

STATE COORDINATED FUNDING AND INCENTIVE PROGRAMS

- Maryland GreenPrint – Connecting Land Protection Programs with “Targeted Ecological Priorities”
- Minnesota’s Reinvest in Minnesota Reserve Program and the Clean Water, Land and Legacy Amendment
- Washington’s Forestry Riparian Easement Program
- California’s Oak Woodlands Conservation Program
- Real Property Tax Breaks for Wetlands – An Indiana Example

Here we provide examples of coordinated forestland/wetland/habitat conservation funding examples from five states. Maryland’s GreenPrint program is a statewide mapping and targeting process that informs several state land conservation programs. It is an approach that can be adapted to emphasize the importance of critical nontidal wetlands and waters in the context of land conservation expenditures. Minnesota’s Reinvest in Minnesota Reserve Program is one of the nation’s leading conservation easement and wetland restoration programs. The flexibility of the program to adapt to changing priorities and expand to take advantage of opportunities to leverage millions of dollars in federal and state funding make it a national model. Washington’s Forestry Riparian Easement Program provides compensation to small forest landowners for the timber they must, under state law, keep standing near water resources to protect fish habitat. It is a notable approach both because the program was adopted in response to regulatory forest practice laws dealing with woodland/timber harvests and because it is a unique example of riparian based easements in “working forests.” California’s Oak Woodlands Conservation Program provides financial incentives to landowners to encourage restoration of a unique and vulnerable habitat, while encouraging farming and ranching operations that protect and promote these habitats and provide superior wildlife habitat benefits. It is an example of an approach that could be applied to other habitat types. Finally, Indiana has several tax programs, especially conducive to wetlands protection on smaller parcels, that essentially exempt forestlands or wildlands (including wetlands) and filter strips from property taxes. The approach, which differs from Delaware’s current tax provisions, provides some real property tax incentives even for small parcels and land not primarily for production of agricultural or forest products.

MARYLAND GREENPRINT– CONNECTING LAND PROTECTION PROGRAMS WITH “TARGETED ECOLOGICAL PRIORITIES”

The State of Maryland has a robust set of land conservation programs established at different times and with differing objectives – protection of open space, protection of environmental resources, protection of working agricultural land, protection of larger areas of rural lands (including agricultural and forest lands). Maryland has worked out an approach to enable state and local administrators to seek greater ecological benefits from these programs, while pursuing their primary objectives. Maryland GreenPrint informs land conservation under Program Open Space, Maryland Environmental Trust, Maryland Agricultural Land Preservation Foundation, and Rural Legacy. It is an approach that can be adapted to emphasize the importance of important nontidal wetlands and waters in the context of land conservation expenditures.

- Maryland’s Program Open Space began in 1969. Funded by a transfer tax on residential and commercial property it provides funds for acquisition of lands and easements for open space and recreational areas throughout the state. It provides grant funds to counties and local governments for open space as well as to the Maryland Environmental Trust (MET), Rural Legacy Program, and the Maryland Agricultural Land Protection Foundation (MALPF), to support their acquisition efforts.
- The Maryland Environmental Trust (MET) is a statewide land trust established by the legislature in 1967 to protect farmland and forest land, wildlife habitat, waterfront, significant natural areas and historic sites. MET receives funding from the general fund, from Program Open Space, and other sources. It purchases easements, and also solicits donated conservation easements.
- The Maryland agricultural land preservation program was established in 1977 and is administered by the Maryland Agricultural Land Preservation Foundation (MALPF). Owners of working farmlands may seek to be included in an Agricultural Preservation District. If the property meets minimum criteria established by MALPF, the landowners may sign voluntary agreements to maintain the land in agricultural use for a minimum of five years and not subdivide it for residential, commercial or industrial use while in district status; this offers tax credits and other tax advantages. The eligible landowner may also apply to have MALPF acquire an agricultural easement on the property.
- Maryland’s Rural Legacy program was created in 1997 as part of the state’s “smart growth” legislation. It obtains funds from Program Open Space and from state general obligation bonds. It provides funds to local governments and land trusts to acquire land and conservation easements to protect agricultural lands and forest lands. The easements are acquired in designated Rural Legacy Areas, which must be designated by the Maryland Board of Public Works (state governor, comptroller, and treasurer) after recommendation from the Rural Legacy Board (Secretaries of Natural Resources, Agriculture, and Planning) based on recommendations from the Rural Legacy Advisory Committee. Acquisition of easements or lands is done in the designated areas by the

local sponsor, which may apply for funding each fiscal year. The Rural Legacy program is administered by the Maryland Department of Natural Resources using an analytical matrix developed in coordination with the Maryland Department of Agriculture and Maryland Department of Planning.

All of these programs have their own criteria for prioritizing acquisitions and easements. However, recognizing that there are reasons to prefer protection of lands that will contribute to meeting statewide ecological objectives, Maryland adopted a statewide mapping and targeting process to assist in coordination of these expenditures: Maryland GreenPrint.

GreenPrint includes maps of conservation priorities and systems, which can be mapped to identify the following “conservation themes” – wildlife and rare species habitat, green infrastructure and forest lands important for water quality, nontidal streams and fisheries, tidal fisheries and bay and coastal ecosystems, and areas important for climate change adaptation. Several of these are relevant to protection of nontidal wetlands. The map layers further identify where to target state funds that can support protection of these areas (recognizing the functional need, for example, to protect forested upland where the concern is water quality).

Maryland GreenPrint staff combined the most ecologically important areas from each GreenPrint map layer to identify “best of the best,” then removed already developed areas, and made further adjustments for sea level rise where relevant. This resulted in “targeted ecological areas,” first identified in a 2008 effort, and updated in 2011. As described on the GreenPrint web page:

GreenPrint shows where Targeted Ecological Areas (TEAs) occur and how the many programs within our State government work together to protect our most ecologically valuable areas. TEAs are not acreage goals, and are not associated with any zoning classification or restrictions on land, but are simply areas identified as being a good investment from an ecological perspective when making decisions on where to spend limited acquisition dollars.¹

The TEA maps and individual GreenPrint map layers are available on an interactive map on the DNR website,² and may be viewed on a county level as well, as much of the land conservation work is administered by or in cooperation with counties, land trusts, and local sponsors (under the county and local side of Program Open Space, or in administration of Rural Legacy, MALPF, or county programs).

In administering the “stateside” of Program Open Space (where the state rather than local entities determine the acquisitions), the DNR

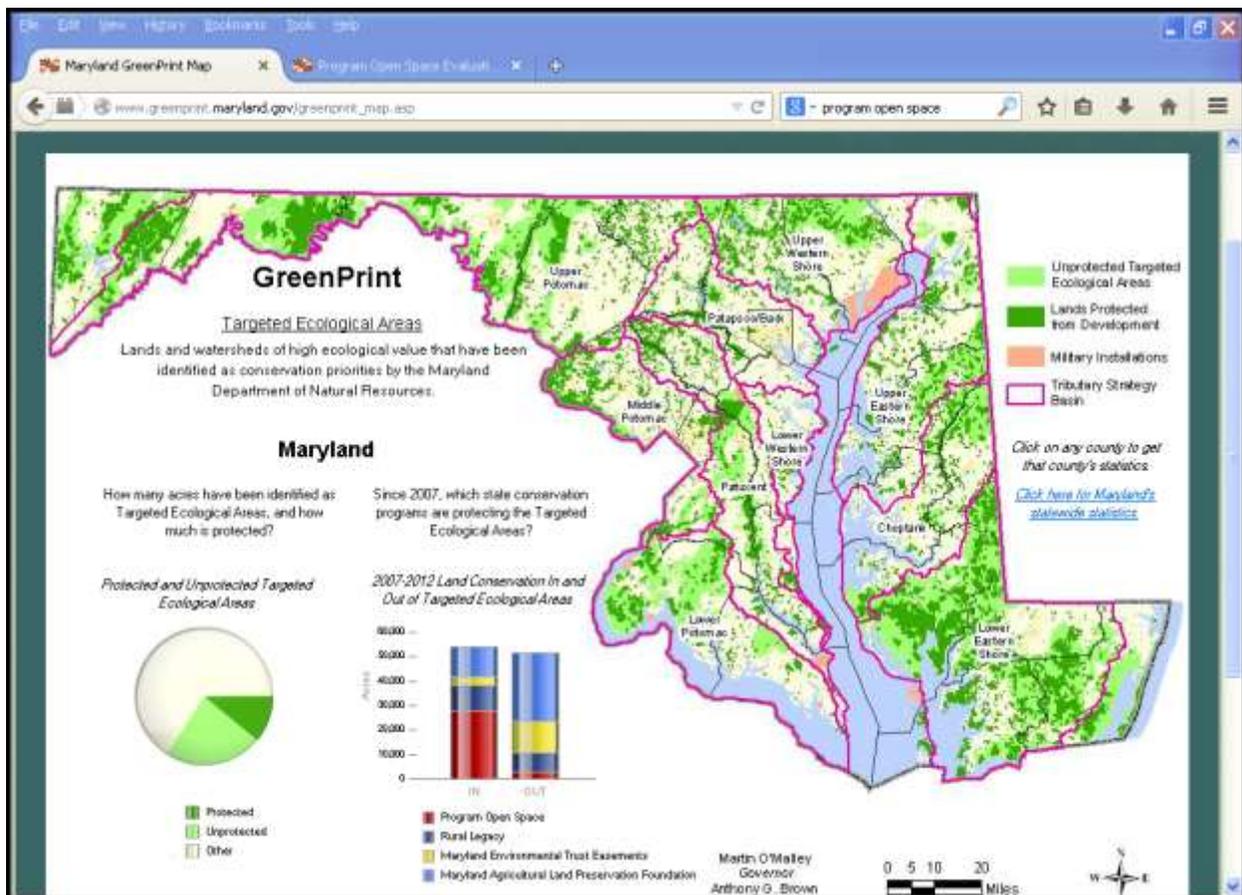
- begins with the TEA to identify ecological importance,

¹ Maryland GreenPrint at www.greenprint.maryland.gov

² Maryland GreenPrint, Launch the Interactive Map, at <http://www.greenprint.maryland.gov/map.asp>

- then (annually) applies a “programmatic screen” in which it takes into account programmatic goals (including geographic balance, funding availability, degree of existing protection and probability of success, and availability of willing sellers),
- then applies a final “parcel screen” to determine how to prioritize parcels (availability, threat, importance to function, multiples benefits, adjacency, etc.).³

Not all acquisitions and easements are within TEAs. Maryland’s interactive map shows both statewide and on a county basis the percentages by which land protections area within TEAs and outside TEAs. Overall since 2007 on a statewide basis, just over half of land conservation acreage has been protected within TEAs. In some counties, such as Dorchester County on Maryland’s eastern shore, nearly 100 percent of conservation acreage has been within TEAs. In general, Maryland DNR seeks to focus on TEAs, while county and other programs may do so, but are not required to do so.



³ Maryland Department of Natural Resources, Land Acquisition and Planning, at www.dnr.state.md.us/land/pos/pos_eval_process.asp

MINNESOTA'S REINVEST IN MINNESOTA RESERVE PROGRAM AND THE CLEAN WATER, LAND AND LEGACY AMENDMENT

Since 1986, the state of Minnesota has invested more than \$200 million dollars to help improve water quality, wildlife habitat, and flood attenuation on private land through the Reinvest in Minnesota Reserve (RIM) Program. The program compensates landowners for granting conservation easements on economically marginal, flood-prone, environmentally sensitive, or highly erodible agricultural lands. In cooperation with the USDA Natural Resources Conservation Service (NRCS) and county Soil and Water Conservation and with the assistance of non-government organizations (e.g., Ducks Unlimited, MN Waterfowl Association, and Pheasants Forever), the state has secured more than 6,000 (mostly permanent) conservation easements covering more than 250,000 acres since the program began.

Over the years, the program has seen many changes in priorities and process; adapting based on varying interests, new scientific information, and new partnership and leveraging opportunities. Currently the program administers targeted funds for riparian buffers, grasslands, and groundwater protection, in addition to general funding for 'regular' RIM easements for sensitive groundwater, marginal agricultural land, riparian land, and wetland restoration, as well as for permanent wetland protection easements. This allows the program to be somewhat flexible in its approach, so that local habitat and water quality goals can be addressed as they arise within the larger context of statewide priorities.

County Soil and Water Conservation Districts (SWCD) administer the program, with funding from grants from the Minnesota Board of Water and Soil Resources (BWSR) for administrative and technical support. The landowner works with SWCD to develop a conservation plan for each easement that identifies the location and type of approved conservation practices on each site.⁴ The program provides financial assistance to the landowner to cover the costs of establishing the conservation practices (vegetation or wetlands) identified in the plan, and the landowner is then responsible for maintaining the practices⁵ as well as controlling noxious weeds. SWCD monitors the easements annually for the first five years, and then every third year after thereafter. All property taxes and other levies and assessments that may be assessed must be paid by the landowner.

Generally, state funding for the program has come from appropriation from state bonding (usually every two years), which offers the most program flexibility. However, there are other special state funds or trusts that appropriate RIM funds. There is no guarantee in an annual appropriation or amount. The program has also been able to leverage other state and federal funds. For example, the Minnesota Department of Natural Resources RIM critical habitat match program matches RIM funding with funds from the Critical Habitat Conservation License Plate

⁴ Approved Practices, MINN. R. 8400.3630

⁵ Vegetation Management and Enhancement of Conservation Easement Lands, *Available at* <http://www.bwsr.state.mn.us/easements/VegMgmtPolicy.pdf>

for the “acquisition and enhancement of critical habitat, which includes but is not limited to restoring wetlands, improving forest habitat, planting critical winter cover, protecting undisturbed plant communities, preserving habitat for rare plant and animal species, protecting native prairie and grasslands, and preserving spawning and reproduction areas for fish.”⁶

The program has also been able to leverage over \$300 million in federal funding through partnerships with USDA. For example, the RIM-WRP Partnership allows landowners that are selected and agree to enroll in both the USDA Wetland Reserve Program’s 30-year easement option and the RIM Reserve program can receive a federal payment for the 30-year WRP easement and a payment from the state for their permanent RIM easement.⁷ NRCS pays for the majority of the conservation practice costs, with the state providing additional funds. Since 1997, over 6,000 acres of RIM Reserve/WRP have been enrolled with about \$5 million in federal dollars and \$2.8 million in state dollars. Currently, priority for the RIM-WRP program is given to the prairie pothole region of Minnesota, as well as some areas where wetland restoration would provide flood damage reduction and other benefits. Priority is given to applications with more potential for wetland restoration, but there is no minimum acreage requirement for a RIM/WRP application.

More recently, state funding, for certain RIM easements, has come from the state’s Clean Water, Land and Legacy funding. The Clean Water, Land and Legacy Amendment to the Minnesota Constitution was passed in 2008 to “protect drinking water sources; to protect, enhance, and restore wetlands, prairies, forests, and fish, game, and wildlife habitat; to preserve arts and cultural heritage; to support parks and trails; and to protect, enhance, and restore lakes, rivers, streams, and groundwater.”⁸ Under the Amendment, sales tax in the state was increased by three-eighths of one percent from July 1, 2009 until 2034.

Four funds were established to distribute the additional sales tax revenue:

- Clean Water Fund (33%) – “may only be spent to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater from degradation. At least five percent of the clean water fund must be spent to protect drinking water sources.”⁹
- Outdoor Heritage Fund (33%) – “may be spent only to restore, protect, and enhance wetlands, prairies, forest and habitat for fish, game, and wildlife.”¹⁰
- Arts and Cultural Heritage Fund (19.75%) – “to support arts, arts education and arts access, and to preserve Minnesota's history and cultural heritage.”¹¹

⁶ Minnesota Department of Natural Resources, Reinvest in Minnesota (RIM) critical habitat match program at <http://www.dnr.state.mn.us/grants/land/rim.html>

⁷ Memorandum of Understanding between The Minnesota Association of Soil and Water Conservation Districts, the Minnesota Board of Water and Soil Resources and the USDA Natural Resources Conservation Service for the Reinvest in Minnesota (RIM) Reserve Program – Wetlands Reserve Program (WRP) Partnership Program, Available at <http://www.bwsr.state.mn.us/easements/RIM-WRP/BWSR-NRCS-MASWCD-MOU.pdf>

⁸ Minnesota’s Legacy, About the Funds, at <http://www.legacy.leg.mn/about-funds>

⁹ Minnesota’s Legacy, Clean Water Fund, at <http://www.legacy.leg.mn/funds/clean-water-fund>

¹⁰ Minnesota’s Legacy, Outdoor Heritage Fund, at <http://www.legacy.leg.mn/funds/outdoor-heritage-fund>

- Parks and Trails fund (14.25%) – “to support parks and trails of regional or statewide significance.”¹²

Funding from the Clean Water and Outdoor Heritage Funds has been provided to BWSR for RIM easements. Funding from the Clean Water Fund has been provided for easements on riparian buffers adjacent to public waters, excluding wetlands, and for easements in areas where the drinking water supply management area is vulnerable.¹³ Funding from the Outdoor Heritage Fund has been provided for grassland reserve easements on critical grasslands.¹⁴

¹¹ Minnesota’s Legacy, Arts & Cultural Heritage Fund, at <http://www.legacy.leg.mn/funds/arts-cultural-heritage-fund>

¹² Minnesota’s Legacy, Parks & Trails Fund, at <http://www.legacy.leg.mn/funds/parks-trails-fund>

¹³ Minnesota Board of Soil and Water Resources, Conservation Easements, at <http://www.bwsr.state.mn.us/easements/>

¹⁴ Minnesota Board of Soil and Water Resources, Conservation Easements, at <http://www.bwsr.state.mn.us/easements/>

WASHINGTON STATE FORESTRY RIPARIAN EASEMENT PROGRAM

Washington State's Forestry Riparian Easement Program, managed by Washington State Department of Natural Resources' Small Forest Landowner Office, provides compensation to small forest landowners for the timber they must, under state law, keep standing near water resources to protect fish habitat. The program purchases 50-year easements on qualifying land for a minimum of half the value of the trees they are required to leave.¹⁵ The landowners retain their ownership and access to the property, but the state leases the trees and their riparian benefits, which include stabilization of stream banks, sediment trapping, water shading, and provision of debris and leaf litter. As such, the landowners cannot harvest, cut, or otherwise remove timber on the eased land during the period of the easement.

The Program was established in response to the Salmon Recovery Act of 1999, which gave the Forest Practices Board the capacity to adopt rules to protect endangered salmon and promote their recovery through habitat protection.¹⁶ The new rules included requirements for larger riparian buffers, which could disproportionately affect small landowners that plan to harvest timber on their land. As such the Legislature also created the Forestry Riparian Easement Program, to "offset the diminishing economic viability of small forest landowners due to disproportionate impacts of increased regulatory requirements."¹⁷

Eligible landowners must have full ownership of a property (e.g., free of an liens or mortgages) larger than 20 contiguous acres or more than 80 forested acres in the state and must harvest less than two million board feet of timber per year. The landowner must complete a timber harvest next to a stream, river, wetland, lake, seep, unstable slope, or pond, and must not convert the land to a use that is not compatible with the growth of timber.¹⁸ The easement process begins when the landowner submits a Forest Practice Application prior to the harvest. Once harvest is complete, the landowner submits the Forestry Riparian Easement Program Application, the state estimates the value of the qualifying timber using a stumpage value determination method, and easement acquisition begins when funding becomes available.

Between 2001 and 2012, 290 easements were purchased in 29 counties throughout the state.¹⁹ Easements have ranged in size and value – from just a quarter of an acre to 172 acres and \$800 to

¹⁵ Washington State Rules, Chapter 222-21-045 WAC. http://www.dnr.wa.gov/Publications/fp_rules_ch222-21wac.pdf

¹⁶ Private Landowner Network, Forestry Riparian Easement Program. <http://www.privatelandownernetwork.org/yellowpages/resource.aspx?id=11140>

¹⁷ Washington State Department of Natural Resources, Forestry Riparian Easement Program: Updating rules for eligibility and program efficiency. http://www.dnr.wa.gov/Publications/fp_frep_factssummary_20120201.pdf

¹⁸ Washington State Department of Natural Resources, Forestry Riparian Easement Program: Who is Eligible? <http://www.privatelandownernetwork.org/yellowpages/resource.aspx?id=11140>

¹⁹ Forestry Riparian Easement Program: Long-term Funding Source Meeting. http://www.dnr.wa.gov/Publications/fp_sflo_frep_materials_20120208.pdf

\$830,000.²⁰ The average easement cost per easement has been \$87,000.²¹ In total, \$25.3 million has been spent to purchase over 4,900 acres of streamside forests adjacent to 170 miles of streams.²²

²⁰ Forestry Riparian Easement Program: Long-term Funding Source Meeting. http://www.dnr.wa.gov/Publications/fp_sflo_frep_materials_20120208.pdf

²¹ Washington State Department of Natural Resources, Forestry Riparian Easement Program: Updating rules for eligibility and program efficiency. http://www.dnr.wa.gov/Publications/fp_frep_factsummary_20120201.pdf

²² Washington State Department of Natural Resources, Forestry Riparian Easement Program: Updating rules for eligibility and program efficiency. http://www.dnr.wa.gov/Publications/fp_frep_factsummary_20120201.pdf

CALIFORNIA'S OAK WOODLANDS CONSERVATION PROGRAM

The Oak Woodlands Conservation Program was established in 2001 to protect and restore California oak woodlands using conservation easements, cost-share and long-term agreements, technical assistance and public education and outreach. The program was established to provide financial incentives to support voluntary, long-term private conservation of oak woodlands by willing landowners and protect and encourage farming and ranching operations that also protect and promote healthy oak woodlands. In addition, the intent of the Act was to provide incentives for the protection of oak trees that provide superior wildlife values on private land and encourage planning that is consistent with oak woodlands conservation.

The Oak Woodlands Conservation Act was enacted in 2001 by the California State Legislature to provide funding for the conservation and protection of the state's oak woodlands. The bill created the Oak Woodlands Conservation Fund in the State Treasury, and stipulated that proceeds from bonds issued under the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 would be transferred to the fund.²³ The Act made California's Wildlife Conservation Board responsible for implementing the Oak Woodlands Conservation Program, including purchasing easements, providing grants for land improvements and restoration efforts, and awarding cost-sharing incentive payments to landowners who enter into long-term agreements. The Act required that at least 80% of the program funds be used to support conservation easements, restoration projects, cost-share incentive payments, and long-term agreements, with priority given to conservation easements. The remaining 20% of funds were to be used for technical assistance, public education, and outreach.²⁴ Guidelines for awarding grants were written in consultation with the California Department of Forestry and Fire Protection, California Department of Food and Agriculture, University of California's Integrated Hardwood Range Management Program, California Department of Fish and Game, California Resources Agency, California Department of Conservation, California Rangeland Trust, High Sierra Resource Conservation & Development Area, Santa Barbara County Planning Department, and ranching, farming and conservation groups.²⁵

Eligible restoration, enhancement, easement, or long-term agreement projects must meet contain an appropriate management plan, must have an oak stand with greater than 10 percent canopy, and must satisfy one or more of the following program criteria: provide superior wildlife values, have a diversity of oak species or size-class structure, contribute to wildlife movement,

²³ 2001 California Statutes, Chapter 588. <http://www.legislature.ca.gov/cgi-bin/port-statquery>

²⁴ 2001 California Statutes, Chapter 588. <http://www.legislature.ca.gov/cgi-bin/port-statquery>

²⁵ The Woodlands Conservation Act of 2001: Program Application and Guidelines.
<https://www.wcb.ca.gov/Programs/Oaks.aspx>

contribute to regional or community goals, be a working landscape, reduce or remove threat of habitat conversion, and serve as a stewardship model.²⁶

On working lands, landowners must implement stewardship practices that meet the ecological requirements of oak woodlands and contribute to sustainable ranching or farming operations alongside them. Inclusion of working land demonstrates the Program's goal of "accomodat[ing] the needs of private landowners while fostering protection for oak woodlands."²⁷ This is critical to the success of the program, as 80% of California's remaining oak woodlands are on privately owned land.²⁸ As private landowners are directly linked to the success of oak woodlands preservation, the Program was designed to both reward private landowners for implementing good stewardship practices and provide incentives for others to do the same.²⁹

Private landowners, local government entities, park and open space districts, resource conservation districts and nonprofit organizations are eligible to apply for Oak Woodlands Conservation Program grants. The Program promotes partnerships among interested parties, and strongly encourages applicants, especially private landowners, to leverage the resources of other organizations, as well as to consult the local Fish and Game Biologist and other resource professionals when designing proposals.³⁰ In order to be eligible to receive funding, the county in which the money would be spent must have an oak woodlands management plan in place. As of 2007, 12 counties have qualified for grants under the Program and six more were preparing their applications. The Wildlife Conservation Board website states that it has awarded \$4.8 million in Proposition 40 funds to the Oak Woodlands Conservation Program.³¹

²⁶ The Woodlands Conservation Act of 2001: Program Application and Guidelines.
<https://www.wcb.ca.gov/Programs/Oaks.aspx>

²⁷ The Woodlands Conservation Act of 2001: Program Application and Guidelines.
<https://www.wcb.ca.gov/Programs/Oaks.aspx>

²⁸ The Woodlands Conservation Act of 2001: Program Application and Guidelines.
<https://www.wcb.ca.gov/Programs/Oaks.aspx>

²⁹ The Woodlands Conservation Act of 2001: Program Application and Guidelines.
<https://www.wcb.ca.gov/Programs/Oaks.aspx>

³⁰ The Woodlands Conservation Act of 2001: Program Application and Guidelines.
<https://www.wcb.ca.gov/Programs/Oaks.aspx>

³¹ State of California Wildlife Conservation Board, Prop 40 Funds: Remaining Fund Balances.
<https://www.wcb.ca.gov/FundingSources/Prop40/FundBalances.aspx>

REAL PROPERTY TAX BREAKS FOR WETLANDS – AN INDIANA EXAMPLE

Most states provide for use value taxation of agricultural lands in order to encourage farmers to keep the land in agriculture rather than convert to developed uses. Delaware's Agricultural Lands Preservation Program, adopted in 1991, is one of these. An Agricultural Preservation District contains at least 200 contiguous acres devoted to agricultural and related uses; lands under 200 acres and within 3 miles of an established district can be added to the district as a district expansion. Lands eligible for district must be zoned for agriculture, not be part of a subdivision plan, and receive a certain minimum land evaluation and site assessment score (wetlands are not included in the score, so do not decrease the average score of the parcel). Applications for inclusion in a district must include all the eligible land in the parcel. A Delaware landowner who enrolls in a district or district expansion is eligible for tax benefits (exemptions from property, school, and transfer taxes), right-to-farm protections, and an opportunity to sell a preservation easement to the state to keep the land in farming permanently.

Separately, under Delaware's Farmland Assessment Act, owners of land devoted to agriculture, horticulture or forestry may apply to have their land valued for that use rather than at fair market value, thus resulting in a lower tax assessment and lower payments to local and county governments. Properties must be more than 10 acres and produce sales of agricultural, horticultural or forest products or agricultural program payments of at least \$1,000 per year.

Under a separate Delaware law, land designated as a commercial forest plantation is entitled to exemption from county property taxes. Such land must be at least 10 acres, be under a management plan, and give reasonable assurance that a stand of merchantable timber will develop.

The state of *Indiana* also provides tax breaks from local property taxes for agricultural lands, which are taxed on a fraction of their "use value" based on soil and land classification. But more significantly, for wetlands purposes, Indiana also has several tax programs conducive to wetlands protection, including wetlands on smaller parcels. These land categories are essentially exempt from property taxes (being nominally valued under Indiana laws at \$1/acre in order to have a value to enter into the tax records). Entry into these programs requires certain commitments by the landowner and evaluation by the state.

1. Classified forest lands or wildlands (applies to parcels of 10 acres or larger).³² While this category protects forest plantations and native forest lands including working forests, land may also be classified as "wildland" and made tax exempt if it contains one or more of the following characteristics –

³² In. Code 6-1.1-6-1 et seq.

- (1) Grasslands that are dominated by native grasses or intermixed with other native herbaceous vegetation.
- (2) *Wetlands that support a prevalence of native vegetation adopted for saturated conditions.*
- (3) Early forest successional stands that are dominated by native herbaceous and woody vegetation that will develop into native forest land.
- (4) Other lands the Department determines are capable of supporting wildlife and conducive to wildlife management.
- (5) *A body of water.*³³

In addition, eligible classified forest land or wildland parcels may contain non-forest areas with diverse vegetation, and/or any body of water that is less than two acres, or that if greater than two acres that has an average depth less than four feet. And an eligible parcel may contain more than one isolated body of water.³⁴

“In addition to the tax incentive, landowners receive free technical assistance from DNR foresters and wildlife biologists, [and] priority for cost share.”³⁵

2. Filter strip lands (vegetated lands adjacent to ditches, creeks, lakes and wetlands, and including up to 75 feet from the water feature).³⁶ These lands are also exempt from local real property taxation if managed under certain conditions and agreements intended to serve ecological purposes. The designated land must include no less than the first 20 feet, nor may it include more than 75 feet, from the water body affected. This program promotes stewardship of private lands with tax breaks that may encourage protection of riparian zones and wetland buffers.

These two Indiana real property tax programs show how lands that are particularly valuable for water/wetlands/riparian protection can be exempted from real property taxes even if they are relatively small in comparison with the sizes of land eligible for tax breaks under agricultural and forest programs, and even if the land use is not primarily for production of agricultural or forest products.

³³ In. Code 6-1.1-6-2.5

³⁴ In. Code 6-1.1-6-3

³⁵ Indiana Department of Natural Resources, Classified Forests & Wildlands, at <http://www.in.gov/dnr/forestry/4801.htm>

³⁶ In. Code 6-1.1-6.7 et seq.

IMPROVING WETLAND PROTECTION AND FLOOD HAZARD MITIGATION THROUGH BETTER INTER-AGENCY COLLABORATION

Wetland protection and restoration have long been recognized as effective flood hazard mitigation strategies. However, the agencies and organizations that are tasked with identifying and developing strategies to address the risks to life and property from disasters – the hazard mitigation planners and emergency managers – and the agencies and organizations that protect and restore wetlands and habitat rarely collaborate. By combining resources, these agencies may be able to achieve together what neither could accomplish alone. Where hazard mitigation and wetland managers have collaborated, projects have protected and restored wetlands and habitats while improving resilience to flooding for local communities. The following are two examples where state and federal funding sources were leveraged for habitat conservation and water quality benefits as well as flood hazard mitigation.¹

FEMA Hazard Mitigation Grant Program

Over the course of 16 years, Jefferson County, Wisconsin has acquired approximately 80 flood-prone properties, with the majority located on Blackhawk Island Road along the Rock River, and returned the land to natural floodplain habitat. The project—which leveraged a variety of federal, state, and local funding sources—has helped to address recurring flooding in the Rock, Crawfish, and Bark Rivers.

FEMA’s Hazard Mitigation Grant Program (HMGP) was a primary source of funding for the project. The HMGP is administered by the State, while local communities are responsible for identifying and implementing projects and applying to the State for funding. Since 1993, FEMA has funded over 20,000 properties across the country to prevent future damages from occurring as a result of flooding. Under federal law, once properties are acquired and existing structures are removed, the land must be dedicated to open space, recreational, or wetland management uses. Thus, these properties can offer opportunities to restore and permanently protect floodplain and wetland values and functions, including their natural flood storage capacity.

The HMGP requires a 75%/25% cost share between FEMA and local communities. In Wisconsin, the State provides 12.5% of the local match. In Jefferson County, the local 12.5% match has been funded by the County or occasionally through grants including a Lake Protection Grant from the Wisconsin Department of Natural Resources (DNR) and a Community Development Block Grant from the Wisconsin Department of Commerce. Although each agency requires certain criteria be met upon award of their grant, the combination of funding sources has allowed Jefferson County to successfully carry out projects and meet their goals.

Wisconsin Municipal Flood Control Grants Program

The Wisconsin DNR administers the Municipal Flood Control Grants Program (MFCGP) for cities, villages, towns, tribal governments, and metropolitan sewerage districts. Since the

¹ ELI collected these case studies and a number of similar case studies from the Upper Midwest in a report “Improving Community Resilience to Flooding in the Upper Midwest Through Inter-Agency Collaboration.”

program's introduction in April 2002, the DNR has awarded grants to eligible municipalities every other year. Wisconsin Administrative Code lists eligible projects in priority order. The highest priority projects include acquisition of properties and removal of structures that cannot be repaired due to frequent flooding. Other eligible projects include, acquisition of properties in the 100-year floodplain, flood-proofing and elevation of structures in the floodplain, the creation of open-space flood storage areas through the construction of flood control detention centers, riparian restoration (including fish and native plant restoration, erosion control, and streambank restoration), and acquisition projects (Ch NR 199.05, Wis. Adm. Code). The budget of the MFCGP for the 2012-2013 fiscal year was \$3,000,000. The maximum grant award is \$600,000 per city, town, village, or metropolitan sewerage district. The grant award covers 70% of the total eligible costs in the grant agreement, with the remainder of the cost covered by the municipality.

In 2010, the town of Roxbury, Wisconsin received a property acquisition grant for the restoration of the Fish Lake natural area – identified as a Natural Resource Area in the Dane County Parks and Open Space Plan. Over the past several years, there have been joint efforts by DNR, Dane County, and the Natural Heritage Trust to protect lands along this lake. The goal of the project was to acquire and demolish eight homes within the 100-year floodplain that had been repeatedly damaged due to flooding caused by fluctuating lake levels. The land will be restored to shoreline buffer areas using plants chosen specifically to protect the shoreline and create a vegetative buffer. The project not only removed these frequently damaged homes and restored habitat, but also increased public access to the restored lake environment. The acquired land was added to the Fish Lake County Park so that the public can now enjoy the property for hiking, fishing, cross-country skiing, and other activities.