



Southern Virginia Land Conservancy Conservation Easement Application Form

Please fill out this form to initiate the process of donating a conservation easement to the Southern Virginia Land Conservancy. For assistance, contact (276)–224–6489 or e-mail CHoldren@SVALC.org.

Return to: Southern Virginia Land Conservancy
25 Cleveland Ave, Ste. D
Martinsville, VA 24112
Or by email to CHoldren@SVALC.org

Landowner information

Name(s): _____
Address at which you receive mail: _____
City: _____ State: _____ Zip code: _____
Telephone: (Home) _____ (Work) _____
(Cell) _____
E-mail: _____

Property information

Property owner(s) as listed on deed: _____

Address of property OR nearest crossroads: _____
City: _____ State: _____ Zip code: _____
Number of Acres _____
Tax map and parcel number(s): _____
Do you own other property in the immediate area? Yes No
If yes, please list parcel number(s): _____
Do you have a recent survey? Yes No Date: _____

Property characteristics

Acres in forest: _____ Acres in crops: _____

Acres in pasture: _____ Acres in other: _____

Please describe the property's current use: _____

Does the property have springs, streams or water frontage? Yes No

If yes, please describe: _____

Does the property have unique resources (historic buildings or sites, caves, endangered species)? Yes No

If yes, please describe: _____

Please list all dwellings (homes, cabins, barn apartments, stationary trailers) on the property: _____

List other buildings on the property like barns, sheds, stables or milking parlors:

Liens/disputes/existing easements

Are there any boundary issues with neighbors?: Yes No

If yes, please describe: _____

Do you have any mortgages or are there any liens on the property? Yes No

If yes, please describe, listing amounts and lienholder: _____

Are there any other easements on the property, such as for power lines, gas lines, or neighbor access rights? Yes No

If yes, please describe: _____

Are the mineral rights on the property intact? Yes No

If no, please explain: _____

Professional Advisor Information

Attorney

Have you selected an attorney with whom you wish to work? Yes No

(The Southern Virginia Land Conservancy strongly recommends that each easement donor work with an experienced conservation easement attorney to draft their easement based on the SVALC template. The land conservancy can recommend experienced counsel if requested.)

If yes, please provide your attorney's information:

Name and firm: _____

Address: _____

City: _____ State: _____ Zip code: _____

Telephone: _____

E-mail: _____

Appraiser

Have you selected an appraiser with whom you wish to work? Yes No

(An appraisal of your easement by a qualified conservation easement appraiser specifically for income tax purposes will be required if you wish for your easement to qualify for federal and/or state tax benefits. The land conservancy can recommend a qualified appraiser if requested. The Southern Virginia Land Conservancy does not guarantee that a donated easement will qualify for tax benefits.)

If yes, please provide your appraiser's information:

Name and firm: _____

Address: _____

City: _____ State: _____ Zip code: _____

Telephone: _____

E-mail: _____

Conservation Easement Consent and Acknowledgement

No obligation. The Southern Virginia Land Conservancy (SVALC) reserves the right not to participate in any transaction for any reason, and to withdraw from the conservation easement donation process at any time.

Voluntary and permanent. The donation of a conservation easement is an act of land protection which will permanently affect how your land may be used in the future. You agree that your easement donation is completely voluntary, and you may negotiate easement terms and/or withdraw from the process up until such time as the easement is recorded at the local courthouse.

After the easement is signed and recorded it becomes permanent, binding on you and future owners, regardless of any IRS or state determinations regarding deductibility of your gift of easement. All restrictions on the use of the easement property are found on the deed of easement. Recorded easements are a matter of public record at the courthouse, although at your direction SVALC will refrain from publicizing your easement.

No legal or tax advice. SVALC does not provide legal or tax advice. You are strongly encouraged to consult with your advisors on estate planning and tax matters related to the donation of a conservation easement and have an attorney assist you in drafting and the review of your easement throughout the process.

Qualifying donations. While SVALC will make every effort to see that the gift of an easement qualifies under IRS and Virginia regulations, the land conservancy makes no assurances regarding the deductibility of any easement gift. SVALC strongly recommends landowners have legal counsel assist with the drafting and review the easement prior to its execution.

Appraisals. SVALC does not require a gift appraisal to accept the donation of an easement; however, if you intend to take advantage of the federal tax deductions, state tax credits and other tax benefits you will need to engage a qualified independent appraiser to determine the value of the gift. SVALC strongly suggests that you employ a Certified General Appraiser experienced in conservation easement appraisals who follows Uniform Standards of Professional Appraisal Practice (USPAP). You should understand that the timing and quality of your appraisal may impact the tax benefits you may receive from your easement, and that the IRC states that the appraisal needs to be dated no more than 60 days prior to the easement's recordation or prior to the filing of the tax return for the period in which the easement was donated. SVALC makes no assurances regarding appraisals or easement valuations.

Federal and state tax benefits. In order to claim the VA state income tax credits from the gift of an easement, you will be required to send form LPC-1 to the VA Department of Taxation. If the value of your

easement is in excess of \$1 million, then your easement will have to have certain specific protections as adopted by the Virginia Land Conservation Foundation.

To claim federal and state tax benefits, a Baseline Documentation Report (BDR) is required which documents the conditions of the property at the time of the donation of your easement. While this report is the responsibility of the easement donor, you agree that SVALC shall prepare this report to ensure it meets SVALC's quality standards for future easement monitoring. There is no cost to you.

No obligation to participate or sign 8283, SVALC reserves the right not to sign the IRS Form 8283 for a gift in excess of \$5,000 if it has concerns about the appraisal methodology, valuation or other concerns. The Form 8283 must be completely filled out and SVALC must have an opportunity to review the appraisal to determine its appropriateness, prior to signing the Form 8283. SVALC shall not participate in transactions in which it has concerns about the appraiser, appraisal methodology, valuation or tax deduction. SVALC may require that it review the appraisal *prior to it signing the conservation easement*.

Abusive, syndicated or tax shelter transactions. SVALC requires a copy of your appraisal prior to closing when engaging in transactions with *pass-through entities of unrelated parties*. SVALC shall decline to participate in any transaction with pass-through entities consisting of unrelated parties, particularly those offered or assembled by a third party or described in IRS Notice 2017-10 or otherwise described as a *syndication* by the IRS, in which:

- the appraisal indicates an increase in value more than 2.5 times the basis in the property, *and*
- the easement or property is donated within 36 months of the pass-through entity's acquisition of the property, *and*
- the value of the donation (not the deduction) is \$1 million or greater.

SVALC shall decline to participate in any transaction involving a conservation donation by unrelated parties that appears to have all of the following characteristics as set forth in IRS Notice 2017-10:

- A pass-through entity will make the contribution.
- Members of the entity are investors who have been solicited to invest in the entity.
- The investment is offered to investors in oral or written promotional materials.
- The promotional materials offer the possibility of a federal tax deduction that is at least 2.5 times the investor's investment.
- The transaction is intended to result in a contribution for which a federal income tax deduction will be claimed by investors.

Subordination. If there is a mortgage on the property to be placed under easement, the mortgage holder must subordinate the mortgage to the easement so that the easement can continue to protect the property in the case of foreclosure. Your attorney should contact the lender early on in the process, as subordination can be very time consuming.

Deeds, title work and surveys. As part of the easement process, SVALC requires a copy of your property deed(s), a 60-year title opinion to help prove clear title to your property, and a survey plat if available. SVALC may also require a new survey if clear property boundaries cannot be determined. For properties owned by an LLC or other pass-through entity, SVALC may require additional information about the entity, including but not limited to its articles of organization, proof of registration with state government, and a list of members.

Costs and fees. You are responsible for your own attorney's fees, appraiser's fees, title search and opinion fees, surveyor's costs, and any other expenses you may incur. You will be required to pay a one-time fee to the Southern Virginia Land Conservancy of **\$9,000**.

This fee is due before the easement is recorded. There are no other fees due to SVALC for information or assistance with your donation of a conservation easement.

I have read and acknowledge the above information and understand the information presented. The information I have provided is correct to the best of my knowledge.

Landowner Signature(s):

_____ Date: _____

_____ Date: _____