The Sangamon Conservancy Trust

501 (c)(3) Charitable Land Trust

to meet your conservation and land preservation goals

IRS-approved in August 2000

Our Mission:

"Foster exceptional conservation activities for the benefit of all persons"

How to Accomplish Our Mission

- Formed as a Section 501 (c) (3) Tax-exempt Not-for-profit Organization

- **Apply for, Accept and Administer Grants**
- **Receive Donations**
- **Establish Membership Opportunities**
- **Provide Estate Planning Opportunities**
  - **Hold / Monitor Conservation Easements**
  - **Charitable Remainder Trust Options**

Our Goals Mirror Those of the Sangamon County SWCD

Reduce soil erosion & promote water quality

The Sangamon Conservancy Trust

Promote exceptional conservation practices

The Sangamon Conservancy Trust

Implement Best Management Practices (BMPs) not funded through current conservation programs

The Sangamon Conservancy Trust

Provides funding for innovative educational programs

$60,000 in Grants for Prairie Creek Habitat Maintenance

The Sangamon Conservancy Trust

Promote prime farmland protection

The Sangamon Conservancy Trust

Areas of Concentration

Sangamon, Christian, Macon, Logan, Menard, Cass, Morgan, Macoupin and Montgomery Counties

Farmland and assets in other counties will be considered on a case-by-case basis.

The Sangamon Conservancy Trust
Founding Board of Trustees

Tom Skelly Walter Lynn, Jr.

Dale Hedrick Carolyn Stone Mike Luepke

Current Board Members

Diana Beaty

Michelle Curby

Steve Frank

John Hawkins

Randy Leka

Walter Lynn

Ted Megginson

Barb Mendenhall

Anna Stone

Kelly Thompson

Keith Waterman

- SCT is a member of LTA and has officially adopted their "Land Trust Standards and Practices".

- When the Alliance was created in 1982, there were fewer than 450 local and state land trusts across the country. Today there are over 1,381 land trusts in the US, with 61million acres protected.

- Only organization dedicated to the effectiveness and sustainability of the nation's land trusts and their use of conservation easements.

Consider Working with The Sangamon Conservancy Trust

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- ✓ **Conserve and Enhance Natural Resources**
- ✓ **Preserve Prime Farmland**
- ✓ **Receive Potential Tax Benefits**
  - **Possible Federal Income Tax Deductions**
  - **Possible Estate Tax Savings**
  - **Possible Real Estate Tax Reduction**
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Works with Landowners to Find Optimum Land Stewardship Opportunities

The Team Approach

- Landowners
- CPAs/Tax advisors/Estate planners
- Legal counsel
- Farm managers
- Other organizations with common goals for land stewardship

What is a Conservation Easement?

- A voluntary, legally binding agreement between a landowner and a land trust or a government agency.
- Qualifies as a charitable tax deduction on the donor's federal income tax return.
- Permanently limits the donated parcel's uses to protect its conservation values. IRC 170(h).

Why does the conservation easement have to be permanent?

In order to qualify for IRS tax benefits, it must meet **all three** requirements:

- ✓ Be permanent
- ✓ Be held by a qualified conservation organization
- ✓ Serve a valid “conservation purpose”

What are IRS' valid "conservation purposes"? (Only need one to qualify)

- Preservation of open space (including farmland or forest land), or
- Preservation of land areas for outdoor recreation by, or education of, the general public, or
- Protection of a relatively natural habitat of fish, wildlife, plants or similar ecosystems, or
- Preservation of an historically important land area or certified historic structure.

Conservation Easement Tax Incentive

- Tax incentive was made permanent in December 2015 by Congress.
- Opportunity to preserve land voluntarily and permanently
- Realize significant federal tax savings

Steps for Donating an Agricultural Conservation Easement

- Discuss possible easement donation with all owners on the property's deed and family members.
- Discuss donation with qualifying organization (SCT).
- Get organization's approval to accept the donation.
- Hire qualified appraiser to conduct 2 appraisals of the easement property (FMV and w/conservation easement)
- Work with attorney, tax advisor, etc. on easement documents.
- Finalize paperwork, record documents, file IRS returns

SCT Easement Donation Steps

- Review easement property on aerial photos, plat pages, etc.
- Make site visit – Discuss findings with Trustees.
- Take vote on easement acceptance.
- Prepare SWCD Resolution for easement acceptance by county SWCD Board where land is located.
- Follow up with easement donors, attorneys, etc. on appraisal values, document preparation and recordings.
- Prepare baseline report on easement property.
- Conduct annual inspections of conservation easement.

How Conservation Easement Donations Worked

Prior to 2015

- A landowner earning $50,000 a year donates a $1 million conservation easement.
- Takes a $15,000 deduction for the year of the donation (30% of landowner's income).
- Also gets the same deduction for an additional 5 years.
- Donor receives a total of $90,000 in federal income tax deductions over 6 years.

(Source: Land Trust Alliance)

Conservation Tax Incentive - After 2015

- Allows that landowner to deduct $25,000 of income for the first year of the donation (50% deduction vs 30%)
- Allows the same deduction for an additional 15 years vs. 5 years
- Donor receives $400,000 in federal income tax deductions over 16 years.

Qualifying Farmer Landowners

- Must receive more than 50% of his/her gross income from “the trade or business of farming”. IRC 2032A (e)(5)
- Qualifying farmers or ranchers, are allowed a 100% deduction of their adjusted gross income for a total of 16 years. (50% for non-farmer landowners)
- Could take a maximum of $800,000 in federal income tax deductions for their $1 million dollar gift.
- Must include a restriction in the easement document that the land will remain “available for agriculture”.

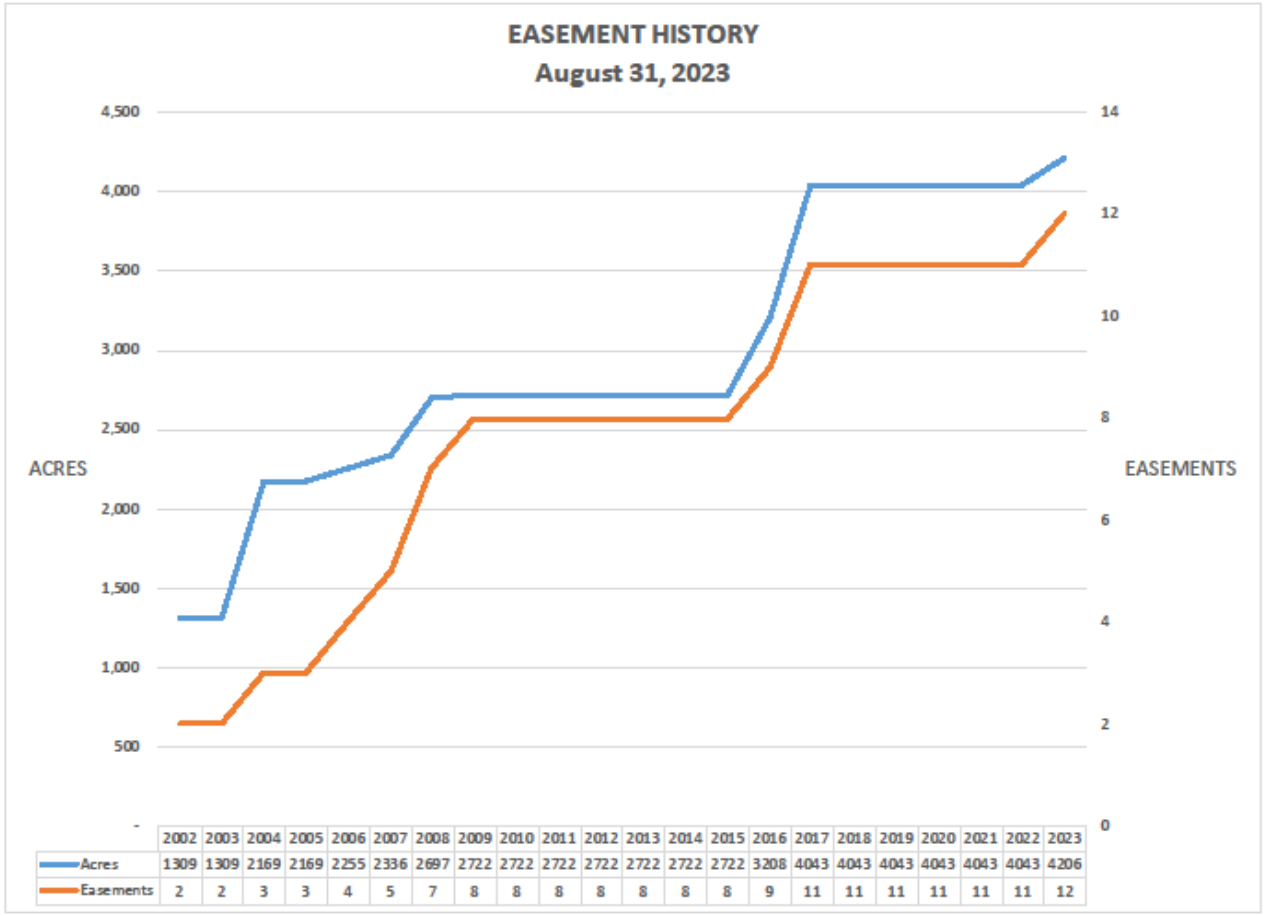
Land Conservation Estate Tax Incentives

- Conservation easement donations can be made:
  - During life
  - By will
  - Posthumously by heirs
- Can reduce estate taxes:
  - Reduces value of the estate to be taxed.
  - Heirs can exclude 40% of the value of land under conservation easement from estate taxes. $500,000 maximum
  - Only original easement donor's family, including spouses and descendants, can claim this exclusion.

Conserved and Preserved

12 Agricultural Conservation Easements
4,206 Acres

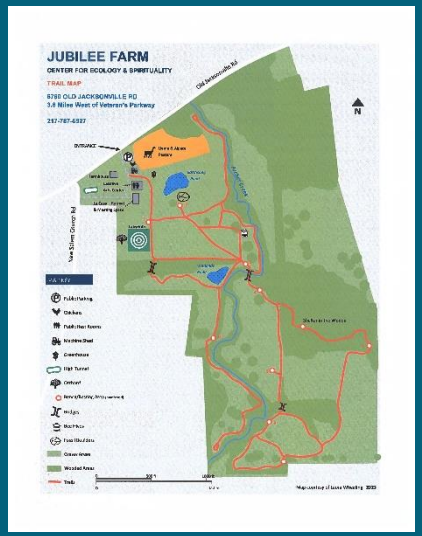
- 8 in Sangamon County – 922 acres
- 1 in Menard County – 860 acres
- 2 in Christian County – 1,953 acres
- 1 in Logan & Menard counties – 486 acres

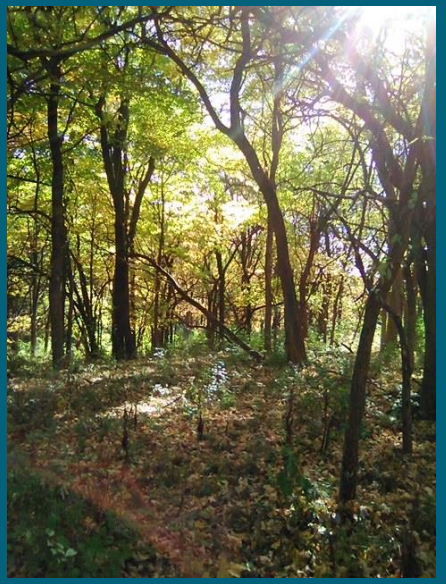


	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Acres	1309	1309	2169	2169	2255	2336	2697	2722	2722	2722	2722	2722	2722	2722	3208	4043	4043	4043	4043	4043	4043	4206
Easements	2	2	3	3	4	5	7	8	8	8	8	8	8	8	9	11	11	11	11	11	11	12

ON THIS VERY SPOT STOOD THE LOG CABIN
IN WHICH ANN RUTLEDGE DIED AUGUST 25, 1835
ON THE HILLSIDE TO THE WEST STOOD A
LARGE OAK TREE UNDER WHICH ABE LINCOLN
BITTERLY WEPT AFTER LEAVING THE SICK
ROOM OF ANN RUTLEDGE WHERE, THEIR LAST
• COMMUNION WAS HELD •

Jubilee Farm
164 Acres Preserved Forever





Your Land . . .
Conservation Now,
Preservation Forever

- Are you concerned about the future of your land?
- Do you wish to preserve the family farm as farmland?
- Would you like to promote controlled development, thereby reducing threats to prime farmland and natural areas?
- Do you want to reduce estate, capital gains, property and income taxes through conservation easements?

Protecting Your Farmland

Farmland protection is **your** decision about **your** land for **your** future generations. It is not zoning!

Your land can still be used for agriculture.

Your land can be passed on to **your** heirs or sold to another party with the assurance that **your** land will remain a farm.

This is Your Land!!

- Of the 72,651farms in IL, **approximately 86%** are family or individually owned.
- 2,436 farms were lost in Illinois between 2012 and 2017.
- As farm owners age, it is estimated that **70% of the farmland may change hands during the next 15 to 20 years.**

How the SCT Can Help You Plan for the Future

- Accept and hold conservation easements to permanently preserve property
- Accept tax deductible gifts of cash, land and other marketable assets to fund conservation and land preservation goals.
- Receive grants from organizations that fund not-for-profit groups.

Questions to Ponder . . .

What does the future look like for **your** farm?

Are you prepared to become the primary decision-maker for **your** farm at a moment's notice?

Are **your** children or **your** grandchildren going to be able to continue farming the land that has been in **your** family for years?

Are you willing to do whatever it takes to save **your** farm for **your** future generations?

We look forward to working with you!

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Shelly Seman

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www.sangamonconservancytrust.org
www.landtrustalliance.org
for resource information on conservation easements

Thank You!

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