



## CONSERVATION EASEMENTS FREQUENTLY ASKED QUESTIONS

CCALT Founder and Steamboat rancher, Jay Fetcher notes, “You shouldn’t even be considering a conservation easement unless two things have happened: (1) you’ve run the numbers and it makes financial sense for you and your family; and, (2) you feel in your heart it’s the right thing to do.”

Our objective in the Frequently Asked Questions section is to address typical concerns and answer some common questions regarding conservation easements, so that landowners can make a better-informed choice regarding whether a conservation easement is the right option for their particular situation. This document has been broken into four (4) sections:

- (1) **The Basics** – what is a conservation easement, what rights are conveyed in a conservation easement, how long does the process take, etc.
- (2) **The Financial Aspects** – this section details how conservation easements are valued, what the associated costs are, and what the potential associated financial incentives are;
- (3) **The Specifics** – this section details specific information related to water rights, oil and gas development, renewable energy, condemnation, and other specific issues that landowners often have questions on; and,
- (4) **Stewardship** – this section details the relationship between the land trust and landowner once the conservation easement has been completed.
- (5) **Additive Conservation** – this section details CCALT’s Additive Conservation program which assists landowners to enhance and restore conservation values on conserved working lands, supporting the resiliency of agricultural operations.

### Section 1. The Basics

---

**1.1 What is a conservation easement?** A conservation easement is a voluntary agreement that a landowner may enter into with a qualified conservation organization (typically a land trust such as CCALT). The main purpose is to restrict certain forms of development and uses of the landowner’s property in order to protect certain resources, defined in the conservation easement as “conservation values”. For example, agricultural

conservation easements are designed to keep land available for farming or ranching and often limit non-agricultural commercial development. Conservation easements are perpetual, meaning they last forever. Once an easement is in place, it can only be removed in extremely limited circumstances typically requiring either a judicial proceeding or condemnation. Every conservation easement is unique and subject to conditions agreed upon by the parties.

### **1.2 What rights are typically conveyed to the designated land trust?**

- The right to share in proceeds from a condemnation action that affects the property;
- The right to enforce the terms of the conservation easement;
- The right to be a party to all negotiations of third-party requests to use the land. Specifically, this relates to negotiations for oil and gas leases, surface use agreements, right-of-way and other access agreements, public access agreements, restoration and environmental attribute (e.g., carbon credit) contracts, etc. (**NOTE:** this right does not include the right to be a party to the negotiations of agricultural and recreational-based agreements).

### **1.3 What rights are typically limited or prohibited by the conservation easement?**

- All residential development rights are extinguished except for those specifically retained by the landowner in the deed of conservation easement.
- The construction of major structures such as barns and processing facilities is limited to areas defined in the easement as “Building Envelopes”. The construction of minor agricultural structures (for example, loafing sheds) and recreational structures (for example, hunting blinds) is permitted to continue across the property.
- Subdivision of the property is prohibited or limited to specific parcels/parts of the property that may be divided and sold separately.
- The construction of roads and utilities is limited to only what is necessary to support the permitted uses of the property.
- The construction of commercial scale renewable energy installations is prohibited.

**1.3 How are my private property rights affected by a conservation easement?** With regard to land, or “real property,” private property rights include the right to reasonably develop and use the property. By entering into a conservation easement, a landowner is voluntarily restricting their development and usage rights. Other private property rights include the right to sell or lease the property, as well as the right to exclude others from accessing the property. Typically, conservation easements do not significantly impact these other rights, and the landowner retains full title to the property and all other rights not transferred under the easement.

The easement is specifically tailored to the property owner’s wishes. Thus, current use and management of the land is usually maintained, with minimal to no impact on day-to-day activities. Indeed, in a well-crafted document, the only rights given up are often rights that the property owner had no intention of exercising, such as the right to build a subdivision or shopping mall. In addition, conservation easements often do not prohibit all development and the property owner can designate areas to be used for buildings, such as barns and other agricultural structures, or home sites. An easement does give the land trust certain rights, such as the ability to enter the land during “monitoring visits,” to ensure the terms of the easement are being upheld,

and to enforce restrictions on the use of the land in accordance with the terms of the conservation easement. Monitoring visits occur annually, are always coordinated with the landowner, and the landowner is typically present for the monitoring visit.

**1.4 Does a conservation easement require public access?** No. Public access is not a requirement for conveying a conservation easement.

**1.5 Why would I want to give up any of my property rights?** One of the most cited reasons for pursuing a conservation easement is the landowner's desire to protect the condition and uses of his or her land long into the future. For instance, by granting a conservation easement the owner of a family farm or ranch ensures that the property remains available for agriculture and is not subdivided or developed. In addition, there are a variety of financial incentives and tax benefits available for landowners who convey conservation easements.

**1.6 Who owns the land after a conservation easement is conveyed?** The landowner retains ownership of the property after a conservation easement is conveyed.

**1.7 Do I have to grant a conservation easement over all of my land?** In general, a conservation easement does not have to encompass an entire parcel of land and can include provisions allowing landowners to reserve portions of the property as future building sites free from development restrictions. Excluding portions of your property from the conservation easement is an option that may afford landowners more options in the future, but it likely will result in a reduced conservation easement value. It is also important to note that CCALT prefers to work on entire parcels and has established minimum standards for conservation easements including minimum acreage standards.

**1.8 Who chooses the designated land trust?** The landowner will choose the land trust that best suits their goals, objectives, and interests and will negotiate the specific terms of the deed of conservation easement.

**1.9 How long does it take to convey a conservation easement?** The conveyance of a donated conservation easement typically takes between 9 to 18 months to complete after it is approved by the Board of CCALT. However, purchased easements can take as long as 2 to 4 years, due to the amount of time it takes to secure funding and the various funding entities' approval processes.

## **Section 2. The Financial Incentives**

---

**2.1 How is a conservation easement valued?** Conservation easements are valued through a conservation easement appraisal. A conservation easement appraisal is basically two appraisals of the property – an appraisal of the property in its current (unencumbered) state (the “Before” value) and an appraisal of the property assuming the conservation easement has been conveyed and the restrictions described above have been imposed (the “After” value). The difference between the two appraisal values is the

conservation easement value and is the basis for which the landowner is compensated through tax incentives.

**2.2 What effect does a conservation easement have on the value of the property?** A conservation easement will typically reduce the value of a property between 25% and 60% depending on its restrictiveness, location, and type of property. **NOTE:** the value of the property will continue to appreciate after the conveyance of the conservation easement. However, the appreciation of the value of the property will be on the reduced value of the property as encumbered.

**2.3 How much does it cost to convey a conservation easement?** The fees and costs of the various due diligence components together are commonly referred to as “Transaction Costs”. The fees associated with the conveyance of a conservation easement include:

- (1) Project Fee due to CCALT to cover staff time and legal costs;
- (2) Stewardship endowment contribution due to CCALT to support CCALT’s perpetual obligations to monitor and steward its conservation easements (see more information on this in Section 4 below);
- (3) Legal defense endowment contribution due to CCALT to support CCALT’s perpetual obligations to enforce the terms of its conservation easements (see more information on this in Section 4 below);
- (4) The landowner’s legal, financial, and any other advisory fees;
- (5) Tax credit application fee due to State of Colorado; and
- (6) Colorado Cattlemen’s Association Lifetime Membership fee.

The conveyance of a conservation easement also requires the following due diligence, each of which must meet certain IRS, state, and/or CCALT requirements:

- (1) a baseline inventory report documenting the current condition of the property;
- (2) an appraisal to determine the value of the conservation easement;
- (3) a mineral remoteness assessment to determine the likelihood of mineral extraction;
- (4) a title policy;
- (5) an environmental hazards assessment (not always required); and
- (6) a water report if irrigation water rights will be encumbered by the conservation easement.

Together, these Transaction Costs typically range from **\$88,300** to **\$128,300** for a donated conservation easement and **\$104,800** to **\$174,300** for a bargain sale conservation easement, with the ranges due to the variability in complexity of a given project. See the table at the end of this document for a breakdown of the Transaction Costs.

#### **Transaction Cost Assistance Options**

Though competitive, funding opportunities from state and non-profit organizations are available to help offset a portion of transaction costs. CCALT and the landowner may work together to identify funding

opportunities and request support. Transaction cost assistance typically is provided as reimbursement after the closing of the conservation easement transaction.

If the landowner is unable to cover the up-front costs of the various due diligence reports that will be completed prior to closing (typically, the appraisal, baseline inventory report, mineral report, and (if necessary) the environmental hazards assessment), subject to availability, CCALT may be able to offer assistance through its Conservation Advancement Loan Fund (“CALF”), a CCALT fund specifically dedicated to this use. Any CALF funds used and a flat fee of 5% of any funds used are repaid at closing of the conservation easement, upon reimbursement of transaction costs, or upon the sale of tax credits.

#### **2.4 What are the differences between a donated conservation easement and a bargain sale easement?**

Donated conservation easement transactions occur when landowners donate the full appraised value of the conservation easement to the land trust and in return they are compensated through the federal and state tax incentives described in detail below. A bargain sale conservation easement transaction occurs when a land trust pays for a portion of the appraised value of the conservation easement. Landowners are paid in cash for the purchased portion (typically 50% or less of the overall value of the conservation easement) at closing *and* compensated through the tax incentives described below for the donated portion. Due to limited financial resources, purchased conservation easements are less common than donated conservation easements and are frequently subject to additional restrictions.

**2.5 What financial incentives can I expect to receive from granting a conservation easement?** There are five types of financial benefits that can accompany a conservation easement, (1) federal tax deductions; (2) estate tax benefits; (3) Colorado state tax credits; (4) property tax benefits; and occasionally, (5) cash. We will explore each in detail below.

##### *2.5(a) Federal Deduction*

A conservation easement may be treated as a charitable gift, making the value of the easement tax deductible. In order to qualify for the federal tax deduction, the easement must be: (1) perpetual; (2) held by a "qualified conservation organization"; and (3) serve a valid "conservation purpose," which includes (a) the preservation of land areas for outdoor recreation by, or education of, the general public; (b) the protection of a relatively natural habitat of fish, wildlife, plants, or similar ecosystem; (c) the preservation of open space (including farmland or forest land); and/or (d) the preservation of a historically important land area or certified historic structure. In addition, the value of the conservation easement must be determined by a “qualified appraisal”. The federal charitable tax deduction for the donation of a conservation easement is reduced by the value of any state tax credits received. After that reduction, you are allowed to deduct the donated amount up to 50% of your adjusted gross income, with a fifteen (15) year carry-forward period. Qualified farmers and ranchers are allowed to deduct the easement’s value up to one hundred percent (100%) of their adjusted gross income, with a fifteen (15) year carry-forward period. If you receive state tax credits for 90% of the donated value of the conservation easement, the federal charitable deduction may only be the remaining 10% of donated value.

### *2.5(b) Estate Tax Incentive*

Another important tax benefit is the reduction of estate taxes. Because estate taxes are based on the highest economic use of the parcel, these taxes can be substantial. This can put considerable financial strain on heirs and in many circumstances may force them to sell all or part of the land in order to pay estate taxes. Conservation easements can help prevent this and aid in the intergenerational transfers of intact properties. Conveying a conservation easement on your property will reduce the value of the land which in turn will reduce its taxable value for estate tax purposes. This can provide a significant reduction in the estate tax burden on family members and improve a family's ability to transfer the property to the next generation. In addition to this reduction in estate tax burden, qualified conservation easements can provide an additional \$500,000 estate tax exemption.

### *2.5(c) Colorado State Tax Credits*

A conservation easement donor ("Donor") is eligible to receive tax credits under Colorado law if they file a Colorado income tax return or if they otherwise qualify as a taxpayer pursuant to CRS 39-22-522(1)(b). Conservation easement tax credits may be used by the donor over a 20-year period beginning in the first year of the tax credit certificate's eligibility. The tax credits may also be sold to other Colorado taxpayers, or, in years of budget surplus, refunded by the State to the Donor in an amount not to exceed \$50,000 for any given tax year. For conservation easements donated in 2021 or later, tax credit certificates are issued for 90% of the donated value up to a maximum of \$5 million per donation. Credits in excess of \$1.5 million are issued in increments of up to \$1.5 million per year in future years.

After the conservation easement has been recorded, the Donor may complete an application on the Colorado Division of Conservation's (DOC) website. Following receipt of a complete application package, the DOC will issue a "Deemed Complete" letter and then will have 120 calendar days to issue the tax credit certificate(s). The tax credit certificate(s) allow the Donor to claim a tax credit on their state income tax. The tax credit is not a tax deduction, but rather a dollar-for-dollar reduction of state income tax liability. Moreover, the tax credit certificate(s) are transferable and can be sold.

#### **Example**

- Donor submits application to DOC after completing a conservation easement (CE) with CCALT. The appraised value of the CE is \$2.5 million.
- Maximum total tax credit amount: \$2.25 million (90% of \$2.5 million)
- Tax credit certificates issued in the amount of \$1.5 million and \$750,000.

Though the tax credit certificates are issued for different years, the Donor may transfer/sell the certificates to a willing buyer at any time. The certificates may not be used for tax purposes until their first year of eligibility.

Credits can be sold to individuals or businesses with state tax liabilities and typically sell for \$0.85 per dollar. **NOTE:** Landowners should sell conservation easement tax credits through a reputable tax credit broker. Brokers work throughout the year to identify buyers and match them with sellers. CCALT is building capacity to facilitate tax credit transactions on a limited basis and, depending on the availability

of buyers, may be able to work with you to sell your credits. If you are interested in working with CCALT to sell your tax credits, inquire with your CCALT Project Manager as your project progresses. The State of Colorado must certify all conservation easement tax credits prior to issuing the credits. Transfers of the credits are required to be reported to the State.

There is a \$45 million dollar cap per year for conservation easement tax credits issued by the state of Colorado. If the cap is exceeded, the Donor will receive a tax credit certificate for a future year.

#### *2.5(d) Property Tax Benefits*

Under Colorado law, for properties which are classified as agricultural at the time of easement, the conservation easement will lock in the property tax valuation at its agricultural value. Granting a conservation easement WILL NOT eliminate property tax burdens. The property will remain on the tax rolls and the landowner will remain responsibly for any property tax liabilities.

#### *2.5(e) Cash Payments*

Occasionally, CCALT can raise money from public and private funding sources to purchase a portion of a conservation easement with cash in a “Bargain Sale” transaction. The cash is paid to the landowner at closing. Typically, 50% of the appraised value of the conservation easement is purchased in a bargain sale transaction. The remaining 50% is treated as a donation and compensated through the various tax benefits described above.

Bargain sale transactions come with additional restrictions required by funding sources that are putting money towards the purchase of the conservation easement and typically take longer to complete. Cash received at closing in a Bargain Sale transaction can be used in a 1031 Exchange and/or can be used to cover the various transaction costs described above in Section 2.3.

### **Section 3. The Specifics (Water, Minerals, Renewables, Condemnation, etc.)**

**3.1 What is the relationship between my water rights and a conservation easement?** CCALT requires that any and all water rights beneficially used on the property be permanently tied to the land by the terms of the conservation easement.

**3.2 What is the relationship between mineral rights and a conservation easement?** The nature of the relationship between mineral rights and conservation easements depends on who owns the mineral rights and the type of mining involved.

#### *Surface Mining:*

Due to the incompatibility of surface mining and conservation easements, the tax code prohibits surface mining. It is important to note that the definition of surface mining **does not** include oil and gas extraction.

If the mineral estate is split or severed (all or a portion of the mineral rights and surface rights are owned by different parties), the owner of the mineral estate will usually have the right to reasonably use the

surface to extract the minerals underneath. In some instances involving a split estate, the surface owner may not be eligible for the tax deduction unless they can demonstrate that the probability of surface mining on their land is “so remote as to be negligible.” This determination must be made by a certified geologist, who will complete a mineral remoteness assessment (commonly called a mineral report), which will document the existence and commercial viability of any minerals present on or under the property. CCALT recommends obtaining a mineral report even if the mineral estate is whole if federal or state patents contain language allowing a proprietor to follow a vein or lode, even though this right is not a mineral severance.

If the landowner owns the minerals rights, the conservation easement donation will be eligible for tax benefits if the conservation easement contains a provision explicitly prohibiting surface mining. This prohibition not only applies to gravel extraction for commercial use but also applies to personal and on-ranch use.

*Subsurface mining:*

Oil and gas development is considered subsurface mining. Oil and gas development can be compatible with conservation easements if the development is “limited, localized and not irretrievably destructive of the conservation values”. CCALT will work with landowners to negotiate leases and surface use agreements to ensure that any oil and gas development occurs in a manner that is consistent with federal and state law.

**3.3 What is the relationship between conservation easements and my renewable energy development rights?** Given increased public and commercial interest in renewable energy, it is important to consider the impact that a conservation easement will have on the ability to develop renewable energy on protected land. Currently, commercial scale renewable energy projects (i.e. wind farms, solar farms, etc.) are **not** considered to be compatible with conservation easements. However, limited small scale renewable energy projects that are done primarily for the generation of energy for “on farm/ranch” purposes are considered to be compatible with conservation easements.

**3.4 Can I sell my property if I encumber it with a conservation easement?** Yes. Landowners retain ownership of the property and all other rights that are not conveyed in the deed of conservation easement. However, a conservation easement can extend the period of time it takes to sell a property and it will likely reduce the overall price for which the property can be sold. A small transfer fee is also due to the land trust at the time of sale.

**3.5 Will a conservation easement prevent condemnation?** No. However, a conservation easement will make condemnation more difficult. In any condemnation proceeding, the condemning entity must pay the full fair market value of the property as if there were no conservation easement in place. The condemnation award will be split between the landowner and the land trust based on the conservation easement appraisal that was completed at the time the conservation easement was completed.



**3.6 Will a conservation easement tie the hands of my heirs?** A conservation easement is intended to restrict certain activities from occurring. These restrictions are in perpetuity and will therefore continue to tie the hands of future owners. It is essential that the landowner and land trust give a great deal of thought to the restrictions that are contained in the conservation easement. Furthermore, CCALT encourages landowners to include their families in the process to ensure that the restrictions that are negotiated are understood and agreed upon.

**3.7 Do banks offer loans on land encumbered with a conservation easement?** Because conservation easements reduce the value of the property, the size of a loan available for mortgaging a property will be reduced, but banks will continue to offer loans that are collateralized by property encumbered by a conservation easement. As conservation easements typically prohibit the subdivision of the property, a mortgage will likely have to encumber the entire property.

**3.8 Can I complete a conservation easement on my property if there is an existing mortgage?** Conservation easements can be placed on property that is currently mortgaged; however, doing so requires a subordination of the mortgage by the lender prior to conveyance of the conservation easement.

**3.8 Do I have to fear an IRS audit if I put an easement on my property?** Although there is no way to predict the actions of the Internal Revenue Service, the vast majority of conservation easement transactions completed over the last 30 years have not received undue scrutiny. As with any charitable donation, following the IRS regulations and the national Land Trust Alliance's Standards and Practices will make it easier for a landowner to defend themselves in the event of an IRS audit. With all that being said, in the past decade there have been a number of Colorado easements that have been audited. Prudent advice to a landowner is to thoroughly investigate the land trust you intend to partner with and choose the contractors that complete the due diligence requirements wisely. A reputable land trust will assist a landowner in the selection of these contractors and will work with the landowner and the contractors to ensure that all aspects of the transaction satisfy the requirements of the Treasury Regulations and IRS code.

## **Section 4. Conservation Easement Stewardship and Monitoring**

---

**4.1 How does CCALT approach its relationship with landowners who have conservation easements on their property?** CCALT's stewardship philosophy promotes private land stewardship and ensures the defense of every CCALT-held conservation easement. Landowner relationships represent the foundation of our stewardship program. CCALT believes that personal, honest, and open relationships with each of our landowners is the best way to ensure that our perpetual stewardship obligations are met. Because the agricultural community differs in significant ways from the larger landowning community, CCALT intentionally employs a unique approach to stewardship with its landowners. This concept is based upon, (1) a deep understanding of the agricultural community in which we operate; and, (2) a great respect for privacy and recognition of a landowner's ability to make individually responsible management decisions related to the day to day activities on protected properties. CCALT monitors each conservation easement

annually and works diligently with landowners to resolve stewardship-related issues quickly and efficiently.

**4.2 How do monitoring visits work?** The purpose of monitoring visits is twofold, (1) to ensure that the terms of the easement are being followed and, (2) to continue building the relationship with the landowner. Typically, monitoring visits occur once each year, typically sometime between May and October. CCALT contacts landowners in advance to determine a mutually agreeable date and time to conduct the monitoring visit and landowners typically accompany CCALT staff on monitoring visits.

**4.3 How does CCALT pay for its Stewardship, Monitoring, and Legal Responsibilities after the conservation easement is recorded?** After the easement is completed and recorded, CCALT takes on the perpetual obligations to uphold the terms of the easement. To support this on-going, long-term monitoring and enforcement, CCALT requests donations to the Stewardship Endowment Fund and the Legal Defense Fund.

The Stewardship Endowment satisfies IRS requirements that easement holders "must have the resources to enforce the restrictions" of the easement. Contributions to the Stewardship Endowment Fund are used to generate income for the annual monitoring of the easement, to assist the landowner in interpreting the easement and exercising reserved rights, and to maintain good landowner relationships. The Stewardship Endowment Fund is held in a professionally managed investment account and is your insurance policy that CCALT will remain a strong, viable organization with the means to monitor the property.

The Legal Defense Fund is used to defend and enforce our conservation easements and is a vital component to protecting the long-term viability of the organization. This fund is also held in a professionally managed investment account and a money market account, segregated from operating funds.

## **Section 5. Additive Conservation**

---

**5.1 What is additive conservation?** Additive Conservation builds on the foundation of CCALT's conservation easements and our perpetual commitment to working lands and stewards to deliver additional conservation outcomes and incentives that contribute to the long-term resiliency of agricultural operations and conserved working lands. CCALT believes it is critical to support landowners and communities in the maintenance, restoration, and enhancement of working lands and the natural resources they possess. Through the program, CCALT supports landowners of conserved properties to implement projects that achieve long-term stewardship goals and enhance conservation values.

**5.2 How does the additive conservation program support landowners who have conservation easements on their property?** *Additive conservation projects are entirely voluntary and are not required*

*of landowners with CCALT conservation easements.* CCALT believes landowners are the best stewards of their property and leaves land management decisions entirely to landowners. Additive conservation projects often have multiple objectives that support both operational and ecological needs. CCALT's three current resource priorities include: grassland health & grazing efficiency, fire mitigation & forest health, and water infrastructure. CCALT is actively building technical and financial assistance partnerships to bring greater resources to landowners of conserved properties. CCALT has also developed an internal source of funding, the Agricultural Resiliency Fund (ARF), to provide financial resources to projects that address resource concerns and leverage other public and private funding opportunities. In addition to supporting projects through technical and financial assistance, the program is also developing opportunities for working landowners to access ecosystem service markets. Such markets can increase and diversify revenue streams for landowners interested in conservation, and adequately incentivize management practices that support a property's conservation values.

CCALT's additive conservation staff can provide a range of services to landowners interested in potential projects. Currently, CCALT is primarily focused on supporting additive conservation projects on properties with CCALT conservation easements. Staff are always available to discuss potential funding or technical assistance opportunities which might be aligned with a proposed project. Greater engagement can involve grant writing, support enrolling in state or federal conservation programs, or direct project management.

\*\*\*

While both the benefits and costs are important to understand when deciding whether to pursue a conservation easement or not, the decision essentially comes down to answering two questions, (1) does it make financial sense? and (2) do you believe in your heart that encumbering the property is the right thing to do? Answering those questions can be difficult, but there are several resources that can help landowners make the right decision for their land and their family. The CCALT website is full of information dedicated to helping landowners educate themselves on conservation easements, and CCALT staff members are more than willing to spend time talking with landowners about the costs and benefits of conservation easements and can direct landowners to other reputable resources.

For more information or to talk to someone about the costs and benefits of conservation easements in general, please contact CCALT at 303.225.8677.

SERVICE	AMOUNT	NOTES
<b>Transaction Costs Due At Closing</b>		
Title services, including title policy, & closing costs	\$2,500 - \$12,000	Final amount is largely dependent on appraised value of conservation easement.
CCALT Stewardship Endowment Contribution	Donated: \$25,000 Bargain Sale: \$28,500	This fee may be increased for additional risk factors.
CCALT Legal Defense Fund Contribution	\$7,500	
CCALT Project Coordination Fee	Donated: \$12,000 Donated w/ transaction cost assistance: \$15,000 Bargain Sale: Tiered depending on amount raised \$20,000 - \$32,500	\$1,000 will be due up front when the CCALT Board approves the project. For a bargain sale, an additional \$1,500 is due at the time the first grant application is submitted. The remainder of the fee is due at closing.
CCALT Legal Expenses	Donated: \$5,000 - \$10,000 Bargain Sale: \$10,000 - \$25,000	CCALT expects landowners to cover CCALT's legal costs.
CCA Lifetime Membership	\$5,000	
Colorado Conservation Tax Credit Application Fee	\$11,300 (2024 fee; subject to change annually)	Cost of the Division of Conservation's review and certification of the tax credits. <b>Due upon submission of tax credit application after closing.</b>
Water Report	\$750-\$1,500	Required if all or a portion of the property is irrigated.
Your legal and other advisory fees	\$ unknown	CCALT expects landowners to obtain independent legal counsel and financial advice. Timing of payment dependent on your agreement.
<b>Transaction Costs Due Prior to Closing</b>		
Conservation Easement Appraisal	Donated: \$15,000 - \$25,000 Bargain Sale: \$15,000 - \$35,000	Required by IRS for obtaining tax incentives.
Baseline Inventory	\$4,500 - \$8,500	Required by IRS for obtaining tax incentives.
Mineral Report	\$3,000-3,500	Only required if landowner does <b>not</b> own all of the mineral rights.
Environmental Hazards Assessment	Typically Bargain Sale only: \$2,500 - \$5,000	Environmental reports are only required in a bargain sale situation where the report is a condition of funding.
<b>TOTAL RANGE</b>	<b>Donated Conservation Easement: \$88,300 - \$128,300 Bargain Sale Conservation Easement: \$104,800 - \$174,300</b>	