



## Conservation Easement Appraisal Policy

### Landowner Notification of Requirements

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Virginia Eastern Shore (VES) Land Trust must protect itself, its landowners and the public from any form of excessive or fraudulent appraisals of conservation easements. Excessive appraisals can lead to tax audits and the disallowance of an easement charitable gift by federal and state tax agencies. Excessive appraisals are characterized by inflating the value of the property before the easement and understating its value after the easement.

Therefore, the VES Land Trust has adopted the following policy regarding easement appraisals and our handling of an easement donor's IRS Form 8283, which calls for the signature of a land trust official.

With this policy, VES Land Trust is providing notice, in writing, to potential conservation easement donors that every easement must meet the requirements of IRS Code 170(h) and the accompanying U.S. Treasury Department regulations, the requirements of the Virginia Land Preservation state tax credit program, as administered by the state Department of Taxation and the state Department of Conservation and Recreation and or/any other federal or state requirements. These requirements include:

- It is the landowner's responsibility to secure a qualified conservation easement appraisal to document the value of gifts of property valued at more than \$5,000.
- The timing of the appraisal must meet federal and state requirements; dated no earlier than 60 days prior to the date the easement is recorded (the date of the charitable gift) and no later than the date of the easement donor's tax return (including extensions).
- The easement donor must engage a qualified appraiser who follows Uniform Standards of Professional Appraisal Practice and has experience and training in preparing conservation easement appraisals.
- The landowner must provide a copy of the full conservation easement appraisal or at least the before and after value, as in the case of a ballpark appraisal, to the land trust, before the easement is recorded.
- The land trust will review the appraisal to ensure it meets the federal and state standards for the charitable donation, as outlined above.
- The land trust will not knowingly participate in a transaction when it has significant concerns about the value of the donation. The land trust will not sign IRS Form 8283 regarding the conservation easement donation if there is any question the appraisal or value claimed is exaggerated or fraudulent, as outlined above.
- The land trust strongly advises conservation easement donors to work with an attorney and accountant or other tax advisor, both of whom are experienced in legal and financial aspects of the donation of a conservation easement.
- The land trust cannot and does not offer legal, financial or tax advice to its conservation easement donors.

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