



Colorado Coalition of Land Trusts

Fact Sheet on HB08-1353

Signed into law in June 2008, HB08-1353 increased the standards, transparency and accountability for conservation easements. HB 1353 provided another layer of assurances that landowners and land trusts or other holders of conservation easements are appropriately protecting property and accurately assessing the value of conservation. HB 1353 increased accountability and oversight of the state's conservation easement tax credit program through five main components.

1. Increased accountability for conservation easement appraisals

Appraisers are required to submit conservation easement appraisals to the Colorado Division of Real Estate. The appraisals are accompanied by an affidavit signed by the appraiser noting certain requirements have been met. The Division reviews the information and the Board of Real Estate Appraisers will impose suspensions or other penalties if the Division finds wrongdoing. The Board also will establish education and experience requirements for all appraisers who complete a conservation easement appraisal for a state income tax credit.

2. Certify conservation easement holders (i.e. state, local governments and land trusts)

The Division of Real Estate and the Conservation Easement Oversight Commission will develop a certification program for entities that hold conservation easements (note: the nonprofit holder application, i.e. land trusts, is complete and available on the Division of Real Estate's website). The application process will review, among other things, an entity's process for approving an easement, its system of governance, and its financial stability. To accept conservation easements for which a tax credit will be claimed, land trusts must be certified by January 1, 2010. The application for local governments will be available by January 1, 2010 and they must be certified by January 1, 2011. Only landowners who work with a certified entity can qualify for the tax credit.

3. Strengthen oversight and enforcement of the state tax credit

The Department of Revenue has been authorized to share information with other state agencies that have relevant expertise, as well as with the Conservation Easement Oversight Commission, to ensure that it has the resources to address any concerns about information contained in a tax credit application. Taxpayer confidentiality will be maintained.

4. Create a Conservation Easement Oversight Commission

This Commission advises the Division of Real Estate and Department of Revenue and, along with the Division of Real Estate, administers the easement holder certification program. The Commission has nine members with representatives from: Great Outdoors Colorado, the Colorado Department of Natural Resources, the Colorado Department of Agriculture, a local land trust, a state or national land trust, a local government open space or land conservation organization, an historic preservation group, a certified general appraiser with conservation easement experience and a landowner who has donated a conservation easement.

5. Create a one-year holding requirement

Mirrors the IRS limitation on the value of a qualified conservation contributions for property held less than one year.