

# Post Independent

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## Interest in conservation easements rising, AVLT says

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As the oldest land trust in Colorado, Aspen Valley Land Trust has taken thousands of acres of ranch land and wildlife habitat under its protecting wings.

Since 1967, AVLT has conserved 14,800 acres. The trust holds conservation easements on 139 properties in the Roaring Fork and Colorado River valleys.

AVLT associate director Shannon Meyer, who spoke at Ag Day in New Castle Wednesday, said interest in conservation easements has been on the rise among landowners in the area over the past few years.

Conservation easements are especially popular with ranchers and farmers whose land has increased exponentially in value because of their potential for residential development in mountain resort areas, far outweighing its value as agricultural land.

By placing a conservation easement, a landowner essentially gives up the right to develop the land and restricts its use for agriculture or as open space. The land then loses its highest value and is assessed at a lower rate, which in turn lowers property as well as estate taxes.

Currently estate taxes run at 48 percent of the assessed value. Many ranches have been sold off to pay those taxes and conservation easements are a means to keep long-held property in the family.

Meyer said a \$2 million property of about two acres placed in a conservation easement could see its value reduced by 50 to 80 percent. However, Meyer said she's seen a trend recently where such properties are becoming attractive to buyers.

"People want to buy agricultural land with conservation easements," she said. She expects the trend to continue as larger properties - of a few hundred acres - become scarcer as land continues to be developed in the valley.

This year, landowners who place their property in a conservation easement can give up to \$4 million in development value and be exempt from estate taxes, Meyer said.

Exemption rates have climbed every year since the late 1990s but are set to either expire or be reduced in 2011, she added.

The newest benefit is a Colorado conservation tax credit.

"It's the most generous in the country," Meyer said.

It allows up to \$260,000 in tax credit on gross income and can also be sold at 80 percent to 90 percent return on the dollar. AVLT brokers such sales, Meyer said.

Conservation easements are also becoming something of a bargaining chip in areas where oil and gas development is taking place. As of last year, more than 2,000 acres of land in the Dry Hollow and Divide Creek areas south of Silt, where oil and gas development has gathered speed over the past few years, have been placed

in conservation easements.

While it does not prevent gas drilling, Meyer said, "we have found some (gas development) companies sensitive to people who want to see their land preserved," she said. "Perhaps the conservation easements have made the company more sensitive to the footprints they put on a property."

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