



Tax Credit Update—CRC's Land Trust Payment Assurance Program February 2012

CRC's Land Trust Payment Assurance Program

You asked, and we listened! In recent years, many of you have asked about an effective, yet diplomatic solution to the problem of seeking payment of fees due to your organization from landowners. To be sure, the majority of conservation easement donors are timely in their payments of fees (e.g. stewardship fees), whether they pay before their credits are sold or after. However, and perhaps due to a continuing weak economy, many of you have expressed interest in finding a way to secure payment upon the close of the sale of the tax credits.

Better than an Assignment or Promissory Note

Executing an additional assignment contract or promissory note just adds to the paperwork the landowner must navigate, and additional legal fees may be incurred by the land trust to have these documents drafted. Instead, we are offering to include an additional provision in our tax credit transfer documents that will provide for direct payment to the land trust for fees owed by the landowner.

How It Works

1. The landowner and land trust must mutually agree to have the provision added to the transfer documents. Upon such agreement, the land trust simply contacts CRC to add the provision.
2. When the landowner signs the transfer documents for the sale of their tax credits, they will also be agreeing to pay the land trust out of the proceeds of the tax credit sale.
3. Upon the closing of the sale of the credits, CRC will FedEx the agreed upon payment directly to the land trust.

We understand it's never fun asking for money – especially from a generous landowner who has just made a significant donation to your organization. That said, it's also no fun to be owed funds upon which your organization relies to conduct its important work of stewardship and further land conservation. We hope this program will help both landowners and land trusts continue to complete quality conservation easement transactions.

Questions?

Call us:
303.544.1044

Email us:
tina@taxcreditexchange.com

As always, we'd like to point out that the Conservation Resource Center is Colorado's only nonprofit organization that specializes in the transfer of tax credits. As a nonprofit, CRC depends on your referrals of landowners interested in transferring their tax credits. We continue to appreciate your support.