



8 Steps to Donating an Easement to PEC

Step 1: Make contact with PEC. If you are interested in learning about your land conservation options, all you need to do is give us a call at any PEC office. Our professional staff can discuss the process and general guidelines for donating a conservation easement as well as provide you more detailed information about conservation easements. During our initial phone conversation, we will ask you for some basic information about your property and try to get a sense of your goals as a landowner. If you are interested in further exploring your conservation options, we will recommend scheduling a time for a PEC staff member to visit your property (see Step 2).

Step 2: Site Visit. If your property sounds like a good candidate for an easement, PEC staff will set up a time to meet with you (and your family, if appropriate) at your property. While on site, our staff will assess the property's features and identify the conservation resources that could be protected by a conservation easement. We will also explore with you who is the best easement holder will be for you and your property and possible easement terms that could meet your goals while also protecting the important conservation resources on property.

Step 3: Preliminary Agreement and Draft Conservation Easement. Once you have met with PEC staff, you should consult with your own advisors (attorney and accountant) to assess whether a conservation easement may be right for you and your land. After you have consulted with your advisors, we will work with you to reach a preliminary agreement on proposed terms for a conservation easement. Once a preliminary agreement on terms is reached, PEC staff will draft a conservation easement in partnership with your attorney, that will then be sent to you for review.

Step 4: Requirement for Title Opinion and Signing Disclosure Letter. The next step is for your attorney to prepare a preliminary 60-year title opinion ("certification of title" or "title report") *in favor of PEC*. You will also need to provide copies of deeds by which you obtained title as well as all recorded survey plats of the property and/or metes and bounds descriptions of the property (a new survey is seldom necessary). This is also a good time to start discussing the conservation easement with your mortgage lender. In order to place an easement on your property, your mortgage lender will need to agree to the terms of the easement and sign a mortgage subordination.

Step 5: Board Approval. Each easement proposal must be approved by PEC's Land Conservation Committee and/or Board of Directors. The Committee and Board meet at least 8 times per year. The Committee or Board may accept the proposed easement, accept it subject to changes, or reject it. Approval of the easement by the PEC Board does not obligate you to complete the easement.

Step 6: Baseline Documentation Report. After approval and once the easement drafting is nearly complete, PEC staff will complete a Baseline Documentation Report which may include: an easement summary, topographic map, aerial map, built environment map, special conditions maps, county tax maps, survey plats of the property if available and photographs of the property keyed to a map. This report must be completed prior to recordation of the easement, and you will have the chance to review the information prior to signing it to certify the accuracy of its information.

Step 7: Finalizing Easement Draft. Your attorney sends the deed of easement to PEC staff for final review, and we will suggest any final edits that are necessary. Once the final edits are made, you (and your lender if there is one) sign the deed and send it to PEC for our signature.

Step 8: Recordation. PEC signs the deed last. We cannot sign the deed until the Baseline Documentation Report is also completed and signed by the landowner. After receiving these documents and signing the easement, we will return it to your attorney for a final update of the title report and recordation of the easement in the Clerk's Office of the County Circuit Court.

***Note:** As a landowner, you can change your mind about the easement at any time until the deed of easement is signed and delivered to PEC. While these steps show the typical procedure, there are some situations in which the order of these steps varies. The process may take anywhere from a few months to more than a year to complete.*

But when do I get an appraisal?

In order to claim a federal tax deduction or a state tax credit for a non-cash charitable gift, you will need to engage an independent appraiser to determine the value of the gift. PEC does not require an appraisal and is not involved in the appraisal process. To satisfy IRS requirements, appraisals must be dated no earlier than 60 days prior to the gift or any time after the recordation of the easement, but no later than when the landowner files his taxes, setting forth the values as of the date of the gift. However, many landowners work with their appraiser early in the process to get an estimate of the value of the donation. PEC strongly encourages talking to an appraiser sooner rather than later to avoid any surprises and to ensure that the appraisal can be completed in time to benefit from the various tax incentives. Finally, if you intend to claim a federal income tax deduction or Virginia income tax credits, a complete copy of the appraisal report will need to be submitted to PEC for review 30 days prior to our signing the IRS Form 8283 where we acknowledge acceptance of the conservation easement donation.