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FEDERAL UPDATE

House Natural Resources Committee Approves Conservation System Permanence Bill

The House Natural Resources approved a bill (HR 2016) to make permanent the National Landscape Conservation System on March 12th by a vote of 24-13. GOP members of the committee who cast dissenting votes claimed the bill could result in legal complications or create confusion about decisions on land use. In response, bill sponsor Rep. Raul Grijalva (D-AZ) said HR 2016 would do nothing new with the Conservation System and offered a substitute amendment, adopted by voice vote, which clarified the bill's intent not alter existing authorities under which Conservation System components were established or managed.

National Trust president Richard Moe lauded the committee's actions, stating that "Congress today took a major step toward permanently recognizing the National Landscape Conservation System. This collection of National Monuments—which includes wilderness areas, scenic rivers and trails, historic sites, and some of the most pristine archeological sites in the country—represents what we consider to be the crown jewels of the Bureau of Land Management's holdings. The Conservation System contains some of America's most historic and iconic treasures, from prehistoric artifacts at Agua Fria National Monument in Arizona, to the historic Pony Express and Lewis & Clark Trails. These places are living history books of the American West, and by unifying them into a single system under the BLM's careful management, we are ensuring that these irreplaceable treasures of the American West are preserved for future generations."

The full House is expected to vote on H.R. 2016 later this year. S. 1139, the Senate companion bill, passed out of Senate Energy and Natural Resources in June 2007.

STATE & LOCAL UPDATE

Rhode Island Lawmakers Offer Alternative to Proposed Cap on State Historic Tax Credit Program

Following Governor Don Carcieri's proposal in January to retroactively and prospectively cap the historic tax credit program and eventually eliminate it by 2017, House Speaker William Murphy (D-West Warwick), Majority Leader Gordon Fox (D-Providence) and Representatives McCauley (D-Providence) Coderre (D-Pawtucket) and Slater (D-Providence), introduced legislation ([H8016](#)) on March 7th that provides an alternative to the historic tax credit caps proposed in the Governor's supplemental budget. In addition to allowing greater transferability of the credit and changing the minimum cost basis for eligibility from 50% to 100%, House Bill 8016 proposes to:

- Reduce the tax credit prospectively for non-grandfathered projects to

22% for projects that have less than 10% of their total gross square footage available for commercial activity as determined by the RIHPHC.

- Reduce the tax credit prospectively for non-grandfathered projects to 25% for projects that have at least 10% of their total gross square footage available for commercial activity as determined by the RIHPHC.
- Retain a 30% tax credit for owners of projects that have commenced substantial construction on their full project or a phase of it (substantial construction is defined in the bill) and who place the relevant project or phase in service on or before December 31, 2009.
- Stretch out tax credit payments to projects eligible for a tax credit exceeding \$6 million dollars for a period of up to three years.
- Eliminate private social clubs from eligibility for the tax credit.
- Change the minimum cost basis for eligibility prospectively from 50% to 100%.
- Reduce the processing fee for projects that will not be eligible for the full 30% credit and for projects that are still eligible for the 30% credit but that are of sufficient magnitude to be required to stretch out the use of their tax credits for more than one year.
- Make projects that are exclusively residential and contain less than 10 residential units ineligible for the tax credit.

The Coalition for Neighborhood and Economic Renewal ([CNER](#)), led by [Grow Smart Rhode Island](#), is working to improve the efficiency of the program without undermining its widely recognized economic return and community benefit.

California Voters to Decide on Competing Takings Ballot Initiatives in June

Regulatory takings ballot initiatives are beginning to develop for the 2008 election cycle with California voters having already been introduced to Prop 98 and Prop 99 for the June 2008 election. Like previous regulatory takings proposed as state ballot initiatives, Prop 98 is disguised as eminent domain reform, but is actually an initiative that could have a negative impact on local land use and historic preservation laws. Opponents of Prop 98 filed and support Prop 99, the "Homeowners Protection Act," which is a pure eminent domain reform initiative designed to "prohibit government from taking homes to transfer to private developer."

You can learn more about these ballot initiatives by visiting www.no98yes99.com.