



## Frequently Asked Questions about Land Trusts and Conservation Easements

### **What is a land trust?**

Land trusts are private, non-profit organizations with the primary mission of conserving agricultural land, open spaces and wildlife habitat. The Internal Revenue Service (IRS) expressly recognizes land trusts as charitable organizations qualified to accept donations.

### **How do land trusts conserve land?**

While land trusts may own title to land, they more commonly hold, manage, and administer *conservation easements* granted by private landowners who desire to preserve the agricultural production, conservation values and intact open spaces of their land.

### **Are there many land trusts?**

According to the Land Trust Alliance (LTA), some land trusts were organized over 100 years ago. Today, LTA estimates that over 1,200 local and regional land trusts such as RTK protect over 56 million acres in the United States.

### **What or who is the Ranchland Trust of Kansas?**

This entity is a non-profit organization founded by the Kansas Livestock Association (KLA) in 2003. The Ranchland Trust of Kansas (RTK) is an affiliate of KLA and is recognized by the Kansas Secretary of State and IRS as a separate, stand-alone organization with its own articles of incorporation, bylaws, budget/checking account, and Board of Directors.

### **What is the purpose of RTK?**

The mission of the Ranchland Trust of Kansas (RTK) is to preserve Kansas' ranching heritage and open spaces for future generations through the conservation of working landscapes. To fulfill this mission RTK is authorized in its bylaws and IRS filings to acquire, own, hold, protect and defend conservation easements.

### **Why did KLA create a land trust?**

KLA leaders expressed interest in forming a land trust in 2001 to provide a rancher/landowner-governed organization to assist landowners who were considering conservation easements on their working ranchlands. The ranchers and landowners involved in forming the RTK understood that the vast open-spaced ranch lands of Kansas would be under intense developmental pressure in the future. These leaders believed many landowners would prefer voluntary conservation easements as an economic alternative to development, especially if the conservation easements could be held and administered by a qualified and competent agricultural land trust.

**Have other agricultural organizations formed land trusts?**

Yes. In fact, RTK is a member of a coalition of land trusts that are affiliated with seven state livestock producer organizations. This group, called the **Partnership of Rangeland Trusts**, collectively holds over 1,333 conservation easements on over 2.2 million acres of working agricultural lands.

**What is a conservation easement?**

A conservation easement is a voluntary, legally-recorded agreement between landowners and land trusts to protect the conservation values of private land by restricting commercial, residential and industrial development rights. Surface mining and mineral development are also limited.

**How does a conservation easement impact ownership and land management?**

Land protected by a conservation easement may be bought, sold, mortgaged and transferred just like any land. The landowner retains title to the property and continues to farm or ranch as before, and still controls access to the property. A conservation easement deed runs with the title to the property regardless of future changes in ownership.

**What activities are prohibited or restricted with a conservation easement?**

Each conservation easement is tailored to the conservation desires of the landowner, but usually restricts sub-division for residential or commercial purposes, construction of buildings; the damage to native prairie, and the degree of surface and subsurface mining.

**What activities are allowed under a conservation easement?**

Most conservation easements on agricultural land expressly authorize the continuation of farming, ranching, hunting and other activities that do not diminish the conservation values of the property. RTK's purpose is to preserve working agricultural land for subsequent generations and to be as agriculture-friendly as possible.

**Are there any economic incentives for donating a conservation easement on my property?**

The full or partial donation of a conservation easement qualifies as a charitable contribution for federal income tax purposes. The deduction may carry forward for up to 16 years for qualified farmers and ranchers. Furthermore, a conservation easement can reduce estate and gift taxes, and proceeds from a purchased conservation easement may be held in escrow to purchase additional land through a tax-deferred 1031 land exchange.

**Can I receive a payment for placing a conservation easement on my farm or ranch?**

Yes! The USDA-Natural Resources Conservation Service (NRCS) has provided millions of dollars of taxpayer funding to purchase conservation easements on farms and grazing lands in Kansas. This funding is obtained through the Agricultural Conservation Easement Program (ACEP). Securing a sustainable source of state funds for the purchase of conservation easements is a long-term goal of RTK.

**Why would anyone consider placing a conservation easement on their property?**

A conservation easement is not for every landowner, but it is an important financial, tax, and estate and succession planning tool for families to preserve their land and their legacy for future generations.