

PECONIC LAND TRUST



PROCEDURES FOR MAKING GIFTS OF LAND

Contact between potential donors and the Peconic Land Trust often comes through referrals from third parties. During initial meetings, Trust staff learns about the land to be gifted, its location and characteristics, and the landowner's requirements and concerns.

Authorization by the Trust's Board of Directors

The Board of Directors evaluates the merits of all potential donations. If the property satisfies the Trust's "Criteria for Conservation Projects," the Board will authorize Trust staff to negotiate terms and conditions related to the donation as well as the performance of any services on behalf of the donor to facilitate the donation.

Coordination of the Donation

With the approval of the donor, the Trust's professional staff coordinates a variety of tasks required to complete the donation of land to the Peconic Land Trust:

- **Baseline Documentation:** an inventory of the current condition of the property, which may include site photographs, a recent aerial photograph, a topographic map, and the identification of the natural resources on the site. This information enables the Board to a) verify the public benefit of acquiring the land, b) identify and document the significant features of the property to be protected, and c) assess its future management needs.
- **Appraisal:** the Peconic Land Trust encourages all donors to obtain an appraisal of the property by a qualified appraiser. The Internal Revenue Service has regulations that penalize donors and appraisers for the over-valuation of gifts. Ultimately, the donor must attach a copy of IRS Form 8283 for Noncash Charitable Contributions to his/her tax return. In addition to the donor, this form must be signed and dated by the qualified appraiser and Peconic Land Trust.
- **Title Report:** the title report will: a) verify ownership and b) identify possible encumbrances on the property such as liens and/or covenants and restrictions. Under certain instances, the Trust will purchase title insurance. The prospective donor can assist the Trust by providing copies of existing title insurance policies and/or title reports.

- **Deed of Conveyance:** the Deed can be prepared by either the donor's advisors or the Peconic Land Trust. In any event, it must be reviewed by the Trust before it is accepted. Once executed and accepted, the deed must be recorded with the Suffolk County Clerk. Together with the signed Deed, the donor should provide the Trust with the fully-executed Transfer Gains Tax Affidavit (TP-584) and the New York State Board of Equalization and Assessment Transfer Report (EA-5217). Copies of these forms are available at the Trust's office.
- **Charitable Stewardship Contribution:** a gift of land represents a significant sacrifice for any landowner. While the donor makes a generous gift with potential charitable tax benefits, the Trust assumes a liability given the responsibilities and costs associated with its long-term management of protected land. Because the IRS recognizes the charitable donation of the donor, they require that the Trust fulfill its conservation mission and responsibility to the greatest extent possible. Donors expect the Trust to fulfill this responsibility as well and, therefore, they make an additional charitable gift to underwrite the long-term management of the protected land. After a careful review of the management implications—size and type of site (wetlands, farmland, woodland, etc.), access, etc.—of any proposed gift of land, our Board of Directors will suggest a contribution to the Peconic Land Trust Stewardship Fund to support the long-term management responsibilities of the Trust.
- **Environmental Audit:** the Board of Directors may require that a potential gift of land be subject to an independent environmental audit that verifies that the property is free of contamination from toxic and/or hazardous substances. In such cases, the Trust will request that the donor pay for a qualified Environmental Engineer to conduct the environmental audit. The Trust has a list of recommended firms that we retain for these purposes from time to time.
- **Property Taxes:** property taxes are due on gifted land for up to one year after the property has been conveyed to the Peconic Land Trust. The Trust will apply for tax-exemption prior to the New York State taxable status date of March 1st; however, taxes are usually due for the year prior to exemption. The donor is responsible for payment of these property taxes until formal recognition of tax-exempt status by the local Assessor's Office.

Please note, there are constant changes to both Federal and State tax laws that can affect land conservation gifts. Please visit our [Legislative Activity](#) section to learn about the latest changes in tax law, as well as consult qualified tax and legal professionals.