

From: R. Michael Leonard

RE: Recommendation for the Enhancement of Conservation Tax Credits in North Carolina

The concept is to increase the tax credit for certain "strategic" or high priority gifts of land and easements.

Increasing tax credits for gifts of land or conservation easements anywhere and everywhere statewide might not pass muster from a revenue standpoint. Also, there is a good policy argument that the State should only increase tax credits where the gift of land or easement clearly assists with State priorities or enhances the value of already existing public assets. Taking this more focused route will also make the financial impact far more limited than a statewide increase.

Example: Increase the Tax Credits to 50% of the value of the gift, including bargain sales, and raise the cap to \$1,000,000 for individuals and \$2,000,000 for corporations. But limit to the following lands:

1. Land donated to the State (including bargain sales) for an existing or legislatively approved State Park or State Natural Area.
2. Land within a mile of a State Park/State Natural Area if the State Parks Division certifies the land as important to the viewshed or watershed of the Park unit involved.
3. Land donated to the State (including bargain sales) which the Wildlife Resources Commission is willing to manage as an addition to an existing Wildlife Management Area or as a new Wildlife Management Area.
4. Land adjacent to a State Wildlife Management area if the land is also open to public hunting or certified by the Wildlife Resources Commission as providing valuable wildlife habitat
5. Land donated (including bargain sales) to the State for a State Forest.
6. Easements adjacent to an existing State Forest if the easement is a working forest easement.
7. Land approved by the board of the Clean Water Management Trust Fund as meeting clean water criteria (including bargain sales where a portion of the purchase funds are provided by Clear Water).
8. Bargain sales of land being purchased or partially funded by the Natural Heritage Trust Fund or the Parks and Recreation Trust Fund.

9. Farmland where the North Carolina Farm Preservation Trust provides a portion of the funding (either by providing part of the purchase price or transactional costs).
10. Land which provides right-of-way or camping areas for the Mountains-To-The-Sea Trail.
11. Any land providing public beach access.
12. Land which provides habitat for endangered, rare or threatened species.
13. Land within 1.5 miles of the center-line of the Blue Ridge Parkway if all or part of the land involved is visible from the Parkway.
14. Land adjacent to the boundary of any unit managed by the National Park Service (Great Smokies, Blue Ridge Parkway, Carl Sandburg, Guilford Court House Battlefield, Moores Creek Battlefield, Cape Hatteras Seashore, Cape Lookout Seashore).
15. Land adjacent to any National Wild and Scenic River, National Scenic River or State Wild or Scenic River (could greatly assist with the New River).
16. Land adjacent to a Federal Wilderness Area (most such land is already in public ownership; therefore, the possible revenue impact is limited).
17. The following historic lands:
 - a. Lands donated (including bargain sales) to the State for inclusion in a State Historic Site;
 - b. Land adjacent to a State Historic Site if the State Historic Preservation Office certifies the land as being of historic value;
 - c. Open land within or adjacent to a National Register Historic District or National Landmark Historic District if the State Historic Preservation Office certifies the land as being of historic value;
 - d. Land which is listed on the National Historic Register;
 - e. Structures (and land containing structures) listed on the National Historic Register or listed as contributing to a National Register or National Landmark District; and
 - f. Land identified as priority sites by the National Park Service's American Battlefield Protection Program.