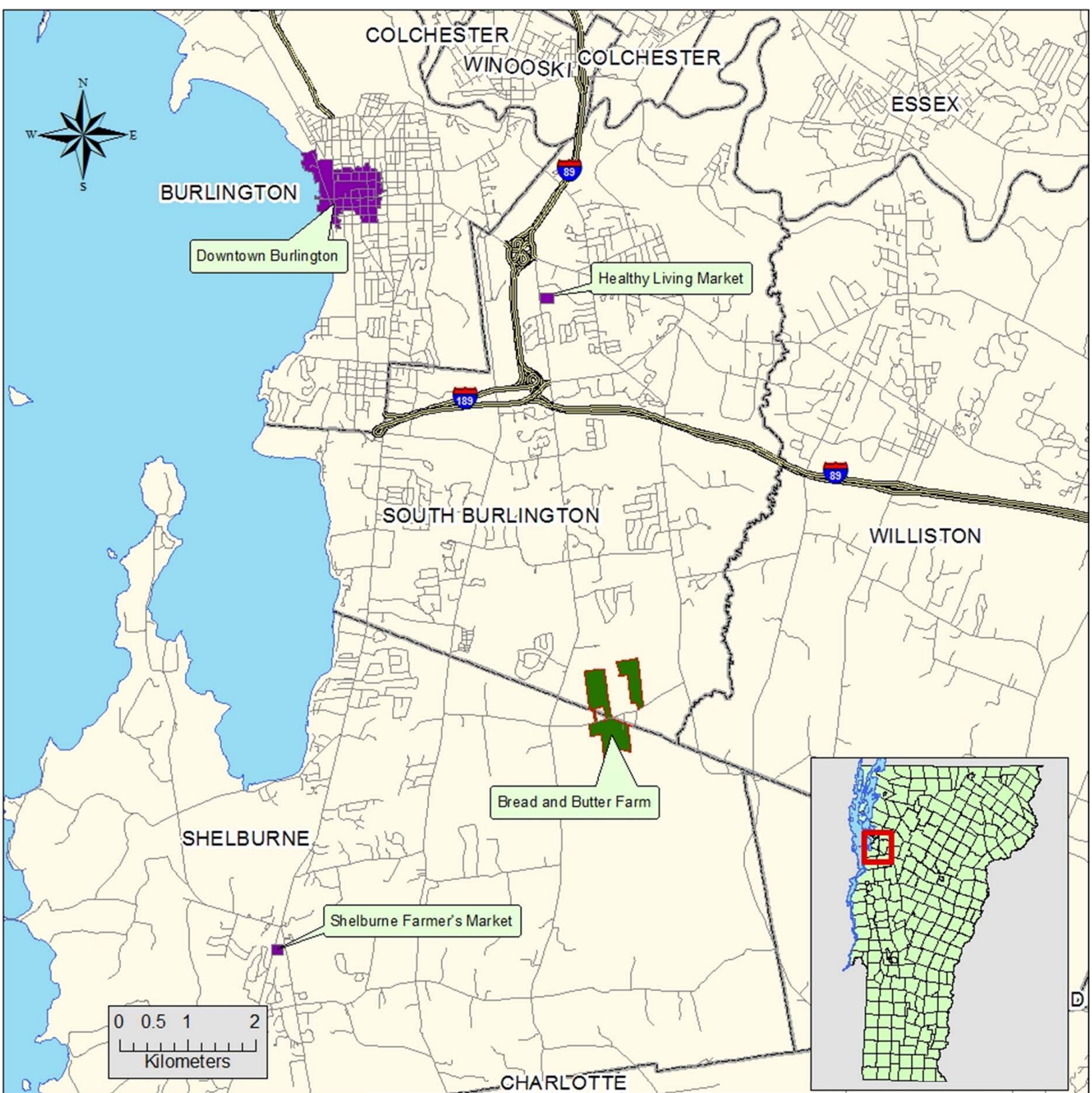
Data Sources: www.vcgl.org and Vermont Land Trust

Avenues to Conservation: Not Just Land, People Too!

The story of Bread & Butter Farm

What's so special about this farm?

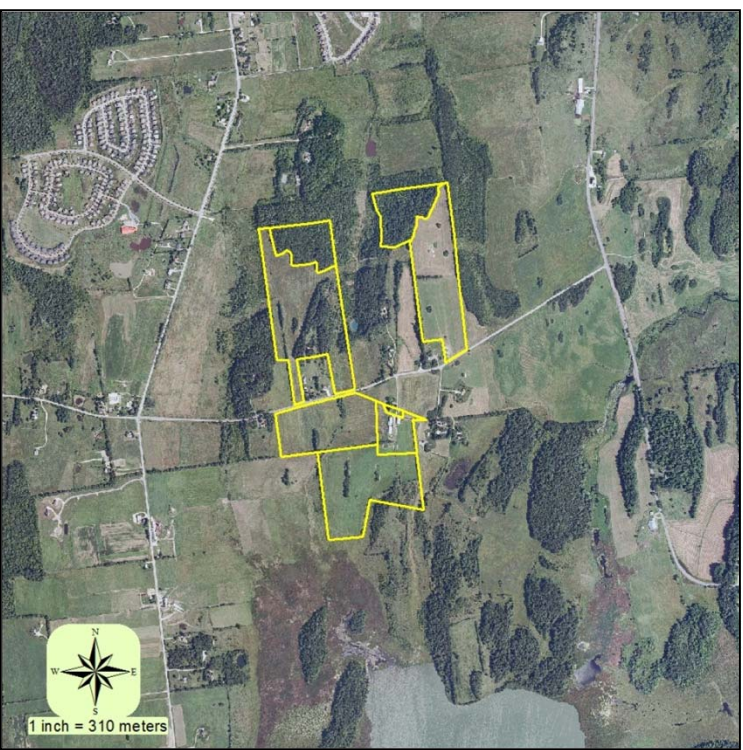
- Property value of the land reduced about \$2million upon sale of conservation easement (mainly forfeiture of development rights) to Vermont Land Trust by previous owners
 - Between town centers of Burlington and Shelburne
 - Surrounded by much residential development
- Current owners, young farmers Corie Pierce and Adam Thompson, purchased the farm with an innovative business plan
 - "Healthiest food for our customers, healthiest treatment of our animals, and healthiest uses of our land"
- The property's conservation easement requires a community farm with an educational aspect:
 - Burger Nights with food and live music and Silo Session concerts; apprenticeship/internship opportunities for young farmers
- Conserves significant agricultural and ecological land, at the same time provides events and organically grown food for its community



Data Sources: www.vcgl.org and Vermont Land Trust



Burger Night at Bread & Butter Farm



Satellite image of the farm with parcel boundaries



Conservation Easements in the States:

Vermont and Massachusetts

Vermont

- Statutes use the terms "conservation rights and interests" rather than "conservation easements"
 - Land trusts in the state still refer to the acquisition of these rights and interests as conservation easements
- Clearly states that qualified charitable organizations which hold conservation easements must be considered nonprofit under the federal tax code

Massachusetts

- First state with specific conservation easement legislature (1969)
- Statutes use the term "conservation restrictions" rather than "conservation easements"
- Secretary of the Massachusetts Executive Office of Energy and Environmental Affairs must approve all conservation easements: must satisfy one or more conservation purposes as defined by federal tax code
 - Approval process to determine public interest

Conclusions

- Federal tax code as an overarching authority on both land trusts and conservation easements, while state statutes enable their usage
- UCEA and enactment of federal tax legislation stimulated the growth of land conservation in the private sector
- Conservation easements can be used to conserve a wide variety of significant lands
- Private sector typically is more effective in land conservation, but public sector also plays a role
- A rural economy can use conservation easements to its advantage

Acknowledgements

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- Thanks to Dr. Kujawa, faculty advisor and mentor
- Corie Pierce, Personal Communication, August 10, 2011
- Gattuso, D. J. (2008, May) Conservation easements: The good, the bad, and the ugly. *National policy analysis*.
- Levin, R. H. (2010, January). *A guided tour of the conservation easement enabling statutes*. Land Trust Alliance