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FEDERAL UPDATE

Continuing Resolution for Appropriations and Historic Preservation Funding a Near Certainty

House Appropriations Committee chairman David Obey (D-WI) has put a hold on all full committee markups of FY'09 appropriations bills until Republicans concede to follow the agreed-upon order for considering appropriations bills. The Interior Appropriations Bill, which includes funding for historic preservation programs, is at the center of this controversy which began when Appropriations Committee ranking Member Jerry Lewis (R-CA) decided to offer the Interior spending bill as a substitute during full Committee markup of the Labor-HHS spending bill on June 26th. Lewis wanted to expedite consideration of an amendment he planned to include in the Interior bill that would open the Outer Continental Shelf (OCS) to off-shore drilling. At this point, neither side seems to be backing down from this fight – which all but ensures a continuing resolution in the fall for Interior and the rest of the spending bills for FY'09.

However, the Senate is moving forward with marking up all 12 of the regular appropriations spending bills with the Interior Bill markup scheduled for the week of July 21. The House Subcommittee on Interior, Environment and Related Agencies has already marked up its version of the Interior Bill and provided \$82 million for the Historic Preservation Fund (HPF), including: \$45 million for State Historic Preservation offices, \$7 million for Tribal Historic Preservation Offices (THPOs), \$25 million for Save America's Treasures (SAT) program grants, and \$5 million for Preserve America (PA).

Disaster Assistance Grants and Tax Credits Proposed for Flood-Damaged Historic Properties in Midwest

Senate Majority Leader Harry Reid (D-NV) announced this week that a second supplemental bill/economic stimulus package – which could include disaster assistance funding for historic properties damaged in the Midwest floods – will be taken up by the Senate Appropriations Committee on July 22nd. House Speaker Nancy Pelosi (D-CA) has indicated that the supplemental would be in the \$50 billion range at a minimum. In advance of the mark up, the National Trust is taking the lead in proposing a similar rehab tax credit expansion that was used for the GO ZONE disaster areas in the aftermath of Katrina for the affected flood areas – increasing the historic rehab credit for affected historic properties from 20% to 26% and from 20% to 40% for special rehab projects. The National Conference of State Historic Preservation Officers (NCSHPO) is taking the lead in formulating a request for a pass-through grants program [also based on the GO ZONE model] for rehabilitating flood-damaged historic properties.

Expanded
Amendment for
Non-Profit
Leaseback
Provision for the
Federal
Rehabilitation
Tax Credit
Proposed with
Offset

Rehab Tax Credit Amendments Included in Stalled Housing Relief Package

The Senate began floor consideration of the housing relief package this week that contains three significant amendments to the federal rehabilitation tax credit, but failed to make any progress in the dispute over an amendment offered by Sen. John Ensign (R-NV) that would extend a series of energy-related tax provisions costing \$8.2 billion without offsets. However, Ensign has proposed that the plan be paid for with an across-the-board cut in discretionary spending — with the exception of veterans' programs — over the next 10 years.

In addition, one of the amendments to the federal rehab tax credit offered by Sens. Blanche Lincoln (D-AR) and Gordon Smith (R-OR) would further extend the non-profit leaseback provision under the credit to extend the allowance lease period from 20 to 31.5 years. This would provide developers with an additional incentive to rehabilitate historic buildings in non-profit or governmental ownership, but it raises the cost of this provision to \$100 million over 10 years. The National Trust and its preservation partners have proposed an offset to pay for this provision based on lowering the investment ceiling for passive investors in the rehab tax credit to \$100,000 annually.

For more information about the proposed amendments to the rehab tax credit included in the housing relief bill, please visit

<http://www.preservationnation.org/take-action/advocacy-center/legislative-briefs/federal-rehab-tax-credit.html>.

Preserve America/Save America's Treasures Authorization Passes House

PA/SAT
Authorization Bill
Moves Forward in
the House but
Faces
Uncertainty in
Senate by
Inclusion in
Omnibus Public
Lands Measure

The House passed the Preserve America (PA)/Save America's Treasures authorization (SAT) bill (HR 3981) on July 7th. However, even with all of its tremendous success and support of these preservation programs, SAT and PA are unauthorized and tenuously funded from year-to-year through the annual appropriations process. The National Trust is urging Congress to authorize SAT and PA with a long-term programmatic and funding vision that would enable both programs to work in harmony with the other components of the national historic preservation program.

A Senate companion bill (S. 2262) is included in an omnibus lands package (S. 3213) containing 93 public lands bills. However, Senate Majority Leader Harry Reid (D-NV) has stated that the omnibus lands package bill is unlikely to be considered in the Senate until September.

To learn more about these bills, please visit

<http://www.preservationnation.org/take-action/advocacy-center/legislative-briefs/sat-and-preserve-america.html>.

STATE AND LOCAL UPDATE

Colorado's Preservation Tax Credit Extended

On June 5, Colorado Governor Ritter signed HB 1033 which authorizes the Colorado state historic rehabilitation tax credit program for another 10 years. The new law also eliminates the annual resolution process for Certified Local Governments and states if the state's general fund revenues are not sufficient to offer the historic preservation tax credit for a year, the program would be automatically extended for another year (10-year total authorization of the program).

For more information about the advocacy efforts surrounding this 20% tax credit to both income-producing and homeowner rehabilitation projects, visit Colorado Preservation, Inc. at <http://www.coloradopreservation.org/>.

