

If you make a gift of a trail easement to the Vermont Snow Travelers Conservancy (“VSTC”), not only will you be promoting a valuable form of outdoor recreation and making a significant economic contribution to the local economy, you may be entitled to a federal income tax deduction and could also be entitled to a reduction in your state property tax bill. Donating a trail easement is a great way to ensure the continued public access to the state’s extensive snowmobile trail system and its growth while realizing significant federal income and state property tax savings.

#### WHAT IS A TRAIL EASEMENT?

A trail easement is a voluntary and legally binding agreement between a landowner and VSTC that allows VSTC to establish and maintain a snowmobile trail on a portion of your property. When a landowner donates an easement to VSTC, they are giving away some of the rights associated with the land affected by the easement. An easement provides VSTC with a right-of-way across your property for the purpose of establishing and maintaining a snowmobile trail. VSTC cannot use the right-of-way for any other purpose and you retain the right to use your land in any fashion that does not unreasonably interfere with the use of the trail. For example, as the easement limits regular use of the trail to the winter months, a landowner is generally free to use the easement area to grow crops and or graze animals. We will work with you to locate the trail in a manner that minimizes its impact on your use of your property to the greatest extent possible. The easement document clearly sets out the rights you are granting to VSTC and VSTC’s obligations to you. You should read the draft easement carefully and, consider if there is anything you need to add or do not understand. We recommend you have the easement reviewed by your own lawyer prior to signing it.

#### WHAT ARE THE TAX BENEFITS OF DONATING AN EASEMENT TO VSTC?

If you donate a trail easement to VSTC, the donation can qualify as a charitable tax deduction on your federal income tax return. The amount of the deduction will vary depending on the value of the easement. If you make such a donation, we will assist you in getting the easement appraised. We can recommend an appraiser to you and reimburse you for the cost of appraisal, but in order for the appraisal to be seen as valid, you will need to hire and direct the appraiser in his work. As to the tax benefit you may realize, that is something you would need to discuss with a tax advisor and will vary depending on your specific circumstances. The federal income tax deduction may be taken in one year or over several years, again depending on your circumstances, but the total deduction allowed will in almost all cases equal the fair market value of the easement. In addition to the federal income tax deduction, you may be entitled to a reduction in the assessed value of your property, resulting in property tax savings. The appraiser would establish the value of your property before and after the easement is granted, and you may be entitled to a reduction in value equal to the difference. You would need to bring this to the Town Listers attention and it will be up to the Town Listers to decide whether to reduce your property’s assessed value. If the easement runs across a small segment of your land and your land is already in the Current Use program, the change in value will likely be modest. If it cuts through or across a larger portion of your property, the impact on your property’s value could be

more significant. There are some circumstances when it could increase the value of your property.

#### WHAT IS THE ROLE VSTC?

VSTC is a non-profit charitable organization whose sole purpose is to obtain, manage, and enforce snowmobile trail easements. Voluntarily donating a permanent conservation easement is a major commitment for a landowner that requires careful thought. VSTC can assist you in finding legal and tax advice, but cannot provide such services to you. VSTC will record the easement in the local land records and be solely responsible for enforcing its terms. If you feel someone is not respecting the terms of the easement, VSTC will assist you in making sure all users of the trail respect your rights. In addition, if someone gets hurt while using the trail, VSTC or a related entity will defend and indemnify you against any claims relating to the injury. All VSTC easements are part of the Statewide Snowmobile Trail System, maintained by VAST, and are covered by the states statutes protecting land owners who make their land available to snowmobiling. VAST will keep you informed of trail maintenance activities. If you ever have a problem or concern about the trail, VSTC will be available to address those concerns. VSTC seeks to foster a strong long-lasting partnership with everyone who donates an easement.