

June 10, 2024

The Honorable Aaron Michlewitz
Chair, House Ways and Means
24 Beacon Street, Room 243
Boston, MA 02133

The Honorable Michael Rodrigues
Chair, Senate Ways and Means
24 Beacon Street, Room 212
Boston, MA 02133

The Honorable Ann-Margaret Ferrante
Vice Chair, House Ways and Means
24 Beacon Street, Room 238
Boston, MA 02133

The Honorable Cindy Friedman
Vice Chair, Senate Ways and Means
24 Beacon Street, Room 313
Boston, MA 02133

The Honorable Todd Smola
Ranking Member, House Ways and Means
24 Beacon Street, Room 124
Boston, MA 02133

The Honorable Patrick O'Connor
Ranking Member, Senate Ways and Means
24 Beacon Street, Room 419
Boston, MA 02133

RE: In Support of the Conservation Land Tax Credit Incentive Program

Dear Honorable Members of the FY25 Budget Conference Committee,

Thank you for your leadership and hard work on the Fiscal Year 2025 state operating budget. We are writing in support of raising the annual cap on the Conservation Land Tax Credit (CLTC) incentive program.

The House of Representatives adopted Budget Amendment #684 (Outside Sections 40A-40E, 41A-41E, and 104A-104D), led by Representative Brad Jones, through a unanimous roll call vote, to:

1. Increase the CLTC program's statutory annual cap from **\$2 million to \$5 million** per year over three years, starting in 2026;
2. **Sunset the increase** back to \$2 million at the end of 2034; and
3. Make a **technical correction** so that 501(c)3 nonprofit trusts organized for conservation purposes can engage in this program.

The language in the House budget is the same as this session's HB.2839/S.1940 (led by Reps. Jones and Pignatelli and Sens. Tarr and Eldridge), which was reported favorably by the Joint Committee on Revenue.

We respectfully urge the Budget Conference Committee to adopt this language in the final budget and support the scaling up of the CLTC program – an important and cost-effective tool to permanently protect critical natural resources, ensuring land and water's ability to sequester and store carbon and provide a suite of other ecological, equity, and economic benefits.

Launched in 2011, the CLTC allows individual and corporate taxpayers who make Executive Office of Energy and Environmental Affairs-approved donations of land with significant conservation value to receive a refundable tax credit of 50% of the donated value of the land, up to \$75,000 (please see the attached fact sheet for more information). The **CLTC is a refundable tax credit**: the donor receives a

rebate on income taxes due for that calendar year and if the credit exceeds taxes due, then the donor receives a refund check for the difference.

Over the life of the program, **\$24 million in tax incentives** (credits and refunds) have led to a stunning return on investment to benefit people and nature in Massachusetts:

- **\$100.5 million** in private land value gifted to state agencies, municipalities, water districts, and conservation organizations (a leverage of \$1 to \$4.28 donated value)
- **\$224 million** in private land value conserved (a leverage of \$1 to \$9.39 conserved value)
- **16,045 conserved acres** of certified ecologically significant land conserved in perpetuity across **154 cities and towns.**

Unfortunately, because demand for this successful and credible program far exceeds the current \$2 million annual cap on the program, **landowners must wait until at least 2026** to complete complex land conservation transactions, **which is deterring landowners from participating and resulting in missed opportunities to conserve environmentally significant resources.** Expanding access to the CLTC would significantly increase the pace of land conservation, which is essential to meet the targets under the *Next Generation Roadmap for Massachusetts Climate Policy* statute and support the policy recommendations of the *2025/2030 and 2050 Clean Energy and Climate Plans* (CECP).

Both the new climate law and the CECP recognize the essential role of natural and working lands in addressing climate change and meeting our Net Zero goals. The 2050 CECP calls for 40% of Massachusetts' lands and waters conserved by 2050, which necessitates **25,000 acres of land be conserved every year between now and 2050.** In addition, EEA's Resilient Lands Initiative recognizes the important role of natural and working lands to protect and improve the quality of life for residents of every Massachusetts community. Raising the cap on this program would be consistent with these policy recommendations and allow a suite of already vetted projects to move forward. (Please see appendix below for references of all the plans in which raising the CLTC is a recommendation).

This tool is critical to state agencies, cities, towns, land trusts, and conservation organizations working to protect the Commonwealth's natural resources for future generations - local, state, and federal funds combined with philanthropic contributions are often not enough to complete complex land conservation deals. The CLTC both helps compensate landowners for their generous gifts, as well as saves scarce resources for cash strapped land trusts and municipalities by offering an incentive that reduces the costs of the sale price of the land.

Surveys of private landowners by the U.S. Forest Service document that family forest owners in Massachusetts are largely over the age of 65 and that about **a quarter of privately owned forest acres are owned by someone who plans to sell or transfer some or all their woods or forest in the next 5 years.**¹ These same forest owners overwhelmingly (90%) want to see their land remain forested. These landowners are a perfect match for the CLTC program; however, many cannot wait the years it would take for them to be able to participate.² **The CLTC program is often the deciding factor** for landowners when choosing whether to move forward to permanently conserve their property.

¹ Caputo, J. and B. Butler. National Woodland Owner Survey Dashboard (NWOS-DASH) version 1.0. Accessed 2021-06-07. Available at: <https://ffrc.shinyapps.io/NWOSdashboard/>.

² See 5/24/24 WBUR article: [‘Hope I’m going to live that long’: Land conservation program leaves applicants in limbo](#)

Our organizations are eager to increase the CLTC cap as soon as possible. The long wait for the credits is impacting the effective use of the credit as a conservation tool. We respectfully request you include this increase in the FY25 State Operating Budget.

Thank you for your time and consideration of this request. Please feel free to contact Emily Myron of The Nature Conservancy at 240-372-0792 or emily.myron@tnc.org or Robb Johnson of the Massachusetts Land Trust Coalition at robb@massland.org or 617-699-3248 should you have any questions.

Sincerely,

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The Nature Conservancy

Robb Johnson
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MA Association of Conservation Commissions

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Jessica Grigg
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Boxford Open Land Trust, Inc

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Buzzards Bay Coalition

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Common Ground Land Trust

Cynthia Henshaw
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East Quabbin Land Trust

Henry Lind
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Eastham Conservation Foundation, Inc

David Melly
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Environmental League of Massachusetts

Kate Bowditch
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Essex County Greenbelt Association

Tom Curren
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Greater Worcester Land Trust

Kristin DeBoer
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Wellfleet Conservation Trust

Karen Grey
Executive Director
Wildlands Trust

Robin Sears
Executive Director
Williamstown Rural Lands

Jessica Whritenour
Executive Director
The 300 Committee Land Trust

Enclosed: Conservation Land Tax Credit Fact Sheet
WBUR article from May 24, 2024: *'Hope I'm going to live that long': Land conservation program leaves applicants in limbo*

cc: Representative Brad Jones
Representative Smitty Pignatelli
Senator Bruce Tarr
Senator Jamie Eldridge

Appendix A. Policy recommendations related to the Conservation Land Tax Credit

This Appendix highlights where raising the cap on the CLTC shows up in various plans and recommendations issued by the Commonwealth.

2025-2030 Clean Energy and Climate Plan

The 2025/2030 CECP represents the Commonwealth of Massachusetts' comprehensive plans to achieve aggressive emissions reduction in 2025 and 2030.³ Through this plan, the Commonwealth sets a goal of conserving 30% of its land and water by 2030. One of the strategies is to increase the budget for land protection programs, and the CECP specifically recommends **“raise the state Conservation Land Tax Credit cap to help more privately-owned NWL to remain as NWL with a tax credit on the land donations”** (p. 94).

Resilient Lands Initiative (RLI) – Expanding Nature’s Benefits Across the Commonwealth, a Vision and Strategy

The Resilient Lands Initiative was drafted over the course of eighteen months, and benefits from the ideas and input of hundreds of people from the community, farm and forest, government, and nonprofit areas. The Resilient Lands Initiative will guide actions aimed at conserving, restoring, and caring for the land – to help both nature and people.⁴

This plan includes a recommendation to expand landscape conservation and restoration, and one of the top actions listed to implement that is **“Evaluate the expansion of the state conservation land tax credit cap to \$5 million per year”** (p. 55). This plan calls the CLTC “one of the most successful conservation programs in the Northeast due to the large number of applications, the quality of the land protected, and the amount of leverage the program generates, which is more than \$4 for each state dollar in tax credits.” It also shares some important statistics:

- The CLTC is the only refundable tax credit for conservation in the nation and in this way, it can be used by low-income landowners. For many farmers, land has passed to family members over generations and the land is their main asset.
- Due to its popularity, there is currently over a two-year waiting period for landowners to make a land donation. Recognizing the amount of donations that have consistently been on the waiting list over the more than 10 years of the program, it is recommended that the current \$2 million annual cap be raised to \$5 million.
- This has the potential to protect an additional 15,000 acres over the coming decade.

To further the goals of the CECPs and the Forests as Climate Solutions initiative, EEA and agency staff have been tasked with developing a workplan for EEA and its agencies to implement the actions in the RLI that directly pertain to forest conservation. There is currently a draft workplan being reviewed (not yet publicly available, but TNC is part of the workgroup reviewing the plan). **Raising the cap on the CLTC has been identified as one of the RLI actions that presents the greatest opportunity to increase the pace and magnitude of forest conservation.**

³ <https://www.mass.gov/info-details/massachusetts-clean-energy-and-climate-plan-for-2025-and-2030>

⁴ <https://www.mass.gov/info-details/resilient-lands#the-resilient-lands-initiative->

Forests as Climate Solutions Initiative

The Healey-Driscoll Administration launched the Forests as Climate Solutions Initiative to accelerate progress toward our land conservation goals of protecting 30 percent of the Commonwealth in 2030 and 40 percent in 2050, in service of achieving net-zero statewide greenhouse gas emissions by 2050.⁵

Under the Initiative, there is a Climate Forestry Committee that spent the second half of 2023 developing “Recommendations for Climate-Oriented Guideline for Forest Management.” This group was made up of scientific experts tasked with informing the development of climate-oriented management guidelines that increase carbon storage and resilience to climate change. One of the recommendations put forward by this group is to “Encourage private landowners to protect their forest land (e.g., **raise the Conservation Land Tax Credit cap**, help with conservation planning and transaction costs)” (p. 50).⁶

Healthy Soils Action Plan

The Healthy Soils Action Plan was developed over the past three years under the direction of the Commission for Conservation of Soil, Water & Related Resources with crucial input from a steering committee with expertise in soils across five land use categories: farms, forests, wetlands, lawns and other developed open spaces, and impervious areas (buildings, roads, and parking lots). The Healthy Soils Action Plan provides an assessment of the condition of our soils and a blueprint for how we can effectively conserve and protect, restore, and properly manage our soils to improve the vitality of nature around us and the health and quality of life of our residents.⁷

Under the plan’s “Protect farmland and incentivize healthy soils practices” recommendation, one of the implementation actions is to “Seek to expand the Agricultural Preservation Restriction program to protect additional farmland and to **raise the cap on the Commonwealth Conservation Land Tax Credit to encourage more land donations**” (p.77).

⁵ <https://www.mass.gov/info-details/forests-as-climate-solutions>

⁶ <https://www.mass.gov/doc/forest-as-climate-solutions-climate-forestry-committee-report-final/download>

⁷ <https://www.mass.gov/info-details/resilient-lands#healthy-soils-action-plan->