



Frequently Asked Questions

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What is a Conservation Easement?

A Conservation Easement is a voluntary, legal agreement between a property owner and a qualified conservation organization. Under the terms of the easement, a property owner conserves the natural values of his/her/family's property, while retaining ownership to the property.

Who is the Holder or Grantee of a Conservation Easement on Rainy Lake?

Conservation Easements are donated or "granted" by a property owner to American Friends of Canadian Land Trusts (for U.S. property owners) or directly to Rainy Lake Conservancy (for Canadian property owners). Both of these organizations are non-profit conservation corporations (U.S. and Canadian respectively), so the value of the easement donation and some of the costs of the easement are tax-deductible. These organizations are responsible for ensuring that conservation values are being protected via the easement or property donation. Easements donated to American Friends may ultimately be transferred to Rainy Lake Conservancy which then becomes the easement holder.

Who is an Easement Donor or Grantor?

A conservation easement "Donor" is the title-holder to a property—such as an island in the Rainy Lake Watershed or a shore property. That can be an individual, a couple, a trust, a limited liability corporation, partnership or corporation, estate or some other form of ownership.

What are the limitations of a Conservation Easement?

Rainy Lake Conservancy's mission is to preserve and protect the natural beauty, history, and ecological and recreational values of the Rainy Lake Watershed. Property owners decide what they and their heirs want their island properties or shoreline parcels to look like in the future and the Conservancy helps them accomplish that vision. Easements are a two-way conversation about the donor's interests and the Conservancy's values. Easements may contain mutually-determined restrictions on how large and where cabins and other structures can be, i.e. an owner's "footprint", shoreline setbacks and maximum height of structures—all of which are intended to protect the lake's water quality, scenic beauty and forest and aquatic habitat for existing and future property owners and lake users to enjoy now and into the future.



How long does a Conservation Easement Last?

A conservation easement is recorded on the deed to the property and binds current and future titleholders to the easement restrictions. It transfers to all future owners, which is why it is termed a "perpetual" easement.



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What are the responsibilities of an Easement Donor?

Conservation easement donors remain the landowner, so they continue to pay property taxes and be responsible for their property as would any landowner. The conservation organization is responsible for monitoring the easement to make sure the terms of the mutual easement are being followed. The landowner is not responsible for any fees or costs associated with monitoring the easement after the easement is donated and recorded.

What are the Tax Benefits of Donating a Conservation Easement or Property?

There may be significant Canadian and U.S. tax benefits to a property owner by placing an easement on their Canadian property or donating the property outright. U.S. owners of Canadian properties can receive U.S. tax benefits if they donate an easement or fee title of their property to American Friends of Canadian Land Trusts, a non-profit organization which was set up specifically to enable U.S. owners of Canadian properties to receive a U.S. tax deduction for gifts of ecologically-significant Canadian land or conservation easements. Rainy Lake Conservancy and American Friends have longstanding agreements to make these gifts possible. Other easement costs may also be tax deductible. U.S. owners of Canadian properties may also avoid paying Canadian capital gains on the value of the easement transfer to a qualified conservation organization such as American Friends. Lowering the value of the property through donation of a conservation easement may also reduce the Canadian capital gains tax when the property is transferred to the next generation or sold. Anyone interested in donating a conservation easement should consult independent, qualified legal, financial and valuation advisors.

How is the value of an easement determined?

A qualified appraiser must conduct a fair market value appraisal of the donor's property. The appraisal determines the value of the easement donation in both U.S. and Canadian dollars. This value can be taken by both U.S. and Canadian taxpayers as a charitable donation on their respective tax returns.

What does it cost to donate a Conservation Easement?

The fee for donating a conservation easement to American Friends of Canadian Land Trusts is \$15,000 USD. The fee for donating the fee interest in a property is \$10,000 USD. A Donor will must also pay for an appraisal, donor's legal guidance, donor's Canadian accountant, property stewardship fund for the future and conduct of an ecological baseline inventory that identifies species of plants, flora and fauna and trees on properties which the Canadian government considers to have conservation value. Many of these costs can be tax deductible.

Who writes the Conservation Easement document?

Rainy Lake Conservancy has completed quite a number of conservation easements and fee donations. We have an easement "template" which has been developed by attorneys for Rainy Lake Conservancy and American Friends of Canadian Land Trusts and is specifically tailored to meet the needs of Ontario. Each conservation easement is tailored to meet the specific needs of the property owners. Donors typically have their own legal counsel review the easement agreement.

