

## **Options for Landowners, Conservation Tools and Strategies for Protecting Open Space and Farmland**

***Fee Simple Acquisition/Fair Market Value*** - Outright purchase of full title to land at fair market value. Value is determined by a qualified appraiser, in the case of a sale to a municipality, the appraisal will be paid for by the municipality.

***Purchase of Development Rights*** - Landowner sells all or part of a property's development rights to a municipality or non-profit conservation organization, while still retaining ownership and the right to certain land uses such as farming.

***Bargain Sale*** - Sale of fee title or development rights to a charitable organization at less than fair market value. The difference between the sale price and the landowner's appraised value may be considered a charitable donation which may provide a tax benefit.

***Outright Land Donation*** - Donation by a landowner of their interest in property to a municipality or non profit can create a significant income tax deduction.

***Like-Kind Land Exchange*** – This is a tax free transaction in which a landowner's property is exchanged for another similar property. Landowners may defer the capital gains tax on the sale of the property, or its development rights.

***Conservation Easement*** – Similar to a Purchase of Development rights in that the Landowner voluntarily decides to restrict the parcels use through gifting or a sale while still maintaining the ownership of the property. An easement may greatly reduce estate taxes allowing the property to more easily be transferred to the next generation.

***Tax-Exempt Installment Sale*** - A long-term contract to sell property or associated development rights can be negotiated between the landowner and municipality and/or non-profit organization, providing significant tax relief.

***Blending of the above options*** - Land conservation is fostered by combining various land protection tools and/or by designing other site-specific preservation arrangements.