

400,000 acres by 2010: Land Conservation in Virginia

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Secretary of Natural Resources



Land Conservation



- Benefits for
 - Agriculture and Forestry Industries
 - Water quality
 - Recreation
 - Wildlife habitat
 - Historic resource protection
 - Ecotourism and heritage tourism
 - Air quality



Conserve 400,000 Acres

Abating threats to Virginia's rural heritage

- Over the past decade, Virginia has lost over 60,000 acres a year to development.
- This is approximately 165 acres per day (188 acres per day in the Chesapeake Bay watershed).
- The USDA estimates that we lose over 20,000 acres of prime farmland each year to development.



Conserve 400,000 Acres

Broad Public Support

2006 Virginia Outdoors Survey

- “Should the state spend public funds to prevent the loss of exceptional natural areas to development?” YES: 78%
- Importance of protecting Virginia’s natural and open space resources?, 95% said it was either “very important” (67%) or “important” (28%).
- 70% of those surveyed said they favored outright purchase from willing sellers as an appropriate tool for conserving open space.



Land Conservation

“Virginia’s identity is its land. From the shores of Chincoteague to the hills and valleys of Cumberland Gap, Virginia’s beauty is unmatched.”



Governor Kaine
Environment Virginia 2006

Conserve 400,000 Acres

What does it mean?

Land conservation = acquisition

- Acquire what?
 - Fee simple
 - Conservation Easements
- Who acquires?
 - State and federal agencies
 - Private land trusts
 - Local governments
- Acquire how?
 - Purchase
 - Donation (land preservation tax credit is important here)



Tax incentives

- Federal income tax deduction for charitable donation of conservation easement
- State income tax credit for donation of land and conservation easements
- Estate tax benefits
 - Reduced estate value = lower taxes
 - IRS allows a post-mortem election by heirs
- Reduced real-property tax in many cases



Federal Income Tax Deduction

- Longstanding deduction for charitable contributions
- Provisions specific to conservation easements:
 - I.R.C. § 170(h)
 - Treas. Reg. § 1.170A-14
- Valuation is a challenge (like art)



Federal Income Tax Deduction

- Special provisions for conservation easements enacted 8/17/06 and extended 5/22/2008
- Raised the deduction landowners can take for donating a conservation easement from 30% of their income in any year to 50%; *100% for qualifying farmers and ranchers*
- Extends the carry-forward period for a donor to take tax deductions for a voluntary conservation agreement from 5 to 15 years.
- These enhancements are effective through 2009



Virginia Land Preservation Tax Credit

Enacted in 2000:

- 50% of the value of the gift
- Eligibility linked to federal income tax deduction

Improved in 2002:

- TRANSFERABLE

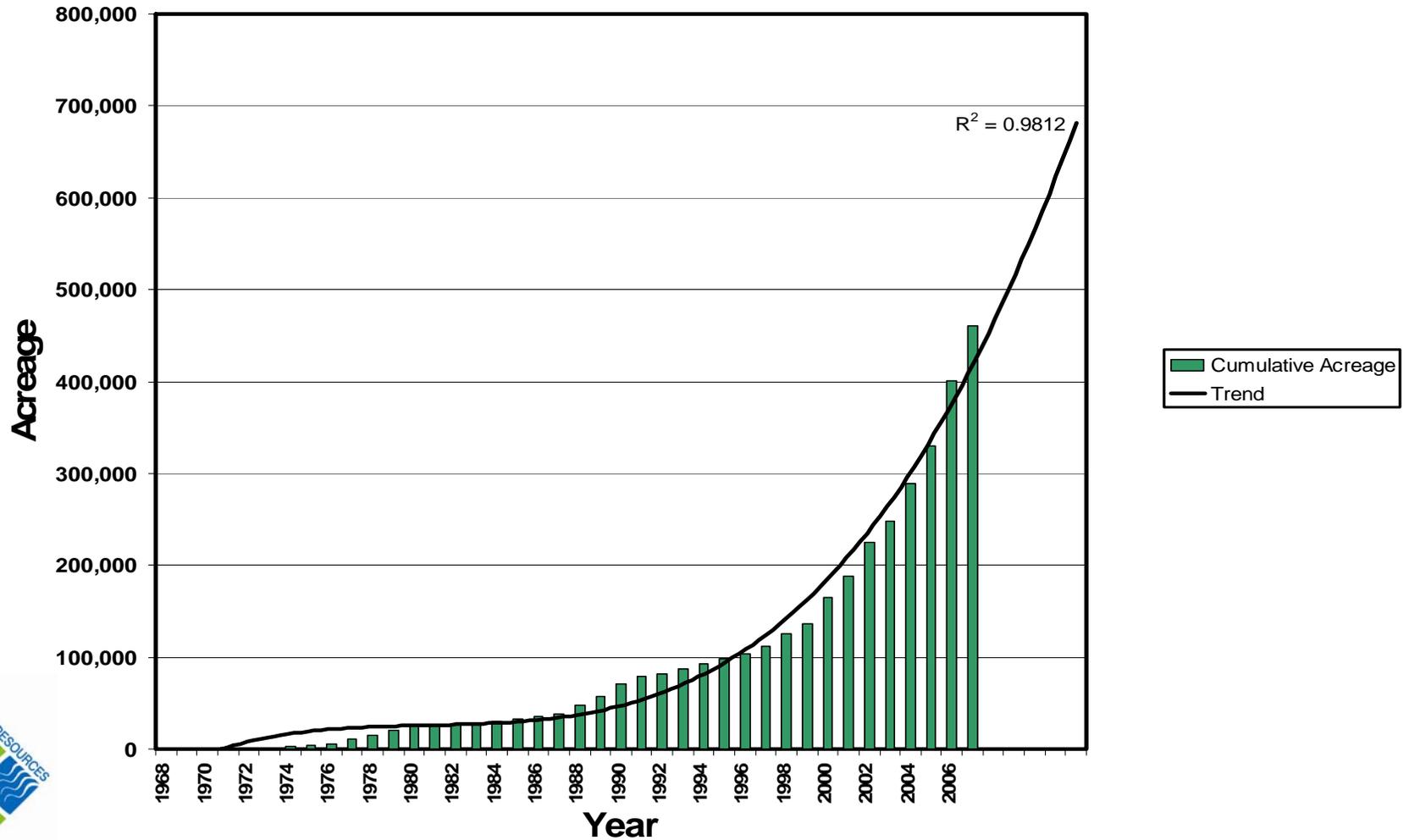
Interpreted by Attorney General:

- Transferability applies to entire credit earned, not just amount available to a single taxpayer (\$600,000)



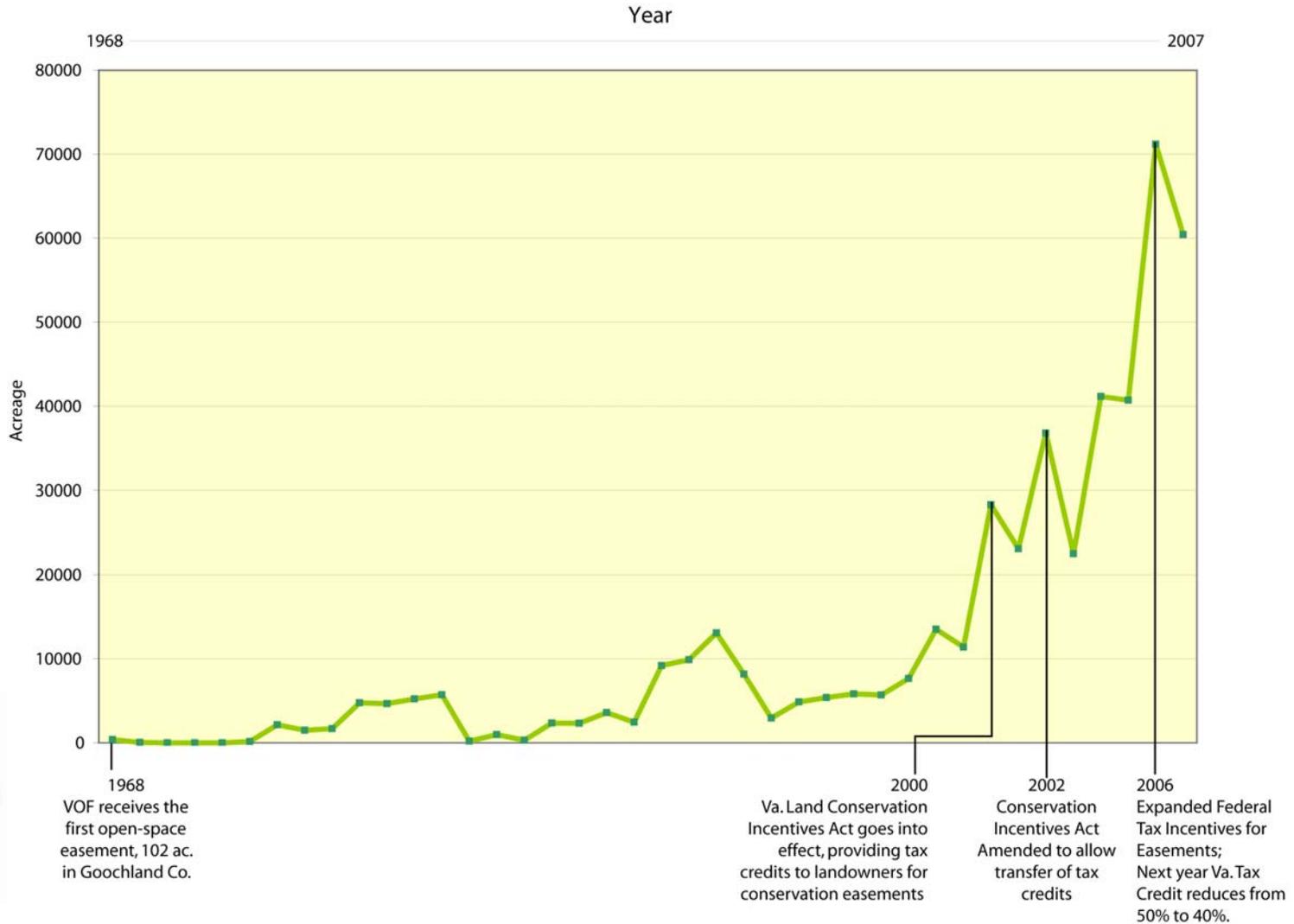


VOF: Cumulative Easement Acres by Year





VOF Annual Acreage and Conservation Incentives





LPTC Donation History Data

Tax Year	# of Credits	# of Acres	Credit Requests
2000-01	219	30,953	\$ 52,608,810
2002	214	34,791	\$ 62,260,307
2003	139	28,059	\$ 75,358,707
2004	234	49,235	\$140,444,145
2005	277	55,914	\$155,281,875
2006	445	92,487	\$242,316,354
2007	254	59,423	\$100,000,000
2008*	46	11,198	\$ 20,671,957
Grand Total	1,828	362,060	\$848,942,155

* Through September 2008



Virginia Land Preservation Tax Credit: 2006 Amendments

- Enacted in August 2006 with Governor Kaine's amendments
- Effective January 1, 2007
- Statewide rolling cap of \$100 million per year (indexed to CPI-U; \$102 million in 2008)
- No per-transaction cap
- Carry-forward: 10 years
- Despite reduction to 40% of the value of the donation, still most generous in the nation



Virginia Land Preservation Tax Credit: 2006 Amendments

- Donations yielding credits of \$1M or more must be reviewed for conservation value by the Department of Conservation and Recreation
- Conservation value criteria adopted by Virginia Land Conservation Foundation in November, 2006, and amended August, 2008
- 19 donations reviewed in 2007; 14 recorded
- 34 donations reviewed or under review in 2008; unknown how many will record



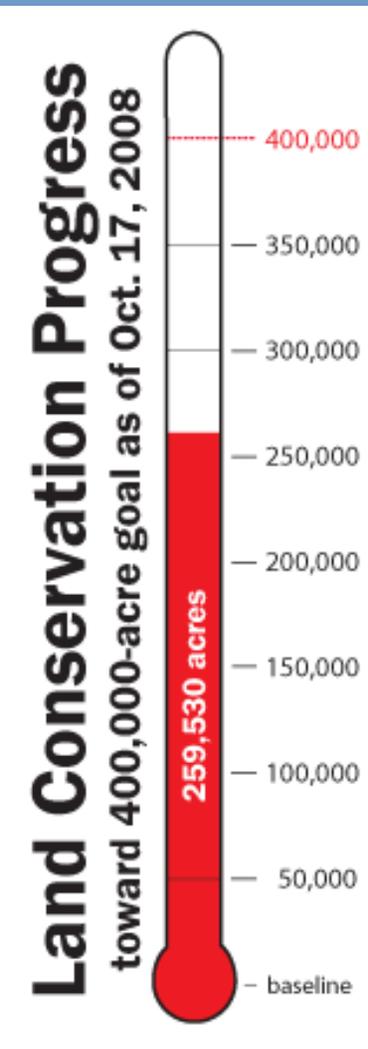
Measuring Progress

- Department of Conservation and Recreation gathers data and reports monthly
 - Federal/state/local agencies and private conservation organizations report their acquisitions each month
- Statewide conservation-lands database includes all permanently protected lands, both public and private
- Land Conservation Data Explorer provides online mapping and information on conserved lands:
www.vaconservedlands.org



400,000 Acres

- Average when goal was set: 56,000 per year
- CY 2006 total: 95,903 acres
- CY 2007 total: 79,812 acres.
- Left to go: 136,610 acres



Questions?

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