



Michigan State University Extension
Land Use Series
Conservation Easements

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A conservation easement is a voluntary legal agreement between a landowner and a land trust, land conservancy or government agency that permanently limits the uses of the property in order to protect the conservation values of the land. All remaining private property rights remain intact, including the right to sell or inherit the property. Because conservation easements are flexible and offer tax benefits to many landowners, they have been used to preserve over 5 million acres of natural and agricultural land across the country.¹

Conservation easements are individually developed for each piece of property to reflect the goals of the landowner(s) and uniqueness of the land. Once finalized, the easement is recorded with the County Register of Deeds and applies to all future landowners.

Landowners may choose to place an easement on all or only a portion of the property. Public access to the property is not allowed unless landowners specifically request that public access be permitted. Some common conservation easement provisions include:

- Prohibited or limited future subdivision and home construction
- Preservation of wetlands, dunes, or wooded areas
- Designation of an unrestricted area for a future home site
- Allowance for continued farming and construction of agricultural related buildings

*“Thirty seven million acres is
all the Michigan we will ever have”*
William G. Milliken

¹ *The Land Conservancy of West Michigan’s Landowners Guide*, “Using Conservation Easements to Preserve the Land You Love,” 2004.

This is a fact sheet developed by experts on the topic(s) covered within MSU Extension. Its intent and use is to assist Michigan communities making public policy decisions on these issues. This work refers to university-based peer reviewed research, when available and conclusive, and based on the parameters of the law as it relates to the topic(s) in Michigan. This document is written for use in Michigan and is based only on Michigan law and statute. One should not assume the concepts and rules for zoning or other regulation by Michigan municipalities and counties apply in other states. In most cases they do not. This is not original research or a study proposing new findings or conclusions.

Tax Benefits

A landowner sometimes sells a conservation easement, but usually easements are donated. If the donation benefits the public by permanently protecting important conservation resources and meets other federal tax code requirements, it may qualify as a tax-deductible charitable donation for your personal income taxes.

All land trusts and land conservancies are private, non-profit organizations for which the acquisition and protection of land by direct action is the primary or sole mission. Non-confrontational and apolitical, land trusts and conservancies work with willing land owners in voluntary transactions.

Source: Brewer, Richard, *Conservancy: The Land Trust Movement in America*, Dartmouth College Press/University Press of New England 2003.

The amount of the donation is the difference between the land's value with the easement and its value without the easement.² The value of the donation is usually determined by a qualified appraiser, following IRS regulations. Landowners are usually responsible for covering the cost of an appraisal, which often falls between \$2,000 and \$4,000.

If your conservation easement permanently reduces the value of your property, its value for estate tax purposes would be lowered by that amount. This can often mean the difference between heirs having to sell all or part of the property to pay estate taxes and being able to keep the property intact and in the family. Landowners will need to consult legal and tax advisors to take advantage of estate tax benefits.

The Michigan Tax Tribunal has directed local assessors to consider the effect of a conservation easement when setting property taxes, there is no law that an assessor must make an adjustment of the property taxes. Therefore, in Michigan, property tax reduction cannot be guaranteed.

Property tax reduction is also affected by local factors such as zoning, development trends in the community, and the current assessed value. Nonetheless, many conservation easement donors in Michigan have successfully obtained reduced property taxes.

One way to determine if a conservation easement on your property would result in property tax reduction is to talk with your local property tax assessor by contacting your local unit of government.

² The Land Trust Alliance web site, "Conservation Options for Landowners" <http://www.lta.org/conserves/options.htm>

Responsibilities of a Land Trust, Land Conservancy or Government Agency

The Land Trust, land conservancy or government agency accepting the donation of the conservation easement is responsible for enforcing the restrictions that the easement document spells out. Therefore, they monitor the property on a regular basis, typically once a year, to determine that the property remains in the condition prescribed by the easement document. The trust, conservancy or agency maintains written records of these monitoring visits, which also provide the landowner(s) a chance to keep in touch with land trust, conservancy or government agency. Many land trusts and land conservancies establish endowments to provide for long-term stewardship of the easements they hold. Landowners donating easements may be asked to make a contribution to the endowment to help cover the costs of monitoring the property and upholding the easement in court, if necessary.

American Farmland Trust lists the following benefits and drawbacks of conservation easements for owners of agricultural property:

Benefits:

- Conservation easements permanently protect important farmland, while keeping the land in private ownership and on local tax rolls.
- Conservation easements are flexible, and can be tailored to meet the needs of individual farmers and ranchers and unique properties.
- Conservation easements can provide farmers with several tax benefits including income, estate and property tax reductions.
- By reducing non-farm development land values, conservation easements help farmers and ranchers transfer their operations to the next generation.

Drawbacks:

- While conservation easements can prevent development of agricultural land, they do not ensure that the land will continue to be farmed.
- Conservation easements must be carefully drafted to ensure that the terms allow farmers and ranchers to adapt and expand their operations and farming practices to adjust to changing economic conditions.
- Monitoring and enforcing conservation easements requires a serious commitment on the part of the easement holder.
- Subsequent landowners are not always interested in upholding easement terms.
- Conservation easements do not offer protection from eminent domain. If land under easement is taken through eminent domain, both the landowners and the easement holder must be compensated.

Source: http://www.farmlandinfo.org/documents/27762/ACE_1-04.pdf

Michigan Land Conservancies and Land Trusts

Blue Water Land Conservancy

- Telephone: (810) 985-8604 (Penelope Peck)
- Area of Operation: St. Clair County and the Blue Water Area

Cadillac Area Land Conservancy

- Telephone: (231) 775-3631
- Area of Operation: Lake Missaukee, Osceola and Wexford Counties

Central Lake Superior Land Conservancy

- Telephone: (906) 225-8067
- Web: <http://www.cslsc.org/>
- Area of Operation: Primarily Marquette and Alger Counties

Chikaming Open Lands

- Telephone: (269) 469-2330
- Area of Operation: Chikaming, Galien, Lake, New Buffalo, Three Oaks, and Weesaw Townships, Berrien County

Chippewa Watershed

- Telephone: (989) 644-5045
- Web: <http://www.chippewawatershedconservancy.org/>
- Area of Operation: Clare, Gratiot, Isabella, Mecosta, Midland, Montcalm, and Osceola Counties

Detroit Audubon Society

- Telephone: (248) 545-2929
- Web: <http://www.detroitaudubon.org/>
- Area of Operation: Southeast Michigan

Grand Traverse Regional Land Conservancy

- Telephone: (231) 929-7911
- Web: <http://www.gtrlc.org/>
- Area of Operation: Antrim, Benzie, Grand Traverse and Kalkaska Counties

Grass River Natural Area

- Telephone: (906) 337-5476
- Web: <http://www.grassriver.org/>
- Area of Operation: Antrim County

Gratiot Lake Conservancy

- Telephone: (231) 533-8314
- Web: <http://www.mlswa.org/Gratiot-Lake-1508/>
- Area of Operation: Gratiot Lake and its environs in Keweenaw County

Great Lakes Bioregional Land Conservancy

- Telephone: (810) 664-5647 (Leo Dorr)

- Web: <http://glblc.lapeer.org/>
- Area of Operation: Great Lakes Bioregion, but primarily Lapeer and surrounding counties

Grosse Ile Nature and Land Conservancy Association. Inc.

- Web: www.ginic.org
- Area of Operation: Primarily land and water resources of Grosse Ile

Heart of the Lakes Center for Land Conservation Policy

- Telephone: (517) 285-4060
- Web: <http://www.heartofthelakes.org>
- Area of Operation: A coalition of Michigan land conservancies

HeadWaters Land Conservancy

- Telephone: (989) 731-0573
- Web: <http://www.otsego.org/hwlc/>
- Area of Operation: Alcona, Alpena, Arenac, Crawford, Iosco, Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle, and Roscommon Counties

Keweenaw Land Trust, Inc.

- Telephone: (906) 482-0820
- Web: <http://www.keweenawlandtrust.org/>
- Area of Operation: Western Upper Peninsula, primarily Baraga, Houghton, Keweenaw, and Ontonagon Counties

Land Conservancy of West Michigan

- Telephone: (616) 451-9476
- Web: <http://www.naturenearby.org/RenderTable.aspx>
- Area of Operation: Kent, Muskegon, Newaygo, Oceana, and Ottawa counties and the northern half of Allegan County

Land Trust Alliance

- Web: <http://www.lta.org>
- Area of operation: A national organization of land trusts and land conservancies. You can search for a land trust or land conservancy near you on this web site.

Leelanau Conservancy

- Telephone: (231) 256-9665
- Web: <http://www.theconservancy.com/>
- Area of Operation: Leelanau County

Les Cheneaux Foundation

- Telephone: (906) 484-4114
- Web: <http://www.uplccf.com/>
- Area of Operation: Les Cheneaux Islands in Mackinac County

Little Forks Conservancy

- Telephone: (989) 835-4886
- Web: <http://www.littleforks.org/>

- Area of Operation: Tittabawassee River Watershed (Midland, Gladwin, and parts of Roscommon, Ogemaw, Oscoda, Gratiot, Clare and Isabella Counties)

Little Traverse Conservancy

- Telephone: (231) 347-0991
- Web: <http://www.landtrust.org/>
- Area of Operation: Charlevoix, Cheboygan, Chippewa, Emmet, and Mackinac Counties

Livingston Land Conservancy

- Telephone: (810) 229-3290
- Web: <http://www.livingstonlandconservancy.org/>
- Area of Operation: Greater Livingston County

Macomb Land Conservancy

- Web: www.savingplaces.org/home
- Area of Operation: Macomb County

Michigan Audubon Society

- Telephone: (517) 886-9144
- Web: <http://www.michiganaudubon.org/>
- Area of Operation: All of Michigan, except the City of Detroit

Michigan Karst Conservancy

- Web: www.caves.org/conservancy/mkc/
- Area of Operation: All of Michigan

Michigan Nature Association

- Telephone: (517) 655-5655
- Web: www.michigannature.org/
- Area of Operation: Meridian Township East Lansing and surrounding areas

Monroe County Land Conservancy

- Telephone: (734) 279-2149
- Web: <http://www.geocities.com/monroeconservancy/>
- Area of Operation: Monroe County

The Nature Conservancy, Michigan Chapter

- Telephone: (517) 316-2251
- Web: <http://www.nature.org/wherewework/northamerica/states/michigan/>
- Area of Operation: All of Michigan

North Oakland Headwaters Land Conservancy

- Telephone: (248) 846-6547
- Web: <http://nohlc.org/>
- Area of Operation: Headwater areas of the Clinton, Flint, Huron and Shiawassee Rivers

North Woods Conservancy

- Telephone: (906) 337-0782

- Web: <http://www.northwoodsconservancy.org/>
- Area of Operation: Keweenaw and Houghton Counties

Oakland Land Conservancy

- Telephone: (248) 601-2816
- Web: <http://www.oaklandlandconservancy.org/>
- Area of Operation: Oakland County

Michigan Trails and Greenway Alliance (formerly Rails-to-Trails Conservancy)

- Telephone: (517) 485-6022
- Web: <http://www.michigantrails.org/>
- Area of Operation: All of Michigan

Raisin Valley Land Trust

- Telephone: (517) 265-5599
- Web: <http://www.rvlt.org/>
- Area of Operation: River Raisin Watershed (southeast Jackson, Lenawee, and southwest Washtenaw Counties)

Saginaw Basin Land Conservancy

- Telephone: (989) 891-9986
- Web: <http://www.sblc-mi.org/index.asp>
- Area of Operation: Saginaw bay Watershed, which encompasses all or a significant part of Arenac, Bay, Genesee, Gladwin, Isabella, Midland, Saginaw and Tuscola Counties and portions of Clare, Gratiot, Huron, Iosco, Lapeer, Livingston, Mecosta, Montcalm, Oakland, Ogemaw, Osceola, Roscommon, Sanilac, and Shiawassee Counties

Southeast Michigan Land Conservancy

- Telephone: (734) 484-6565
- Web: <http://www.smlcland.org/>
- Area of Operation: Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne Counties

Southwest Michigan Land Conservancy

- Telephone: (269) 324-1600
- Web: <http://www.swmlc.org/>
- Area of Operation: Allegan (south half), Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph and VanBuren Counties

Superior Land Conservancy

- Telephone: (734) 482-7414
- Web: <http://www.smlcland.org/superior.php>
- Area of Operation: Superior Township in Washtenaw County

Walloon Lake Association

- Telephone: (231) 347-7000
- Web: <http://www.walloon.org/>
- Area of Operation: Charlevoix and Emmet Counties

Washtenaw Land Trust

- Telephone: (734) 302-5263
- Web: <http://www.washtenawlandtrust.org/>
- Area of Operation: Washtenaw County, Northeastern Jackson County, Southern Ingham County and other adjacent un-serviced areas.

West Bloomfield Land Conservancy

- Telephone: (810) 788-3940
- Area of Operation: West Bloomfield Township in Oakland County

Woldumar Nature Center

- Telephone: (517) 332-0030
- Web: <http://www.woldumar.org/>
- Area of Operation: Clinton, Eaton and Ingham Counties

Yellow Dog Watershed Preserve, Inc

- Telephone: (906) 345-9223
- Web: <http://www.yellowdogwatershed.org/>
- Area of Operation: Northern Marquette County

Author

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To find contact information for authors or other MSU Extension experts use this web page:

<http://msue.anr.msu.edu/experts>.

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