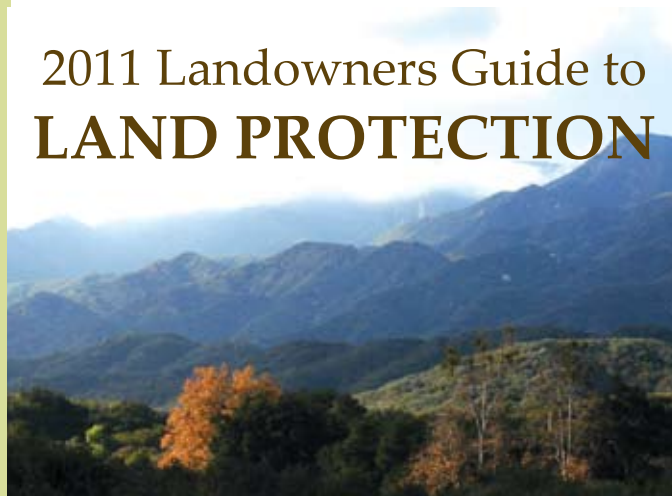


# 2011 Landowners Guide to LAND PROTECTION



## WHY PROTECT YOUR LAND?

Making a permanent commitment to keeping your land open or available for agricultural use is a wonderful way to leave a legacy in the Ojai Valley, and the best way to ensure that outstanding qualities of your land are protected forever. Making this commitment *now* may also result in a substantial financial benefit for you, especially under the new 2011 tax laws.



### Headquarters

370 Baldwin Road Bldg A-4  
Ojai, CA

### Mailing address

PO Box 1092  
Ojai, CA 93024

Phone 805.649.6852

Fax 805.649.8913

### Email

info@ovlc.org

### Learn more at

WWW.OVLC.ORG



Many people in the Ojai Valley have been exemplary caretakers of their land and some have made the decision to permanently protect what they have come to love about it. It may be the land's scenery, its wildlife, or its rich agricultural tradition.

There are many ways to accomplish your land protection goals. The Ojai Valley Land Conservancy (OVLC) would enjoy discussing the options and incentives that may be available to you as you think about the legacy you will leave in the Ojai Valley.

Thank you for your care of your land, and for your consideration of a commitment to its permanent protection.



Roger Essick, President  
Board of Directors,  
Ojai Valley Land Conservancy

## WHAT IS LAND PROTECTION?

"Land protection" is a voluntary commitment by a landowner to permanently preserve land either in its natural condition, or as working farm or ranch land. Landowners can permanently protect their land by conveying it to OVLC, or they can maintain ownership and control of the land while protecting it with a voluntary land preservation agreement in the form of a "conservation easement" or an "agricultural conservation easement". Land and easements can be donated to the OVLC, or at times sold if funding is available. Donations may trigger substantial tax benefits for the landowner.

The OVLC does not seek to acquire working farms and ranches. Agricultural easements are used to protect these lands which remain in private ownership.

Land with structural improvements can still be protected if the property contains adequate conservation or agricultural value.

The Ojai Valley Land Conservancy (OVLC) is a private, non-profit, non-governmental organization which has been working for 24 years to protect forever the views, trails, water, wildlife and agricultural lands that make the Ojai Valley the special place it is. With decades of land protection experience among its staff and Board, the OVLC has helped community members permanently protect nearly 2,000 acres of spectacular Ojai Valley lands through acquisition and voluntary preservation agreements. The OVLC works throughout the upper Ventura River basin, accepting donations of or purchasing land and easements.

The information provided in this brochure is not meant to represent or replace legal, accounting or other financial advice which landowners are encouraged to seek from their professional advisors.

## Donating or Selling Land

Landowners can permanently protect their land by conveying it to the Ojai Valley Land Conservancy in a donation or sale, or at a later date via a “retained life estate” or in their will.

**Simple Donation or Sale** Through a donation or a sale to the Ojai Valley Land Conservancy, protection of the property is accomplished and the landowner is relieved of land management and property tax liabilities.

At times the Ojai Valley Land Conservancy is able to raise money to purchase land at or below



market value (“bargain sale”) when the land is of interest to grant sources whose goal is to protect the habitat of rare or endangered species. High quality habitat for these species is often found along the Ventura River and its major tributaries.

A donation or a bargain sale of land may result in substantial income tax, capital gains tax, and estate tax savings.

**Retained Life Estate** An alternative way to protect land that you live on is to donate a “remainder interest” in your property to the OVLC, and retain a “life estate” – the right to live on the property until your death, or a specific time in the future when title to the property passes to OVLC. You may generate an immediate tax deduction when the gift is made while retaining the right to continue to live on the property.

**Donating land by will** Although you forego an immediate tax benefit, you can protect your land by donating it in your will.

**Learn more at**

[www.ovlc.org/make-an-impact/planned-giving](http://www.ovlc.org/make-an-impact/planned-giving)

## CONSERVATION EASEMENTS

The most common way to permanently protect land in a natural or semi-natural state is through a “conservation easement”. A conservation easement is voluntary land preservation agreement in which landowners voluntarily and permanently limit land uses that would harm its scenic qualities and habitat values. The landowner maintains ownership, management, and control of the land. An easement may apply to all or a portion of the land, and need not require public access. The landowner can sell or mortgage the land, or leave it to heirs. The land use restrictions run with the land. These restrictions are summarized in a legal document, a “Deed of Conservation Easement”, which is recorded and attaches permanently to the title to the land. Conservation easements are essentially irreversible, and are rarely amended except to make them more restrictive.

Every conservation easement is as unique as the land it protects, and while certain terms are non-negotiable, many terms are negotiated by the landowner and the Ojai Valley Land Conservancy. Typically, easements include restrictions on clearing native vegetation (except for fire/safety), introducing non-native

vegetation, building new structures or roads, or subdividing the property. The right to maintain existing structures, roads, fences, etc. is typically retained by the landowner. There can be exceptions depending on the land and the owner’s wishes, so landowners should ask OVLC about their particular situation. Federal law requires the Ojai Valley Land Conservancy to inspect the property annually to ensure that the restrictions are being honored, and to engage the landowner in the event of a violation.

Landowners can donate a conservation easement, or infrequently a conservation easement may be purchased by OVLC at a price at or below its appraised value. The more limiting the restrictions on use of the property, the greater the appraised value of the easement.

Significant financial benefits can accrue to landowners who place a conservation easement on their land. In the event that the easement is donated or sold at a bargain sale, the donated portion of the value can qualify as a tax-deductible charitable donation. Through December 31, 2011, an enhanced federal income tax deduction for donated conservation easements:

- Raises the deduction donors can take from a maximum of 30% of their income to 50%;
- Allows farmers and ranchers to deduct up to 100% of their income (see the Agricultural Easement section of this brochure); and
- Increases the number of years over which donors can take deductions from 6 to 16.

Because a conservation easement typically lowers the market value of the land, placing a conservation easement on your property can lower capital gains tax exposure in a sale, and estate tax liability. Landowners should always consult with their own attorney and financial advisors when considering protecting their land with a conservation easement.

A green rectangular box with a white border containing text about Conservation Subdivision. The background of the box is a blurred image of green foliage.

### Conservation Subdivision

A relatively new law in Ventura County exempts landowners from minimum lot size requirements in a subdivision of their property if the purpose of the subdivision is to create a parcel that is donated or sold to a qualifying conservation organization like the Ojai Valley Land Conservancy. Additionally, the process for completing this “conservation subdivision” has been made easier by allowing subdivision to occur through the less burdensome “parcel map waiver” process. Call the OVLC or visit Ventura County’s website for additional information.

[http://www.ventura.org/rma/planning/pdf/brochures/Donate\\_Land.pdf](http://www.ventura.org/rma/planning/pdf/brochures/Donate_Land.pdf)

## Agricultural Easements

The Ojai Valley Land Conservancy recognizes the importance of agriculture in the Ojai Valley from an economic, scenic, and cultural standpoint. The OVLC does not want to purchase agricultural lands, but seeks to help farmers and ranchers keep their land permanently available for agricultural use through agricultural conservation easements. Such easements are similar to conservation easements, but they are specifically tailored to working farm and ranch lands.



The primary ways an agricultural easement differs from the conservation easement description in this brochure are:

- Different land use restrictions. Restrictions pertaining to manipulating vegetation, and building/maintaining roads and structures, etc., are relaxed to accommodate farming and ranching practices.
- Greater federal income tax deduction. For donated agricultural easements, farmers and ranchers can deduct up to 100% of their income, not 50%. See the 2011 tax benefit summary in the Conservation Easement section.
- Different potential property tax reduction options. While an agricultural easement does not automatically trigger a property tax reduction, the easement would be compatible with an LCA agricultural contract which may provide some tax relief.