

## COVID-19 Relief and Future Economic Stimulus Packages

### Policy Recommendations from the Land Trust Community

As our country navigates the novel coronavirus pandemic, the Land Trust Alliance is recommending that future economic stimulus packages include the following policies:

#### 1. Measures that are important for land protection and our economy:

Policy Recommendation:

- **We strongly support federal relief for state and local governments to continue funding these critical conservation programs.**

Like the majority of America, land trusts are significantly impacted by the pandemic. Despite these hardships, we are continuing to work to protect the lands that people love. During these difficult times, more Americans are seeking open spaces for respite and recreation. Americans are using local, conserved lands to protect their physical and mental health, as well as to produce food and fiber.

State and local conservation programs secure these important lands, leverage federal resources and are significant economic drivers that create jobs. As states and localities face revenue shortfalls in the coming months due to the pandemic, important conservation programs may be first to suffer funding cuts.

#### 2. Measures that allow farmers and ranchers to remain viable and address food security:

Policy Recommendations:

- **Increase funding for the Agricultural Conservation Easement Program to \$1.3 billion for FY2020 and FY2021.** This will provide farmers and ranchers faced with economic ruin an alternative to selling their property out of agricultural production.
- **Eliminate the Adjusted Gross Income (AGI) eligibility requirements for ACEP.** Compensation for the purchase of a conservation easement is not a subsidy payment; it is a conveyance of a private real property right through which the landowner must give up something of value in exchange for the program payment. In addition, the process for AGI verification is cumbersome and creates a barrier to getting funds on the ground quickly to protect farms and ranches.
- **Expand the Conservation Reserve Program (CRP) acreage cap to 32 million acres and create longer-term or permanent contract options.**

Farm Bill conservation programs constitute the largest single federal source of funding for private land conservation. These programs are critical for enabling farmers, ranchers and foresters to

conserve water; maintain soil health; protect farmland and ranchlands; protect wetlands; create and maintain fish and wildlife habitat; and produce abundant food and fiber.

Farm Bill programs also help create jobs and bolster food security which is even more critical now in light of the unemployment rate and as we struggle to get crops from the farm to the table. Farm Bill programs can help directly with recovery efforts by providing food and fiber, jobs and economic stability for our communities. Farm Bill easement programs also play a critical role by enabling farmers and ranchers to stay on their land and keep the land in agricultural production.

### 3. Legislation that funds and expands America's Conservation Corps:

Policy Recommendation:

- **Dedicate \$30 billion to federal agencies and states to expand conservation corps programs and put Americans back to work.**

More than 30 million Americans have lost their jobs, and many will suffer long-term financial setbacks as a result of the coronavirus epidemic. It is time to take bold actions that both put millions of Americans back to work and restore our nation's natural heritage. Presently, roughly 30,000 Americans participate in conservation corps programs which provide valuable job training and work experience. These programs also allow for the completion of backlogged restoration and maintenance projects for local parks, trails and natural areas on both public and privately conserved lands.

The 2019 John D. Dingell Conservation, Management, and Recreation Act envisioned employing 100,000 conservation corps members. However, we believe that America should think beyond this scale if we are to address both the unemployment crisis and environmental degradation assailing our country. With the type of investment we envision, a new conservation corps could enroll **1 million** unemployed Americans in service, training and education programs, putting people back to work while also strengthening our nation's infrastructure.

### 4. Legislation that protects, enhances, and restores crucial habitats:

Policy Recommendations:

Longer-term:

- **Introduce and pass legislation that protects, enhances and restores critical grasslands,** similar to NAWCA, to provide extra support to farmers, increase community resilience to

flooding and natural disasters, protect wildlife habitat, and further increase carbon sequestration capacity.

The North American Wetlands Conservation Act (NAWCA) provides matching funds for the protection, enhancement and restoration of wetland habitat vital to migratory birds and other wildlife. Over the past two decades, NAWCA has allocated over \$1.6 billion in grants and leveraged \$3.3 billion in matching funds made by over 6,000 partner organizations. These funds have supported 2,800 projects to conserve, restore and enhance 30 million acres of habitat. NAWCA also supports local economies. Each year, NAWCA-funded conservation and restoration efforts support 7,500 jobs, and NAWCA-protected habitats are destinations for Americans who spend billions of dollars per year on recreational activities – from fishing to wildlife viewing.

## 5. Legislation that supports climate resilience and natural infrastructure:

Policy Recommendations:

Short-term:

- **Provide \$6 billion in funding and programmatic updates that emphasize carbon sequestration for job-creating Farm Bill conservation programs** such as the Environmental Quality Incentives Program (EQIP), Conservation Reserve Program (CRP), Regional Conservation Partnership Program (RCPP) and Healthy Forests Reserve Program (HFRP).

Longer-term:

- **Enhance the Healthy Forests Reserve Program** to become the leading national program for forest conservation easements, with both entity-held and federally held easement options, similar to ACEP, and mandatory funding of \$100 million/year.
- **Revise the benefit-cost analysis for Army Corps of Engineers projects** to account for ecosystem services and lower non-federal cost share requirements for natural infrastructure projects.
- **Increase and make mandatory the percentage of disaster funds set aside for Federal Emergency Management Agency pre-disaster mitigation programs**, particularly those that fund natural infrastructure and climate-smart solutions, from an optional 6% to mandatory 10% of disaster relief funds.
- **Invest in natural and climate-resilient infrastructure at a much larger scale** through Clean Water and Drinking Water State Revolving Funds and programs such as the proposed PROTECT grant program in America's Transportation Infrastructure Act (S.2302).

Global climate change threatens the future of natural and working lands, particularly through increases in extreme weather and natural disasters. Natural climate solutions, such as ecosystem restoration and improved land management practices, are an integral part of carbon sequestration efforts and can provide over 33% of the carbon emissions reductions needed to meet our nation's climate goals. Natural climate solutions also are cost-effective and can offer more immediate

opportunities to support carbon emission reduction goals while providing many economic benefits, such as infrastructure jobs and direct payments to land managers for carbon sequestration. Moreover, investing in climate resilience is a cost-effective strategy for natural disaster preparedness and mitigation.

## **6. Legislation to exempt conservation from the State and Local Tax limitation:**

Policy Recommendation:

- **Pass legislation to exempt conservation donations from the State and Local Tax limitation.**

In June 2019, the IRS issued a final regulation regarding contributions in exchange for State and Local Tax credits. The regulation is intended to prevent states from bypassing a cap on the federal deduction for state and local taxes that was included in the tax bill signed into law in December 2017. However, it also impacts other tax credits, including those for conservation. It eroded state tax incentives for landowners who donate land or conservation easements to land trusts.

## **7. Legislation that halts abuse of conservation easement tax incentives and generates revenue:**

Policy Recommendation:

- **Pass the Charitable Conservation Easement Program Integrity Act to protect billions in federal revenue and safeguard good conservation.**

The conservation easement tax incentive allows landowners to take a charitable deduction based on the fair market value of a donated easement, making conservation a viable option for land-rich, cash-poor landowners who have no other alternatives. While the vast majority of these donations are truly charitable endeavors, a few bad actors are exploiting the incentive to make fast – and often large – profits for investors. According to IRS data, these bad actors claimed nearly \$27 billion in tax deductions from 2010 to 2017. At a moment when we see land conservation as an opportunity to address critical needs, it is imperative that we continue to advocate for the integrity of the tools we have to advance conservation priorities.

The Charitable Conservation Easement Program Integrity Act, is drafted to halt the abuse and mirrors IRS Notice 2017-10, which made these abusive transactions listed transactions. Joint Committee on Tax estimates it will generate **\$6.6 billion** in federal revenue. These funds could be directed to support relief efforts.