



PROCESS OVERVIEW FOR LANDOWNERS EXECUTING A CONSERVATION EASEMENT WITH THE RIO GRANDE AGRICULTURAL LAND TRUST

- 1) Initial contact and conversation between landowner(s) and the Rio Grande Agricultural Land Trust (RGALT). The landowner describes in general terms their property and goals, RGALT explains what a conservation easement (CE) is, and the process and costs involved in placing a conservation easement on their land. RGALT sends brochures and landowner questionnaire.
- 2) Once LO questionnaire is completed, RGALT representatives meets with the landowner on the property conducting a site visit and discussing any additional questions or issues that will need to be addressed and to review LO Questionnaire. Landowner gets additional information. RGALT reviews Landowner Questionnaire, discusses potential tax benefits, Stewardship Policy and Stewardship Contribution and "Average CE Costs" sheet, explaining what costs the landowner will incur. RGALT gets additional information about the property, its conservation values, and what the landowner wants to preserve and restrict. RGALT explains that the landowner must seek his or her own legal, tax, and other professional advice for executing a CE.
- 3) RGALT representative presents the information obtained to the RGALT Board of Directors which makes an initial go/no-go decision, decides how much the Commitment Contribution needs to be and estimates the Stewardship Contribution.
- 4) Second meeting with landowner, RGALT representative identifies any potential tricky issues (clear title, liens, easements, access, other encumbrances, etc.). RGALT and landowner review "Documents Needed from Landowner" and "Model CE". RGALT informs landowner that RGALT does not give legal, financial, or tax advice. We recommend that LO consults with his/her professional advisors, but we can provide list of persons that have conservation easement experience. RGALT rep drafts "Engagement letter" to Landowner explaining that they must seek their own professional legal advice and the details of the CE process.
- 5) Landowner makes Commitment Contribution and signs an "Engagement Letter" with RGALT.
- 6) RGALT begins drafting the CE. Landowner gets an updated title search, and gathers needed documents. Landowner and RGALT representative work collaboratively to contract with the necessary professionals (for instance, an appraisal will need to be done no more than 60 days in advance of the signing of the CE, if they intend to take a charitable deduction for the value of the CE).
- 7) Landowner and RGALT representative and RGALT attorney review and adjust draft of CE until both parties are content. This can often take 3-6 months depending on how many issues the landowner may need to think through and decide but can also be completed very quickly.



8) Draft CE is sent to RGALT's and LO's legal counsel for review, along with any specific questions that remain unresolved or in flux.

9) RGALT, in cooperation with the landowner, begins the Baseline Document Report (BDR). The BDR is an inventory of the property at the time the landowner donates the conservation easement. The BDR is used in the future to compare any changes to the property. The BDR includes maps, field notes, photos, a soil survey, biologist and hydrologist report of major natural characteristics of the property in order to thoroughly document the current condition of the property. The BDR is a requirement for donations and bargain sales and must meet IRS Treasury Regulations §1.170A-14(g)(5)(i). The BDR will be signed by the landowner and land trust at or before closing.

10) Landowner gives RGALT execution and stewardship contribution.

11) RGALT representative presents final Deed of Conservation Easement to the RGALT Board of Directors for approval with an accompanying Resolution to accept the CE as recorded in the meeting minutes.

12) RGALT and landowner sign the Deed of Conservation Easement and the Baseline Documentation Report.

13) RGALT records the Deed of Conservation Easement with the relevant county clerk and sends copies of the recorded Deed, Baseline Documentation Report, and other relevant materials to the landowner.

14) Landowner sends a copy of Form 8283, specifying the donation and its value for the Landowner's income tax return, to RGALT for signature. The landowner must be careful to remember that the appraisal cannot be completed more than 60 days prior to the signing of the CE. However, the landowner has up until the time they file their income tax return for the year in which the CE was donated to have the appraisal completed.

15) Annually, RGALT will contact the landowner to visit the property for monitoring the CE.

16) The landowner will comply with all the terms of the Deed of Conservation Easement. The landowner is required by the Deed to notify and or seek approval from RGALT on any changes to the Deed, including sending copies of materials to RGALT regarding changes in ownership.

Please contact us to learn more!

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