

In this issue ...

Major Energy Bill Includes REEP Provisions with Increased Energy Efficiency Incentives for Historic Buildings but is Silent on Distributing Revenue from Cap and Trade Allowances

National Trust Energy Proposal Includes Four-Point Program for Maximizing Energy Efficiency for Older and Historic Residences and Commercial Buildings

## ***FEDERAL UPDATE***

House Energy and Commerce Committee Releases Draft Energy Bill with REEP Provisions

Rep. Peter Welch's (D-VT) Retrofit for Energy and Environmental Performance (REEP) bill (HR 1778), which includes a 120 percent boost as an incentive for retrofitting the cost of existing homes and buildings on the National Register, was included in the House Energy and Commerce Committee's draft energy bill that was unveiled on Tuesday. Under REEP, 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.

The 120 percent boost in incentives for retrofitting historic buildings was a modified version of one part of a four-point program advocated by the National Trust to provide incentives for making historic and older homes and commercial buildings more energy efficient. The Trust's entire energy proposal included:

1. A \$1,000 or \$2,000 rebate for the purchase of certified materials or systems. Alternately, a homeowner would receive a \$3,000 rebate incentive for the first 20 percent improvement in energy efficiency and an additional \$150 for each 1 percent improvement thereafter, up to a maximum of \$15,000. Because retrofitting historic homes typically costs around 25 percent more than a newer home, certified historic structures (i.e. historic homes) would be eligible for 125 percent of this incentive.
2. An "energy efficiency supplement" to the existing historic tax credit (HTC) that would increase the amount of the tax credit available for certified historic rehabilitations that also achieve specified energy efficiency performance levels. Project owners would receive between an additional 4 to 10 percent of tax credit depending on the level of energy efficiency achieved.
3. An incentive for energy efficiency improvements to commercial buildings that would compliment the existing Commercial Building Deduction under Section 179D of the Code that currently provides a \$1.80 deduction per square foot to retrofits commercial buildings. The existing program is infrequently used because of the high energy efficiency standards it requires and is particularly difficult for older and historic buildings. The National Trust would establish a new demonstration program for buildings over 30 years old and provide a tax deduction per square foot for buildings that improve their baseline energy performance by a minimum percentage. The deduction would range from between \$.15 to \$2.50 per square foot depending on efficiency improvements achieved.
4. Energy Efficiency Policy Infrastructure for Historic and Older Buildings.

Upcoming  
Markups Will Pit  
Carbon Tax  
Against Cap and  
Trade Proposals

Dear Colleague  
Letter Requests  
\$115 Million for  
Historic  
Preservation  
Fund in FY 2010

Major Reform  
Proposed to 1872  
Mining Act  
Includes  
Protection for  
Sensitive Public  
Lands

Building energy efficiency programs are housed principally in the Department of Energy (DOE) with support from the Environmental Protection Agency (EPA), while concern for historic buildings is housed in the National Park Service (NPS). To date, DOE and EPA energy programs have focused more on new construction with no particular emphasis on the special needs of older and historic buildings. Likewise, NPS's administration of the National Historic Preservation Program was not designed to compliment national energy goals. The National Trust's legislation is designed to harness expertise regarding old buildings found in the NPS with expertise found in the DOE and the EPA and to put that combined experience in service of Americans retrofitting their older and historic homes and commercial buildings.

The Energy and Commerce Committee draft bill will be marked up in late April by committees of jurisdiction — including the tax-writing committees — and is expected to be voted upon before the Memorial Day Recess. A major point of contention in upcoming markups will be whether to adopt a carbon or emissions tax instead of a “cap and trade” system to reduce global greenhouse gases and, if the latter, how to distribute revenues from emission allowances that are auctioned.

### Historic Preservation Caucus Letter on HPF Funding Gathers Support for HPF

The Congressional Historic Preservation Caucus's “Dear Colleague” letter in support of increased funding for the Historic Preservation Fund (HPF) has garnered 82 signatories to date. The letter is requesting \$115 million for the HPF, including: \$55 million for State Historic Preservation Offices, \$5 million of which 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 National Trust sent an alert to its members urging them to contact their congressional Representatives and encouraged them to sign the letter.

### Bingaman Introduces Mining Reform Law Bill in Senate with Protections for National Conservation Areas

Senate Energy and Natural Resources Chairman Jeff Bingaman (D-N.M.) introduced a proposal (S. 796) for updating the federal hardrock mining law this week, offering a variable royalty on new mining operations. The bill would leave it the discretion of the Interior secretary to establish a royalty between 2 and 5 percent, but only on new operations. The Bingaman bill also gives the secretary the authority to charge different royalties on different minerals. Those royalties would be deposited into an account to fund the cleanup of abandoned hardrock mines. A new abandoned mine land fee for hardrock operations would also be deposited into the fund as well, along with

a portion of land-use and maintenance fees that the Senate bill would increase. S. 796 also establishes new protections for sensitive lands from mining by requiring local federal land managers to review specific categories of lands and make subsequent recommendations on what tracks of lands should be withdrawn from mining to protect National Conservation Unit areas, which by definition can include historic, cultural and/or archeological resources.

A companion mining reform bill, HR 669, has been introduced in the House but differs in its approach to both royalty rates and generally has tougher standards regarding the proximity of mining operations being sited near sensitive public lands, such as national parks.

### ***STATE AND LOCAL UPDATE***

#### Florida Main Street Program Threatened by Budget Cuts

Florida Main Street Latest Program Under Threat from State Budgetary Crisis

The Florida Main Street Program budget is seriously threatened as the legislature is considering the budget for the next fiscal year. The House budget committee's proposal slashes Main Street Funding 67%, and the Senate Budget proposal zeroes out funding for the program altogether. If these funds (\$120K) are not reinstated, the ability of the Florida State Main Street Program to function effectively will be severely impacted.

There are currently 51 Florida Main Street programs which have proven, cost-effective, and comprehensive methodologies of economic development that have been very successful throughout the state. Since 1985 the state has invested approximately \$5.6 million in state funds to assist 88 participating communities, yielding total public/private reinvestments exceeding \$2 billion as well as creating 9,600 business starts and expansions and more than 15,000 new jobs.

The Florida statewide preservation organization and the State Main Street program are working together on an overall advocacy strategy to address the proposed budget cuts.

#### Maryland Legislature Debates State Rehab Tax Credit Program Reauthorization

Reauthorization of Maryland State Rehab Credit Under the Gun as Legislature Faces Increased Budgetary

The Maryland state legislature is debating bills (HB 309 and SB 258) to reauthorize the Maryland Heritage Structure Rehabilitation Tax Credit program, which sunsets in 2010. The National Trust is mobilizing its grassroots membership in the state with an alert asking them to contact their legislators and make the following points about the benefits of Maryland rehab tax credit to the state's economy:

Pressures from  
Economic  
Downtown

- *Creates Jobs When We Need Them the Most.* A recent Bell Foundation report shows that over the past 12 years, completed commercial rehabs employed about 15,120 persons with construction labor alone totaling about 9,248 persons. We need that in Maryland today.
- *Generates Tax Revenue Immediately.* The Bell Foundation also found that the 407 rehab projects paid down more than one-third of the state's total investment during the construction periods alone, but "the greatest return ... comes from the long-term increase in employment and property taxes..."
- *Leverages Federal Investment in Our Older Neighborhoods.* The Maryland Historical Trust estimates that \$172.2 million in federal tax credits - almost a one-to-one match - have been invested in Maryland's historic buildings.

Maryland is one of several states that are seeing their state rehab tax credit being targeted for cutbacks or elimination due to state budget deficits.

