Preserving Forested Lands

Maryland Woodland Stewards
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Forestlands in Maryland

- Forests cover 41% of the State
- 2.6 million acres
- Ownership
  - 24% public
  - 76% private
Stressors to Resource Lands

- Unprecedented development pressure
- Employment centers & jobs accessible from “remote” areas
- Patterns of development
Why Preserve Forestland?

- Air Quality
- Estate Planning
- Habitat
- Natural Legacy
- Quality of Life
- Recreational opportunities
- Scenic Rural Landscapes
- Viability of Forestry
- Water Quality
Techniques to Preserve Land

- Zoning
- Comprehensive Planning, Water, Sewer, etc.
- Preferential Tax Assessments
- TDR (Transfer of Development Rights)
- PDR (Purchase of Development Rights)
- Donated Conservation Easements
Types of Conservation Easements

- Donated Conservation Easements
  - MET
  - Local Land Trusts
- Purchased Conservation Easements
  - County Preservation Programs
  - MD Agricultural Preservation Foundation (MALPF)
  - Rural Legacy
  - Conservation Reserve Enhancement Program (CREP)
  - Farm and Ranchland Protection Program (FRPP)
  - Forest Legacy
Established in 1967, accepted first easement donation in 1972

Statewide land trust, affiliated with the Department of Natural Resources and governed by a citizen Board of Trustees

To date, MET has protected over 129,500 acres on 1,050 easement properties state-wide

One of the largest land trusts in country
What is a Conservation Easement?

- A legal agreement between a landowner and a nonprofit land trust and/or government entity that permanently limits the uses of the land in order to protect specified conservation values.
Conservation values: the key values or attributes on the property which are the focus of protection efforts. Examples:

- Scenic viewshed protection from public roads and waterways
- Protection of wildlife habitat
- Protection of water quality
- Preservation of significant historical and cultural sites
- Protection of productive agricultural land
- Protection of forested land
- Shoreline and riparian protection
Characteristics of a Conservation Easement

- Easements are perpetual (forever!)
- Voluntary
- Contain flexible terms
- Allows landowners to continue to own, use, and manage their property, and sell it or pass it on to their heirs.
Terms and Provisions of a Typical Conservation Easement

- Industrial and commercial activities
- Agriculture
- Timber Harvest
- Buffers around water bodies
- Number of residences
- Subdivision
- Public access not required
- Perpetuity
Tax Incentives for Conservation Easement Donors

- Federal Income Tax Deduction
- State Income Tax Credit
- Property Tax Credit
- Federal Estate Tax Benefit
Federal Income Tax Deduction

Enhanced for 2013!!

Deduction of 50% of AGI income in the year of the donation and for 15 years forward, or until the value of the donation is reached.
State Income Tax Credit

Credit of up to $5,000 per year, for each individual landowner. A further $5,000 credit may be taken for each of the following 15 years, for a maximum total of $80,000 in credit, not to exceed the value of the donation.
Federal Estate Tax Benefit

- **Reduction** - An easement limits the amount of development that can occur, thus lowering the appraised value of the land.
- **Exclusion** - Of 40% of the land value up to $500,000 per owner, for certain land that is subject to a donated conservation easement.
Property Tax Benefits

No County or State property tax on unimproved land for 15 years from the date of donation.
Internal Revenue Code §170(h)
Conservation Purposes

- The preservation of land areas for outdoor recreation by, or the education of, the general public
- The protection of a relatively natural habitat of fish, wildlife, or plants, or similar ecosystem
- The preservation of open space (including farmland and forest land) where such preservation is--
  - For the scenic enjoyment of the general public, or
  - Pursuant to a clearly delineated Federal, State, or local governmental conservation policy, and will yield a significant public benefit, or
- The preservation of an historically important land area or a certified historic structure.
Steps to Complete a Conservation Easement Donation

- Field visit
- Background research
- Conservation easement negotiation
- Appraisal process
- Lien subordination
- Presentation of the easement proposal to the land trust board for consideration
- Baseline conducted
- If approved - All parties sign the Deed of Conservation Easement
- Deed of Conservation Easement is submitted to the Maryland Board of Public Works for ratification
- Deed of Conservation Easement is recorded in County Lands Records Office
MET Easements

- Standard Language
- Forest Stewardship Plans
Easements in Real Life

- Forest Mitigation Bank
- Extinguished development rights
- Water Quality
- FIDS Habitat
Questions?

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