Public Policy Update Massachusetts Land Trust Coalition (MLTC) Steering Committee Meeting

March 10, 2023

Healey Administration Transition

The Healey Administration has already indicated a strong commitment to climate action, including by naming Mellissa Hoffer as Climate Chief, a new cabinet position. Other appointments include Rebecca Tepper as Secretary of Energy and Environmental Affairs (EEA), Stephanie Cooper as EEA's Undersecretary for Environment, and Ashley Randle as Commissioner of the Department of Agricultural Resources (MDAR). Cooper is a former Deputy Commissioner at the Department of Environmental Protection (DEP) and most recently served as Acting Commissioner of the Department of Conservation and Recreation (DCR). Randle previously served as Deputy MDAR Commissioner. Appointments are still pending for Commissioners of DCR, DEP and the Department of Fish and Game (DFG).

The Administration has also indicated a commitment to the critical role natural and working lands play in climate resiliency, in addition to the myriad other benefits they provide. MLTC recently collaborated with other major statewide conservation organizations (AMC, ELM, Mass Audubon, MACC, TNC, and The Trustees) to submit a letter to Climate Chief Melissa Hoffer and EEA Secretary Rebecca Tepper, highlighting our shared priorities:

- To Increase the level of climate ambition for natural and working lands in both mitigation and adaptation plans. Align state land and natural resource plans and management and restoration actions to maximize carbon removal, biodiversity, resilience, and other public benefits (especially increasing access to nature).
- Increase funding for natural and working lands to levels commensurate with their significant climate potential and the need to address historic inequities in access to nature and open space for all residents.
- Rapidly deploy responsible siting of clean power systems and infrastructure focused on the built
 environment and developed lands while avoiding, minimizing, and mitigating impacts to natural
 and working lands and waters.

2023-2024 State Legislative Priorities

A new state legislative session began on January 4, 2023. MLTC's policy committee has agreed we will support a limited list of priorities driven by two strategic objectives:

- To increase state investment in land conservation and the conservation work of land trusts, and
- Maximize the integrity and natural resource value of protected lands as well as unprotected lands of significant conservation value.

Following review of last year's priorities and new bills filed, we have selected the following priorities, which may be adjusted as the session evolves. Committee appointments are now final, but no hearings have yet been scheduled.

Top MLTC Priorities

An Act increasing the conservation land tax credit (<u>HD.2442, SD.418</u>)

A top priority from last session, this remains at the top of our list. This bill would raise the annual cap under the Conservation Land Tax Credit (CLTC), the state income tax credit for donations of conservation land, from \$2 million to \$5 million - phased over three years. It would also amend the definition of a "public or private conservation agency" that may receive donations of land to include land trusts, and provide a ten-year sunset. Passage is a recommendation of the Resilient Lands Initiative. We'll work closely with coalition partners including The Trustees and TNC on strategies to move this forward. We encourage you to reach out to your state legislators to encourage them to sign on as a cosponsor of this bill.

Environmental Bond

The Commonwealth issues bonds to fund capital spending on the land acquisition and restoration programs that are critical to our work. The Environment and Climate Bond approved in 2018 is nearly depleted, so a new Bond bill is expected to be filed by summer. MLTC will be working closely with our conservation partners to advocate for the bill to authorize investments that expand or create new programs in alignment with our priorities.

State Operating Budget

Under ELM's Leadership, a broad coalition of our partners advocates for "Green Budget Priorities" in the state's operating budget. The operating budget for FY24 will be finalized only after a multistep legislative process that began with the Governor submitting her recommendation on March 1, which included significant increases to many environmental programs. The Green Budget Coalition will advocate that the legislature adopt her proposed increases in funding for lines including EEA Administration, Climate Adaptation, Environmental Justice programs, DEP Administration, and DCR Parks and Rec (which would see a \$22M increase to address ongoing staffing and maintenance shortfalls and support partnerships to meet DCR's service goals.) For certain lines, (e.g. Division of Ecological Restoration and Natural Heritage and Endangered Species Program), the coalition is likely to ask the Governor to spend more than the Governor recommended.

In 2022, as it appropriated the balance of federal funding received through the American Rescue Plan Act (ARPA), the legislature put into escrow \$1.74 billion in budget surplus operating funds. MLTC will join statewide partners to encourage equitable investment of a portion of these funds in land conservation, parks, and natural climate solutions.

MLTC Also Supports

An Act investing in natural and working lands (SD.2261, Sen. Comerford)

Meeting the natural and working lands goals in the Clean Energy Climate Plan (CECP) will require new tools. This bill would create a local opt-in program under EEA called "Farm and Forest Friendly Communities," to incentivize municipalities to make land use and planning decisions that reduce loss of farmland and forests. Communities would receive technical and financial assistance and increased payments in lieu of taxes on state-owned land. Consistent with CECP recommendations, this bill would also direct DEP to set a MEPA review threshold for projects that involve certain levels of forest clearing or farmland conversion, and recommend a successor to the SMART solar siting incentive program that would minimize impacts to priority forest and farmland.

An Act to encourage solar development on buildings and disturbed land (<u>HD2883 SD2013</u>, Reps. Lindsay Sabadosa & Sean Garballey/Sen. Mark)

Massachusetts has committed to deploying solar energy that maximizes clean energy generation, avoids impacts on humans and natural communities, and connects efficiently to the grid. This bill would help achieve these goals by encouraging installation of solar panels on buildings and disturbed sites, such as parking lot canopies, brownfields, and roadway cuts. It would require the Department of Energy Resources to make change to existing policies and programs, such as netmetering and SMART, to increase incentives for generation and siting of solar projects in the built environment. Sierra Club is leading the effort on this bill.

An Act to create a commission to determine the feasibility of voluntary acquisition of flood risk properties (<u>HD.2371</u>, <u>SD.1154</u>) (Rep. Sarah Peake, Sen. Marc Pacheco)

This bill would create a new commission to bring together agency officials, legislative leaders, and expert stakeholders to study the feasibility of a voluntary acquisition program for properties that are subject to risk of catastrophic flood damage --- helping owners and renters move out of harm's way while conserving land and restoring wetlands to increase climate resiliency. The commission would be tasked with making concrete recommendations to lawmakers for how to address this difficult and pressing issue, especially for Massachusetts' most vulnerable residents. The Trustees is leading the effort on this bill.

Outdoor Recreation Act (HD.3432, SD.2204 Rep. Natalie Blais & Sen. Paul Feeney)

This bill would create a statewide dedicated fund to ensure the success of the newly created Massachusetts Office of Outdoor Recreation and provide grants for outdoor recreational purposes, with priority given to projects that benefit underserved and Environmental Justice populations. There would be no increase in sales tax, but existing sales tax revenues received by the Commonwealth from the sale of sporting goods would be placed in the Outdoor Recreation Trust Fund for the purposes of conservation, creation, preservation, and restoration of natural resources for recreational use. The Trustees and Charles River Watershed Association are leading the effort on this bill.

State Administrative and Regulatory Updates

The Department of Energy Resources is continuing its <u>Technical Potential of Solar Study</u>. Mass Audubon is developing its own independent study on solar siting that will include policy recommendations designed to deploy solar to meet our decarbonization goals and to avoid and minimize impacts to important and sensitive natural resources.

Land Trust Alliance Policy Update as of 3/6/2023

Join Us at Advocacy Days

Registration for <u>2023 Land Trust Alliance Advocacy Days</u> is now open! As of the end of the month, we only have three individuals from the Commonwealth registered to attend.

From April 17-20, staff and board members from land trusts have the opportunity to visit Washington to meet with their congressional delegation, attend meetings with key agency staff and network with their fellow land trust leaders. Two weeks prior, on April 4, we will host our annual issue briefing and first timers training virtually.

While there is no registration fee, travel arrangements and hotel accommodations must be paid by participants. Discounted hotel rooms are now available on a first-come, first-served basis through March 24. The Alliance also is proud to offer a limited number of travel stipends for Alliance member land trusts. For additional questions, please email policy@lta.org.

Alliance 2023 Policy Agenda

In January, the Alliance released its 2023 policy agenda. It reflects the priorities and input of our community. This year's focus areas include seeking resources to assist land trusts, engaging in the 2023 Farm Bill negotiations, implementation of the Charitable Conservation Easement Program Integrity Act, ensuring the integrity of conservation donations, advancing natural climate solutions and guiding sound energy siting policies. A copy of the entire agenda can be <u>found here</u>.

Inflation Reduction Act

The Natural Resources Conservation Service recently rolled out FY23 Inflation Reduction Act funding guidance for the Agricultural Conservation Easement Program. Importantly, there is a limited target area — primarily grasslands of special significance in the great plains/central United States — for Agricultural Land Easements, and very specific watersheds for Wetlands Reserve Easements. The deadline to submit applications is March 17. For more information, see the NRCS national bulletin.

Farm Bill

On March 1, the Senate Committee on Agriculture, Nutrition and Forestry held its first hearing on the conservation and forestry programs of the 2023 Farm Bill. Witnesses included Chief of the Natural Resources Conservation Service Terry Cosby, Farm Service Agency Administrator Zach Ducheneaux and Associate Chief for the U.S. Forest Service Angela Coleman. A replay of the full hearing can be <u>found</u> here.

In addition, on Feb. 27, the Alliance joined other conservation organizations including the American Farmland Trust, The Nature Conservancy and The Conservation Fund in sending a letter to the House and Senate agriculture committees' leadership. The letter calls on Congress to protect the "historic \$20 billion investment in Farm Bill Title II conservation programs and Conservation Technical Assistance, including \$1.4 billion for ACEP." In addition, the letter notes how ACEP is an important investment in permanent, voluntary conservation — helping protect millions of acres of irreplaceable working lands. A copy of the full letter can be found here with additional information included in the coalition's recently issued press release.

If you want to be a participate in our ongoing Farm Bill discussions, email Manager for NRCS Programs, Nikki Nesbary at nnesbary@lta.org to join our Farm Bill Working Group. We also still need project examples to show the benefits of ACEL-ALE and the demand for the program. Share your ACEP-ALE project success story. Or you can also share your example of a project that went underfunded or unsubmitted due to limited program funds in your state. Check out the Alliance's ACEP-ALE Action Center to learn more.

The Alliance continues to refine our 2023 Farm Bill recommendations and we are working with partners to develop a common set of Agricultural Conservation Easement Program and Regional Conservation Partnership Program recommendations. The Senate Agriculture Committee is seeking from members of Congress by March 17 and we are working to get these recommendations in good shape for submission prior to that deadline.

Abusive Syndicated Conservation Transactions

On December 23, Congress passed an omnibus appropriations bill that included language that mirrored the Charitable Conservation Easement Program Integrity Act. The President signed the legislation into law on December 29. The Alliance would like to thank all Massachusetts land trusts who answered our numerous requests and pleas to call a senator or representative, invited a member of Congress to visit a conservation project, attended Advocacy Days and penned op-eds for their local papers. Your efforts led to this important bill being signed into law.

While we can finally celebrate the end of this blatant abuse, the Alliance will continue to closely monitor the implementation of the legislation, as well as continue to advocate in support of IRS and tax reforms that benefit land trusts. This includes submitting written comments to the IRS on proposed rulemaking aimed at targeting syndicated conservation easement transactions.

On Feb. 5, the Alliance submitted comments which outlined our support for codifying Notice 2017-10, issued by the IRS in December 2016, in regulations to ensure the IRS has the means to discover whether abusive syndicated conservation transactions persist and to continue to identify the promoters, material advisors, investors and donee organizations that continue to be involved. In addition, the Alliance's comments focused on ensuring that the IRS maintain the provisions of the Listing Notice, including a complete carve-out for donee organizations (such that they are not considered "material advisors" or "parties" to the transactions at issue). The Alliance also noted support for the IRS adding additional provisions that would make it more difficult for parties involved in abusive syndicated conservation easement transactions to avoid their reporting obligations. Alliance President and CEO Andrew Bowman also testified before the IRS at a public hearing on March 1.

To obtain a copy of the Alliance's written comments and Andrew's testimony, please email policy@lta.org.

117th Congress Passes Omnibus Spending Bill

As noted above, at the end of last year Congress passed the Consolidated Appropriations Act, 2023 (also known as an omnibus appropriations bill) that included several important conservation provisions.

The bill included the Growing Climate Solutions Act which creates a registry of third-party vendors who farmers could consult with to determine the carbon benefits of various farm practices with a goal of supporting voluntary carbon markets. It's important to note however that the bill did not give the U.S.

Department of Agriculture the authority to certify consultants as initially proposed. With that said, it is expected to be a useful tool for landowners interested in these markets.

The bill also included \$7 million for the Healthy Forest Reserve Program, \$61 million to help landowners resolve heirs' property issues and \$50 million for the North American Wetlands Conservation Act. It also included more than \$800 million for the Natural Resources Conservation Service technical assistance, \$13 million of which is targeted to additional staff.

Energy Infrastructure

The Alliance continues to educate decision-makers about the importance of safeguarding existing conservation investments when siting energy infrastructure. That means directing energy infrastructure away from conservation, silvicultural and agricultural sites as well as landscapes with high carbon sequestration potential.

If you are interested in joining other land conservationists in discussing these issues, the best way to stay apprised is to join the Alliance's Energy and Climate Working Group. Contact the Alliance's Energy and Climate Policy Advisor Chelsea Welch (cwelch@lta.org) to be added to the Working Group and to learn more

Forest Conservation Easement Program

We have been working in collaboration with The Conservation Fund, National Alliance of Forest Owners, and Wildlife Mississippi to advance FCEP as a successor to the existing Healthy Forests Reserve Program. FCEP would enhance HFRP by adding a new entity-held easement component to mirror the structure of the Agricultural Conservation Easement Program (ACEP). We expect a bipartisan, bicameral marker bill to be introduced this month for eventual inclusion in the Farm Bill.

America the Beautiful (30x30)

On March 1, the Biden-Harris administration in conjunction with the National Fish and Wildlife Foundation announced that is now accepting RFPs for the <u>America the Beautiful Challenge</u>. The program is expected to award up to \$116 million in grants to fund locally led landscape-scale conservation and restoration projects that implement existing conservation plans across the nation. Pre-proposals are due April 20 and the full RFP can be <u>found here</u>.

National Coastal Resilience Fund

National Fish and Wildlife Foundation (NFWF) recently released the RFP for this year's National Coastal Resilience Fund grant program. This year's round of funding includes a pre-proposal solicitation phase. From this pool of pre-proposals, projects will then be selected to submit full proposals. This should help reduce burdens for submitting proposal ideas, which are due **Wednesday April 12, 2023**. Depending on interest and availability of NFWF staff, the Alliance may attempt to offer another webinar for the land trust community on this funding opportunity. Please feel free reach out to cwelch@lta.org with any questions or to let us know if you're planning to submit a pre-proposal. Learn more about the NCRF program here.