

**THE PAUL COVERDELL  
HOMESTEAD OPEN SPACE PRESERVATION  
AND CONSERVATION ACT**

**S. 2187  
SUMMARY OF BILL**

**REPRESENTATIVE JOHNNY ISAKSON  
PRIMARY SPONSOR**

1. **GOAL:** To invest strategically in the land estate of the United States in order to restore and preserve the economic value [and beauty] of our natural infrastructure, a critically important platform for our Nation's future.
2. **PROGRAM:** To allow \$25 billion in transferable Federal tax credits to be used to acquire conservation easements with every State participating.
3. **TERM:** Five years, unless the program is extended by Congress.
4. **ANNUAL ALLOCATION:** The amount of available tax credits shall increase each year, with \$4 billion the first year, \$4.5 billion the second, \$5.0 billion the third, \$5.5 billion the fourth, and \$6.0 billion the fifth.
5. **ALLOCATION AMONG STATES:** The tax credits shall be allocated among the States based on a formula under which a State receives a percentage of the annual credits equal to the amount of private open space (i.e., the total amount of private farm, ranch, and forest land) that it has relative to the total amount of such land in the United States. Notwithstanding this formula, no State shall receive an initial annual allocation that exceeds 4% of the total amount of credits. **(See Exhibit A for sample allocations.)**
6. **REALLOCATION OF UNUSED DOLLARS:** If any State shall fail to use its allocated annual share of tax credits in any of the five years, the amount not used shall be forfeited and transferred to a national pool that shall be reallocated pursuant to regulations that the Secretaries of Interior and Agriculture shall determine.
7. **ACQUIRING CONSERVATION EASEMENTS:** The conservation easements shall be acquired at a price equal to or less than the fair market value of the easement. The easements shall be negotiated and acquired by existing 501(c)(3) conservation organizations. Their tasks will include not only acquiring the easements, but also obtaining taxpayers who are willing to buy the transferable credits in order for the transactions to close. The organization must not only comply with all of the requirements of the program, but also with all other Federal and State laws and regulations. (Note: These organizations currently work with governments to acquire most of the properties conserved for public purposes today. Using them pursuant to this legislation recognizes that reality as well as precludes the necessity of creating a federal bureaucracy to accomplish the goal.)
8. **FEDERAL PARTICIPATION:** The Federal Government establishes the program and controls it by establishing its objectives, its tactics, its funding, and the means by which it is evaluated.

The Federal Government also determines what qualifies as a conservation easement under the program.

9. **STATE PARTICIPATION:** Each State is allocated a specific amount of credits. It must manage their use and allocate the credits among the various alternatives that are presented for their use within the State. [The bill will be amended to provide that in order to qualify for the reallocated national pool, a State must devise a strategic plan for best protecting its natural infrastructure. This will promote strategic conservation based on local knowledge and needs.]
10. **CITIZEN PARTICIPATION:** Each Federal taxpayer can participate by allocating from its Federal tax liabilities for the program, soliciting other citizens to allocate their Federal tax liabilities, participating as employees or volunteers with the conservation organizations, selling or encouraging other to sell conservation easements under the program, and/or participating in the various governmental efforts associated with the program.
11. **MODELS:** This program uses existing law concerning conservation easements that has evolved at the Federal level successfully over the past thirty years. The structure of the program itself is based on the very successful tax credit program for low income housing.

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## STATE BY STATE ANNUAL ALLOCATION OF CREDITS

The original formula contemplated for HR 2036 provided that a State's portion of the total amount of tax credits would be calculated by multiplying the aggregate annual tax credit ("Annual Credit") by a fraction which is equal to the following: working from the U.S. Department of Agriculture's 1997 land use census ("Agriculture Census"), the denominator shall be the total acreage of "land in farms" in the United States and the numerator shall be the total acreage of "land in farms" in the particular State. Notwithstanding this formula, no State would receive more than 4% of the Annual Credit.

Research and study over the last twenty months have led to the conclusion that the Annual Credit should total \$25 billion over five years, with the Annual Credit being \$4 billion in the first year and then increasing by \$500 million each year, with the Annual Credit for the fifth year then being \$6 billion. Likewise, it was determined that a more appropriate allocation formula to use would be based on the Agricultural Census as well as the 1997 U.S. Forest Service census ("Forest Census"). Using data from these two reports, a State's annual allocation would be determined by multiplying the Annual Credit by a fraction which would be equal to the following: the denominator shall be the total acreage in the United States in "land in farms" less "total woodland" under the Agricultural Census plus the total amount of "private forest land" under the Forest Census and the numerator shall be the total acreage for the particular State in "land in farms" less "total woodland" under the Agricultural Census plus the "private forest land" under the Forest Census. Notwithstanding this allocation, no State would receive more than 4% of the Annual Credit. Allocations under this revised recommended formula for Annual Credits of \$5 billion, by way of example, are attached.

Exhibit "A"

Sort by State

	Total Land and Forest (minus Woodlands)	Original Percentage Total for All United States	Final Percentage	Percentage x \$4 Billion	Percentage x \$5 Billion
Texas	143,548	11.121%	4.000%	\$160,000,000.00	\$200,000,000.00
Montana	62,815	4.866%	4.000%	\$160,000,000.00	\$200,000,000.00
New Mexico	49,385	3.826%	4.000%	\$160,000,000.00	\$200,000,000.00
Kansas	46,845	3.629%	3.983%	\$159,309,436.19	\$199,136,795.24
Nebraska	45,913	3.557%	3.903%	\$156,138,596.23	\$195,173,245.29
South Dakota	44,676	3.461%	3.798%	\$151,933,634.35	\$189,917,042.94
California	43,336	3.357%	3.684%	\$147,374,181.19	\$184,217,726.49
North Dakota	39,526	3.062%	3.360%	\$134,417,669.32	\$168,022,086.65
Oklahoma	38,095	2.951%	3.239%	\$129,552,291.06	\$161,940,363.82
Colorado	37,395	2.897%	3.179%	\$127,172,510.87	\$158,965,638.59
Alaska	36,645	2.839%	3.116%	\$124,621,097.99	\$155,776,372.49
Missouri	35,876	2.779%	3.050%	\$122,004,604.86	\$152,505,756.08
Wyoming	35,319	2.736%	3.003%	\$120,109,894.74	\$150,137,368.42
Arizona	35,017	2.713%	2.977%	\$119,083,234.07	\$148,854,042.59
Iowa	31,658	2.453%	2.692%	\$107,662,598.29	\$134,578,247.86
Minnesota	31,298	2.425%	2.661%	\$106,435,449.52	\$133,044,311.90
Illinois	29,210	2.263%	2.483%	\$99,337,577.77	\$124,171,972.21
Georgia	28,942	2.242%	2.461%	\$98,425,495.33	\$123,031,869.16
Arkansas	27,297	2.115%	2.321%	\$92,830,624.56	\$116,038,280.70
Alabama	26,450	2.049%	2.249%	\$89,949,202.44	\$112,436,503.04
Oregon	26,382	2.044%	2.243%	\$89,720,132.01	\$112,150,165.02
Mississippi	24,101	1.867%	2.049%	\$81,963,138.55	\$102,453,923.18
North Carolina	23,257	1.802%	1.977%	\$79,090,174.10	\$98,862,717.62
Wisconsin	23,246	1.801%	1.976%	\$79,055,214.34	\$98,819,017.92
Washington	23,142	1.793%	1.967%	\$78,699,090.70	\$98,373,863.37
Kentucky	21,691	1.680%	1.844%	\$73,766,564.53	\$92,208,205.67
Michigan	20,868	1.617%	1.774%	\$70,967,372.66	\$88,709,215.82
Florida	20,480	1.587%	1.741%	\$69,647,148.64	\$87,058,935.80
Tennessee	20,272	1.570%	1.723%	\$68,939,968.48	\$86,174,960.60
New York	20,222	1.567%	1.719%	\$68,769,862.73	\$85,962,328.41
Ohio	19,716	1.527%	1.676%	\$67,049,495.69	\$83,811,869.62
Louisiana	19,400	1.503%	1.649%	\$65,975,931.82	\$82,469,914.77
Virginia	19,180	1.486%	1.631%	\$65,226,997.19	\$81,533,746.49
Pennsylvania	18,284	1.416%	1.554%	\$62,178,370.16	\$77,722,962.70
Indiana	17,558	1.360%	1.493%	\$59,709,690.84	\$74,637,113.55
Maine	17,377	1.346%	1.477%	\$59,095,069.03	\$73,868,836.28
Idaho	14,705	1.139%	1.250%	\$50,009,391.48	\$62,511,739.35
Utah	14,411	1.116%	1.225%	\$49,008,668.37	\$61,260,835.46
South Carolina	14,314	1.109%	1.217%	\$48,678,982.20	\$60,848,727.75
West Virginia	12,622	0.978%	1.073%	\$42,922,789.82	\$53,653,487.28
Nevada	6,976	0.540%	0.593%	\$23,723,665.42	\$29,654,581.77
Vermont	4,655	0.361%	0.396%	\$15,829,864.00	\$19,787,330.01
Maryland	4,086	0.317%	0.347%	\$13,895,137.20	\$17,368,921.50
New Hampshire	4,036	0.313%	0.343%	\$13,726,422.35	\$17,158,027.94
Massachusetts	2,944	0.228%	0.250%	\$10,012,583.87	\$12,515,729.84
Hawaii	2,485	0.193%	0.211%	\$8,452,123.73	\$10,565,154.66
New Jersey	2,084	0.161%	0.177%	\$7,087,941.55	\$8,859,926.94
Connecticut	1,828	0.142%	0.155%	\$6,218,266.53	\$7,772,833.16
Delaware	891	0.069%	0.076%	\$3,030,035.11	\$3,787,543.89
Rhode Island	350	0.027%	0.030%	\$1,191,808.12	\$1,489,760.15
District of Columbia	0	0.000%	0.000%	\$0.00	\$0.00
			100.000%		