

Pee Dee
Land Trust



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A guide to land protection and conservation easements



Identifying the Pee Dee Watershed

The Pee Dee Watershed has continued to be one of the most productive agricultural areas in the state, even as farming has evolved over time. It is also a region with subtle geographic variations, places that intrigue botanists and expanses that entice outdoorsmen for hunting or exploring the black-water swamps and creeks that intermingle with red rivers and high bluffs. Travelers are intrigued by the crossroads communities and the tree-lined roads. They trace their ancestry back to the region – counting among their kin Revolutionary War soldiers who fought with General Francis Marion, leaders and laborers in driving the economy of the region and state. From the headwaters along the North Carolina border, through the entire Pee Dee Watershed, all the way to the Winyah Bay in Georgetown, Pee Dee Land Trust is working to protect the places we love, and make our area so special.

The long-time farming operations have kept intact some of the most notable areas of the Pee Dee. Hundreds of thousands of acres are still in crop or forest land in the region. Private ownership has enabled those who love the land to continue to live on and work it.

Rural populations and the layout of farm upon farm depend on the similarity of surrounding land uses in order to continue traditional lifestyles, protect the clean air and water, reduce pressure on the water bodies, alleviate the congestion on roads, and sustain the distinctiveness of the region.

This watershed encompasses nine* counties that border the Great Pee Dee River and Pee Dee Land Trust (PDLT) currently works in all of them, including Chesterfield, Darlington, Dillon, Florence, Georgetown, Horry, Marion, Marlboro, and Williamsburg Counties. *PDLT also holds conservation easements along the Lynches River in Lee and Sumter counties.

By the close of 2020, PDLT had directly helped protect more than 38,000 acres with conservation easements and taken ownership of two nature preserves totaling 267 acres. From small farms to large tree plantations, to significant historical sites and extensive riverbottom forests, important places are being voluntarily protected by their owners. However, significant farms and forests are being irrevocably converted every year so proactive strategic land conservation now is crucial to protect the resources that sustain our area.

PDLT provides an opportunity for those who have long been interested in preservation of the land and for those who are new to the concept. Through PDLT, conservation easements on privately owned land will ensure the significant natural, agricultural and historical resources are permanently protected from industrial development and segmentation. For their generosity in helping protect special places, and while still serving as stewards of the land, there are often tax benefits for families and corporations. This booklet is designed to answer basic questions about our organization and about conservation easements. Before initiating any easement transaction, a landowner should first consult his or her legal and tax advisors, then discuss with the land trust the characteristics of their property that make it appropriate for permanent protection.

Established in 1999 as a wetlands mitigation service project of the Pee Dee Resource Conservation and Development Council, the organization expanded its efforts and its geographic reach, growing into an independent organization with precedent-setting success in land protection. Its impact as an organization will be visible throughout the Pee Dee Watershed for generations to come.



MISSION

The mission of Pee Dee Land Trust is to conserve, and to promote an appreciation of, the significant natural, agricultural, and historical resources of the Pee Dee Watershed in South Carolina.

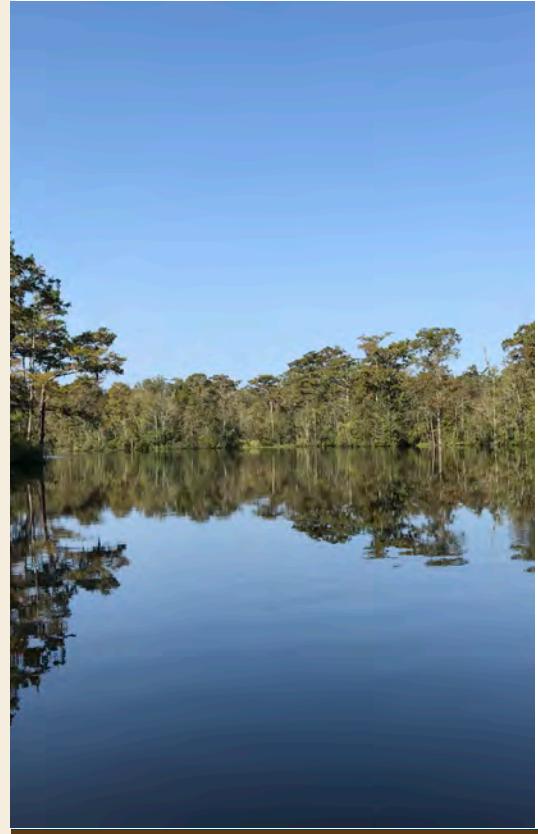
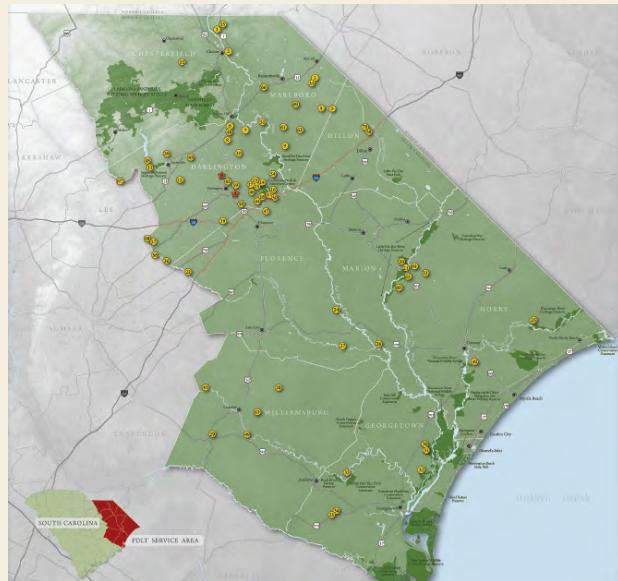
We work toward this mission through education and outreach and through voluntary land protection projects. The organization – its board, staff, and supporters – is dedicated to maintaining the interconnectedness of people and the land.

*Through protecting the past,
we help ensure the future.*

Protecting the Right Places

Tailoring conservation to the place and the people

Conservation easements are very flexible documents within the confines of appropriate conservation values (such as significant wildlife habitat, scenic open space, and high-quality farmland, among others). Once the conservation values have been identified, those values and the landowner's needs will guide the restrictions placed on a property.



What is a Conservation Easement or Conservation Agreement?

A "Conservation Easement" or a "Conservation Agreement" is an umbrella term for any sort of easement document between a landowner and a land trust that protects natural or historical areas, farms, or forestland. It may also protect scenic vistas, water quality, wildlife habitat, or some outdoor recreation locations.

It is the legal agreement between a landowner and a designated nonprofit that restricts certain uses on a piece of property in order to protect specific conservation values identified in the easement. It transfers certain legal rights in the property itself so that future sale or transfer of the property takes the easement along with it.

The landowner retains ownership of the property, but the land trust is the keeper of those specifically designated property rights and agrees to enforce the terms of the easement over time. Typically, these are voluntary but permanent.

Most conservation easements do not convey public access but they may if the landowner wishes. Although easements are designed to protect land against inappropriate development, they do not usually protect a property against condemnation by governmental or other authorized entities. In addition, PDLT is not an advocacy organization, but does have a vested interest in lands on which it holds conservation easements. Because of that, PDLT will act to preserve the conservation values of the easement.

Easements can be highly flexible and tailored neatly to a particular piece of property and the particular needs of the owner within the conservation mission of PDLT.

"My sisters and I are proud and pleased to have placed our family property in a conservation easement with the Pee Dee Land Trust. Not only does this easement honor the legacy of our mother and father's love of the land but it will protect the property in perpetuity for our children and their children. It is our hope that they will be able to enjoy the sights and sounds of nature as we have. Whether a swallowtail kite soaring along cypress tree tops, the deep blue of an indigo bunting reflecting in the bright sunlight, or the gobble of a wild turkey on an early spring morning, these rhythms of nature bring peace to us in our ever increasing urban and commercial world."

STEVE JONES

and his family placed a conservation easement on their property on the scenic Black River protecting more than 2.5 miles of river frontage and habitat for the endangered Swallowtail kite.



When might you use a Conservation Easement?



Conservation easements appeal to private property owners who understand that the quality of life of our region is intertwined with the Pee Dee's history and our unspoiled natural resources, rivers, swamps, and rich soils. As landowners recognize the importance of a property's features or location and the difficulty of holding onto family land in the face of rising land values and taxes, conservation easements become a more attractive option.

Easements enable landowners to make decisions about the future of their special places and not leave the fate of their property up to changing government policies and market forces. An easement can reduce the potential for dispute among heirs by taking some options off the table, such as development or fragmentation of a farm, thus leaving a legacy for their descendants and all people who love the land.

The donation of an easement may provide significant financial benefits to the donor. These financial benefits can help keep a particular piece of property intact and productive for farming, forestry, or wildlife habitat uses where estate tax expenses might otherwise force sale and development.

By donating an easement in perpetuity, the landowner guarantees that his or her property will be protected in the future no matter who owns the property. It does not hinder the ability to sell or transfer it to others, though it does, by design, reduce the appraised property value to varying degrees.

"Wildwood Farms, where our family lived for many years was dear to my late husband's heart. Jim farmed the land and grew tobacco, cotton, soybeans, corn, wheat, and wonderful vegetables. He also raised hogs, beef cattle, German Shepherd dogs and four sons. After his death our family decided the best way to honor him and protect the farm as well as to ensure its continued use for farming, forestry, and a natural habitat for animals was to place it in the Pee Dee Land Trust conservation easement.

I once read in Gone with the Wind a quote from Gerald O'Hara, Scarlett's father. "Land is the only thing in the world worth working for because it's the only thing that lasts."

SARAH K. WILDS

donated an easement on 574 acres of working farm and forest land in Darlington County providing a scenic view for those driving in to Hartsville.



What rights does the landowner maintain?

The landowner retains all the customary rights and responsibilities of land ownership that are not specifically prohibited or restricted by the conservation easement. For example, the easement does not allow public access onto the property unless it is granted by the landowner. A landowner may retain the right to partition, or subdivide, the property into a limited number of parcels at some future date. He or she may, for example, retain the right to build two houses and associated outbuildings such as barns or garages; or, the landowner may retain the right to run a small business out of his or her home.

Typically, landowners retain the right to engage in agricultural activities, including selling their crops onsite and harvesting timber. Hunting, fishing, managing ponds, and pursuing other low-impact recreational activities are normally allowed, as well. Some conservation easements identify certain areas within the property as a whole for additional protections, such as a wide vegetated buffer along a stream where the landowner elects to give up commercial timber harvesting.

The reserved rights are intended to protect the conservation values while allowing a landowner to generate revenue from the land in a compatible way.

Landowners retain all responsibilities for paying taxes on their land and for the liabilities traditionally associated with land ownership.

A BRIEF HISTORY OF PEE DEE LAND TRUST

1998	Pee Dee Resource Conservation and Development Council (PDRC&D) creates a land trust and wetland mitigation bank for 5 upper-Pee Dee counties.
2001	PDLT accepts first conservation easement – 13 acres.
2002	Florence is added to PDLT focus area.
2003	Georgetown and Williamsburg Counties are added to focus area.
2004	Land Trust develops Strategic Plan for land conservation, focusing on land protection, education, and resource assessment.
2005	Land Trust hires first full time director and joins the Francis Marion University Regional Nonprofit Consortium, funded by a generous multi-year gift from Bruce Richbourg.
2006	Land Trust dramatically expands membership, education, and land protection efforts, to conserve 1,300 acres and increase membership from 40 to nearly 300.
2007	Land Trust creates education and outreach program; quadruples land protection to nearly 8,000 acres. Membership exceeds 400 households.
2008	Director of Education and Outreach hired. Land protection exceeds 10,000 acres. Attendance at events hits record highs.
2009	10th Anniversary of the Land Trust. First Horry County easement. Part time land protection staff position created.
2010	Full time Director of Land Conservation is hired. 12,000+ acres protected land.
2012	Awarded National Accreditation from The Land Trust Alliance
2014	Consolidated with Black Creek Land Trust (3,000+ acres). Surpassed 20,000 acre milestone and took on the stewardship of our first two nature preserves.
2015	Launched Our Places Endowment Campaign
2016	15th Anniversary. First Chesterfield County easement.
2017	Surpassed 25,000 acre milestone. Launched landowner education program funded by the Duke Energy Foundation. Hired Land Conservation Associate thanks to The Darla Moore Foundation. Awarded Reaccreditation from the Land Trust Alliance.
2018	Surpassed milestone of raising \$1 million in the Our Places Operations Endowment. Sold first major land asset donated through a life estate and created the Scarborough Opportunity Fund.
2019	Celebrated 20th Anniversary
2020	Surpassed 38,000 acre milestone



What are the easement holder's responsibilities?

First, the organization must be considered "qualified". A qualified organization can be a nonprofit, non-governmental organization, which meets and maintains the standards required by law. An organization that accepts conservation easements must be fiscally able to enforce them over time and it must monitor them each year. To do so, PDLT has a limited right to access the property at a time agreed upon with the landowner in order to complete annual monitoring. Additionally, if a landowner agrees, the Land Trust may coordinate scientific or historical research on a property. The donation of an easement typically conveys no right of access onto the land by the public.



"Our family has farmed this land for generations. Over the years many cousins have inherited the family property. In order for my son to continue the farming business, we had to consolidate ownership. The tax benefits of a conservation easement in conjunction with Conservation Bank funding made this possible, and we were so relieved that there was an option that makes sense for farmers."

L. H. "BUDDY" CALHOUN, JR.
and his family protected the 2,000+ acre Donobo Plantation in Marlboro and Dillon Counties, guaranteeing the availability of high-quality farmland and a scenic view along nearly 3 miles of the "Cotton Trail". Their property also protects significant plant and animal habitat in Donobo Bay, a historically significant Carolina Bay.





"As a bird hunter and an outdoorsman, I have watched with regret as rural tract after rural tract of land gets dotted with houses. I enjoy seeing the trees and saving the habitat for the animals, and I know people passing by on the road or paddling down the river do, too. By placing a conservation easement on my property, I can help set the tone for land protection around my farm."

JIM CRAWFORD

a Pee Dee Land Trust former board member, donated a conservation easement on more than 450 acres in Marlboro County. His savings from the tax incentives will enable him to purchase more land for protection.



Can an easement be changed?

Easements are permanent legal agreements. Although voluntary, they are irreversible. PDLT includes in its easement documents an explanation of how minor modifications and amendments may be handled, consistent with the easement's conservation purposes. When properly designed, easements are not so restrictive that they prohibit changes in agricultural, forestry, and low-impact recreational activities.



What about forestry practices or changes in agricultural uses?

Conservation easements which include agricultural and forestry activity as part of the conservation values of the property, are designed to allow for changes in agricultural land uses from one type of farm practice to another and to allow for changes in acceptable agricultural technology over time. They require best management practices for timber harvests and accommodate a landowner's preferences for wildlife management. For example, a farm which has traditionally been cultivated for tobacco or cotton could be converted to pasture for livestock or planted in pines for timber or used for other agricultural purposes.



Who is responsible for managing the property?

The landowner remains responsible for all land management activities. As the easement holder, PDLT's interest and responsibility is only to ensure protection of the conservation values that have been identified in the easement.

The landowner pays taxes as he or she normally would, maintains appropriate liability insurance, leases land or hunting rights, and carries out any other ordinary responsibilities of land ownership.

Your land - your legacy - our community



Why grant a conservation easement?

Landowners donate conservation easements for a variety of reasons. Foremost are a love of their land and a strong desire to protect it for their families and future generations. Conservation easements are powerful estate planning tools that provide families the opportunity to plan together for the future of their land. Neighboring landowners in the Pee Dee who donate conservation easements on contiguous properties provide mutual protection against unwanted or unplanned development while sharing the benefits of conserving larger resource areas for wildlife, scenic landscapes, and recreational uses.

The donation of a conservation easement may provide substantial tax benefits through the reduction of federal income and estate taxes and South Carolina income and property taxes.

The Following tax analysis was prepared by John Scott at Haynsworth Sinkler Boyd, P.A. (Contact information is provided on page 15.)

What are the potential tax benefits?

Federal Income Tax Benefits

Federal tax laws allow the donor of a qualified easement to claim the value of the easement as a charitable contribution for income tax purposes. A landowner gets no deduction for selling the easement for fair market value.

For charitable contribution purposes, the easement value is generally based on the difference between the fair market value of the property before the easement ("before value") and the value of the property after donation of the easement ("after value"). The difference between the "before value" and the "after value" is the amount that can be treated as the "Conservation Easement Value" and therefore considered the charitable contribution amount for income tax purposes. These values are determined by a "qualified appraiser," as that term is defined by federal tax regulations, and depend on the specifics of the property and the conservation easement restrictions.

For example, suppose that an individual who owns a 500-acre Pee Dee property valued at \$2 million (\$4,000 per acre) places a qualified easement on the property, precluding future industrial development and limiting segmentation. Suppose further that the easement reduces the value of the property by 30% to \$1.4 million. The charitable donation would be valued at \$600,000 (\$2m before value - \$1.4 m after value = \$600,000 conservation easement value). The numbers in this example are merely illustrative, for example purposes only and not intended to represent likely results.

The landowner could deduct the charitable contribution up to 50% of the landowner's adjusted gross income (AGI) for that year. A qualifying farmer or rancher (50% or more of AGI from farming or ranching) could deduct charitable contributions up to 100% of the landowner's adjusted gross income. The landowner could deduct the unused portion of the contribution over the 15 succeeding years (subject to the applicable AGI percentage limit). The Federal deduction rate of 50% and 100% limitations and 15-year carry-forward provisions were made permanent by Congress in 2015.

Please consult your tax or legal advisor to determine how potential tax benefits could affect your individual tax situation.

Our experience shows that easement values typically vary from a 20% to 80% reduction in the value of the land, based on the size and location of the parcel and other factors. The highest easement values typically are associated with properties that have significant conservation resources and are under intense development pressure. The nature and extent of the restrictions a landowner places on the property through the conservation easement also impact the easement value.

By law, the easement value must be determined by a qualified appraiser, and the appraisal must satisfy numerous requirements. It is the responsibility of the donor to hire a qualified appraiser who is familiar with the property and has experience with conservation easements and local growth trends. PDLT has a list of appraisers who have been involved with conservation easements in the region.



"We have been interested in land protection options for many years. When the opportunity to work with a local land trust came available, we moved quickly and encouraged our neighboring landowners to do the same. Since the easement has been in place, we have been able to tell still more people about this option."

TIM DARGAN

The farm known as Woodfield is protected by Tim Dargan and his family. Their easement fits into a mosaic of protected properties that creates a significant area of farm, forest, wildlife habitat, and scenic vista protection on S. Charleston Road in Darlington County.



Protecting the land you love for generations to come.



"We wanted to preserve the Highland Farm's beautiful trees, land, and wildlife which my family had cultivated for agricultural improvement and enjoyed for fishing and hunting for more than a century. Pee Dee Land Trust has enabled us to plant, timber, and preserve majestic longleaf pines while receiving the additional tax benefits of a conservation easement. We are pleased that the easement now provides permanent green space around Hartsville."

Ione Coker Lee

planned her land legacy with PDLT staff and placed her farm outside of Hartsville, SC in a conservation easement in 2013.

To qualify for a federal income tax deduction, an easement must provide a public benefit through permanent protection of at least one of the following important conservation resources:

1. The protection of a relatively natural habitat of fish, wildlife or plants, or a similar ecosystem;
2. The preservation of open space, including farm and forestland, for the scenic enjoyment of the general public or pursuant to an adopted governmental conservation policy;
3. The preservation of a historically significant land or building; or
4. The preservation of land for public outdoor recreation or education.

An easement may be tailored for the desired use of your land and may restrict only a portion of a donor's entire contiguous parcel, permit certain development and other uses (as long as they do not interfere with the protection of conservation resources), or prohibit physical access by the public (except when the purpose of the easement is to preserve land for public recreation or education).

South Carolina Income Tax Benefits*

South Carolina allows a deduction for South Carolina income tax purposes for the donation of a qualified easement. The calculation of the easement value and the requirements for a qualified easement for South Carolina deduction purposes are the same as they are for federal income tax purposes.

In addition to the federal and South Carolina income tax deductions, a donor of an easement (on property in South Carolina) that qualifies for a federal income tax deduction is also entitled to a credit against South Carolina income taxes (a dollar-for-dollar decrease in a taxpayer's tax liability) equal to 25% of the total amount of the deduction subject to certain caps. The credit may not exceed \$250 per acre of restricted property and the credit used in any one year may not exceed \$52,500 (unused credits may be carried forward with no limit). Also, the credit may only be taken on South Carolina income, it is not available for income earned in another state.

The taxpayer may also sell the state income tax credits, subject to generally applicable income tax principles.

Note on State and Local Tax Limitation

As a result of recent changes in the tax laws, there is a \$10,000/year limit on state and local taxes deductible by individuals on their federal tax return. Additionally, and in response to states' attempts to develop a work-around for this limitation, the tax laws now limit the amount of state income tax credits an individual can receive in connection with a donation that produces a charitable deduction. The unintended consequence of this new limitation is that it can result in a reduction in the state tax incentives for landowners that donate land or conservation easements. Please note though, this does not affect federal wetland or mitigation credits, only the state and local credits.

As a result of this new limitation, a donor who takes a federal tax deduction for the value of the gift of a conservation easement and receives a state tax credit (as is the case in South Carolina) may have to reduce their federal tax deduction by the amount of the state credit. Due to the technical nature of this limitation, landowners are advised to consult with their tax professionals to determine whether this limitation on the state income tax credit will apply.

Example Landowner Tax Benefits Scenario

If a landowner donates a conservation easement on a 500 acre parcel, the value of the conservation easement is \$600,000, and the landowner's AGI (adjusted gross income) is \$150,000 (married and filing jointly).

1. The income tax deduction allowed in Year 1 = \$75,000 (calculated as $\$150,000 * 50\%$). This deduction is allowed for federal and state income tax purposes.

2. The SC income tax credit = \$125,000 (equals the lesser of the two calculations below)

$25\% * \text{the amount of the deduction } (\$600,000) = \$150,000$

Or, $\$250 \text{ per acre} * 500 \text{ acres} = \$125,000$

Since the taxpayer will only owe \$5,250 in SC state income taxes for the years in which the income tax deductions are claimed ($\$150,000 - \$75,000 * 7\%$), the landowner will only use \$5,250 of the credit each year, but the excess may be carried forward indefinitely.

3. State and Local Limitation: (Consult with your tax advisor to determine if this limitation would affect your income tax deduction)

The following chart illustrates the approximate tax savings for the landowner in the above example (assuming the levels of AGI set forth in the chart and an estimated 29% combined federal and state income tax burden):

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
AGI	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Federal/State Deductions Available	\$ 475,000	\$ 400,000	\$ 325,000	\$ 250,000	\$ 175,000	\$ 100,000	\$ 25,000	\$ -
Federal/State Deductions Used	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 25,000	\$ -
Taxable Income	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 125,000	\$ 150,000
State Tax Liability	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 8,750	\$ 10,500
SC Tax Credits Available	\$ 125,000	\$ 119,750	\$ 114,500	\$ 109,250	\$ 104,000	\$ 98,750	\$ 93,500	\$ 84,750
SC Tax Credits Used	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 8,750	\$ 10,500
Tax Savings	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 16,000	\$ 10,500

	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
AGI	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Federal/State Deductions Available	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal/State Deductions Used	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxable Income	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
State Tax Liability	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500
SC Tax Credits Available	\$ 74,250	\$ 63,750	\$ 53,250	\$ 42,750	\$ 32,250	\$ 21,750	\$ 11,250	\$ 750
SC Tax Credits Used	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 750
Tax Savings	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 750





"The way swamp timber is harvested is to clear cut till there's nothing left bigger than a buggy whip. I just hated seeing that; I enjoy the swamp ecology as it is and would like to see future generations have the same opportunity to learn about the woods. An easement was something I could do to help."

AUSTIN GILBERT

protected more than 4 miles along the Lynches River in Florence County, preserving more than 800 acres of bottomland hardwood as a forest and several hundred acres of high ground for continued farm and forestry activity.



Estate Tax Benefits*

Conservation easements can significantly reduce the value of an estate, making estate taxes more affordable to heirs. Unlike limits placed on deductions for federal income taxes, the Internal Revenue Code allows unlimited charitable contributions for the purpose of reducing estate and gift taxes. Essentially, the value of the property is frozen at the lower "after" value for estate and gift tax purposes. In addition to the above tax benefits, up to 40% of the value of land covered by a conservation easement may be exempted from estate and gift taxation, as long as the total dollar value excluded does not exceed \$500,000. The full 40% benefit is available for easements that reduce the fair market value of a property by at least 30%. Smaller deductions are available for easements that reduce the value by less than this amount. Also, heirs can donate post-mortem conservation easements to reduce estate taxes under the above provisions if the easement is completed within nine months from the date of the decedent's death.

Using the same example for estate or gift tax purposes, assuming a marginal estate tax rate of 40%, without a conservation easement, the property valued at \$2,000,000 would have a marginal estate tax burden of \$1,200,000 (assuming that the unified credit is already fully utilized).

Under current law, the unified credit (amount of an estate that is not subject to tax) is \$11.58 million per person for tax year 2020 and is adjusted for inflation each year going forward.

With the uncertainty surrounding the estate tax and the possibility that these benefits may be of differing values based on the size of each taxpayer's total taxable estate. Property owners considering the donation of a conservation easement for estate tax benefits should consult their tax or legal advisor regarding recent tax law changes and implications.

Property Tax Benefits*

As a conservation easement restricts various development rights and diminishes the fair market value of the property, it has the potential to provide ad valorem tax relief. South Carolina law explicitly requires that the valuation of property for ad valorem tax purposes take into account the existence of any conservation easements.

In addition, South Carolina law provides that unimproved real property that is subject to a conservation easement is agricultural real property if the property otherwise qualifies as such. This provision ensures that the granting of a conservation easement will not jeopardize the special 4% assessment ratio applicable to agricultural real property.

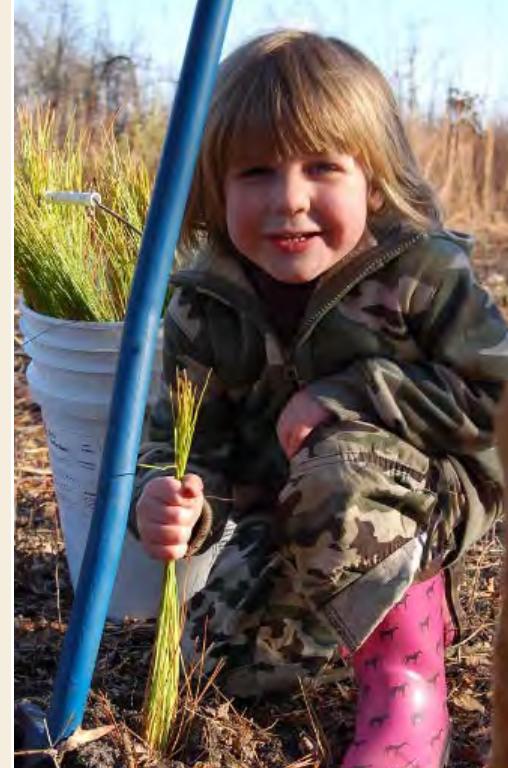
Pee Dee Land Trust Criteria for Accepting Easements:

Pee Dee Land Trust will consider accepting easements that further the mission of the organization- to conserve the significant natural, agricultural, and historical resources of the Pee Dee Watershed. More specifically, PDLT seeks easements that are:

- located within the Pee Dee Watershed of SC
- contain significant conservation values
- likely to qualify under the IRS regulations
- of sufficient size and appropriate restrictions so as to protect the conservation values associated with it

Preference is given to those easements that protect land

- with important concentrations of natural, historic, agricultural resources, especially if the property is at risk for conversion to uses that would destroy those characteristics
- adjacent to existing easements or other protected open space areas, or in close proximity
- containing a low level of existing development
- with lower potential for future issues in monitoring, liability, and enforcement
- existing land management plan utilizing best practices for forestry and farming
- containing wetlands along major waterways
- located on Scenic Waterways or Biways



"Conservation easements preserve family land but more importantly they preserve family ties. The history of stewardship can live on through the generations and in many cases, easements make it possible for a family farm to remain in the family."

WILLIAM HOWARD, III

and his family protected a 946 acre farm they inherited in Williamsburg County. The property continues to be actively managed as working farm and forest land.





What is the process for planning a conservation easement?

If or when you decide to protect your property with a conservation easement, please call Pee Dee Land Trust staff to discuss your decision.

PDLT provides a questionnaire for you to review and complete with staff. You will need to provide plats of the property and PDLT staff will schedule a visit to the site.

PDLT staff will present the proposed project to the Land Protection Committee for review and a vote as to whether to proceed. PDLT staff will then draw up a first draft of the easement fashioned after the needs expressed by the landowners. The drafts are revised until the landowner is satisfied. Depending on how long this activity takes, the easement process can take less than a year to complete, however easement projects average 18 months from start to finish. Further, the easement must be voted on by PDLT's Board for final approval.

Other primary documents involved in the process include a survey of the easement area as it fits into the overall tract of land, updated title verification, and subordination of any mortgages on the property.

For the landowner's tax benefit purposes, an appraisal is necessary. PDLT does not guarantee tax deductibility of easements; however, the relevant tax laws are used as an important part of deciding whether to accept an easement. For appraisals, it is important to find an appraiser who meets the Federal criteria and has experience working with conservation easements. The appraiser generally does "before and after" appraisals based on the restrictions the landowner has laid out in the conservation easement.

PDLT then prepares a baseline documentation report as a baseline for future monitoring of the easement area. PDLT will also (as will most land trusts) ask for an endowment contribution to our stewardship fund (further described below) to allow us to monitor this protected property long term, as required by law. In some rare cases, PDLT must impose a fee for the transaction.

The easement is recorded in the county land records; it runs with the land. If you give away or sell the land, PDLT then works with the new owner, who is bound by the same easement terms as the original owner. A conservation easement is a permanent decision and PDLT staff are available to work with landowners to craft a sustainable conservation easement that is personalized to the property and the landowners wishes.

PDLT follows the Land Trust Alliance standards and strives to continuously educate staff and contractors on the current standards. PDLT is a nationally Accredited Land Trust (since 2012).

"BROAD OAKS"

The descendants of Eulah Roper McColl, including Kathryn McColl, and neighbor Allan McDonald have protected the core of the historic "Broad Oaks" farm and united the landscape despite divided ownership.



"I remember growing up visiting the farm near McColl, captivated by stories of our family's history. Generations have lived and worked on the farm and now we are working to restore it. I couldn't imagine visiting the farm with anything but the beautiful natural surroundings. It means so much to me to preserve our historic home and farm for my family and future generations. This conservation easement does just that."

-Kathryn McColl



*Through protecting the past,
we help ensure our future.*



What is the cost of preparing an easement?

Pee Dee Land Trust works hard to keep the complex process of a conservation easement project as streamlined as possible. Our organization works jointly with the landowner to complete the baseline documentation report, in most cases, and provides the first draft of the conservation easement document at no cost to the landowner.

There are, of course, costs for which the landowner is responsible. Those include one's own legal and financial counsel, the appraisal, title work or property surveys when they are needed.

PDLT asks easement donors for a modest contribution to its Stewardship Fund. The fund works like an endowment, supporting the monitoring and enforcement of all of the organization's land protection projects. This donation is typically a deductible gift for income tax purposes. Landowners should, of course, consult their financial advisors for information about reducing their tax liability.

Are there funding sources available to assist landowners interested in a conservation easement?

PDLT staff works with landowners to assess financial need for high priority conservation easement projects. In some cases a donated easement is not optimal for a landowner that does not have use for the tax incentives. In these cases PDLT staff will work with the landowner to try and identify potential bargain sale funding opportunities.

In 2018, PDLT created the Scarborough Opportunity Landowner Scholarship Fund to assist landowners in need of financial assistance. Scholarship applications are available upon request after a project has been given initial approval by the Land Protection Committee.

The SC Conservation Bank has been a source of funding for landowners that wish to partner with PDLT to apply for partial funding.

There are additional sources of funding through private foundations and government grants that are specific to the project.

"An easement provides a flexible approach to protecting a working farm while ensuring us, and future farmers on this place, that we can get the job done. We put heavy restrictions on most development potential but were able to ensure that the farm operation could grow as it needs to."

EDWIN DARGAN

and his son Ned have protected the family's 730+ acre farm on both sides of S. Charleston Road in Darlington County.



PHOTO: Ashley Waddell,
News and Press, Darlington, SC.



Other Conservation Options for protecting the Pee Dee's distinctive natural, historical, and agricultural heritage...

For individuals and corporations dedicated to preserving this area for future generations, Pee Dee Land Trust staff is glad to discuss a full range of other land conservation options.

These could include donations of land, gifts of land by will, bargain sales, purchased easements, and other conservation strategies.

PDLT invites everyone to join our conservation community by donating annually to our Membership campaign, attend an event, sponsor an event and/or become a volunteer.

We can also provide planned giving opportunities for those interested in supporting the present and future programs of PDLT. Opportunities to increase the organization's effectiveness and sustainability could include participating in a trade-lands program, making gifts of stock or long-term pledges to support operations.

With the benefits of tax incentives, making a charitable gift to PDLT may provide significant benefits to you and your family while helping you to conserve our Pee Dee Region.

Sources for Additional Information

For more about PDLT, our land protection and education projects, see our website www.peedeelandtrust.org or call us directly at 843.667.3229.

To find a list of land trusts working in South Carolina, please see the list provided on the South Carolina Conservation Bank's website:

<http://sccbank.sc.gov>.



*Saving our natural habitats,
scenic open spaces and farms.*

For information on land trusts generally across the U.S., contact the Land Trust Alliance which is the national clearinghouse for this information and the umbrella professional organization for land trusts across the country. That website is www.lta.org.

To read more about conservation generally, how it helps individuals and improves communities, see the collection of land protection books at any Pee Dee area library. In 2006, PDLT donated 10 books on the subject to each branch library in an effort to make this information more accessible.



Tax Benefit Analysis (August 2020):

John M. Scott, III

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*PDLT does not give tax or legal advice. It is recommended that you consult your own accountant or tax attorney for advice on these matters.

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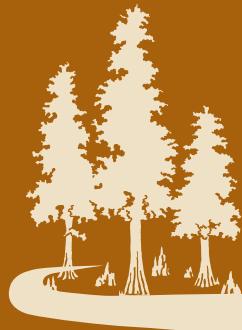
Governance: 21 Member Volunteer Board with 2 representatives per county.

Focus Area: Chesterfield, Darlington, Dillon, Florence, Georgetown, Horry, Marion, Marlboro, and Williamsburg Counties



*Preserving beautiful trees,
land, and wildlife.*





Pee Dee Land Trust

**PROTECTING
THE PAST,
ENSURING
THE FUTURE**

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