



Conservation Options

Each decision to conserve property is a personal one. Your vision for your land and its conservation values are at the core of that decision. There are many different means of conserving your land. The below list will give you an introduction to the options, but for more information see the Land Trust Alliance's "Conservation Options: A Landowner's Guide," which is available on Southeast Alaska Land Trust's website (<http://southeastalaskalandtrust.org/conservation-options/>) or in our office.

CONTINUE TO OWN YOUR LAND

Conservation Easement

This is a voluntary, legal agreement between a property owner and SEAL Trust that restricts the uses of the property to ensure that its natural, recreational, open space, or historic values are protected.

Conservation easements are the most widely used land protection tool available to landowners. Each easement is tailored to a specific property and is designed to meet the needs and conservation interests of the landowner.

Landowners may donate or sell a conservation easement to SEAL Trust. The following are donation options:

- Outright donation – By donating an easement, the landowner may receive federal income and local property tax benefits.
- Donation by will (bequest) – A landowner bequeaths a conservation easement to SEAL Trust in their will. This may reduce inheritance taxes.

If you wish to sell a conservation easement, SEAL Trust will consider purchasing it at fair market value as determined by a qualified appraiser or at a bargain sale rate if you wish to receive both compensation and tax benefits. See "Sell Your Land" below for more ways to sell land to SEAL Trust.

Mutual Covenants

This is an agreement between neighboring landowners who wish to collectively protect the conservation values of their properties in a self-enforcing and non-perpetual manner. SEAL Trust would not be involved if this option were pursued.

This information is intended as a general guide to planned giving and voluntary protection of private lands in Southeast Alaska. It is not meant as a substitute for legal or tax advice. Individuals wishing to make a donation should consult advisors such as their attorneys, tax accountant, or other professionals. Local and state government officials may also be able to provide useful advice.

DONATE YOUR LAND

There are a number of scenarios that can make land ownership unappealing. You might own land that has significant conservation value but you do not have heirs who will protect it. You might own highly appreciated property the sale of which would result in large capital gains taxes. You might own property that you no longer use. You may want to reduce your property taxes or be relieved of the responsibilities of managing and caring for land.

Outright Donation

This is a relatively simple transaction that transfers fee title land ownership to SEAL Trust. You may receive federal income tax benefits.

Donation with Reserved Life Estate

This agreement allows a landowner to donate their property to SEAL Trust during their lifetime while reserving the right to live on and use the property until their death. You may receive federal income and local property tax benefits.

Donation by Will (Bequest)

This agreement allows a landowner to own and use their land until their death. At that time, the ownership rights are transferred to SEAL Trust. It is slightly different from a reserved life estate because the transfer of ownership does not occur during the landowner's lifetime. Removing the value of your property from your estate could significantly reduce your estate taxes.

SELL YOUR LAND

SEAL Trust may be willing to purchase conservation land. The methods listed below describe the various ways a landowner can sell property to SEAL Trust. All of the options are available for the purchase of a conservation easement as well.

Fair Market Value Sale

Generally, SEAL Trust reserves this method for parcels that have unique or rare conservation values or are under imminent threat. In such cases, the fair market value is determined by a qualified appraisal.

Bargain Sale

The landowner sells their property to SEAL Trust at a price below fair market value. The difference between market value and sale price may be treated as a tax-deductible, charitable donation.

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Installment Sale

In this agreement, the seller accepts a series of payments over time rather than a single, lump sum.

Option to Purchase

This is a contractual agreement between the landowner and SEAL Trust, which specifies a price for the property and gives the trust a specified amount of time to raise the funds to purchase.

Right of First Refusal

The land trust is given the opportunity to match any bona fide offer you receive to purchase the the property.

OTHER OPTIONS

Besides a conservation easement or land sale, there are other ways to protect conservation values on a property. Unlike a conservation easement, these can generally be terminated at any time by mutual agreement of the parties.

Deed Restriction

This agreement places restrictions on certain actions and is recorded with the deed when the property is sold or donated.

Conditional Transfer

A conditional transfer, which would be included with a deed restriction, contains a provision that states that if the restrictions are violated, the title reverts back to the original owner. It can also be written that the title reverts to a party, such as SEAL Trust, named in the deed.

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