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ALABAMA HISTORICAL COMMISSION EASEMENT PROGRAM

Historic preservation easements can be an effective tool to protect Alabama's heritage, and one that may benefit the donor substantially from the tax point of view. Preservation easements safeguard heritage sites and give concerned owners of such sites the peace of mind that a place they love--one in which they may have invested considerable time, energy, thought and money--will be protected after they are gone. Here are a few things to keep in mind if you are thinking about an easement donation:

- Easements are forever. Once recorded, the easement restrictions become part of the property's chain of title and "run with the land" in perpetuity, thus binding not only the owner who grants the easement but all future owners as well. Easements protect the basic historic and aesthetic qualities of a property on a permanent and ongoing basis. Circumstances and occurrences that might nullify the easement are spelled out in each easement agreement.
- A property must be officially determined to possess historical, architectural, archaeological, or cultural significance to the state or to its locale in order to be eligible for easement consideration. The Alabama Historical Commission requires that a site be listed in the National Register of Historic Places. Sites and buildings that are key contributing elements within a National Register historic district may qualify even if not individually listed. Contact the AHC to find out if a property has already been listed in the National Register of Historic Places.
- To claim a tax benefit for an easement donation, the IRS requires that a property be "certified," meaning typically that it is on the National Register or is in process of being listed. While the AHC may be the easement holder, it does not involve itself with the process of applying for a tax benefit. This is the responsibility of the donor and/or his accountant and legal representative.
- To determine whether an easement donation may be to your advantage from a tax standpoint, you should talk to your accountant, a qualified real estate appraiser, and/or an attorney. Visit the National Park Service's website for more information: <https://www.nps.gov/tps/tax-incentives/taxdocs/easements-historic-properties.pdf>
- The AHC can supply a sample easement form. However, each agreement is tailored to the particular circumstances of the property involved, as well as to the specific wishes of the donor insofar as possible.
- The AHC charges a stewardship fee to accept easements. Easement administration typically includes routine monitoring, staff time to respond to owner requests, and legal costs for questions about easement interpretation and enforcement. Having the necessary resources to enforce its easements is one of the requirements of the Internal Revenue Service in identifying a qualified organization for easement transactions pursuing a qualified conservation contribution ([see IRC §170\(h\)\(3\) for additional information on qualified organizations](#)).

Easement Stewardship Fee Schedule

Application Fee	\$250
Base Fee for Easement Administration	\$10,000
Additional Fee based on Fair Market Value (FMV)	
\$200,000 FMV or less	\$5,000
\$200,001 to \$400,000 FMV	\$10,000
\$400,001 to \$600,000 FMV	\$15,000
\$600,000 + FMV	\$20,000

*AHC reserves the right to waive or reduce fees for certain non-profits who are not receiving a tax benefit for donating an easement.

Easements Required by Federal Grants

When a preservation easement is required as a condition of a federally funded grant (excluding grants from the Historic Preservation Fund), the easement stewardship fee is equal to 2% of the federal grant award.

There is no fee for preservation easements that are required as a condition of receiving federal [Historic Preservation Fund \(HPF\) grants](#). HPF grants include the following programs:

- African American Civil Rights
- Save America's Treasures
- Paul Bruhn Historic Revitalization Grants
- History of Equal Rights
- Semiquincentennial
- Historically Black Colleges & Universities
- Underrepresented Communities
- Tribal Heritage
- Disaster Recovery

Contact Christy Anderson at (334)230-2696 or Christy.Anderson@ahc.alabama.gov to discuss the Alabama Historical Commission's Easement Program.