



MINUTES
GEORGIA LAND CONSERVATION PROGRAM
First Quarter Council Meeting – Conference Call
March 1, 2011 - 9:30 AM

Call To Order

After establishing a quorum, the meeting was called to order.

Present at the meeting were:

Council Members: Steve Stancil, Chairman,

Council Members by speaker phone: John Bembry, Brent Dykes, Stacy Patton, Robert Farris, Paul Michael and Mark Williams.

Approval of the Minutes

Chairman Stancil presented minutes from December 1, 2011, Georgia Land Conservation Council meeting for approval. Stacy Patton made a motion seconded by John Bembry to approve the minutes as presented. The motion passed unanimously.

Annual Report

Andrew Szwak presented the 2011 Georgia Land Conservation Program annual report for approval. Stacy Patton stated that she was impressed but would like to see some of the history of the program but understand that this is just 2011, but thought it was very well done. A motion was made by Robert Farris and seconded by Stacy Patton to approve the 2011 annual report. The motion passed unanimously.

Program Updates: Recommended Revisions to the Land Conservation Trust Fund

Andrew Szwak stated that currently there is a balance in the Trust Fund and staff have some ideas that we wanted to give the Council and some options that we might have to utilize the funds. The first thing that folks have brought to our attention is that when they come to us for a loan, either at the non governmental level or local government level, they would really like to do a project but GLCP has a lot of requirements (like phase I assessments, appraisal requirements and then those costs on top of the loan) that are hard for them to accommodate, especially non governmental organizations. Staff came up with an idea to supplement a micro-grant for loans and state fee-title acquisitions. The non governmental organizations can not receive a direct grant but we could do some type of partnerships. In addition there are a number of different federal programs that offer a pretty considerable match but require some type of outside contribution from a local government or state government. They have run into road blocks coming up with the match in Georgia. The specifics have not been ironed out yet but we would also like to explore the possibility of using the Trust Fund for the match portion of the federal grant programs that are out there. Chairman Stancil asked if the Council members have any comments. The Council can either take action now or we can postpone to the June meeting. Chairman Stancil stated that he personally would like to have staff develop it a little further and bring it back in June. Stacy Patton asked if any projects would not move forward if the Council would not take action today. Andrew stated that there are projects in the pipeline but that they would not be ready before the June meeting. Stacy Patton stated that she agreed with Chairman Stancil to develop it a little more, and that it sounds like a great idea. John Bembry asked if private easement donations would be excluded to qualify for the micro grants. Andrew stated that the only grants we are able to make are to state agencies. The land owner would still have to pay for the land appraisal. Andrew will develop further and bring back to the Council in June. Brent Dykes thanked staff for looking at the

Federal Department of Agriculture programs and looking at ways to make them more effective, we have had issues in the past and glad to see it on the list.

Emerging Issues – Tax Credit Legislation

Frank Smith stated that on November 10, 2011, Governor Deal sent a letter to Chairman Stancil instructing him and other agencies to hold off on moving forward with any conservation easements until there was time to do a deeper study. His administration continues to support the preservation and conservation of Georgia's critical lands but there is a belief that the current system was open to abuse. The State Properties Commission was instructed to put together an advisory team to provide clarity and consistency to the program. The team consisted of representatives from DNR, Forestry, GEFA, Revenue, Soil and Water and some private sector partners. The result of the team's work was four main goals with recommendation topics under each goal.

The first goal is to ensure the state gets the accurate and full value for its tax credit. Topic 1 - have appraisals submitted with the tax credit applications be professionally reviewed by a third party. State Properties Commission would handle this based on appraisals that are submitted through DNR and through the land owner. The next recommendation (Topic 2) was to have an application fee of \$5,000 for when the state will not hold the conservation easement. This would help cover costs associated with administering the program. In addition, when the state is a holder of the conservation easement, it would charge a fee of one percent of the value of the donation. These funds would help the state agency that monitors the conservation easements. Topic 3 remove the three-tier compensation system for each tax credit and reduce it to a flat \$250,000 per-credit cap. Topic 3 eliminate double dipping, meaning that the federal deduction associated with the tax credit donation would not be able to be carried forward to a donor's state tax adjusted gross income if a tax credit is taken on top of the deduction. Donors would have to add back their deductions when calculating their adjusted gross incomes. Topic 4 clarify conservation use valuation assessments and the Forest Land Protection Act for the Governor's office.

The second goal is to have only qualified conservation partners with clear conservation goals hold conservation easements in Georgia. Topic 1 – require non-profit organizations that want to participate as a qualified organization to be accredited by the Land Trust Accreditation Commission. Due to the lengthy and burdensome application process, the group recommended that this not become effective until January, 2015, giving ample time for groups to go through the application process. Topic 2 – clarify in code that cities and counties can continue to hold conservation easements but only within their geographic boundaries. .

The third goal is to ensure the continued conservation and protection of critical forest, water, agricultural, cultural, scenic, and recreational lands. Topic 1 – there are 7 conservation purposes, and now the recommendation is to consolidate them into 5. But, nothing has been lost, because 2 of the values were combined into other values. It is just a simplification of 7 to 5. However, the new recommendations is that instead of having to be qualified for just one of the purposes, now a land owner would be required to have 2 purposes that would qualify. Topic 2 – maintain clarity and consistency in requirements of all tax credit-eligible conservation easements. These include: no subdivision for donations under 500 acres, donations above 500 acres may have only 1 subdivision, no permitted structure can harm the conservation values, donors must maintain the 100-foot restricted harvest buffer on all perennial streams with a minimum of 75 percent tree canopy, donors must maintain a 50 foot restricted harvesting buffer on all intermittent streams with a minimum of 75 percent tree canopy, donors must maintain a 150-foot no-construction buffer on each side of all streams, donors must follow best management practices for tree harvesting published by Georgia Forestry Commission and agricultural best management practices as published by the Soil and Water Commission, no new construction may cause more than 1 percent of the property's surface area to be impervious and no mining nor planting of non-native invasive species may be allowed. These would

be consistent guidelines for every tax credit-eligible conservation donation. Topic 3 – clarify working forest and preservation of working forest land.

The final goal is to manage the transferability of the conservation tax credit. Staff is working with the Department of Revenue to align its ability to transfer credits with the other credits. Currently the credit can be transferred as many times as anyone wants and it is also retroactive. Topic 1 – allow the transferability of the credit to only be one time. Topic 2 – recommend setting a date before which the credit would not be retroactive.

Frank stated that the recommendations have been well received from the Governor's office. They are currently working with House and Senate leadership to create legislation that would introduce some form of this. To date we have not seen that legislation, it has not been introduced. We understand that it will be introduced early next week and when it is introduced we will go back and work with the advisory team to ensure that it does align with what the team believes to be appropriate. Mark Williams asked if the cities and counties will have to go through some type of accreditation themselves? Frank Smith stated no, they will be allowed to continue to hold easements within their geographic boundaries. John Bemby stated that rural communities may not have the ability to track easements and asked how will they know 50 years from now that the Council intended for that property to be used for conservation purposes. Andrew Szwak stated that easements become attachments to the deeds of the property itself so if anyone going forward wants to change the use of the property it would show up on the title search for the deed. Chairman Stancil thanked the advisory team for pulling the information together.

Upcoming Events

Chairman Stancil stated that the following meetings are upcoming: Greenprints Conference, Southeast LTA Conference and Georgia Planning Association Conference, and that someone will be at these events and encourages any Council members that wanted to attend to do so.

Next Meeting

The next meeting is scheduled for June 7, 2012, possibly in Athens. Chairman Stancil asked Council members if there were any topics they are interested in having brought up at the June meeting. John Bemby mentioned the ACUB program of buffer protection, and he would like to see some of our loan funds used for this project. Andrew Szwak is working on the project and will get more information. John Bemby stated that Bibb has approved a SPLOST for funding and Houston County has one on the ballot. Andrew will update at the June meeting.

Adjournment

The meeting adjourned at 10:04 a.m.

Kim Yawn, Senior Executive Assistant

Kevin Clark, Executive Director