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## Keep The Land In The Family

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Taos Group Hears Experts at Session

TAOS -- More than 200 years ago, Spanish soldiers built a torreón, or fort, on property that his wife's family now owns near Taos, said Vicente Martinez of Tres Piedras.

Back then, the soldiers built it to protect themselves and residents of the nearby Taos Pueblo from Comanche raiding parties, Martinez said.

Now he's looking for a way to protect the historic property from the ravages of the elements and the lure of development.

Even though the land isn't his, he wants information he can share with family members and spur them to preserve their heritage, he said.

"I want to save it for future generations, maybe turn it into a museum," Martinez said.

Martinez was one of more than 35 people who attended a free workshop Saturday sponsored by the Taos Land Trust about preserving family land and family wealth through estate planning, including information on how conservation easements can cut taxes and slow development.

Land trusts, like the Taos Land Trust, offer some help for landowners who are land rich but cash poor.

Land-owning families need to do estate planning, because when the owner of the land dies, his or her heirs are often confronted with astronomical tax bills, experts at the workshop said. Sadly, sometimes they have to sacrifice the land to pay the tax bill.

In the Taos area, land prices are skyrocketing, a trend unlikely to slow.

For example, an acre of land in the Des Montes area -- a tiny settlement less than 10 miles northeast of Taos -- had been sold recently for \$100,000. In the late '80s, an acre was selling for less than \$10,000, according to attorney Richard De Stefano, who spoke at the workshop.

As the prices increase, some of Taos' farming and ranching traditions are getting paved over, said Ernest Atencio, executive director of the Taos Land Trust.

"Asphalt is your last crop," Atencio reminded the audience.

Experts at the workshop offered advice on planning ahead and donating -- or selling, if funds are available -- conservation easements to pare down taxes. If land becomes a conservation easement, it would no longer be part of a private, taxable estate, the experts said.

If a conservation easement is given to a land trust, the landowner gives up most or all future development rights, said Jeanne "Gigi" Darricades, an attorney who works with a southern Colorado land trust.

Once agreed upon, the conservation easements are permanent, and future family members can't change them, she said.

Land trusts concerned with conserving specific traditions, such as ranching or farming, are growing in popularity in Colorado.

There are some restrictions on the purposes of the easements, according to the Internal Revenue Service. To qualify under the federal tax code, the land has to be preserved for recreation or education, or for the purpose of protecting wildlife and habitat, or for the purpose of open space, farm land, forest land, or for its historic significance, she said.

Conservation easements for public recreation or education mean that the land has to be open to the public. If the conservation easements qualify under the other purposes, like preservation of habitat, public access doesn't have to be included, she said.

However, if the easement is for open space, to qualify as a conservation easement, the public has to be able to see at least 30 percent of the land from a public road, she said.

The Taos Land Trust, along with other land trusts in the West, helps land owners hammer out most of the details, but families really need to talk among themselves first because of the finality of placing the family's land in a conservation easement, Atencio said.

CPA Fred Winters of Taos offered advice on how estate planning can give families greater security in the future if they consider what each new generation will face from inheritances.

He recommended creating limited partnerships within families and considering conservation easements.

"These are legitimate tools to be used to suppress value," he said.

Attorney De Stefano said estate planning serves several purposes, including reducing or eliminating federal estate tax payments and reducing income taxes.

He also encouraged people to be meticulous when reporting estate taxes to the IRS. Unlike income tax returns, the IRS audits every estate tax return, he said.

