### There is a powerful new tool - the "conservation covenant" that helps conserve natural and cultural features on lands

onservation covenants (in other areas called easements) are a voluntary tool which allows the current landowner to permanently preserve natural and cultural features of the land, while still retaining ownership and use.

#### **How Conservation Covenants Work**

A conservation covenant is a legal agreement made between a current landowner and a designated land trust organization. It is registered on title to the land, and it will remain in effect after the land is sold or transferred, binding future owners of the land to the terms of the covenant.



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The conservation covenant helps protect specific features, areas or uses in perpetuity. The landowner still holds title to the land and can continue to live on and use it, restricting or allowing public access, but keeping to the agreed restrictions in the covenant.

The land trust or conservation organization that will hold the covenant can help you design the limits of future use and development. In order to ensure that these long-term agreements are kept, two land trust organizations may share the legal responsibility of protecting, monitoring and defending the covenant. An annual site visit and report are often done, creating an on-going record of the land's condition.

Normally, a conservation covenant restricts uses, developments or practices that would damage the natural or cultural features of the land.

 One could prohibit future subdivision, while retaining the

- rights to build accessory buildings or grow certain crops.
- A covenant on land containing endangered wildlife habitat might prohibit development completely, yet retain existing or replacement dwellings.
- In some cases, the conservation covenant may apply to a portion of the property only, allowing development, building or other uses in the remaining areas.

As agreements, covenants can be tailored to meet your own desires, the land's unique natural and cultural values, and the goals of the conservation organization signing it.

#### Covenant on Land to be Transferred

A conservation covenant can be enacted through a will, upon donation of land, or it can come into effect as the land is transferred to other family members or sold. Developers may also negotiate a covenant to protect a portion of a site or specific features of an entire site (eg. trees or watercourses). Again, the conditions and terms need to be negotiated fully with the organizations who will be responsible for monitoring the conservation covenant over time.

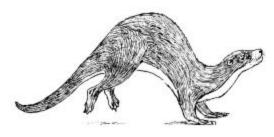
#### **Conservation & Community Values**

When you place a conservation covenant on land, you are creating a legacy that will last far into the future. You will be helping your community and future generations by preserving natural or cultural resources that might otherwise be destroyed. In addition, you will be adding to a network of conserved areas that will help maintain the habitats and ecosystems that support wildlife, human health and recreation. Because of your initiative to limit your landholder rights, you will help preserve what you held title to for a brief time here on earth. Local land trusts and the Land Trust Alliance of B.C. can help you should you want to use a conservation covenant to protect specific values on land you now hold.

## It's time to develop the political means for directing society toward restoring — and maintaining the natural systems that ultimately support all life. (Peter Berg)

#### **Tax Consequences**

The financial consequences of conservation covenants are specific to the land and people involved. When you place a covenant on land, its value may be affected depending on the surrounding area. A full appraisal is necessary to determine land and conservation covenant values. The conservation organization that holds the covenant can issue you a charitable tax receipt for an appraised value of the covenant. You can then use this to reduce income tax. In addition, your property taxes may be affected dependent on the difference between the land's value with, and without, the covenant. Additional tax consequences may include changes in capital gains or other land transfer, probate, GST or pension amounts.



#### **Next Steps**

Decisions which will be in effect for generations to come need careful consideration. Your choosing to conserve aspects of the land is the first step. Next, you may want to talk with your local conservation organization to explore what most suits your needs and the needs of the community in which the land is located. You will also need to talk with an appraiser, an accountant and a lawyer. Your land trust can help you with these contacts. Finally, you will need to consider how the organization holding the covenant will pay for the long-term monitoring of the land. This can be part of your legacy leaving extra financial funds, called an endowment, to take care of the costs of maintaining the covenant in the future.



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To find out more, contact your local and trust or LTABC.

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## Preserving Natural & Cultural Features of Land



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- Calypso Orchid

# with a Conservation Covenant