

MINUTES  
CONSERVATION EASEMENT OVERSIGHT COMMISSION MEETING  
APRIL 4, 2025  
COLORADO DIVISION OF CONSERVATION  
1560 BROADWAY, SUITE 1550  
DENVER, CO 80202

**Commissioners in Attendance**

Nick Jacobson, an individual who is qualified to analyze conservation purpose, appointed by the Governor; Carmen Farmer, representing a certified conservation easement holder, appointed by the Governor; Kelly Romero-Heaney, representing the Department of Natural Resources; Maggie Hanna, a member of the general public, appointed by the President of the Senate; Cindy Lair, representing the Department of Agriculture; Chris Yuan-Farrell, representing the Great Outdoors Colorado (GOCO) Program; Joshua Johnson, an Individual Qualified to Analyze Conservation Purpose, appointed by the Speaker of the House of Representatives; and Emelin Martinez, an individual representing socially disadvantaged farmers or ranchers, appointed by the Governor.

**Staff in Attendance**

Aaron Welch, Director, Madeleine Green, Compliance Specialist, and Kirsten Grooms, Assistant Attorney General.

Notice of the meeting was timely published and the meeting was held pursuant to the Colorado Sunshine Laws, Title 24, Article 6, C.R.S., as amended.

**ORDER OF BUSINESS**

The meeting was called to order at 9:32 am

**Approval of Minutes - December 13, 2024**

It was moved by Commissioner Johnson and seconded by Commissioner Lair to approve the December 13, 2024 minutes.

*Motion carried.*

**Public Comment**

None.

## **POLICY MATTERS**

### **Commission Update**

Director Welch welcomed the new Commissioner, Emelin Martinez, appointed by the Governor in September to fill the new position of an individual representing socially disadvantaged farmers of ranchers and Martinez briefly introduced herself.

### **Commission Election of Chair & Vice Chair**

Director Welch noted that all appointments have been filled and it is time to elect a Chair and Vice Chair.

It was moved by Commissioner Yuan-Farrel and seconded by Commissioner Hanna to elect Commissioner Farmer as Chair.

*Motion carried.*

It was moved by Commissioner Hanna and seconded by Commissioner Farmer to elect Commissioner Yuan-Farrell as Vice Chair.

*Motion carried.*

### **Applications Update & 2025 Certified Holders Recertification**

Madeleine summarized application activity since the last meeting. The Division has 19 tax credit certificate applications pending review. The Division has issued 14 applications since the last Conservation Easement Oversight Commission meeting in December. The CEs involved encumber 18,000 acres in 11 counties. The rate of incoming applications suggests the Division can anticipate 50 to 55 tax credit applications this year meeting the average number of applications the past four years. The Division is currently issuing tax credits from the 2027 cap.

Madeleine then gave an update for the 2025 certified holder renewal process. The Division renewed the certification for 35 organizations, composed of 22 nonprofit organizations and 13 government agencies. Director Welch noted that there is one less organization to renew this year since two certified holders merged in late 2024. The certified holder renewal applications revealed that there were 6 amendments, 24 violations, and no extinguishments in 2024. Director Welch added that there were fewer amendments in 2024 because of the unusually large number of amendments in 2023 in response to IRS Safe Harbor Notice 2023-20. Commissioner Yuan-Farrell asked if the amendments are considered to include amended and restated conservation easements, and Director Welch clarified that amended and restated easements are not considered to be amendments because they are considered separate qualified conservation contributions for tax purposes.

Director Welch also explained that the 24 reported violations were not unusual, noting that it represents a rate of violations well less than 1%. He further explained that the Division expectation is for certified holders to address violations since these organizations have proved they have adequate policy and capacity through the initial certification process. The Division does not prescribe how to address violations. Commissioner Yuan-Farrell asked if the Division has any enforcement procedures beyond recertification. Director Welch noted that the Division has no direct enforcement authority and

functions as a regulatory program via the certified holder program. Certified holder organizations must maintain their certified holder status in order for their landowners to be eligible to seek the tax credit. This is a powerful incentive that helps motivate certified holder organizations to do the work of stewardship and enforcement and maintain their certification status.

### **IRS Guidance for Listed Transactions**

Director Welch introduced the new U.S. Treasury regulations for “listed transactions” and a draft position statement for the Division of Conservation. He explained that the regulations appear to potentially require certified holder organizations to file a “material advisor” disclosure or face penalties. He further explained that the intent of the draft position statement is to clarify the treatment of syndicated conservation easements in the conservation easement tax credit certificate application process and the certification of conservation easement holders. Commissioners representing certified holders shared that their organizations are aware of the new regulations and have not yet had to file a disclosure. Commissioner Lair commented that she is glad to hear that the Division exists as a gatekeeper to prevent syndicated conservation easements from occurring in Colorado and asked if there are any articles with examples. Director Welch noted that the Land Trust Alliance has multiple examples as well as material to determine if a transaction may be a syndicated easement. Commissioner Farmer mentioned that all land trusts should consider IRS guidance before engaging in new conservation easement transactions. Commissioner Farmer also suggested to strike the term “benefits” from the draft position and use instead the term “charitable conservation deduction” to more closely align with the IRS guidance. Commissioner Yuan-Farrell suggested that the draft position should include clarification of the exceptions for family LLCs and long-term ownership.

It was moved by Commissioner Yuan-Farrell and seconded by Commissioner Lair that the Commission adopt the position with the edits for “charitable conservation deduction” and clarification of the exceptions for family LLCs and long-term ownership.

***Motion carried.***

### **Agenda Items for Next Meeting**

The next meeting is scheduled for June 27, 2025. Topics may include a preliminary advisory opinion request regarding coal bed methane extraction.

### **ADJOURN**

The Commission adjourned the meeting at 10:39 am on April 4, 2025.