

## **Conservation Restrictions**

### **What is a conservation restriction?**

A conservation restriction (CR) is a legal document, recorded at the Registry of Deeds, which permanently restricts land from development.

**A landowner who grants a conservation restriction does not give up ownership of the land.** The owner can still use the land for farming, timber management, hunting, fishing and similar activities. The land can be bought and sold or given away, but it can never be developed.

**Public access to the land is not required**, unless the conservation restriction is purchased by certain government agencies.

**Estate Taxes are reduced or eliminated for land under a conservation restriction.** Your heirs will not have to sell the land to pay high estate taxes, because a conservation restriction reduces the taxable value of your land.

**New Tax Deductions** for the donation of a conservation restriction on your land can substantially reduce your federal income taxes for up to 16 years. Because of the public benefits of land conservation, the federal government considers the value of a donated conservation restriction a tax-deductible gift. The tax deduction is equal to the value of the conservation restriction donated.

### **What is the value of a conservation restriction?**

The IRS requires a landowner claiming a tax deduction for the donation of a conservation restriction to document the value of the donation. The landowner must provide a qualified appraisal showing the value of the conservation restriction. The appraiser determines the value of the CR by this method:

1. Determine the full value of the land with all development rights
2. Determine the value of the land with no development rights
3. Subtract #2 from #1. This is the value of the conservation restriction.

Note: For land with high development value (road frontage, sewer access), the value of the conservation restriction will be high. For land with low development value (back land, wetlands), the value of the conservation restriction will be lower.

### **How do I put a conservation restriction on my property?**

You may contact a land trust which is a non-profit organization authorized by law to hold conservation restrictions. The land trust will guide you through the process. First, your local Conservation Commission must sign an application. The land trust will work with you to draft the conservation restriction. Next, the Board of Selectmen or City Council must approve and sign the conservation restriction. When the local approvals have been obtained, the conservation restriction must be sent to Boston for state approval and signing by the EOEA secretary. The signed conservation restriction is then recorded with the Registry of Deeds.