

Rights and Interests in Land that Can be Acquired

| RIGHT OR INTEREST | EXPLANATION | ADVANTAGES | DISADVANTAGES |
|--|--|---|---|
| Fee Simple Ownership | Full title to land and all rights associated with land. | Owner has full control of land. Allows for permanent protection and public access. | Can be expensive; ownership responsibilities and liabilities. |
| Conservation Easement/ Development Rights | Legal agreement between landowner and qualified non-profit or government agency, transferring partial interests in land. As ownership changes, the land remains subject to the easement restrictions. Restrictions are negotiated to meet goals of landowner and easement holder while protecting resources. | Permanent protection; less expensive than fee purchase. Landowner retains ownership; property remains on tax rolls (possibly at reduced rate). Landowner may receive cash or tax benefits for qualified easement. | Public access not required (but may be acquired or granted). Easement must be monitored and enforced by holder. |
| Lease/Management Agreement | Land is leased and/or subject to management agreement for specified number of years to an organization, agency or individual with restrictions on how it can be used. | Low cost for use of land; landowner receives income and retains ownership control and responsibilities. | Temporary. Affords only limited control of property. |
| Mutual Covenants | A group of landowners agree to restrictions on their land use. May not involve an organization/agency. | Low/no cost to organization or agency. | Can be nullified by subsequent agreement of owners. No income or estate tax benefits. |
| Reserved Life Estate | Land is acquired (through purchase or donation) but owner (or others designated) continues to live there, usually until death. | Landowner retains use and management responsibilities. | |
| Undivided Partial Interest | Interest in land is acquired over several years, until organization or agency has full ownership. Until then, ownership is split with each fractional interest extending over the whole parcel. | Prevents one owner from acting without the consent of the others. Eventual full ownership/control. | Prevents one owner from acting without the consent of the others. Eventual full ownership/control. |

Ways that Title Can Be Acquired

| TECHNIQUE | EXPLANATION | ADVANTAGES | DISADVANTAGES |
|-------------------------------|--|---|--|
| Fair Market Value Sale | Land or conservation easement is acquired at its highest and best use (based on appraisal). | Highest sale income to seller. | Can be expensive to acquire and ownership responsibilities include liability and maintenance. |
| Bargain Sale | Part donation - part sale; property/ easement is sold at less than fair market value. | Tax benefits to seller since difference between fair market value and sale price is considered a charitable contribution. Smaller capital gains tax. | Seller must be willing to sell at less than fair market value. Can still be expensive to acquire and ownership responsibilities include liability and maintenance. |
| Outright Donation | Donation of all interest in property or easement. | Allows for permanent protection without direct public expenditure. Tax benefits to seller since property's fair market value is considered a charitable contribution. | Ownership responsibilities include liability and maintenance. |
| Bequest | Landowner retains ownership until death; conservation easements can also be bequeathed. | Management responsibilities usually deferred until donor's death. | Date of acquisition is uncertain. Donor does not benefit from income tax deductions. Landowner can change will. |
| Reserved Life Estate | Landowner sells or donates during life but retains for oneself or designates others to have lifetime use of some or all of property. | Landowner retains use but receives some tax benefits if there is a donation/bargain sale. | Date of acquisition and control uncertain. In meantime must ensure that life tenants maintain property per agreement. |
| Land Exchange | Exchange of developable land for land with high conservation value. | Low-cost technique if trade parcel is donated; reduces capital gains tax for original owner of protected property. | Properties must be comparable value. Complicated and time consuming. |