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FEDERAL UPDATE

Omnibus Lands Bill Passes in Final with SAT, Preserve America and NLCS Authorizations Included

The House passed the omnibus lands package bill (HR 146) with key authorizations for the Save America's Treasures (SAT), Preserve America (PA) and the National Landscape Conservation System (NLCS) authorization bills in tow by a vote of 285-140 on March 25th. The bill passed the Senate with just one amendment last week and was attached to a Revolutionary War bill (HR 146) that had already passed the House, which required only a simple majority under a closed rule without amendments or any motion to recommit. Preservationists celebrated the final passage of these authorizations which dated back to the previous Congress. The bill is expected to be signed into law next week.

Welch Introduces REEP Energy Bill with Enhanced Incentives for Historic Buildings

Rep. Peter Welch (D-VT) introduced an energy/climate change bill this week which provided financial incentives to homeowners and businesses to reduce their energy use and save them money.

The Retrofit for Energy and Environmental Performance (REEP) program would fund state and municipal investments of up to half the cost of retrofitting the nation's existing homes and buildings, which account for 10 percent of global carbon emissions. Homeowners could qualify for \$1,000-\$3,000 in financial incentives for achieving a 10-20 percent increase in efficiency, with another \$150 for every additional percentage point of energy savings achieved. Businesses could qualify for \$0.15 per square foot for the first 20 to 30 percent increase in efficiency with an increasing incentive of up to \$2.50 per square foot for energy reductions over 50 percent. Incentives for both homes and commercial buildings would be capped at 50 percent of the cost of the retrofit. Historic Buildings on the National Register of Historic Places would be eligible for 120 percent of these same awards for funding energy efficiency. Funding for the program would go to the states through the existing State Energy Program formula, which has a built-in small state minimum, and provides additional financial incentives to states with high-performing programs. The bill would provide \$2.5 billion to states annually from FY10 through FY13.

Welch's REEP bill is expected to be folded into the larger climate-change/energy bill to be formulated by the Energy and Commerce Committee later this spring.

Historic Preservation Caucus Pushes for Increased Preservation Funding in FY 2010

A "Dear Colleague" letter from Historic Preservation Caucus chairs Russ

Historic
Preservation
Caucus Co-chairs
Circulate Dear
Colleague Letter
to Boost HPF
Funding in FY
2010
Appropriations
Cycle

Carnahan (D-MO) and Mike Turner (R-OH) has been circulated on the Hill requesting increased support for the Historic Preservation Fund (HPF) totaling \$115 million in FY 2010, including: \$55 million for State Historic Preservation Offices, of which \$5 million will go toward competitive grants for survey activity; \$20 million for Tribal Historic Preservation Offices; \$30 million for Save America's Treasures; and \$10 million for Preserve America and its grant program supporting heritage tourism and education. The letter has garnered 38 signatures to date.

In the recently enacted FY'09 omnibus spending bill the HPF received \$68.984 million that reduced SAT funding to \$20 million and eliminated funding for the Preserve America program.

Public Lands Service Corps Bill Would Benefit Historic Sites

Historical and
Cultural
Resources,
Rehabilitation of
Historic Sites and
Structures on
Public Lands
Would be Eligible
Activities under
New Corps
Program

House Natural Resources chairman Raul Grijalva (D-AZ) introduced HR 1612, the "Public Lands Service Corps Act of 2009" this week. HR 1612 would require the Secretaries of the Interior, Agriculture, Commerce departments to establish department-level offices to coordinate Public Lands Service Corps activities within those agencies that administer eligible service lands. Modeled on the existing Youth Conservation Corps program, this new program would fund eligible conservation activities on public lands that include: 1) assisting in historical and cultural research, museum curatorial work, oral history projects, documentary photography, and activities that support the creation of public works of art related to public lands; and 2) construction, repair, rehabilitation and maintenance of roads, trails, campgrounds, and other visitor facilities, and employee housing, historic sites and structures.

The House Subcommittee on National Parks, Forests and Public Lands will hold a hearing on the bill on April 2nd.

National Trust Endorses Extension of Conservation Easement Provisions in House

Lawmakers Seek
Permanent
Extension of
Popular
Conservation
Easement
Provision for
Donations of
Private and
Agricultural
Lands

The National Trust signed an endorsement letter dated March 4th to the entire House that seeks co-sponsors for a bill -- The "Conservation Easement Incentive Act" - a bill to be introduced by Reps. Mike Thompson (D-CA) and Eric Cantor (R-VA) to make permanent the special rule for the contribution of enhanced qualified conservation easements. Preservationists have long supported conservation easements because they inhibit sprawl development that threatens historic sites and community character.

The easement provision passed as part of "The Pensions Protection Act of 2006", which allowed taxpayers to take a deduction for a conservation easement on donated land at the rate of 50% of their adjusted gross income (AGI) per year. In addition, landowners with 50% or more of their income from agriculture are allowed to deduct the donation at a rate of 100% of their AGI. In addition, any amount of the donation remaining after the first year can be

carried forward for fifteen additional years (allowing a maximum of sixteen years within which the deduction may be utilized), or until the amount of the deduction has been used up, whichever comes first. With the passage of the Farm Bill in the summer of 2008, these expanded federal income tax incentives were extended such that they also apply to all conservation easements donated in 2008 and 2009.

However, landowners considering a perpetual commitment and conservation easement for their land may be deterred by the lack of reassurance provided by a permanent incentive. The Thompson-Cantor bill, which is expected to be shortly and include 76 cosponsors, should address this concern.

STATE AND LOCAL UPDATE

State Stabilization Funding for Schools Under Assault

Stimulus Funding
for School
Rehabilitation
May be Diverted
to Address
Shortfalls in State
Budgets

Governors in South Carolina, Texas, Alaska and California are asserting their right to intercept and direct how their states' share of the \$53.6 billion state stabilization funding that was included in the recently-passed economic stimulus can be spent. Preservationists and educators are worried that they will be unable to secure the allowed 18.2% of the stabilization funding for school repair, because the stimulus language said stabilization money "may" be utilized for repair and rehabilitation. One concern of educators is that the funding may never make it down to the school district level because states are planning education budget cuts ahead of having received the federal money.

The Department of Education is developing guidelines for states that will be issued by the end of March to provide clarity about how states can use funding through the law. In addition, the Department will conduct audits and utilize other kinds of administrative safeguards to determine if the funds are being properly distributed.

Georgia Legislature Proposes Major cuts for Historic Preservation in State Budget

Georgia
Lawmakers
Propose Drastic
Cuts in Historic
Preservation
Programs for FY
2010

The National Trust is urging its Georgia membership and preservation advocates in the state to contact their Representatives and Senators in opposition to proposed budget cuts to the Historic Preservation Division of the Georgia Department of Natural Resources.

The Georgia House budget for FY 2010 cuts \$279,195 from the Historic Preservation Division of the Georgia Department of Natural Resources. The cut would gut the state's Archaeological Protection and Education Program, resulting in:

- substantial delay of federal stimulus projects funded by the American Recovery and Reinvestment Act as well as other federally funded or

permitted development projects that must be reviewed and processed by HPD under Section 106 of the National Historic Preservation Act;

- elimination of three positions, including the state archaeologist;
- elimination of ongoing legally-required surveys for projects on DNR lands that would then have to be contracted out at an estimated cost of \$1.09 million per year;
- elimination of funding for storage of the state's priceless (and publicly-owned) artifact collections recovered from state lands;
- elimination of Federally-mandated American Indian consultations; and
- elimination of technical assistance to state agencies and citizens, which included over 500 communities across Georgia last year.

National Trust Spearheads Effort for Independent Study of Charity Hospital and Mid-City Alternative Development Plan in New Orleans

The National Trust is galvanizing its entire membership and Louisiana preservationists in the effort to save the historic Charity Hospital and Mid-City neighborhood in New Orleans by urging Governor Bobby Jindal to support the creation of independent commission to examine for an independent analysis of competing plans for the proposed New Orleans medical centers.

At a press conference on Wednesday, 40-plus local, regional and national organizations joined forces with the Foundation for Historical Louisiana (FHL) and the National Trust to call on Governor Jindal to commission an independent, third-party comprehensive cost-benefit analysis of the two leading plans — LSU's proposed new construction in lower Mid-City and an alternative proposal to gut and rebuild a new 21st century hospital inside the shell of Charity Hospital. The groups argued that a rigorous, side-by-side financial analysis will both clear up contradictory claims about construction costs of the two plans and will also measure the impact of different timelines on job creation, related economic development and health care delivery to the community.

Rehab Tax Credit Bills Reintroduced in Minnesota Legislature

This week saw the introduction of two tax credit bills -- Senate File 1724 and House File 1974. Both bills call for a 25% tax credit for rehabilitating certified historic buildings and include a provision where a taxpayer can elect, in lieu of a credit, to receive a historic rehabilitation mortgage certificate that could be transferred to the lending institute in connection with a loan.

National Trust
Joins Forces with
Coalition of
Preservation
Organizations to
Urge Governor to
Seek
Independent
Analysis of
Proposed Plans
for New Orleans
Medical Center

Minnesota
Preservationists
Start Anew in
Fight for State
Rehab Credit

Arkansas Joins
Chorus of States
Embracing Rehab
Credit Incentives

For more information about the advocacy effort, please visit Preservation Alliance of Minnesota at <http://www.mnpreservation.org/>.

Arkansas Becomes 30th State to Offer Tax Credit for Historic Preservation

Arkansas Governor Mike Beebe signed a bill (HB1953) creating a historic rehabilitation tax credit program for the state. Capped at \$4 million a year, the program offers a 25% credit for certified costs of rehabilitating historic income-producing and owner-occupied properties.

An active coalition of interests supported its adoption, including communities from Delta region involved in the Rural Heritage Development Initiative project in the Delta region. Representative Robert Moore, the sponsor of the 2007 Arkansas Delta Geo-Tourism Act and preservation advocate from Arkansas City in Desha County, was the lead sponsor of HB1953.

For more information about the effort to secure this program, visit the Preservation Alliance of Arkansas website at <http://www.preservearkansas.org/>.

Kentucky Effort to Improve Historic Preservation Tax Credit Foiled By Adjournment

House Adjourns
Before
Considering
Senate
Improvements to
State Rehab
Credit Bill

Last Friday, the Senate passed House Bill 229, which would have raised the annual cap on the tax credit from \$3 to \$5 million, created an end-of-year refund option for tax credit recipients, extended application review time beyond 30 days, and would have removed the final application date requirement to streamline the process. Unfortunately, due to new rules, the House had to adjourn without being able to consider Senate's changes.

The Kentucky Historic Preservation tax credit was passed in 2005 as the only financial incentive for preservation of structures available to private property owners in Kentucky. In just three years, nearly \$162 million in projects have been proposed to take advantage of the program, \$88 million of which have been finalized. For this, the Commonwealth has invested only \$6 million. Numbers reported by program participants estimate that during 2006 & 2007 projects accepting preservation tax credits spent \$1.7 million in state sales tax, and spent \$49 million on labor resulting in state income tax of nearly \$1 million.

Missourians Continue to Fend Off Cap to State Tax Credit

As previously reported, on March 11th a Missouri Senate substitute bill was introduced that would effectively end the Missouri historic tax credit program as we know it. The substitute bill for SB45 and its House companion bill HB191 promote changes to all tax credit programs, including Historic Preservation.

Proposed \$50
million Cap
Would Drastically
Inhibit State
Rehabilitation
Credit Activity

Most notably, the proposed legislation would cap the credit at \$50 million, despite the fact that the state issued \$171 million state credits in fiscal year 2008. In addition, the \$50 million cap would be subject to the money being appropriated each year by the state legislature, thereby creating uncertainty for proposed rehab projects in the planning phase.

This week, organizations working to preserve the credit, including the National Trust, encouraged local advocates to contact legislators with stories of how this highly successful, uncapped program has helped their community's revitalization efforts. To view this policy alert please visit <http://www.preservationnation.org/take-action/advocacy-center/policies/map-model-mo-tax-credit.html>

For more information about the effort to preserve the tax credit, visit Missouri Preservation at <http://www.preservemo.org/>.

