

CONSERVATION IN AMERICA:

STATE GOVERNMENT INCENTIVES FOR HABITAT CONSERVATION

A STATUS REPORT



DEFENDERS OF WILDLIFE

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1. BACKGROUND

The United States is a country blessed with great wealth, both economic and ecological. Our breadth of stunning landscapes is matched by the diversity of wildlife that is native to America. Yet many factors threaten to rob us of our unique wildlife heritage. Chief among these factors is the loss of habitat to resource development and suburban sprawl. The loss of habitat is the leading cause of species endangerment nationwide.¹

Much of the habitat needed to conserve the diversity of our wildlife heritage occurs on private lands. Efforts to identify habitat conservation needs in various parts of the country indicate that 15-30% of the land in any state or ecoregion will need to be in some form of conservation status in order for our native biodiversity to be effectively conserved.² Fully half of the land identified in these efforts is privately owned.³ Private landowners therefore have a vital role to play in the conservation of our nation's wildlife heritage.

Buying all the private land needed to round out a national habitat conservation system is not likely the solution in the near term for several reasons. First, the one-time cost of such a scale of habitat acquisition (hundreds of billions of dollars) would potentially be prohibitive. Although the nation could probably afford an acquisition strategy if spread over several decades, there is also political resistance to increasing the amount of public lands, especially in some areas of the country, like the West, where public lands already comprise the bulk of lands in most states. Also, not all landowners are interested in selling their lands, even if they are interested in good habitat conservation. Consequently, incentive-based approaches to encouraging sound habitat conservation on selected lands will be an important part of the conservation toolkit for some time to come.

Incentives for landowners to manage land in particular ways have existed in this country for many years. Agricultural programs designed to stabilize farm prices provided landowners with commodity payments. Forest programs gave landowners financial assistance to increase timber production on their property. As public values have changed, however, from production to conservation, a shift in the types of incentive programs has also occurred. Today, a wide range of incentives are available to landowners who are interested in conserving a particular species, wetland or patch of forest on their property. Many states, for example, provide preferential tax treatment for lands subject to a conservation easement. The federal government also has several programs to help landowners improve their property for wildlife.⁴ Yet there is no single source of information available to understand the existing tapestry of incentive programs across the country.

¹ D. Wilcove, D. Rothstein, J. Dubow, A. Phillips, E. Losos, *Precious Heritage: The Status of Biodiversity Science in the United States* (Oxford University Press, New York, 2000).

² M. Shaffer, S. Vickerman, F. Casey, R. Dewey, L. Watchman, W. Snape III, M. Senatore, R. Ferris, *A Proactive, State-Based, Incentive-Driven Policy for Habitat Conservation* (Defenders of Wildlife, Washington, D.C., 2001).

³ Shaffer et al.

⁴ Examples of federal-level incentive programs aimed at the restoration or conservation of wildlife habitat include the United States Fish and Wildlife Service's "Partners" program, and the Natural Resources Conservation Service's Wildlife Habitat Incentives Program and Wetland Reserve Program. There are a currently a total of 33 federal habitat conservation incentive programs that offer an array of incentive types. See Hummon, L. 2002. "An Analysis of Federal Resource Conservation Incentive Programs." Defenders of Wildlife. Washington, D.C. (Forthcoming).

In 1998, Defenders of Wildlife published a report entitled “*National Stewardship Incentives: Conservation Strategies for U.S. Landowners.*” The report describes selected incentives and management recommendations for biodiversity conservation on private lands. A compilation of the full array of federal and state incentives in existence was the logical next step. This report is the result of our efforts to provide information about conservation incentives offered by state governments to private landowners.⁵ It contains a summary of our findings, including a breakdown of the different types of state governments incentives, examples of successful programs, recommendations and profiles of some of the conservation incentives available across the 50 states.⁶

The results reveal that there is a wide array of incentives for habitat conservation on private land among state agencies. Increased funding, improved data collection, centralized information and coordinated planning are needed to boost the effectiveness and efficiency of these much-needed programs. Yet despite the needed changes, incentives are clearly an important mechanism to encourage voluntary conservation efforts.

[BOX]

Project Methodology

Defenders of Wildlife, with support from the Geraldine R. Dodge Foundation, embarked on a project to develop a comprehensive database on state conservation incentives for wildlife and/or habitat conservation by private landowners. In defining a "habitat conservation incentive," we targeted our search in two ways. First, we looked for those incentives which were specifically designed to benefit wildlife and/or habitat, either as a primary or a secondary goal. Incentives which provide indirect or unintended benefits to wildlife and habitat, such as agricultural conservation easements, were not included. Second, we searched for those programs which were administered and funded primarily by a state entity (although partnerships are common, as noted elsewhere in this report). Programs such as the Natural Resources Conservation Service's Wetland Reserve Program, for example, while utilizing state assistance and resources, are considered to be federal programs for the purposes of this report and were not included.⁷ In addition to conducting a search of state statutes, articles, reports and state agency websites, we sent approximately 300 surveys and an equal number of follow-up questionnaires to state agency staff and non-governmental organizations across the country.⁸ Initially, we received 71 surveys, a 24% response rate, from 41 different states. For states not responding to the survey, Defenders' staff contacted agency officials by telephone or electronic mail to obtain information about programs in those states, and we conducted independent research of state statutes, agency web sites and reports in all 50 states.

Our research included information about types of incentives employed, numbers of participants, acres of habitat protected and sources of funding. In total, we reviewed information from every state, and compiled a survey of over 400 incentives and programs covering the 50 states.⁹

⁵ Information about all federal incentive programs will be available in the Fall 2002 re-issue of the National Stewardship Incentives report.

⁶ For summaries of the incentive programs in each state, see Defenders of Wildlife's www.biodiversitypartners.org.

⁷ See Footnote 5.

⁸ See Appendix B: Survey and Follow-up Questionnaire

⁹ While the information contained in this report is voluminous, it represents only the programs identified by our research; other programs may exist which were not accessible. See the Project Methodology for additional details.

2. FINDINGS AND ANALYSIS

To guide our research, a taxonomy of incentives was utilized that included eight broad categories of interest: direct payments, education/technical assistance, legal/statutory mechanisms, market institutions, property rights tools, recognition programs, administrative streamlining and tax relief (see Appendix B: Taxonomy of Incentives by Category). The majority of the state incentive programs are found in three categories: direct payments (27.7%), education/technical assistance (21.8%) and tax relief (20.2%). The remaining categories constitute significantly smaller percentages, such as property rights tools (13.1%), recognition programs (5.4%), legal/statutory mechanisms (4.2%), market institutions (2.9%) and administrative streamlining (.3%) (see Appendix C, Table I: Percentage of Incentives Overall by Category).

In general, the average state offers four to six types of conservation incentives, many of which are combined with other incentives in a single program.¹⁰ One of the common incentives is a statutory authorization for a conservation easement with a preferential or current use assessment for valuation of the property at a lower level, thus decreasing a landowner's property or income tax liability. Also typical in most states is the presence of an official or unofficial technical guidance program for landowners interested in conserving habitat resources on their property, usually administered by a game and fish or natural resources department. Many technical guidance programs also provide some limited cost share, grant or in-kind materials to landowners. Beyond the few basic types of programs such as conservation easements, tax incentives and technical assistance programs, there is significant variation among the states as to the types and number of incentives each offers.

The results from our research are discussed by category of incentive in Section 3. The overall impact in terms of numbers of programs, participants, and acres affected are discussed in Section 4. A summary and recommendations are contained in Section 5.

¹⁰ California, Illinois and Washington reported the largest number of incentives (see Appendix C, Table II: Incentives by Category and by State, and Map: Total Incentives by State).

3. RESULTS BY INCENTIVE CATEGORY

Direct Payments

Direct payments are those payments made directly to a landowner for purchase of equipment, lease of habitat and other expenses requiring a direct financial outlay for conservation projects or activities. The following types of incentives were included in this category:

- Cost share
- Grants
- Green payments
- Low/no interest loans
- Provision of in-kind materials
- Purchase of rights to land
- Rental or lease of habitat

All but five states (90%) provide at least one of the above incentive types.¹¹ The most common direct financial payments are grants or cost share programs which pay all or part of the total cost, such as habitat restoration or enhancement. Thirty-seven states have cost share programs, while 20 states have grant programs.

One example of a cost share program is Wisconsin's Turkey and Pheasant Stamp Program, which provides funding to landowners to manage, restore, and preserve woodlands, savannah, wetlands, and prairie. The program provides funds for costs of labor for prescribed burning, as well as in-kind materials, such as burning equipment, and prairie seed. The program also offers some payments to landowners to allow hunting access. This program requires a ten year commitment from landowners and receives its funding from turkey and pheasant stamps purchased by hunters. Total program funding is approximately \$.5 million a year.

Another example is Kansas's "Walk In Hunting Access" program, which provides landowners with payments for lease of wildlife habitat for public hunting. This program, while providing for hunting access, also provides for the retention and enhancement of wildlife habitat. Currently, the Department of Wildlife and Parks provides \$850,000 a year to lease 680,000 acres of habitat.

Georgia administers a program that provides incentive payments ("green payments") to landowners for the preservation, creation or enhancement of bobwhite quail habitat. Under this program, a landowner or lease holder controlling a minimum of 50 contiguous acres of row crop agricultural land or thinned pine stands may be eligible for payments of up to \$10,000 for the creation, preservation, or enhancement of bobwhite quail habitat.

Iowa offers no interest loans to landowners. The loan program in that state provides landowners of agricultural lands with no interest loans of up to \$10,000 to install practices to prevent erosion and protect water quality, with ancillary benefits to wildlife. This program has been in existence since 1983.

¹¹ See Appendix C, Table II: Incentives by Category and by State.

Twenty-one states offer in-kind assistance in the form of materials to landowners to encourage enhancement or restoration of resources on private land. The Illinois Department of Natural Resources administers a program that provides in-kind materials to landowners. The Private Land Wildlife Habitat Program assists with plant materials, equipment and labor to develop and maintain wildlife habitat management practices.

Fifteen states have programs to purchase less-than-fee title or other rights to land.¹² For example, Massachusetts' open space bond provides \$5-10 million annually which includes money for acquisitions of easements on lands that contain native species or important natural communities. The program, which has been in existence since 1990, has acquired approximately 10,000 acres and is growing rapidly.

Education/Technical Assistance

Education and technical assistance incentives include:

- Education of landowners
- Information
- Technical assistance

Education and technical assistance are provided in all but seven states (86%).¹³ The most common form of assistance is technical assistance, where state agency staff offer expertise to landowners on conservation related issues, such as restoring habitat and learning to identify endangered species.

Often technical assistance is provided along with other incentives. In Missouri, for example, the Landowner Assistance Program offered by the Department of Conservation offers landowners cost share funds, in-kind materials, equipment and labor to install wildlife friendly practices in addition to technical assistance. The program, administered by the Department's Private Land Services Division, currently obtains its funding from a state sales tax which provides approximately \$800,000 to \$1 million annually. The program helps landowners install riparian fencing, stream bank stabilization, planting of grasses, levee removal, prescribed burning, and alternative watering systems.

[BOX]

Program Profile

Kenai River Habitat Restoration and Enhancement Program

Although a relatively small program, the Kenai River Habitat Restoration and Enhancement Program in Alaska provides an example of a program offering a comprehensive approach to natural resource management on private lands. The program provides incentives to landowners to encourage the restoration, protection and enhancement of salmonid fish habitat to those who own property abutting the Kenai River. The program offers landowners technical assistance, education, and ecosystem planning assistance, along with up to 50% cost share for removal of damaging materials, and enhancement and protective measures for salmonid habitat. Since its

¹² Although purchase of fee title is not considered an incentive for purposes of this report, programs which purchase less than fee title, such as easements, routinely include fee title purchases as well. Data on both types of purchases, such as funding or acreage covered, is combined and could not be segregated for this report.

¹³ See Appendix C, Table II.

inception, approximately 32,405 river feet have been restored, enhanced, or protected while remaining in private ownership. However, the program's administrator estimates that a much higher number of river feet have been enhanced due to the program's education of landowners about the importance of protection of other areas. The program, offered by the Habitat and Restoration Division of the Department of Fish and Game, also provides some funding for property acquisition in areas threatened by development. Since its inception, the Department has acquired a total of 5,212 acres, with approximate river frontage of 46,105 feet. In most cases, the properties were closed to fishing after purchase.

Fifteen states offer conservation education to landowners. For example, Michigan's new Cooperative Resource Management Initiative offers education, technical assistance, tree planting, and cost share to landowners. Although only in existence for two years, the program has provided assistance to over 10,000 landowners.

Missouri also offers education to landowners through its Landowner Assistance Program in order to encourage the use of wildlife friendly practices. The program also offers cost share, in-kind materials, recognition, and technical assistance. Over 13,500 landowners have taken advantage of the program since the program's inception in the early 1980's.

Legal/Statutory Mechanisms

Some states provide legal or statutory mechanisms for conservation. The different types of mechanisms include:

- Liability limitation/regulatory relief (e.g., exemption from new regulations if long term habitat management plan is adopted, elimination of penalties for landowners who engage in voluntary habitat surveys and monitoring, liability limitation/exemption for allowing public access)
- Pre-listing agreements
- Safe harbor agreements
- State habitat conservation plans/incidental take permits

Twelve states (24%) provide one or more of the above programs.¹⁴ The most common mechanisms relate to a state's endangered species act, such as the safe harbor agreement, and habitat conservation plans/incidental take permits.¹⁵ For example, Kansas has a "Safe Harbor Law" which offers owners of land or aquatic habitat deemed necessary for the conservation of non-game, threatened and endangered species the opportunity to enter into an agreement with the state, allowing the landowner to carry out activities specified in the agreement without fear of liability or penalties.¹⁶ Regulatory relief, such as liability limitations for allowing public access, is found in four states. Georgia, for example, provides a liability limitation for allowing public access on conservation easements.

¹⁴ See Appendix C, Table II.

¹⁵ These mechanisms are state-based, rather than federal, and relate to species listed under a state endangered species act. For more information, see *State Endangered Species Acts: Past, Present and Future* (Defenders of Wildlife, Washington D.C. 1998).

¹⁶ The law also offers pre-listing and no take agreements.

Washington State offers several of the incentives in this category. In addition to providing landowners with safe harbor agreements, liability limitation for public access, and no take cooperative agreements, the state allows certain landowners an exemption from new regulations if a long-term habitat management plan is adopted under its Habitat Incentives Program. The program, established in 1998, allows landowners to enter into an agreement to enhance habitat for food fish, game fish or other wildlife species and in exchange receive state regulatory certainty with regard to future applications for hydraulic project approval or a forest practices permit.

Market Institutions

Market institutions are those programs that derive their impetus from the marketplace, and include:

- Certification and/or eco-labeling
- Competitive bidding for wildlife habitat
- Habitat trading/banking (e.g., mitigation or conservation banking, transfer/purchase of development rights, habitat trading)

Twelve states (24%) possess some form of market incentive to encourage conservation on private lands.¹⁷ The most common form of incentive in this category is the purchase or transfer of development rights, found in ten states. For example, Delaware's Agricultural Lands Preservation Program offers landowners the opportunity to sell development rights. While this program is designed to keep agricultural land in production, it is also intended to provide for permanent open space for the public. Landowners may enroll in Agricultural Preservation Districts and receive in exchange the protection of right-to-farm legislation as well as the opportunity to preserve their land in perpetuity with preservation easements. Since the program's inception in 1991, 122,572 acres have been preserved as open space for a term of ten years and 53,783 acres have received permanent protection. The state has provided a total of \$55 million toward the purchase of preservation easements.

Few states have eco-labeling programs, though many such programs are found in the private sector. One example, however, is Oklahoma's Wildscapes Certification Program, which recognizes individuals and businesses that have landscaped their property with the needs of wildlife in mind. Certified wildscapes join a statewide network of natural areas set aside for wildlife.

Four states have programs for mitigation banking. One of these programs, the Arkansas Wetland Mitigation Bank Program, is a state-sponsored initiative aimed at providing off-site mitigation opportunities for impacts to wetlands from development. The Arkansas Soil and Water Commission administers the mitigation bank. Although no credits have yet been sold to this bank, the Commission is currently in the process of preserving 65.1 acres and restoring 253.4 acres on a 320-acre site. Private mitigation banks also exist in Arkansas and were in place before the program was enacted.

¹⁷ See Appendix C, Table II.

Property Rights Tools

Property rights tools provide opportunities for landowners to alter their legal rights pertaining to their property's use or ownership and include:

- Conservation easements
- Covenants and deed restrictions
- Land donations and exchanges
- Stewardship exchange agreements

All states provide for some opportunity for landowners to voluntarily alter their property rights for conservation purposes.¹⁸ The most common method is the authorization for placement of a conservation easement on private property, which is available in 48 states.¹⁹

Another method is the use of covenants.²⁰ Minnesota, for example, employs covenants for the preservation of wetlands. This statutory authorization allows landowners to enter into restrictive covenants whereby their private land becomes a "wetland preservation area" and entitles landowners to a property tax exemption. Pennsylvania also allows for the creation of covenants for the purpose of preserving land in a designated use such as farm, forest or open space lands. Landowners entering into covenants also receive a property tax reduction in that their property is assessed at fair market value of the land as restricted by the covenant.

Other states have incentive programs for land donations and exchanges. Alaska, Arizona, California, Delaware, Kentucky and Virginia offer incentives to landowners for land donations for conservation purposes. Virginia, for example, provides landowners the opportunity to donate land or interests in land for a number of purposes: agricultural, forest, watershed, historic preservation, or biodiversity conservation. In exchange, the landowner receives a one-time income tax credit equal to fifty percent of the fair market value of the land or interest conveyed.

Arizona employs the use of a stewardship agreement to encourage private land conservation. The program provides improvements to a landowner's property in exchange for guaranteed public access to, or through, private property. About 410,000 acres of land are currently covered under stewardship agreements in Arizona.

Recognition Programs

Recognition programs provide public acknowledgment of landowners who maintain and/or restore habitat for wildlife on their property, and include:

- Heritage and special land designation
- Publication of landowner innovative approaches towards conservation efforts
- Recognition/award program

¹⁸ Note that property rights tools are often part of a larger incentive program which offers other incentives to landowners such as tax relief or direct financial payments.

¹⁹ The two states which do not authorize conservation easements are North Dakota and Wyoming. Note that not all states which authorize such an easement, however, provide a financial incentive. The section in this report on Tax Relief discusses the issue in more detail.

²⁰ A covenant, unlike a conservation easement, is a restriction placed on the property by the landowner that does not create a legal interest which can be donated to a qualified public agency or non-profit organization.

Less than half of the states (40%) offer one or more of the above incentives.²¹ In many states, these programs are offered via a state Natural Heritage Program which frequently offer public recognition and heritage designation for lands of significance for a number of factors including ecological significance. For example, Kentucky's Natural Areas Registry provides recognition and a heritage designation for lands that are ecologically important or other "natural" areas. The program has been in existence since 1976, although the first enrollment of land did not occur until 1984. Currently the program has 49 sites with a total of 4,706 acres enrolled.

The Colorado Division of Wildlife, through its "Landowner of the Year" program, recognizes landowners who make outstanding improvements to wildlife habitat and/or have provided public access to Colorado's wildlife on their private agricultural or forested lands. The program promotes creation and improvement of habitat and provides opportunities for public access to wildlife for hunting, fishing and viewing. Colorado also has a Ranching for Wildlife program which allows owners of large ranches to receive special privileges and land designation for opening their land to public access for hunting.

Texas recognizes landowners who preserve rare elements of biodiversity through its "Lone Star Land Steward Award." The Land Steward Award provides the landowner with a plaque and certificate as well as placement of the winner's name on a plaque at the Texas Parks and Wildlife Department headquarters in Austin. This public recognition is part of a voluntary registry program called the Texas Land Stewards Society which has enrolled approximately 300,000 acres of habitat since the program's inception five years ago.

Administrative Streamlining

This category of incentives refers mainly to those programs that encourage landowners to preserve their property in exchange for streamlined or less stringent regulatory permitting such as:

- Assistance with environmental compliance
- Management flexibility
- Simplified regulations
- Streamlined planning or environmental permitting process

Six states (12%) reported that they offer some form of streamlined environmental permitting, although this form of incentive appeared to be a matter of agency policy rather than one which is statutorily mandated or part of an official agency program.²²

Arizona, for example, provides streamlined permitting as part of its Private Lands Stewardship Agreements. The Arizona Game and Fish Department has entered into agreements with 75 landowners to enroll approximately 7,000 acres for the benefit of wildlife. The Department offers assistance with compliance by taking into consideration costs to the landowner when a permitting requirement triggers a cost to the landowner, such as an archaeological survey. In general, to the extent that landowners perceive that management flexibility and simplified regulations reduce their administrative costs, the likelihood of their participation in conservation programs is increased.

²¹ See Appendix C, Table II.

²² See Appendix C, Table II.

Tax Relief

Tax relief incentives provide a financial benefit to those taxpayers who maintain, restore, or donate land for a variety of conservation purposes. The types of tax relief incentives include:

- Income tax relief
- Property tax relief
- Other tax relief

Forty-two states (84%) provide tax benefits to landowners who maintain, restore, or donate habitat for wildlife.²³ These tax incentives broadly take the form of property tax relief, income tax credits or deductions, and other incentives such as estate tax waivers and capital gains reductions. Most tax incentive programs are either property tax or income tax benefits received in exchange for either passively maintaining property in its current state or actively managing the land as wildlife habitat.

Income Tax Relief

Eleven states utilize income tax schemes, and most frequently they exist in the form of credits or deductions allowable against income. Most common among income tax relief programs are donations of property, or the rights to property for a minimum given period of time, to the state or nonprofit organization for conservation purposes. These programs typically allow a credit against the state income tax in some proportion to the value of the donation. In Virginia, for example, the Land Conservation Incentives Act of 1999 gives landowners who donate land or conservation easements a one-time state income tax credit of up to 50% of the donation's fair market value.

Property Tax Relief

Thirty-six states offer property tax programs for the maintenance of property in conditions suitable for wildlife habitat. Several permutations of property tax incentives exist. Common schemes include current use valuation for tax assessment purposes, reduced property taxes, and outright exemption from taxation. Less common incentive programs include tax credits for open space or habitat management and tax relief for property used exclusively for preservation purposes by conservation groups.

Current use assessment comprises the largest group of property tax-based incentive programs. These programs take into account the legal restrictions on the land's use and/or its classification when calculating the property's value. The most common current use valuation statutes that provide wildlife habitat include those for farm, forest, open space and conservation use property. For example, Illinois provides that land dedicated as a nature preserve or as a nature preserve buffer under the Illinois Natural Areas Preservation Act shall be depreciated for assessment purposes.

Seventeen states provide for property tax relief for land subject to a conservation easement, comprising the second largest category of property tax incentives for private landowners to maintain wildlife habitat. Iowa, for example, provides tax benefits for certain conservation easements. Colorado and South Carolina allow both income tax benefits as well as property tax benefits for authorized conservation easements.

²³ See Appendix C, Table II.

Less common property tax incentive schemes often apply narrowly to certain specific private landowners. For example, property of conservation groups used exclusively for conservation purposes benefit from outright exemption from taxation in some states. Similarly, some states provide for property tax benefits for the transfer of development rights for conservation purposes.

Other Tax Relief

Some states allow other tax incentives for the maintenance of wildlife habitat on private lands. These programs include estate and inheritance tax benefits, capital gains reductions, real estate transfer tax exemptions and sales and use tax exemptions.

Virginia, for example, allows for personal representatives and trustees to donate a conservation easement on their decedent's or settler's property in order to obtain the benefit of the estate tax exclusion of the United States Internal Revenue Code. Montana's estate tax statute allows the payment of inheritance and estate taxes by transferring to the state easements in land to conserve open space and preserve wildlife habitat.

Other examples include capital gains benefits in Arkansas and Virginia, which allow for the gain derived from the sale or exchange of land or an easement to a public or private conservation agency resulting in the land's being devoted to open space use for at least thirty years exempt from the state income tax. Real estate transfer tax exemptions occur only in New York. This tax may be avoided upon conveyance of real property subject to certain development restrictions such as conservation or open space easements, or purchase of development rights agreements. Louisiana explicitly exempts from the state's sales and use taxes the sales of nonprofit organizations dedicated exclusively to the conservation of fish or migratory waterfowl and to the preservation of wetland, when the entire proceeds are used in furtherance of the organization's purpose. Finally, Florida protects landowners who participate in the state greenway system by exempting any tax incentive that they may receive in connection with their participation in that program from the statutory definition of monetary compensation.

4. OVERALL RESULTS

Agencies Administering Programs

The majority of conservation programs or individual incentives (79%) are administered or offered by state departments of fish and game or natural resources, many in partnership with other entities. Incentives such as direct financial payments, education/technical assistance, streamlining and recognition are among those which are in most cases administered by wildlife or natural resources departments. However, incentives that target specific types of land such as agricultural or forest property are frequently administered by departments of agriculture or forestry, sometimes with the involvement of departments of fish and game or natural resources as well.

Tax relief incentives are frequently administered by county or local tax assessors' offices or departments of revenue. However, these programs typically rely upon another agency, such as a wildlife or natural resources department, to certify the presence of species on the property or that the land contains significant resources that qualify for tax reductions or credits. For example, North Carolina's Conservation Tax Credit Program, which allows for income tax credits for donations of conservation easements or fee simple title, requires certification by the state's Department of Environment and Natural Resources that the land is useful for fish or wildlife conservation.

Market institutions such as mitigation banks also are most often administered by departments of natural resources or fish and game. However, often an incentive program offering a market-based incentive to landowners has a special agency or commission set up to oversee the program. For example, Georgia's Greenspace Commission under the Department of Natural Resources manages the Greenspace Program, which offers landowners the option of selling development rights on their property.

The majority of the respondents (62%) identified their programs as partnerships with other entities, such as federal agencies (e.g., NRCS, USFWS, USFS), other state agencies (e.g., departments of agriculture, natural resources, etc. and conservation districts) and non-governmental organizations (e.g., Ducks Unlimited, Rocky Mountain Elk Foundation, The Nature Conservancy, Safari Club International). Arizona's Private Lands Stewardship Program, for example, works in conjunction with several non-governmental organizations, such as Safari Club International and the Rocky Mountain Elk Foundation. Partnerships such as this were identified as a strength of many of the programs, providing greater credibility with the public.

Benefits to Landowners

Benefits to landowners vary widely depending on the individual incentive program. While many programs offer direct financial benefits, some, such as technical assistance and recognition programs rely on landowner interest or the value of public recognition to entice landowners to participate. Whatever the form of encouragement or assistance, the benefits provided by government incentive programs were reported by survey respondents to be often the deciding factor in a landowner's management decisions.

One of the larger programs with direct financial benefits is Michigan's Inland Fisheries cost share program, which pays landowners up to \$30,000 for enhancement of habitat for inland fish

communities. Missouri's Landowner Incentive Program also pays landowners a significant amount, providing up to \$15,000 in cost share dollars for practices to protect or restore forest, fish or threatened species habitat.

Programs which provide for the purchase of fee title or other rights to land often pay fair market value for those property rights and can result in large payments to landowners. For example, the Save Illinois Topsoil Program pays landowners up to \$50,000 per year for conservation easements. In addition, the program pays cost share dollars at a rate of \$75 per acre for establishment of perennial cover, planting trees, and other beneficial practices.

While tax relief programs frequently offset taxes for landowners rather than providing them with cash, they can nevertheless be very beneficial for landowners taking advantage of them. Many tax programs allow landowners to take an income tax credit for a certain percentage of the fair market value for land or easements donated to the state. Property tax benefits can similarly reduce the property tax bills for landowners, thus encouraging them to maintain land as open or natural space.

Funding

Funding for incentives usually comes from one of three sources: general revenue funds from the state's legislature, dedicated funding (e.g., hunting and fishing license fees, license plate sales), and other sources such as non-governmental organizations, federal monies, or other state funds. Based on the survey responses from 41 states and our research, total annual funding for state government incentive programs for habitat conservation is at least \$205 million. The actual figure is likely much higher, as funding information was unavailable for slightly over one-third of the programs examined. Some general trends emerged, however.

Programs that provide direct payments to landowners constitute the highest percentage of funding spent on incentives overall (48.2%) (see Appendix C, Table IV: Annual Spending by Category). These programs receive the most funding due to the fact that in addition to staff and overhead, a direct outlay of cash for participants is required. Direct financial payments are funded by all three types of funding, although the bulk of the funding (66%) comes from dedicated funding, while 28% of the programs receive funding from general revenue funds.

The programs with the largest funding amounts are generally those that provide for the purchase of rights to land, or land in fee simple, and are funded by legislative appropriations or bonds in single appropriations from which funding is doled out over time. One of the largest programs is administered in California by the Wildlife Conservation Board. The legislature provided the Board with \$265.5 million for habitat enhancement projects and the purchase of conservation easements or fee simple title in 2000 under the Safe Neighborhood Parks, Clean Air and Coastal Protection Bond Act. Wisconsin, in 1990, created the Glacial Habitat Restoration Area program which provides \$250 million for purchase of rights to land over a ten year period.

Other programs which receive large amounts of funding are those which pay landowners for public access. For example, Montana provides landowners with up to \$12,000 per year in payments for public access. This program has dedicated funding at approximately \$5 million per year.

Tax relief programs receive 39.6% of the funding spent on incentives overall. These programs are slightly more likely to receive their funding from general funds (57%). The majority of tax relief programs operate on a lost revenue basis; in other words, the state takes in a smaller amount of revenue each year as a result of lower income, property or other taxes and so may receive funding only for operational costs, if any. Other states provide funding for such programs to offset counties' lost revenue. California's "Open Space Act of 1971", for example, provides funds to offset counties' tax revenue losses.

Larger tax relief programs exist in several states. For example, New York has two programs, one providing an income tax benefit, and the other providing a property tax benefit, with appropriations of \$126 million and \$70 million, respectively. These appropriations are similar to the purchase of fee title or other rights to land programs in that they are funded in one gross payment that is distributed partly each year, until the money is fully utilized.

Market institutions account for 11% of the total funds for incentives, and receive specific funding 60% of the time, while 40% of such programs are funded by other sources. Recognition programs receive .6% of total funding, with 61% of their funding coming from general revenue sources. Technical assistance programs receive .4% of the funding, with 75% from general funds. Legal and statutory mechanisms receive .1%.²⁴

When asked about the sufficiency of funding, a small percentage of the respondents (23%) stated that funding for their program was adequate. Several of these respondents, however, commented on the need for additional staff ("funding is adequate with current staffing levels, but could use more staff").²⁵ Many respondents reported that interest in their programs was growing, and that they could foresee the need for additional funding in the very near future. In Hawaii, the Natural Areas Partnership Program has adequate funding to cover existing areas, but funding is "inadequate to attract new landowners to participate in the program." The great majority (77%), however, felt that funding levels were inadequate, with many suggesting a doubling of their current budget. In Arkansas, for example, the Wildlife Habitat Enhancement Program currently has a backlog of 33,000 acres identified for conservation benefits, which would require an additional \$1-5 million annually. A Kentucky tax incentive program doesn't have enough money to "prompt landowner participation."

Funding is needed not only to "grow" new programs, but also to prevent existing programs from being terminated. Several programs reportedly have been cut in the last year due to budget constraints in states across the country. A Michigan program, for example, the Corporate Resource Management Initiative, offered cost share, technical assistance and education for landowners for tree planting and restoration work. The program was cut in December of 2001 due to budget shortfalls.

²⁴ Funding for property rights tools was included in direct financial payments or tax relief, as these tools are almost always part of a larger incentive program. Information on sources of funding for programs providing streamlining was not available.

²⁵ Staff time devoted to landowner incentive programs varied widely, from a few days per year of one person's time (Arizona Big Game Habitat Competitive Grants program) to 12 full-time employees working on small forest landowner programs in Washington.

Length of Time in Existence

In general, states are offering incentives to landowners at an increasing rate. Where information about length of time in existence was available, only 7.5% of incentives existed before 1970, 17.5% before 1980, and 25% before 1990. Fully half (50%) of the current incentive programs have come into effect since 1990.

Of the many types of assistance states provide to landowners, technical assistance programs on the whole tend to be the oldest. These programs are often related to reforestation of timber lands (Alabama - 1950s, Nebraska - 1943, South Carolina - 1940s, Vermont - 1941). Several states, however, have had programs for many years that are intended to specifically benefit wildlife. For example, California has had a program that provides for habitat enhancement and purchase of fee title of important wildlife habitat since 1947. Alabama has provided technical guidance for wildlife and fisheries for over 50 years.

While some states are just now beginning to utilize property rights tools as incentives, others have had such programs in place for a long time. The oldest tax relief program is Indiana's property tax benefit for forest lands which has been in existence since 1921, while the newest tax relief incentives were adopted this year. The older tax programs tend to focus on agricultural or forest property, while some newer property rights tools are targeting endangered species habitat. Also, newer programs usually incorporate some type of financial incentive or tax allowance for owner's participation, which may make programs more attractive to landowners, resulting in more participants and more land protected.

Newer programs include more imaginative and comprehensive strategies for providing incentives to landowners. These comprehensive programs, offering many different types of incentives, are becoming more popular. Instead of merely providing technical assistance as with most older programs, these newer programs are likely to incorporate financial incentives or tax allowances. For example, Wisconsin's Glacial Habitat Restoration Program provides landowners with the opportunity to sell conservation easements to the state, or to receive cost share dollars or in-kind materials and labor for habitat improvement, as well as technical assistance. Also relatively new are legal or statutory mechanisms which use exemptions from regulations or other regulatory incentives to entice landowners to participate.

Monitoring

A majority (74%) of programs have some sort of monitoring in place, performed primarily by agency staff.²⁶ Monitoring activity varied from several times each year (Nebraska Wildlife Habitat program) to an "as needed" basis (Ohio Nature Preserves Dedication program, Wyoming Habitat Trust Funds program), with an average monitoring span of one year. Landowner recognition programs reported the greatest percentage of monitoring requirements (69%), followed by those programs which provide direct financial assistance (61%). Programs utilizing property rights tools reported the fewest monitoring requirements (11%). For those programs without monitoring requirements, several respondents cited this lack as a weakness of their program.

²⁶ Monitoring is reportedly rarely performed by the landowner.

Participation

Number of Participants

Based on the survey responses from 41 states and our research, state government incentive programs have an estimated 171,300 participants. The actual figure may be substantially higher, as over half of the respondents did not have this information accessible, or did not respond to the question. Some general trends emerged, however, from the information available.

The top three categories for participation are direct payments (32.4%), education/technical assistance (31.5%) and tax allowances (26.6%). These figures roughly correspond to the popularity of these programs measured by total number of programs in existence (see Appendix C, Table V: Number of Participants by Category).

As for types of land, programs focusing on forest lands appear to contain the largest number of participants. For the programs where such information was available, 75% of the participants in incentive programs have enrolled in programs on forest lands. At the other end of the spectrum, only 1% of the participants were involved in programs targeting habitat for specific species.

Number of participants in programs can, but does not necessarily, correlate with acres of habitat enrolled in that program. While most programs with relatively high numbers of acres enrolled have the highest numbers of participants, some large programs have relatively few participants. For example, while Maine's Tree Growth Tax Law, a property tax benefit program with a total of 12 million acres enrolled, has 12,000 participants, Colorado's Ranching for Wildlife program has only six ranches enrolled, which contain a total of 1,189,000 acres. Conversely, some smaller technical assistance programs have comparatively high numbers of participants.

Requirements for Qualification

The requirements for qualification vary widely depending on the type of program offered. Technical assistance offered by agencies has the least burdensome requirements, frequently requiring only an interest to participate. Legal or statutory mechanisms tend to have fairly strict requirements which require the presence of a certain species on the property. They also typically require landowners to perform certain restoration or mitigation activities in order to qualify.

Tax relief programs also are relatively strict, and often have a minimum number of acres that must be enrolled.²⁷ They generally require an agreement to maintain the conservation use of the property for a minimum of ten years. Most also require a management plan, and some may include a penalty for early withdrawal.

Strengths and Weaknesses

The lack of funding, along with the related need for more staff, were the primary weaknesses of landowner incentive programs. Other weaknesses were the indirect, rather than direct benefits provided to wildlife, such as the New York forest management program, which is not specifically geared to protecting wildlife or habitat. Legislative and political interference, along with a lack of monitoring and follow-up, were noted as other concerns. Interestingly, the voluntary nature of many programs was seen as a weakness by several respondents who felt that

²⁷ Ten is the most common minimum number of acres required.

the protection provided by the program would not be permanent, whereas others said that the voluntary status was a strength, as it encouraged landowners who might not otherwise participate (“voluntary action based on a land ethic and pride of accomplishment works best” - Alabama).

Another strength identified in the surveys was the cooperative approach to conservation offered by the programs. In Iowa, for example, one respondent noted that involving local landowners in setting the priorities for stream restoration projects was crucial to their success. In Hawaii, this cooperation prevented landowners from feeling threatened by “government intrusion.” Several respondents also saw the high level of expertise offered to the landowners as a “plus.”

Land Area, Land Types, and Species Covered

Based on the information provided by survey respondents in 41 states and our research, approximately 66 million acres of private land are currently enrolled in programs in the fifty states. This figure is, however, extremely conservative because the information was available for only slightly over half (51%) of existing programs. In many cases, agencies did not respond to this question in the survey, did not know the amount of acreage, or indicated that the information was simply unavailable. Several respondents indicated that specific data was gathered only on a county or municipal-wide basis, and not on a statewide basis. It is therefore likely that the actual numbers of acres covered may be considerably higher than the amount reported.

Another difficulty with reporting on the amount of acreage protected is that often the biological effects may not be adequately reflected. For example, an agency may measure the effect of a program based on the amount of grass seed given or sold at a discounted price to landowners, the number of stream miles restored, or the number of nest boxes installed. In the case of technical assistance programs where agency biologists or other specialists give advice over the phone, the effect of the program cannot be measured on an acreage basis.

With the above caveats in mind, the most popular types of lands targeted by incentive programs are forest (33.5%) and agricultural (29.9%) lands (see Appendix C, Table VI: Acreage Covered by Type of Land). Owners of agricultural or forest land are very frequent beneficiaries of incentives offered by the states, as the larger and older programs tend to target these lands. The larger tax allowance programs, for example, often target farmland for preservation as open space. Open space and natural areas comprise a small portion (3.2%) of the incentive programs' land base and may include agricultural or other working lands, or areas that have not yet been impacted by development or habitat removal.²⁸ Public recognition incentives (2.2%) most often reward general land stewardship and less often stewardship of habitat for specific species.

Only 3.6% of the incentives focus on specific species habitat. Of these programs, less than half are targeted to game species, while the slight majority focus on native wildlife, including rare, sensitive and listed species. Programs including tax relief, property rights tools and legal/statutory mechanisms are geared more toward native wildlife, while direct payments tend to focus on game species. Technical assistance or educational incentives often provide for assistance with particular species habitat or needs, such as programs which provide for cover or food areas for wildlife, especially game animals and birds.

²⁸ Note that the definition of lands designated as “open space” may vary by state, and sometimes includes recreational lands such as golf courses.

5. SUMMARY AND RECOMMENDATIONS

Numerous examples abound of landowner incentive programs making a difference on the ground. In Iowa, for example, the Wildlife on Private Lands Promotion program has enabled several landowners to enhance and maintain a century-old farmstead woodlot, an important wildlife oasis in a heavily agricultural landscape. In Ohio, a nature preserves dedication program prompted a landowner to dedicate 95 acres, which subsequently resulted in stopping a new highway from being constructed through the area. A landowner in Oklahoma used a wildlife habitat improvement program to construct two miles of fence to protect a riparian area from livestock. And in Hawaii, the Natural Areas Partnership Program allowed a small pineapple company without an extensive land management budget to manage its watersheds for water quality and native ecosystem protection.

With millions of acres included and hundreds of thousands of landowners participating, it is certain that these programs are making a significant difference for wildlife and habitat overall. Unfortunately, however, although states can point to many individual successes, there is insufficient data available on the overall impact of these programs. While many agencies track data on the incentives they administer, a fair number do not, or this information is not available in a central location but is only available on the county or municipal level. A quantifiable method of tracking acreage and species protected is necessary to measure the tangible effects these programs have on the ground. Such a systematic accounting is critical, as the benefits to wildlife and habitat vary widely, depending on the type of program and its specific criteria. Cost-share programs that aim to reduce soil erosion by encouraging grass planting, for example, often make no distinction between native grasses, which benefit wildlife, and non-native grasses, which often do not. With additional data, it would be easier to determine which types of incentives work and why.

Demonstrating the importance and effectiveness of landowner incentive programs is a vital component of their success, in part to obtain needed additional funds. Adequate funding is the key to the future of landowner incentive programs, with over 90% of the survey respondents stating that funding was the critical resource needed to manage these programs. Additional money is needed to increase staffing, as well as for those programs which offer compensation. The general response was that a doubling of most budgets was necessary to ensure the survival and growth of state programs.

Funding to landowners is often the key to success for many programs. Indeed, programs which utilize direct financial payments are both the most attractive and the most popular type of incentive. In Montana, one respondent noted that because the agricultural economy is “in the toilet,” landowners need new revenue streams. An Ohio respondent summed up the sentiment: “For many landowners, the bottom line is financial.” These and other states realize the importance of direct financial payments, as the programs are increasing in numbers. States clearly want to dedicate more funding to such programs because they realize that landowners are more likely to participate if they receive financial incentives for doing so.

Along with increasing funding levels for incentive programs, removing disincentives which make it difficult for landowners to conserve wildlife habitat must be encouraged. In many states, an agricultural tax exemption encourages landowners to graze livestock in wildlife habitat in

order to receive the reduced tax rate. The lack of tax benefits for protecting habitat and open space were noted as disincentives for protecting wildlife in many other states, such as Florida, Iowa, Idaho and Michigan. In Kansas, nuisance wildlife populations such as deer have “soured” many agricultural producers from converting land to wildlife habitat. And in Michigan, the state endangered species law doesn’t have an HCP (habitat conservation plan) provision, which one respondent noted was a disincentive to protecting endangered species on private land.

Another recommendation to help states administer these programs is centralized information. Because information on incentives is often scattered and difficult to find, providing information in one place or in a comprehensive manner streamlines landowners’ ability to take advantage of incentives. A few states are beginning to compile this information for landowners. In Kentucky, for example, a number of state and federal agencies and non-profit organizations have come together to form the Kentucky Private Lands Council. The Council’s goal is “to coordinate and ... integrate the services and financial assistance available to private landowners.” The Council provides private landowners a comprehensive summary of private land assistance programs on request, such as equipment and seed programs, environmental education programs, and financial and technical assistance programs. The summary of programs also includes information on eligibility requirements and contact information for agencies administering individual programs. A coordinating council such as this in each state would be invaluable.²⁹

Finally, incentive programs need to be part of an overall strategy for habitat conservation. Many programs focus on specific game species or agricultural land types, providing secondary or incidental benefit to wildlife and habitat. Among the programs aimed at benefiting wildlife or habitat, few are designed to target those types of lands or species most in need of protection. Several states and non-governmental organizations have undertaken efforts to identify systems of habitat conservation areas that would provide adequate habitat for all at-risk species and natural community types.³⁰ State government incentives, coordinated with these efforts and aimed at the identified species and lands, could add significantly to conservation efforts across the country. Such a level of coordination begins with supporting the states in developing comprehensive wildlife conservation strategies.³¹

With these types of changes, landowner incentive programs have a strong future in the habitat conservation arena. The rapid rise in the past decade of non-traditional incentives such as direct compensation for landowners and education highlights the trend toward increased growth and diversification. Respondents in nearly every state reported that incentive programs were desperately needed to protect habitat on private lands. With increased funding, improved data collection, centralized information and coordinated planning, incentives for private landowners can significantly add to the conservation effort. Now more than ever, the states need creative and innovative ways to protect and conserve private lands, for the benefit of the wild places and wild species that make up our natural heritage.

²⁹ California is also developing such a clearinghouse. The California Resources Agency recently announced a new "California Watershed Foundation Database" which is a web-based database of funding sources for landowners with a watershed emphasis.

³⁰ Status of the States: Innovative Strategies for Biodiversity Conservation (Environmental Law Institute, Washington, 2001).

³¹ Shaffer et al.

[BOX]

Program Profile

Oregon's New Incentive Legislation (HB 3564)

The 2001 Oregon Legislature approved a comprehensive new incentives statute with nearly unanimous support. The campaign was organized by Defenders of Wildlife and involved a broad diversity of landowners, agencies, academics, industry and conservation organizations.

The act establishes a policy encouraging private landowners to manage their lands for the purpose of maintaining long term ecological, economic and social values. It encourages the use of incentives and declares that landowners not be penalized through increased taxes when economic uses are limited, forgone, or postponed for conservation purposes.

It also expanded the Wildlife Habitat Conservation and Management program to include forestlands. Previously, only landowners in farm and mixed farm and forest zones were eligible for the program, which protects them from losing property tax benefits if they decide to grow habitat instead of, or in addition to crops. The act addressed a major concern of local land trusts and forest landowners by protecting them from tax penalties for selling or donating conservation easements to nonprofit organizations or easements.

Technical assistance was recognized as an essential element in all incentive programs, and the act directed the Oregon Watershed Enhancement Board to develop guidelines for the private sector to provide technical assistance to landowners. A Flexible Incentives Fund was established within the Board.

Recognizing the difficulty of addressing so many complex issues in a short session, the legislature directed the state departments of agriculture and forestry to co-chair an interim process to develop a statewide strategy for landowner incentives. The interim process will examine the use of stewardship agreements, conservation easements, and a variety of other incentive mechanisms and provide a report to the 2003 Oregon Legislature.

One of the greatest challenges for the interim incentives group will be to explain how incentives might be used along with regulatory and acquisition tools to conserve habitat. In the absence of a state-adopted habitat strategy, it is nearly impossible for the public or private organizations to make strategic investments in the highest priority lands and waters.

6. APPENDICES

A. TAXONOMY OF INCENTIVES BY CATEGORY

Direct Payments

Direct payments are those payments made directly to a landowner for purchase of equipment, lease of habitat and other expenses requiring a direct financial outlay for conservation projects or activities. The following types of programs were included:

- Cost share
- Grants
- Green payments
- Low/no interest loans
- Provision of in-kind materials
- Purchase of rights to land
- Rental or lease of habitat

Education/Technical Assistance

Education and technical assistance incentives include:

- Education of landowners
- Information
- Technical assistance

Legal/Statutory Mechanisms

Some states provide legal or statutory mechanisms for conservation. The different types of mechanisms include:

- Liability limitation/regulatory relief (e.g., exemption from new regulations if long term habitat management plan is adopted, elimination of penalties for landowners who engage in voluntary habitat surveys and monitoring, liability limitation/exemption for allowing public access)
- Pre-listing agreements
- Safe harbor agreements
- State habitat conservation plans/incidental take permits

Market Institutions

Market institutions are those programs that derive their impetus from the marketplace, and include:

- Certification and/or eco-labeling
- Competitive bidding for wildlife habitat
- Habitat trading/banking (e.g., mitigation or conservation banking, transfer/purchase of development rights, habitat trading)

Property Rights Tools

Property rights tools provide opportunities for landowners to alter their legal rights pertaining to their property's use or ownership and include:

- Conservation easements
- Covenants and deed restrictions
- Land donations and exchanges
- Stewardship exchange agreements

Recognition Programs

This type of incentive provides public acknowledgment of landowners who maintain and/or restore habitat for wildlife on their property, and includes:

- Heritage and special land designation
- Publication of landowner innovative approaches towards conservation efforts
- Recognition/award program

Administrative Streamlining

This category of incentives refers mainly to those programs that encourage landowners to preserve their property in exchange for streamlined or less stringent regulatory permitting such as:

- Assistance with environmental compliance
- Management flexibility
- Simplified regulations
- Streamlined planning or environmental permitting process

Tax Relief

Tax relief incentives provide a financial benefit to those taxpayers who maintain or restore land for a variety of conservation purposes. The types of tax relief incentives include:

- Income tax relief
- Property tax relief
- Other tax relief

B. SURVEY AND FOLLOW-UP QUESTIONNAIRE

Defenders of Wildlife

Survey

STATE WILDLIFE CONSERVATION INCENTIVES FOR PRIVATE LANDOWNERS

Contact Information

Your Name: _____

Agency: _____

Telephone: _____

Email: _____

PART I. Does your state provide incentives for the conservation of wildlife or habitat on private lands (open space, crop land, pasture land, range land, forest land)? Please indicate the general types of incentives available in your state by checking the appropriate line below and circling the specific incentives listed in parentheses.

For purposes of this survey, “wildlife conservation” means the protection of one or more species of wildlife native to the state or of the habitat which those species utilize for all or part of their life cycle.

1. Economic/Financial Incentives

___ Direct Financial Payments (competitive grants, cost-sharing, green payments, rent or lease of habitat, provision of in-kind materials, low-interest loans, insurance subsidy)

___ Tax Benefits (property/income/estate/excise tax credits, capital gains exclusions, reduction of timber excise tax/forest capital gains tax, preferential assessment)

2. Institutional Incentives

___ Market Institutions (certification and/or eco-labeling, benefit sharing for genetic resources, habitat trading/banking, user fee collection by landowner)

___ Non-Market Institutions

___ Property rights tools (conservation easements, covenants, deed restrictions, land exchanges/donations, land trust, stewardship agreements, legislation to protect open space)

___ Legal or statutory mechanisms (reduction in liability, exemption from new regulations, elimination of regulatory disincentives/penalties, incidental take permits, pre-listing agreements, safe harbor agreements, “no take” cooperative agreements)

3. Facilitative Incentives

___ Education/technical assistance (one-stop shopping assistance, management guidance for ESA listings, assistance to landowners for ecosystem planning/adaptive management, education for landowners)

___ Streamlining mechanisms and planning assistance (simplified regulations, consolidation of environmental permitting, comprehensive land use planning, funding for habitat conservation planning)

4. Special Recognition

___ Publication of landowner innovative approaches towards conservation efforts

___ Recognition/award program

___ Heritage designation

PART II. If your state does not have any of the above programs or incentives for private landowners:

1. Have there been state-level discussions of initiating any incentive programs for wildlife/habitat/open space conservation? ___ yes ___ no

2. What resources do you believe would be necessary to help develop a program (funding, political support, etc.)?

3. Do you believe that providing incentives to private landowners would be useful to conserve habitat or open space in your state?

___ yes ___ no Why?

4. Would private landowners, as far as you know, utilize such incentives?

___ yes ___ no

PART III. Please describe the incentive program(s) checked above.

Please answer the following questions for each program separately. Feel free to copy this form if additional space is necessary.

Incentive program #1

(title and/or legal citation): _____

1. How long has this incentive program been in existence?

2. What types of private lands are covered by this incentive (e.g., forest lands, agricultural lands, natural areas)?

3. What types of species (game, non-game, threatened or endangered) and/or habitat are protected by this incentive?

4. What agencies are responsible for administering this incentive program? (Please provide contact names and addresses for other offices providing incentives if that information is available.)

5. Please describe the requirements for qualification for your program, i.e., landowner duties, minimum acreage requirements, management plans, yearly reporting requirements.

6. Please provide data on the number of species and/or acres of habitat protected by the incentive program since its inception.

7. If the incentive program is based on a direct payment, please indicate the amount of funding or benefits landowners may receive under the program.

8. Please describe the source and amount of funding for the incentive program, including how much funding is available yearly.

9. How many participants have you had so far overall? In the last year?

10. Please provide copies of any written information describing your incentive programs (brochures, reports, maps, etc) and/or a website address for the program.

Appendix 1 contains several follow-up questions regarding the effectiveness of the program(s) described above. You may answer these questions on Appendix 1 in writing, electronically, or by telephone. If we don't hear from you in writing or electronically, we will contact you by phone.

Thank you for your cooperation!

Please return survey **by July 2** to:
Susan George
Defenders of Wildlife
824 Gold Ave. SW
Albuquerque, New Mexico 87102
(505) 248-0118 phone
(505) 248-0187 fax
sgeorge@defenders.org

FOLLOW-UP QUESTIONS

1. Is the above incentive program part of a partnership with another entity, such as the federal government or a non-governmental organization (NGO)?

_____ yes _____ no

If yes, what is the name of the federal agency or NGO? If not, are you involved in any state/federal or other incentive partnerships?

2. Does your agency conduct monitoring of sites receiving benefits under the program? Do landowners perform monitoring? If yes, how often?

3. How much staff time is devoted to run the incentive program?

4. Is funding for your program adequate? _____ yes _____ no

a. If funding for your program is not adequate at this time, how much more funding per year would, in your opinion, make the program more effective in terms of biological effectiveness and usefulness to private landowners?

b. If funding is adequate, is the program being utilized? Are enough landowners taking advantage of the incentives offered? If not, why not?

5. What are the strengths and weaknesses of the program which you administer?

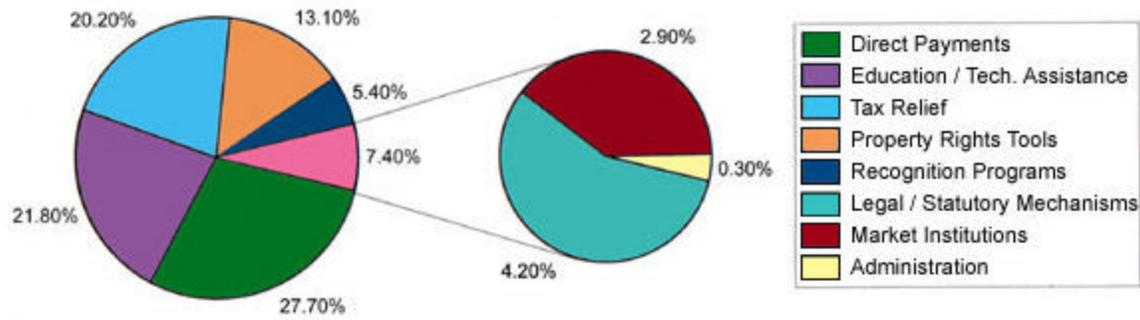
6. Please provide an example of how the program has been successfully used by a landowner:

7. Which features of the incentive programs under your administration work the best, and why?

8. Does your state have any significant disincentives in place that make it difficult for private landowners to conserve wildlife habitat?

C. TABLES AND MAPS

I. Percentage of Incentives Overall by Category



II. Incentives by Category and State

	<i>Direct Payment</i>	<i>Tax Relief</i>	<i>Market Institutions</i>	<i>Property Rights Tools</i>	<i>Legal / Statutory Mechanisms</i>	<i>Education / Technical Assistance</i>	<i>Administrative Streamlining</i>	<i>Recognition Programs</i>	Total
Alabama	2	1		2		3		1	9
Alaska	1	4	1	3		1			10
Arizona	6	1	1	2	2	2	1	1	16
Arkansas	5	1	1	1		2		1	11
California	7	7	1	3	1	2	2		23
Colorado	8	2	1	2		5		2	20
Connecticut	2	2	1	2		3			10
Delaware	2	2	1	3		3			11
Florida	3	1	1	1	1				7
Georgia	4	3		1	1	2		1	12
Hawaii	2			2	1	3	1	1	10
Idaho	3	2		1		2			8
Illinois	8	2		2	1	8		1	22
Indiana	2	2		1					5
Iowa	3	4	1	3		5		1	17
Kansas	4	1		2	3	1			11
Kentucky	2	2		3		5	1	2	15
Louisiana		1		1		1			3
Maine	1	2		2	1				6
Maryland	1	4		2		3		1	11
Massachusetts	2	1		1	1	2			7
Michigan	4	2		2					8
Minnesota	9	2		5		1	1	1	19
Mississippi		1		1					2

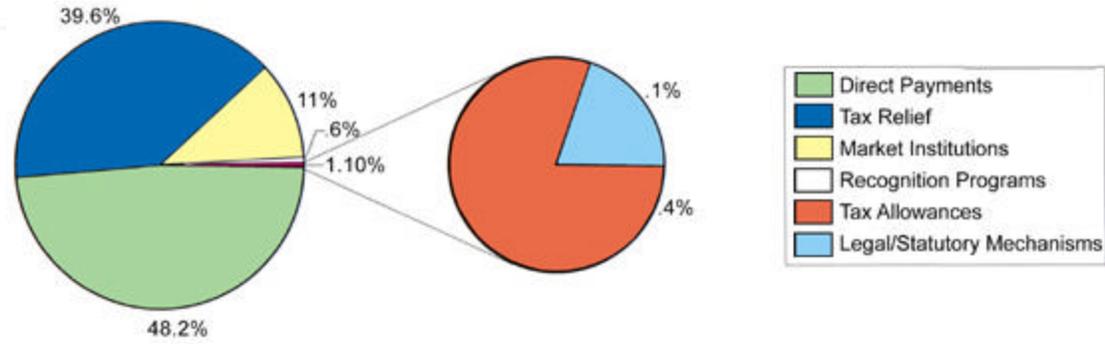
II. Incentives by Category and State, continued

	<i>Direct Payment</i>	<i>Tax Relief</i>	<i>Market Institutions</i>	<i>Property Rights Tools</i>	<i>Legal / Statutory Mechanisms</i>	<i>Education / Technical Assistance</i>	<i>Administrative Streamlining</i>	<i>Recognition Programs</i>	Total
Missouri	5			1		3		1	10
Montana	4	2		3				1	10
Nebraska	4	1		1	1	3		2	12
Nevada		2		1					3
New Hampshire	1	2		1					4
New Jersey	1		1	1		1			4
New Mexico				1		1			3
New York		4	1	1		2			8
North Carolina	2	2		3		3		1	11
North Dakota	3	2				2			7
Ohio	1	2		2		2		1	8
Oklahoma	1			1	1	4		2	9
Oregon	6	6		2		3	1		18
Pennsylvania	2	1		1					4
Rhode Island	1	2		3					6
South Carolina	1	3		2		4		2	12
South Dakota	6			1		2			9
Tennessee	2	2		1		1		1	7
Texas	1	2		1		3		2	9
Utah	2		1	2					5
Vermont		1		1		1			3
Virginia	2	5		3		5		2	17
Washington	5	3		3	3	5		1	20
West Virginia	1	1		1					3
Wisconsin	5	4		1		8			18
Wyoming	6			1		2	1		9

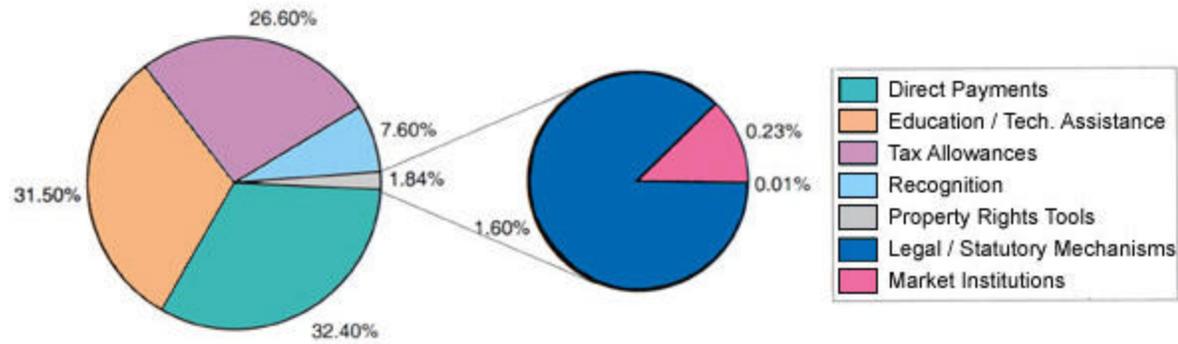
III. Total Incentives by State



IV. Annual Spending by Category



V. Number of Participants by Category



VI. Acreage Covered by Type of Land

