



Land Trust Alliance Presidential Transition Recommendations

December 8, 2008

High Leverage Tools to Strengthen Land Conservation across America

The Land Trust Alliance has 1,200 member organizations, each of which is a publicly-supported charity dedicated to land conservation. Most of these land trusts operate locally, but they include statewide organizations and national organizations such as The Nature Conservancy, The Trust for Public Land, The Conservation Fund, and others. Together, land trusts have conserved more than 40 million acres across America, often in partnership with local, state or federal agencies.

We work with our member organizations on three fronts. We work to accelerate the pace of conservation, by creating new tools and funding for land conservation. We increase the quality of conservation, by building the skills, knowledge, and sustainability of land trusts, their staff, and their volunteers. We work to ensure the permanence of conservation by creating resources to defend protected land over time.

The Alliance is looking at the following legislative priorities in 2009:

1. Making the enhanced tax deduction for the donation (or bargain sale) of conservation easements a permanent part of the tax law;
2. Creating a greater incentive for land conservation in the context of estate tax reform; and,
3. Seeing that policy responses to global climate change recognize the important role of forests, prairies and agricultural lands in mitigating climate change.

The Alliance believes that the Administration has key opportunities to advance land conservation, including:

1. We urge the Administration to champion tax incentives for private land conservation;
2. We urge the Administration to recast land conservation as an important element in addressing climate change;
3. We urge the Administration to take leadership on gathering the data needed to track the effects of conservation – and development – on our climate;
4. We urge the Administration to create new emphasis and funding for partnerships with conservation nonprofits and state and local governments in land conservation; and,
5. We urge the Administration to provide the leadership needed to reinvigorate the Land and Water Conservation Fund.



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Tax Incentives for Private Land Conservation

Over the past several years, Congress has explored a number of innovative, high-leverage tax incentives for land conservation. They include:

- 1. Make permanent the enhanced federal deduction for donations of conservation easements** to protect important natural resources on private lands. Endorsed on the Sportsmen for Obama website and championed by Senators Max Baucus (D-MT) and Chuck Grassley (R-IA) and Representatives Mike Thompson (D-CA) and Dave Camp (R-MI), this incentive rewards agricultural and other modest-income landowners who received little incentive under prior law. It was enacted by Congress in 2006, extended in 2008, and is now due to expire in 2009. It has been a major factor in land trusts adding more than 2 million acres of new conservation easements in 2006-2007, **500,000 acres more than were conserved in the two years prior to its enactment**. To be effectively marketed to private landowners, it needs to be made a permanent part of the tax code.
- 2. Enhance the estate tax exclusion for permanently conserved lands** (IRC 2031(c)). Congressmen Earl Blumenauer (D-OR) and Timothy Bishop (D-NY) have proposed providing an increased exclusion or deferral of estate taxes, for permanently conserved lands.
- 3. Provide new financing tools for private and public land conservation.** In 2008, Congress provided authority for the **use of tax-credit bonds to acquire lands**. This enabled a 320,000 acre land acquisition in Montana, at least half of which will be added to the National Forest System. Several members of Congress have also proposed providing **authority for conservation nonprofits to use tax-exempt bonds to acquire forest lands** that, though subject to timber harvest, would be permanently protected from conversion to other uses.
- 4. Provide tax credits to landowners who voluntarily improve the habitat of imperiled species** on their lands. Senators Baucus, Grassley, Stabenow and Lincoln proposed such credits in 2007, along with Congressman Thompson.
- 5. Reduce capital gains taxes on sales of land to public or private conservation agencies.**
- 6. Provide tax credits to finance acquisition of conservation easements** by conservation nonprofits. At least three states (VA, CO and NM) provide transferable state income tax credits to donors of conservation easements, to partially compensate them for their donations. They have been an extremely effective incentive for conservation by landowners. Senator Johnny Isakson (R-GA) has introduced legislation to provide such a tax credit on the federal level.



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Make Land Conservation an Important Element in Fighting Climate Change

Natural and agricultural landscapes play an important role in our climate. The EPA estimates that U.S. lands, public and private, together provide nearly 900 million metric tons of annual carbon dioxide removal from the atmosphere. This represents 14.8% of total U.S. carbon dioxide emissions.

But there is strong evidence that that this sink is being diminished, particularly through loss of forests and grasslands. The 2003 USDA Natural Resource Inventory (NRI) identified loss of forest, grassland, and agricultural landscapes to be more than 2 million acres (800,000 hectares) a year.

In addition to reducing their capacity as a carbon sink, conversion of grasslands and forests also generates significant one-time emissions of greenhouse gases (40-300 tons per hectare), further adding to the problem of greenhouse gas emissions. At the rate of loss cited in the NRI, that translates to 32 million to 240 million metric tons of new carbon emissions a year. These changes are largely taking place on privately owned lands.

Because of these factors, we call on the Administration to **support a variety of policies to aid conservation of private forest, grasslands and agricultural lands** to retain their role in mitigating carbon emissions and to prevent carbon emissions from their conversion to more intensive uses.

The Administration could begin by **creating a Climate Reserve that would list and track conserved lands** and their relative contributions to reducing carbon emissions. This Reserve would include public lands and private lands. An important part of this goal could be achieved through a **revitalization of the Natural Resources Inventory**, last compiled by NRCS in 2003, which tracked land use changes across the country. A Climate Reserve would be independent of any policy on land-use related “sequestration” or “offsets” that might be created in any “cap and trade” system for greenhouse gas emissions.



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Improve Data on Climate and Land

Private, state and local agencies are doing a huge amount of land conservation in the United States, and have tremendous influence on the management of both their own lands, and that of private landowners.

These landowners need better data if they are to change their work to adapt to a changing landscape, or change their management to enhance the ability of these lands to absorb carbon dioxide and minimize greenhouse gas emissions. They would greatly benefit from a federal effort to create, house, and make easily available information about projected effects of climate change on the physical and biological environment, about sequestration of greenhouse gases by various land uses in different locations, and about emissions of greenhouse gases caused by changes in land use in different land types and locations.

The federal government needs to collect the information now being generated by academic and government researchers, promote additional research in this area, help make its management implications explicit so they can be understood and used by public and private land managers, and provide a central and easy to access repository for it.

Such data will help land managers understand and, hopefully, quantify the climate effects of their work, and help them understand how they can adapt to a warming climate. **This information will be critical to the effective use of new “adaptation funding” to state and federal wildlife managers** to restore habitat, create wildlife migration corridors and assist fish and wildlife to adapt to effects of a warming climate, as endorsed on the Sportsmen for Obama website.



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Funding New Partnerships for Land Conservation

Partnership programs that enhance the capacity for conservation at the state and local level provide high leverage for federal goals. Programs including the USFS Forest Legacy Program, the NRCS Farmland Protection Program, Land and Water Conservation Fund State Grants, USFWS Partners for Fish and Wildlife Program, and North American Wetlands Conservation Act grants, have routinely provided \$2-3 of conservation for each federal dollar invested. **These programs deserve priority for funding in the coming years.**

Two twists on this theme could return even higher leverage for federal conservation agencies.

The first is to even more directly support and encourage state and local funding for conservation. Over the past decade, state and local governments have been asking their voters to approve funding for conservation, with enormous success. In 2008, despite terrible economic news, voters approved \$8.4 billion of new state and local conservation funding, in all parts of the country. The LandVote website operated by the Trust for Public Land provides detailed information on these efforts.

Configuring federal funding to explicitly recognize, support and reward efforts by local and state governments to get their voters to approve conservation funding would be going directly to where conservation funding is succeeding, building on it, and helping to direct it to help achieve federal goals at the same time it is achieving local ones.

The second is to **build local capacity for conservation, particularly amongst local nonprofits.** The NPS Rivers, Trails, and Conservation Assistance Program, many of the grants provided by the National Fish and Wildlife Foundation, and a NOAA-funded effort on the coast of Maine, have aimed not at supporting conservation transactions, but at building the capacity of land trusts and other local conservation nonprofits to undertake thoughtful and effective conservation on an ongoing basis.

New York State has had such a program for the past 3 years. The Conservation Partnership Program has provided \$3 million in grants to 64 land trusts, enabling all-volunteer organizations to hire staff, grow their programs and make that growth sustainable. These grants have also leveraged over \$9 million in private funds to conserve nearly 10,000 acres of open space across the state.



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Reinvigorate the Land and Water Conservation Fund

The Land and Water Conservation Fund has languished at very low funding levels over the past decade. It is important to recognize that this is not because of a lack of popular support for its purpose. Polling, and even more significantly, **actual voting reveals deep and strong popular support for investing in land conservation.**

In 2008, despite a deep economic freeze, voters approved more than \$8.4 billion in funding for land conservation in state and local referenda. In fact, voters have approved an average of nearly \$4 billion a year for these purposes over the past decade, with many of those votes explicitly raising voters' taxes.

Many of our colleagues have thought long and hard about how one might reinvent, re-purpose, or reformulate the Land and Water Conservation Fund to provide at least \$900 million a year for land conservation. There are many ways this could be done. The basic idea, however, remains brilliant and logical: to take a relatively small share of the funds generated from a nonrenewable natural resource, and invest it in a renewable natural resource base for the benefit of the public.

Regardless of formulation, we should not underestimate the importance of Administration leadership on this issue. That leadership is an invaluable ingredient without which no reformulation of the Land and Water Conservation Fund can succeed.