



The following is an excerpt from *Conservation Easement Policies of The Maryland Environmental Trust*,
Adopted by Board of Trustees on March 4, 2013.

See http://www.dnr.state.md.us/met/pdfs/conservation_easement_policy.pdf for full policy.

T. Appraisal Policies and Procedures¹

In order for MET to sign Form 8283, the information in Section B, Part 1, "Information on Donated Property," and Part 3, "Declaration of Appraiser," must be complete.

MET will require a full appraisal by a qualified appraiser for review in all cases. For donations in excess of \$500,000, a full appraisal must accompany the taxpayer's return (IRC §170(f)(11)(D)).

Staff appraisal review focuses on determining that the assumptions of the appraisal accurately reflect the restrictions, prohibitions, and other terms of the conservation easement; thus MET may correctly represent that it has "received the donated property *as described* in Section B, Part 1" of Form 8283. The appraisal report is part of that description. MET may refuse to sign the Form 8283, or may seek revisions in the appraisal, if the appraisal is inaccurate, implicitly or explicitly, in its representation of the conservation easement terms.

As stated on Form 8283, "This acknowledgement (the donee's) does not represent agreement with the claimed fair market value." MET will rely on the qualified professional appraisers to establish value.

If MET believes that no gift has been made or the property has not been accurately described, it may refuse to sign the form. If MET has significant reservations about the value of the gift, particularly as it may impact the credibility of MET, it may seek additional substantiation of value or may disclose its reservations to the donor. Further, MET staff may refuse to sign an 8283 in cases where the conservation easement conveyance is not a gift, e.g., a regulatory requirement, a condition of a contract, a developer conservation easement or other quid pro quo conservation easements. MET staff will make every effort to identify any such potential conservation easements early in the process and educate the parties involved that such conservation easements lacking donative intent would not be tax deductible.

Other factors that could provide the basis for MET to refuse to sign the Form 8283 include: factual errors or inaccurate representations of conservation easement restrictions, no appraisal report is provided to MET, or the enhancement value to a landowner of property adjacent to the conservation easement land is not addressed.

The conservation easement donor, and not MET, is responsible for obtaining the services of an IRS qualified appraiser. Appraisers must have all the necessary Maryland licenses and certifications and follow the Uniform Standards of Professional Appraisal Practice (USPAP). Additionally, appraisers must meet the requirements of a "qualified appraiser," as defined in IRS Notice 2006-96, titled "Guidance Regarding Appraisal Requirements for Noncash Charitable Contributions," and all subsequent refinements of the definition of "qualified appraiser."

¹ Originally approved April 7, 2008