



Conserving Your Land

Conservation Options for Landowners



Montgomery County Lands Trust
a non profit conservancy



Montgomery County is home to a variety of beautiful landscapes replete with rolling farmland, quiet woodlands and wetlands teeming with life. Indeed, our many natural and cultural lands are a critical part of the area's unique character and quality of life. Sadly, the places we cherish are disappearing as suburban sprawl transforms these landscapes into housing developments and shopping centers. Our region's natural and historic legacy is at risk. Landowners like you often find themselves at the center of the struggle to protect the land and future of our communities.

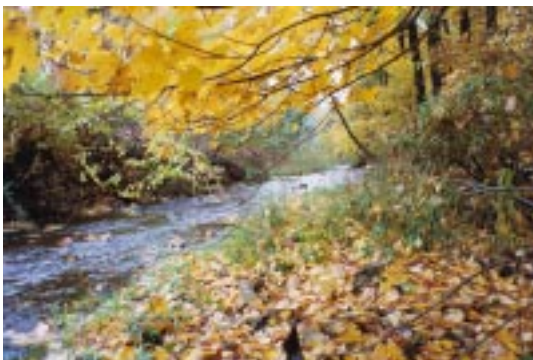
Deciding what to do with your land is rarely as straightforward as choosing between conservation and development. Financial and family pressures can cause a landowner to sell his or her land for development, even when that land is an important part of the family's heritage or a critical part of the community's landscape.

However, there are alternatives to selling your land for development. With thoughtful consideration of your needs and the use of a variety of conservation tools, **it is possible to preserve your land forever and satisfy your financial and family goals.**

MONTGOMERY COUNTY LANDS TRUST was formed to help landowners find beneficial ways to protect their land. We work closely with each landowner to understand his or her interests and needs. Together, we then craft a solution that will work best for each situation. Over the years, we have utilized many creative conservation methods using outright donations, conservation easements, or a combination of preservation techniques. In some special cases, we have leveraged public and private funding to help meet the landowner's financial needs while saving a critical piece of open space.



In the following pages, you will find a brief overview of the most commonly used conservation techniques, accounts from landowners who have successfully protected their land, and information about what to do next. When considering whether to preserve your land, it is crucial first to determine your level of commitment to conservation and how you might want to use the land during your lifetime. You will also want to involve your financial and legal advisors and, when appropriate, your



family when reviewing your conservation options and each technique's benefits and consequences.

We welcome the opportunity to speak with you further about your vision for your land. For more information, please call Montgomery County Lands Trust at 215-513-0100 or send an email to info@mclt.org.

COMMON CONSERVATION TECHNIQUES

There are many ways to conserve your land. Below is a brief summary of some of the most commonly used conservation techniques. Each has the potential to protect all or part of your land while addressing your financial and family goals. Of course, it is important to consult your financial and legal advisors before you enter into any kind of conservation transaction. You will want to pay particular attention to tax implications. Most conservation projects will impact one or more of the three primary types of taxes—income, estate and property.

Conservation Easement

- Places permanent restrictions on the development of your land
- Permits you to retain ownership
- Allows you sell your land or leave it to your heirs
- Binds all present and future owners of the eased land
- Results in a possible income tax deduction in return for reducing the market value of the land—may also reduce estate taxes

Donation of Land with Life Estate

- Similar to outright donation (described on next page) but allows you to retain the right to live on the property for the remainder of your life
- Tax deduction will be less than in an outright donation

Bequest

- Land is donated through your will or living trust, allowing you to maintain complete control of the land during your lifetime
- May include leaving a life estate for your family
- May significantly reduce estate taxes but does not qualify for an income tax deduction

Bargain Sale

- Protects land by selling it below market value to a conservation group for permanent preservation
- Difference between bargain sale price and fair market value is considered a charitable donation
- Tax benefits may include deduction for donation and decreased capital gains tax liability

Limited Development and Conservation Subdivision

- Alternative to traditional development: a portion of the land is developed while the rest remains open space
- Balances a desire to preserve land with a need for financial gain
- Careful planning ensures that the most critical environmental features are preserved

Donation as an Asset Property

- Contribute land and/or home and allow the organization to sell it so the funds may be used for conservation
- May protect land with easement before it is resold
- Seller may receive income tax deduction for contribution
- An alternative for smaller parcels

Outright Donation of Land and Endowment

- Most straightforward way to protect your land and ensure that it is properly managed in the long-term
- Full title and ownership are transferred to a nonprofit conservation organization or a qualified government agency
- Generally offers the maximum potential tax benefit
- Endowment needed for ongoing care of the property

Important Note: *Montgomery County Lands Trust (MCLT) does not provide legal or financial advice. MCLT recommends that you discuss any real estate transaction or charitable deduction with your attorney so that your rights and restrictions are clearly understood. MCLT also recommends that you have your independent tax advisor(s) review any real estate transaction or charitable donation specifically to determine your tax implications.*



Historic Farm Parcel Preserved

When Paul and Stella Godshall attended a Farmland Preservation workshop offered by Montgomery County Lands Trust in 1995, they didn't know what to expect. But when they heard about the various land preservation options for families, they gained hope that the remaining parcel of their homestead could be saved from the developers' bulldozers.

The Godshalls felt a strong connection to their farm. Since 1858 it had been home to several generations of their family and they also believe it is part of an original land grant from William Penn. The original farm had been broken up over the years so it now contains several farming operations. A parcel of 13 acres, currently farmed by a neighbor, was the

last open parcel retained by the family. Paul Godshall at 85 years of age just couldn't bear the thought of the land being covered with houses.

Working together with Mr. and Mrs. Godshall, Montgomery County Lands Trust developed a personal preservation plan that protected the natural resources on the property while encouraging the continuation of active agriculture.

The Godshalls donated a conservation easement that allows for the construction of one building outside the resource protection area, in the event that the property changes ownership and the present agricultural use is no longer feasible. The Godshalls also provided a stewardship donation that allows for yearly monitoring of the property and enforcement of the easement, should it become necessary.

Paul and Stella Godshall can now rest more comfortably knowing that their gift of a conservation easement will permanently preserve and protect their open land — even after they are no longer there to watch over it. 🌿





Kaufman Preservation Project: *Easement sparks preservation by neighbors*

Helen Kaufman has lived on her land in Upper Hanover Township for over 50 years. She and her family wished to see the wooded hills and open fields that they treasured remain natural and undeveloped. So, in February 1999, Mrs. Kaufman donated a conservation easement on 30 acres of the property. The easement, held and maintained by Montgomery County Lands Trust, guarantees that her wishes will be respected in perpetuity.

The thought of 30 preserved acres pleased the Kaufman family, but they had an even greater vision that their generosity could motivate yet more preservation. Working with Dulcie Flaharty, Executive Director of

Montgomery County Lands Trust, Helen and her son, Steve, were able to put together a preservation dream that added over 90 acres of land to the open space honor roll.

When Upper Hanover Township expressed interest in owning a 14-acre parcel of the Kaufman's wooded property, Mrs. Kaufman willingly sold that land at a deep discount to the township, on the condition that they agree to deed restrict, as open space, their adjacent 9.4-acre Township Woods property. The township agreed and became an enthusiastic partner in completing the project.

The preservation of the Kaufman property also allowed the neighboring Virus Farm to apply for the sale of their development rights under the county/state Farmland Preservation Program. The Virus Farm, although 53 acres in all, was divided into two noncontiguous parcels that had to touch preserved open space in order to qualify for the program. The adjoining Kaufman easement qualified the farm, and the Virus' decision to sell their development rights saved another Montgomery County farm.

The generosity and foresight of the Kaufman family, the cooperation and support from Upper Hanover Township, and the love of a family farm demonstrated by the Virus family, enabled over 90 acres to be preserved in Upper Hanover Township. And it all began with Mrs. Kaufman's dream to see her long-time home preserved forever. 🌿



Things to Consider

If you are interested in conserving your land, answering the following questions can guide you toward the best possible plan for meeting your needs.

- What is your long-term vision for your property? How would you like the land used in the future?
- What will happen to the land when you die? Do you want your heirs to maintain ownership? How will your wishes for the land be fulfilled?
- Do you want or need to retain ownership?
- What are your financial goals and obligations?
- What is your level of commitment to conservation?
- Do you or does a family member want to live on the property?

What Next?

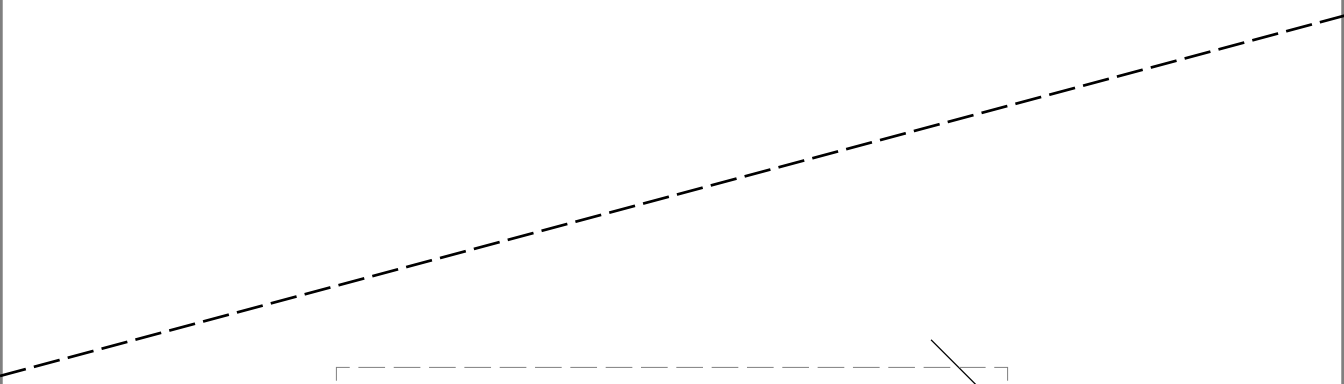
- If appropriate, talk to your family about their hopes for the land.
- Talk to your legal and financial advisors about your specific situation.
- Contact Montgomery County Lands Trust.

If you would like to find out how Montgomery County Lands Trust can help you determine a personal land preservation strategy or wish to learn more about land preservation, please contact us at 215-513-0100 or info@mclt.org.

Resources


For additional information on this topic, we recommend reading *Preserving Family Lands: Books 1, 2 and 3* by attorney Stephen Small (Landowners Planning Center, Boston, MA; 617-357-1644). You can also find conservation information on the Internet at www.lta.org, the website of the Land Trust Alliance or www.conserveland.org, the website of the Pennsylvania Land Trust Association.

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Established in 1993, Montgomery County Lands Trust is a non-profit organization that works collaboratively with citizens, municipal leaders, and community organizations to permanently preserve land and to foster the wise stewardship of open space. In our first decade, we secured easements for close to 2,000 acres and directly facilitated the preservation of another 1,500 acres.

If you appreciate the value of open land and are concerned about the future of your community, please consider joining Montgomery County Lands Trust as a member. We depend on support from people just like you to continue our important conservation mission. For more information about Montgomery County Lands Trust or to make a contribution, e-mail us at info@mclt.org or call us at 215-513-0100.

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