

# LAND CONSERVATION

## Statement of the Issue

Successful land conservation requires action and initiative at all levels that is geared toward the protection of a diversity of lands. State agencies, local communities, and private individuals need the right tools to protect working farms and forests, scenic landscapes, natural areas, wildlife habitat and game lands, historic resources, and parks and recreational areas for present and future generations of Virginians. Virginia currently has a variety of programs and approaches that deliver lasting results across the Commonwealth: the Virginia Land Preservation Tax Credit program, state matching funds for local purchase of development rights programs through the Virginia Department of Agriculture and Consumer Services Office of Farmland Preservation, and competitively awarded land preservation funds from the Virginia Land Conservation Foundation.

Without significant and reliable funding for these programs, Virginia will not achieve conservation results at a large enough scale to: maintain the quality of life that attracts businesses and tourists to the Commonwealth, conserve the land base which supports our two largest industries—forestry and agriculture—meet its commitment to restore the Chesapeake Bay, access available federal and private conservation dollars that require matching funds, and ensure that future generations can enjoy the beautiful, diverse Virginia that we know today.

## Background

If current trends continue, over the next 40 years Virginia will lose as many acres of farms, forests, and natural lands to development as have been lost in the 400 years since the Commonwealth was settled by Europeans. We are now losing rural land at more than two times our rate of population growth. Vitally important prime farmland is being consumed at the greatest rate, with forestland loss close behind. In addition, we are regularly losing irreplaceable, critical wildlife habitat, important historic sites, and economically valuable scenic resources.

Virginians have said repeatedly in surveys, polls, and at the ballot box that they are willing to invest in the protection of open space. Unfortunately, the Commonwealth has failed to consistently provide adequate funding to protect our most important natural, cultural, and historic resources for the benefit of future generations.

## Land Preservation Tax Credit

The Land Preservation Tax Credit is Virginia's most successful, dependable land conservation funding program and is one of the best land conservation tax incentive programs in the nation. This program is an efficient and effective way to encourage private voluntary land conservation by providing taxpayers who make gifts of land or conservation easements tax credits equal to 40% of the value of their donated interest. Landowners with lower incomes who are unable to use all of their tax credits may transfer unused but allowable credits to other taxpayers. Before the implementation of the tax credit, just 19 counties had more than 1,000 acres of land protected by conservation easements. Just ten years after implementing this program, that number has rocketed to more than 80 localities with more than 1,000 acres of land protected by conservation easements.

An examination of the donated conservation easements demonstrates that the LPTC program is protecting critically important lands across the Commonwealth. For example, an analysis of the more than 725,000 acres of conservation easements in Virginia shows that:

- 350,000 acres (48%) are acres which are identified by the Department of Conservation and Recreation as ecological core habitat;
- 420,000 acres (60%) are forested lands;
- 219,000 acres (30%) are protecting nationally identified prime agricultural soils;
- over 624,000 acres (86%) are within the Chesapeake Bay watershed and add to the Commonwealth's commitments under the Chesapeake Bay 2000 Agreement;
- 136,000 acres are protecting corridors along state designated Scenic Roads; and
- over 97,500 acres of these protected lands are within state and nationally designated historic districts.

This program is an efficient and effective way for Virginia to encourage private landowners to conserve the most important lands in the Commonwealth. The land conservation community

# LAND CONSERVATION RECOMMENDATIONS

Virginia needs to make a substantial financial commitment to land conservation by:

- Continuing the Land Preservation Tax Credit Program in its current form.
- Allocate \$11M per year over the next two years for the State Office of Farmland Preservation's matching fund for local PDR programs.
- Allocate \$31.5M per year over the next two years for the Virginia Land Conservation Foundation.

strongly recommends that the General Assembly make no changes that would reduce the impact and availability of this important land conservation tool.

## **Purchase of Development Rights Programs**

In 2007, Virginia made a commitment to working farms and forestland through an investment of \$4.25 million for farmland preservation at the local level. Localities responded to the state investment by pledging 10 times the amount in matching funds, totaling \$45 million.

The original \$4.25 million investment by the Commonwealth will preserve farmland in 14 localities in Virginia. Since these matching funds became available, 20 localities have adopted local PDR programs. There are now 20 localities that realize the importance of preserving working farmland in Virginia. In order for these localities to keep the PDR programs strong; reliable and consistent funding is needed to maximize the potential of this conservation partnership.

In 2005, the Virginia Farmland Preservation Taskforce set a goal of establishing 30 PDR programs in Virginia by 2010. The taskforce also set a funding goal of \$30 million per year in farmland preservation funding. For the 2011-2012 biennium, Virginia invested \$1.2 million in matching funds for local purchase of development rights programs.

The Commonwealth needs to support its partnership with localities to conserve working farm and forest land through continued consistent funding of local purchase of development rights programs. It is critical that in these difficult financial times, the state continue to make investments in PDR funding to ensure that the Commonwealth's largest industry—agriculture and forestry—continue to have the land on which to operate. The matching PDR program requires counties to match dollar for dollar the amount that is granted to them by the Commonwealth. Virginia is receiving at least a 50% return on its investment.

For the next biennial budget, the governor and General Assembly should allocate \$11M per year to this program in order to achieve the governor's 400,000 acre land conservation goal. Long term, in order to meet program demand and best preserve incomparable natural resources, the Commonwealth should invest \$30 million annually in the Office of Farmland Preservation's state PDR program.

## **Virginia Land Conservation Foundation**

The VLCF provides state matching grants for the preservation of various categories of special lands in the Commonwealth. These grants are awarded on a competitive basis for the protection of open spaces and parks, natural areas, historic areas, and farmland and forest preservation.

This highly effective program leverages local and federal investment for natural resource conservation by paying no more than 50% of the cost of worthy projects. Grant applications to the VLCF program have consistently far exceeded available funds. Since FY 2000 over \$82 million of grants have been requested of the program while only \$28 million have been available. This represents a lost opportunity for the Commonwealth to capture more than \$50 million in federal, local, and private matching dollars for land conservation.

VLCF was allocated a total of \$4 million over the 2009-2010 biennium, and just half of that for the 2011-2012 biennium. For the next budget, the governor and General Assembly should allocate \$31.5M per year in order to achieve the governor's 400,000 acre land conservation goal.

## LAND CONSERVATION CONTACT

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