Donated Easements: Who pays for what?

If I donate an agricultural easement to a land trust, what will my out-of-pocket costs be?

Different land trusts have different policies. At MFT, we cover many costs, and the easement donor is responsible for some other costs:

- **We cover:**
  - all staff time involved in working with you.
  - the cost of preparing a draft easement for your review.
  - the cost of finalizing that easement after your review.
  - title insurance or attorney’s certification of title.
  - preparation of baseline data (as required for any easement).
  - filing fees at the registry of deeds.

- **You cover (with some exceptions, noted below):**
  - an attorney to review the draft easement that MFT prepares.
  - any accountant you may wish to engage to advise you on tax consequences.
  - an appraisal, if you decide to seek an income tax deduction. NOTE: You only need an appraisal if you plan to count the value of the easement as a charitable contribution for tax purposes.
  - a “stewardship contribution” NOTE: MFT and most other land trusts use a stewardship contribution to generate annual revenue to cover the ongoing costs of monitoring the easement. Having these funds in the land trust’s accounts are to the benefit of the donor, as they ensure that the easement will be monitored and enforced in perpetuity. MFT calculates the stewardship contribution needed for each property, based on the property’s size and other characteristics. Generally, the amount is somewhere between $10,000 and $20,000. Yet we recognize that you may not be in a position to contribute this much, For this reason, MFT will at times raise some or all of these funds through other sources, in order to make a good project happen.

You can contact us at any time for more information, with your questions or concerns, or to start a conversation about protecting your farmland.

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