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FEDERAL UPDATE

Omnibus Lands Package Passes Senate Again with Amendments

S. 22, the "Omnibus Public Lands Management Act of 2009", which was attached to a Revolutionary War battlefields preservation bill (HR 146) and contains authorization bills for Save America's Treasures (SAT), Preserve America (PA) and the National Landscape Conservation System (NLCS), went to the Senate floor on Wednesday after Majority Leader Harry Reid (D-NV) and Sen. Tom Coburn (R-OK) came to an agreement to limit debate on six amendments proposed by Coburn. The procedural move to attach the bill to another legislative vehicle was a necessary step on the heels of the lands package failing to pass the House by two votes under suspension of the rules, which requires two-thirds majority. During the Senate all of the Coburn amendments were rejected with the exception of one, which would change a section of the bill that would increase penalties for taking any paleontological resource from federal lands without a permit. The modification was intended to forestall criminal prosecution of visitors who remove a few stones containing fossils.

The Senate passed the bill on Thursday 77-20. The House is expected to act on the lands package next week but will only need a simple majority to pass the bill.

California Desert Protection Bill Introduced in Senate

Senator Dianne Feinstein (D-CA) is expected to introduce legislation to protect more than 600,000 acres of California desert currently being eyed for renewable energy development. Given the state's aggressive renewable energy goal, the Bureau of Land Management (BLM) is now reviewing 130 applications for solar and wild energy development on more than 1 million acres of public desert lands in California.

The Feinstein legislation would protect public lands located between Joshua Tree National Park and the Mojave National Preserve, including nearly 100,000 acres of National Park Service lands and 210,000 acres spread across 20 wilderness areas controlled by the Bureau of Land Management (BLM). Most of the lands were acquired by the federal government over the last 10 years and feature habitat for bighorn sheep and desert tortoises, sand dunes, extinct volcanoes, ancient petroglyphs and expansive mountain ranges. The Interior Department is reviewing the issue of appropriate use but has not suspended consideration of the renewable energy applications.

The National Trust is closely monitoring the management of all public lands for inappropriate development and mineral exploration which may affect fragile historic and cultural resources.

Expanded
Incentives for
Greening of
Older and
Historic Buildings
May Be Proposed
Under Climate
Change Bill and
Move Under
Reconciliation
Budget
Procedures

Budget Reconciliation Procedures Under Consideration to Move Climate Change/Cap and Trade Bill

The House and Senate Budget committees plan to mark up their respective fiscal 2010 budget resolutions next week and possibly use the budget reconciliation process — which prevents filibusters in the Senate — to advance President Obama's proposals on health care, climate change and student loans. Senate leaders indicated this week that they had made no decisions about using the reconciliation procedure to advance the administration's proposals. But House leaders, frustrated by Senate Republicans' ability to block legislation, want to leave reconciliation on the table and the White House maintains that, although reconciliation is not the president's preference, that it should remain an option.

Preservation may have a large stake in how climate change legislation is handled moving forward. The National Trust is working with Rep. Peter Welch (D-VT) to develop expanded historic preservation tax incentives that include incorporating energy efficiency into the greening of older and historic buildings that could fit into any climate change proposal that may be advanced through reconciliation. In addition, the Trust is working with Welch to determine if additional federal agency infrastructure is need within the National Park Service to accommodate any increased emphasis on energy efficiency for historic structures.

Transportation
and Smart
Growth
Provisions Part of
First
Transportation
Reauthorization
Proposal
Incorporating
Greenhouse Gas
Reduction Goals

CLEAN-TEA Transportation Bill Promotes Smart Growth

Rep. Earl Blumenauer (D-OR) introduced HR 1329, the 'Clean, Low-Emission, Affordable, New Transportation Efficiency Act' (CLEAN-TEA) bill on March 5th to support efforts by States and eligible local and regional entities to develop and implement plans to reduce greenhouse gas emissions from the transportation sector. Surface transportation reauthorization will begin in earnest in the coming weeks and the National Trust is closely monitoring all proposals relating to or affecting the urban footprint, especially as they affect historic and cultural resources through land-use and transportation planning.

Blumenauer's bill would be funded through the sale of carbon allowances under the cap and trade system being formulated under the Obama administration's proposed budget for FY 2010. Under the Blumenauer proposal, 10% of the sales from these allowances would be set aside annually from 2012 through 2050 into a 'Low Greenhouse Gas Transportation Fund' which would fund eligible regional, State and local entities (200,000 or greater in population) to formulate transportation greenhouse reduction plans, including: 1) updates to zoning and other land use regulations and plans to coordinate with local, regional, and State plans; or 2) support infill, transit-oriented development, or mixed-use development.

Alternative funding sources for surface transportation will be a major focus of

National Trust
and Advisory
Council Prepare
Preliminary
Analysis of
Effectiveness of
Preserve America
Program for
Appropriators

the reauthorization bill in the coming year as lawmakers must contend with dwindling revenues from the Highway Trust Fund, which is derived from an 18 cents per gallon tax on gasoline.

Preserve America Funding Analysis Underway

The National Trust's Heritage Tourism program is working with the Advisory Council on Historic Preservation (ACHP) in formulating an analysis called for in the recently-passed 2009 omnibus appropriations report language that questioned the effectiveness of the Preserve America (PA) program in relation to promoting national heritage tourism. The Preserve America program recognizes and designates communities, including neighborhoods in large cities, which protect and celebrate their heritage, use their historic assets for economic development and community revitalization, and encourage people to experience and appreciate local historic resources through education and heritage tourism programs.

The preliminary analysis will be prepared in the time for the House Appropriations Committee markup of the President's FY 2010 budget for Interior and related agencies in the late spring. The preliminary analysis will be prepared using data from the National Park Service and in consultation the Trust's statewide partners active in the PA program. A second and more project-specific analysis will be prepared after mark up.

STATE AND LOCAL UPDATE

Iowa Proposes Increase in Annual Cap on State Historic Tax Credit Program for Economic Stimulus Boost

Iowa Legislators
Propose
Increased Cap in
State Rehab
Credit to Provide
Economic
Stimulus and Job
Creation

Two bills (SF 309 and HF 751) have been introduced that would raise the annual cap on the Iowa State Historic Tax Credit program from \$20 million to \$50 million. The National Trust is sending an alert to its Iowa members asking them to contact their representatives and senators and emphasize the following points about SF 309 and HF 751:

- The bill creates jobs at a time when we need it the most. Because it is labor intensive, rehabilitation of historic buildings creates more jobs than new construction and manufacturing.
- It leverages private investment in our older neighborhoods. The state historic tax credits leverage both private investment and federal dollars, in the form of the Federal Historic Tax Credit program. Since 2001, the state historic tax credit program has sparked more than \$365 million in rehabilitation projects.
- The rehabilitation of historic buildings starts to pay back the state immediately through taxes on construction jobs and materials. Tax credits are not released by the state until the newly rehabilitated

Historic Museums
Under Severe
Threat from
Drastic Budget
Cuts in Michigan
Governor's FY
2010 Budget

One of the
Nation's Most
Successful State
Rehab Credits
Under Threat in
Missouri
Legislature

building is put back in service and an occupancy certificate is granted - so much of the state's investment is already returned before the building is occupied.

Currently, there are almost 100 historic rehab projects across Iowa waiting on this crucial financing through the tax credit, which would provide a significant economic stimulus.

Michigan Governor Proposes Drastic Cuts in State Arts and Culture Budget

In her FY 2010 budget, Michigan Governor Jennifer Granholm has eliminated \$6.1 million in grant funding for arts and culture administered through the Michigan Council for Arts and Cultural Affairs (MCACA). Last year, over 290 arts and cultural organizations received nearly \$8 million in grant funding for worthwhile projects that are essential to the local economies in communities across the state. These grants are the **only** source of state funding for historic non-profit projects that have assisted a wide variety of projects statewide. In addition, MCACA funds are used as a match for federal Preserve America grants.

In addition to near elimination of the only source of this type of state funding, the Governor's decision to cut funding will have other drastic consequences including:

- potential local job loss numbering in the thousands;
- MCACA's loss in status as a "State Arts Agency" which would exclude the agency from receiving federal grant money from the National Endowment for the Arts;
- making Michigan the first state in 40 years to provide no programmatic funding for arts organizations; and,
- the decimation of Michigan's creative communities as well as the state's ability to attract and retain business and talent.

Missouri State Rehab Credit Under Attack

On March 11, a Missouri Senate substitute bill was introduced that would effectively end the Missouri historic tax credit program. The substitute bill for SB45 and its House companion bill HB191 promote changes to all tax credit programs, including the state historic rehab tax credit. Among the changes proposed in the substitute bill is a proposed annual cap of \$50 million for the rehab credit, which would also be subject to the annual appropriations process. Both changes would create uncertainty in proposed rehab projects, which require long lead times in order to be successful. The proposed changes come at a time when the state needs economic stimulus from the economic downturn and in spite of the fact that even during construction periods alone, rehab projects have paid back more than one-third of the state's investment.

In addition, an annual appropriation process means that each year preservationists would be unable to plan beyond one year to develop rehab projects, which would probably sideline most projects altogether.

The National Trust has sent an alert to its Missouri members and preservation advocates asking them to write their representatives and senators and tell them to oppose the amendments to the state rehab credit proposed in SB45 and HB191 and instead support the credit for being one of the most effective and stringently-administered economic stimulus programs in the state.

Montana Rehab Credit Bill Passes House

As reported last week, HB 631 passed out of the House Taxation Committee on March 11th with near unanimous support. This week the bill passed the House on the second reading on March 17th. HB 631 would increase the state rehabilitation tax credit from 25% to 100% of the federal rehabilitation tax credit and include transferability to ensure that the credit holder has sufficient liability for state tax credits so that the rehab credit can be used as an offset.

[Expanded Rehab
Credit Bill Moves
Forward in
Montana
Legislature](#)

