



## PRESERVATION RESOURCE CENTER

— of NEW ORLEANS —

# PRESERVATION EASEMENT

## *Program Information*

A *preservation easement* is a voluntary legal agreement that protects a significant historic, archaeological, or cultural resource. A preservation easement provides assurance to the owner of a historic or cultural property that the property's intrinsic values will be preserved through subsequent ownership. In addition, the owner may obtain substantial tax benefits. Under the terms of a preservation easement, a property owner grants a portion or interest in their property rights to a non-profit organization whose mission includes historic preservation. The donation becomes part of the property's chain of title in perpetuity.

The donation enables the Preservation Resource Center to require changes to the structure as a condition of acceptance, to require future maintenance of the structure, and to prohibit demolition and changes not in keeping with its architecture style or historic integrity. Once a property has been accepted, any proposed changes to the building, including maintenance/repairs and paint color, must be submitted for approval by the *Easement Committee*. Because the donation is in perpetuity, it binds both the current owner and future owners to comply.

When the owner donates an easement, they can possibly claim a *charitable deduction* on federal income tax. In most cases, an easement donor may deduct the value of the easement, for up to 50% of the taxpayer's adjusted gross income, from Federal taxes.

Any excess value may be carried forward for up to twenty years.\* The *value of the easement* is based on the difference between the appraised fair market value of the property prior to conveying an easement and its value with the easement restrictions in place.

The Preservation Resource Center maintains the highest standards in its requirements regarding donated structures. The Easement Committee applies these standards in its decision, but may take mitigating and extenuating circumstances into account in making their decisions. The Easement Committee's recommendation is presented to the Board of Directors for acceptance. The Preservation Resource Center currently holds well over 100 easements in New Orleans, Baton Rouge, and surrounding Parishes.

Structures in all National Register Historic Districts, qualified local historic districts or individually listed on the National Register of Historic Places will *qualify for consideration* by the Preservation Resource Center.

To fund the ongoing costs of monitoring, inspecting, enforcing, and administering our easements in perpetuity, the Preservation Resource Center has established a restricted *Stewardship Fund*. Contribution to this fund is required at the time of closing.

*\*The state Commercial Tax Credit program is in effect through 12/31/2021 and Residential Tax Credits through 12/31/2017.*

### COSTS ASSOCIATED WITH DONATING AN EASEMENT

- *Application fee - \$1,000.00.*
- *Stewardship Fund – The amount of the required donation to the fund varies. It is determined on a case-by-case basis, dependent on a number of factors, including the appraised value of the property.*
- *Any and all attorney's costs associated with the donation.*
- *Mortgage and Conveyance Certificates and any other associated costs.*