Working Together to Conserve Land

A Resource for Landowners

Protecting land for future generations
About Loon Echo Land Trust

Loon Echo was formed as a 501(c)(3) non-profit organization in 1987 to preserve land in the northern Sebago Lake region to conserve its natural resources and character for future generations. Land is protected for many purposes, including water quality, plant and animal habitat, sustainable forestry and farming, recreation and scenic views. Loon Echo is based in Bridgton, Maine and serves seven towns: Bridgton, Casco, Naples, Denmark, Harrison, Raymond, and Sebago.

Tools for Protecting Land

Loon Echo offers landowners two primary ways to permanently conserve their land: by transferring ownership to the Trust or by placing a conservation easement on the land.

By transferring ownership of a property to Loon Echo a landowner gifts their property by transfer of title. Loon Echo then owns the land and manages it, ensuring that its conservation values are conserved for the benefit of the public. Recreational trails may be established, traditional uses may be encouraged, and sustainable forestry may occur. In some cases Loon Echo may purchase land if funds are available and the land is identified in a focus area for such protection.

A conservation easement is a tool that allows a landowner to retain ownership while conserving their land and its natural values for the future. Essentially, the landowner relinquishes future development rights through the terms spelled out in the easement, and the easement will forever be associated with the deed to the property. The landowner maintains and manages the property, while paying property taxes. Loon Echo then monitors the property according to the specific terms of the easement to ensure the conservation values are being protected.

Q & A on Conservation Easements

What is a conservation easement?
A conservation easement is a legal agreement between a landowner and a land trust or other qualified agency, which places permanent restrictions on future development and certain land uses. Conservation easements are a practical way for landowners to protect their property and still retain ownership. They are granted in perpetuity, passing from owner to owner or generation to generation.

What uses are permitted?
Agricultural, forestry and wildlife management activities are common examples of permitted activities on easement lands. For example, to preserve a scenic view across a field, an easement might stipulate periodic mowing. For forestry operations, Loon Echo asks the landowner to follow current Best Management Practices and carry a forest management plan, developed by a certified forester.

What activities might an easement restrict? Generally, conservation easements prohibit the subdivision of a property or limit the building of structures. Examples of buildings that may be allowed include small scale agricultural structures and recreational structures like bridges. Most conservation easements prohibit commercial and industrial activity, topsoil removal, billboards and limit activities that might disturb or degrade natural areas. However, the specific terms of the easement are mutually agreed upon by the landowner and Loon Echo.

Does a conservation easement give the public access to the property? Not necessarily. Loon Echo asks landowners to not post their property against traditional and non-conflicting uses. Language is developed into the easement to reflect this understanding. If willing, a landowner could grant access to a specific area of the property, such as a marked trail or an access point to a body of water.
Conservation Steps

1. A landowner and Loon Echo meet to discuss conservation options and the property’s conservation values.

2. Loon Echo holds a site visit at the property, reviews the property according to established criteria, and determines if the property has conservation value of interest.

3. If the landowner and Loon Echo reach an understanding, a conservation plan is developed.

4. Loon Echo asks the landowner to sign a letter of intent to donate, or an agreement to sell.

5. Legal work begins, including the title search, deed preparation and/or conservation easement drafting. (Loon Echo’s attorney prepares the easement document.)

6. The parties review the draft documents. Revisions are made if necessary. The landowner consults with their legal counsel and tax advisors.

7. If the landowner intends to claim a gift of land or an easement as a charitable contribution, a qualified appraisal must be obtained by the landowner and a copy provided to Loon Echo. See Page 3 for more information.

8. Loon Echo may request the landowner to have boundary survey done to make certain the boundaries are clearly defined and marked on the ground.

9. A property baseline inventory is compiled, which includes property maps, photographs, and deed history.

10. The deed or easement is given final approval by Loon Echo and the closing takes place to sign and record documents.

11. Loon Echo suggests that landowners make a gift to be placed in the reserve fund for the ongoing protection of the property.

12. Loon Echo monitors the property annually and files reports.

Must the easement cover a person’s entire property? Loon Echo works with the landowner to identify natural areas deserving protection, while reserving adequate land around an existing home for future expansion, or allowing a house lot to be reserved.

Does a conservation easement restrict the landowner’s ability to sell or bequeath the property in the future? Landowners can sell or bequeath their property with a conservation easement in place. Since conservation easements are permanent, the restrictions run with the land and bind all future owners. Loon Echo asks that landowners discuss the easement with prospective buyers, realtors and heirs so they are aware of the restrictions and allowed uses.

How are conservation easements enforced? As the holder of a conservation easement, Loon Echo is legally obligated to uphold and legally defend the terms of an easement. With an annual, well-documented monitoring program, easement violations are uncommon.

The annual monitoring visits offers a good opportunity for the landowner and Loon Echo to get further acquainted with each other, discuss any changes or issues that may have arisen in the past year, and to keep an eye on the property’s boundaries so as to avoid encroachment by abutters.
Financial Benefits to Donating Land

Loon Echo recommends that landowners consult with a tax advisor, estate planner and attorney before proceeding with a charitable gift of land or a conservation easement.

Income taxes
Both donations of land and conservation easements qualify as charitable gifts, in accordance with IRS rules. For land donations, the amount of the deduction is limited to a percentage of the donor’s adjusted gross income; any remaining value can be carried forward for the next five years. For conservation easements, a donor can deduct up to 50% of adjusted gross income (100% for qualified farmers and ranchers), with a carry-forward period of 15 years.

Estate Taxes
The donation of a conservation easement, either before or after death, usually lowers the value of a landowner’s estate, therefore reducing estate and inheritance taxes. Families have found that a conservation easement enables them to keep lands that otherwise might be sold to pay estate taxes.

Property Taxes
Transferring ownership of property also transfers the responsibility of future property tax payment to Loon Echo. Our current policy is to pay taxes at the Maine Tree Growth or Farm and Open Space tax rate.

Conservation easements may also provide landowners with property tax relief especially if the land is enrolled in the Maine Tree Growth or Farm and Open Space tax programs. Town tax assessors may need to review the easement and/or appraisal to reduce the assessed value.

Charitable Contributions

Appraisals
If a landowner intends to claim a charitable contribution when conveying a conservation easement or gift of property that is over $5,000 in value, they are responsible for hiring an appraiser to determine the value of such a gift. The appraiser must be qualified; follow Uniform Standards of Professional Appraisal Practice; and conform to IRS appraisal requirements. The appraisal is time-sensitive; it must be completed no earlier than 60 days prior to the date of donation and no later than the date on which the donor files the tax return claiming the deduction.

Loon Echo requests a copy of the completed appraisal for review before signing the IRS 8283 form, necessary for an income tax deduction. The Trust will not knowingly participate in projects where it has significant concerns about the tax deduction. We will issue you a letter further detailing this information if we are to advance conservation of your property.

Requirements for Charitable Deductions
The Internal Revenue Service statute (Internal Revenue Code 170(h)) and corresponding U.S. Treasury Department regulations (Tres. Reg. 1.170A-14) set the requirements for charitable gifts.

Generally one of four requirements are needed to qualify for conservation easements:
1. provides outdoor recreation or education use to the public;
2. protects natural habitat of fish, wildlife, plants, etc.;
3. preserves open space for scenic enjoyment and yields a significant public benefit;
4. preserves historically important areas.

The information in this publication does not constitute as legal or tax advice which should be sought from a qualified professional.
Costs to a Landowner

The costs to the landowner are highly dependent upon the size and the complexity of the project. A landowner has their own expenses when advancing a conservation transaction that may include paying for:
- legal and financial advice;
- boundary surveys;
- appraisals; and
- resource managers (e.g. foresters).

In addition, Loon Echo will ask that a gift be made to its reserve fund to ensure that Loon Echo has adequate financial resources to manage and/or monitor the land in perpetuity. The size of this gift will vary with each property due to its size and management needs. In cases where the request for a cash gift is burdensome on the landowner, flexible payment arrangements can be worked out or Loon Echo may be able to raise funds from outside sources in special cases.

Contact Us

Please feel free to reach out to our Executive Director, Matt Markot, with any questions.

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The decision to conserve your land is one that takes a great deal of consideration and time. We appreciate your interest in Loon Echo Land Trust. Thank you!

Why Protect Land?

1. Buffers for lakes and streams = clean drinking water
2. Sustainable farming and forestry for food and fiber production
3. Biodiversity and wildlife habitat
4. Recreational opportunities
5. Tourism and the local economy
6. Large undeveloped tracts of land will be uncommon in the future
7. Leave a legacy for future generations
8. Retain Maine’s rural and special character
9. Tax incentives are available

Additional Conservation Options

- Trail easement securing access along a recreational corridor.
- Land donation or conservation easement by will / bequest.
- Remainder interests in a property—Loon Echo may accept a donation of a remainder interest in real estate that allows a term of residence and/or use of the real estate by the donor or other occupants.
- Property tax incentive programs in Maine:
  - Farm & Open Space Program
  - Tree Growth Program
- Other specialized conservation organizations to consider in this region:
  - Maine Woodland Owners
  - Maine Farmland Trust
  - Forest Society of Maine
  - The Nature Conservancy
  - Maine Department of Inland Fisheries & Wildlife
  - Maine Department of Agriculture, Conservation & Forestry

Additional Information

Visit the Land Trust Alliance at www.lta.org or the Maine Land Trust Network at www.mltn.org for information and materials regarding land conservation benefits.
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