In spring of 2021, the Commission released an updated version of the Requirements Manual and a document outlining the changes. Some of the changes begin to take effect in 2022. Each month we will be highlighting a change, why we made it and why it is important. This month we’re looking at a new transaction requirement.

### Why is it important?

Land trusts have a responsibility to review, on their own behalf, each potentially tax-deductible conservation easement for consistency with the Treasury Department regulations. Part of this review includes considering whether the easement document contains elements that would place a landowner at risk of being denied a deduction, which could impact the reputation of the land trust and the larger land trust community.

### How will it be implemented?

To give land trusts time to implement this change, this requirement will be phased in and start in 2022. Accreditation reviewers will look that tax-deductible conservation easements completed in 2022 and later meet the requirement. Corrective action will not be required for older conservation easements.

### Why add this requirement?

- In 2018 the Tax Court disallowed a deduction because a conservation easement included a clause that failure of the grantee to respond to a request for approval within a specified timeframe constituted default approval. A default approval could inadvertently allow for inconsistent uses and could fail to protect the conservation values in perpetuity.
- Because default approval clauses have potential conservation risk and reputational risk, the Land Trust Alliance advises land trusts to not include them in tax-deductible conservation easements.
- For more information, see the Land Trust Alliance's Practical Pointers on Drafting Approval Standards.

If you have questions about any of the changes, please contact us at info@landtrustaccreditation.org

Click here to see the entire Summary of Changes and to download the Requirements Manual.