

## **VES Land Trust Conservation Easement Appraisal Policy**

The Land Trust must protect itself, its landowners and the public from any form of excessive or fraudulent appraisals of conservation easements. Excessive appraisals can lead to tax audits and the disallowance of an easement charitable gift by federal and state tax agencies. They are characterized by inflating the value of the property before the easement and understating its value after the easement.

Therefore, the VES Land Trust has adopted the following policy regarding easement appraisals and IRS Form 8283, which calls for the signature of a Land Trust official.

- Landowners *will be strongly encouraged* to work with an appraiser with demonstrated experience in conservation easement appraisals. We will provide a list of appraisers who have met the high standards of conservation tax credit brokers in the state.
- Landowners are required to supply a copy of the appraisal to the Land Trust.
- The Land Trust must review the completed easement appraisal, or at least, review the estimated easement value with your appraiser, before we will record the conservation easement.
- The Land Trust will only sign Form 8283 if it is already signed by the appraiser and the easement valuation section is complete.

In most cases, VES Land Trust staff will review the easement appraisal and sign IRS Form 8283 on behalf of the Board of Directors. However, VES Land Trust staff will not sign Form 8283 if the easement valuation is left blank, a copy of the appraisal is not supplied or the easement value seems inflated.

If, after review of an appraisal, VES Land Trust staff are concerned that the appraised value is potentially inflated, they will notify the President, who will in turn notify the Board of Trustees. If it is agreed that the appraisal is potentially excessive, IRS Form 8283 will be returned unsigned to the landowner with a letter of explanation.