

10-01

Qualified Conservation Contributions and Borrow Pits

Date Issued: September 28, 2023

Date(s) Revised: N/A

Purpose: To clarify the treatment of borrow pits in the review of conservation easement tax credit applications.

POLICY: It is the policy of the Colorado Conservation Easement Oversight Commission (“Commission”) that a small sand and gravel borrow pit for use on the property is an incidental accessory use on a conservation property, and is not considered mining or surface mining for purposes of a Colorado conservation easement tax credit. The Commission acknowledges that such borrow pits are common on conservation properties that have agricultural uses and finds that such borrow pits should not be interpreted to comprise surface mining, but rather one of the certain methods of mining that may have limited, localized impact on the property and are not irretrievably destructive of significant conservation interests. The Commission advises that the Division of Conservation may issue tax credit certificates for conservation easements with a reserved right for a small sand and gravel borrow pit for use on the property.