

All,

The WAC has chosen to pursue an incentive based conservation approach to preserve wetlands. As I understand the numbers provided by DNREC and the Delaware Dept. of Agriculture the math works as follows in acres:

Privately Owned 404 regulated lands;	220,000
Privately owned non regulated Category I	4019
Privately owned buffer (minimum 50 ft.) for Cat I	13896
Privately owned buffers for 404 regulated lands	unknown
Total Privately owned wetlands	237915
Forested lands with conservation easements	31451
85% of forestland	26733
Wetlands available for conservation incentives	211182

Everyone can do their own math but I think we can agree it is a big number.

To date the WAC has adopted two incentive recommendations. One is to fund Forest preservation annually \$200,000 and the other is to modify the Conservation Tax Credit to hopefully make it functional. The tax credit financial impact is limited to \$1M/yr.

If we assume both of these are used entirely to preserve wetlands of one sort or another (not likely) and assume a discounted value presented to the committee of a round number of \$2000/acre; 600 acres per year will be preserved. This means that it will take 351 years to preserve all the wetlands in the State without further incentive recommendations from this committee.

The first Delaware Farm Bureau recommendation would, if adopted by the General Assembly, provide DDA the ability to collect \$15M of the Real Estate Transfer Tax directly from the counties. If a similar measure were adopted for Open Space in the amount of \$10M (DFB would support this) the total financial commitment toward resource preservation would be \$26M annually.

The bottom line is that by ensuring funding for AgLand Preservation and Forest Preservation the State would likely preserve 3500 acres per year of freshwater wetlands with these two programs alone; without making any changes to program selection criteria. This one change reducing the timeline for preservation of ALL wetlands from 351 years to 60 years.

A critical component to the financial commitment is the second recommendation of ensuring a venue for consideration of joint use of these funds. Any financial commitment by Open Space to leverage money with these two programs would obviously increase the annual resource protection acreage. Providing a forum for joint planning and coordinated use of committed funds will not only improve

efficiency but shore up support for resource preservation for years to come. Include consideration of federal programs and perhaps we can at least say we made meaningful incentive recommendations.

The Delaware Farm Bureau is asking the Committee to consider the following two recommendations.

**The Committee recommends that Title 30 Chapter 5426 be amended by making deletions as shown by strike through and insertions as shown by underline as follows;**

§ 5426 Farmland Preservation Fund receipt transfer.

~~On or before October 15 of each fiscal year, the State shall transfer \$10 million in receipts received under Chapter 54 of this title, to the Farmland Preservation Fund maintained under Chapter 9 of Title 3.~~ Notwithstanding any law, code, ordinance, or regulation to the contrary, the Foundation shall be entitled to adopt and impose procedures and requirements under Title 29 chapter 101 to collect Fifteen million dollars from the respective county receiver of taxes, treasurer or director of finance as the Foundation's share of the Real Estate Transfer tax under Title 30 Chapter 54 and shall when collected and after deduction of the seven and a half percent administration charge, be transferred to the Foundation of which, ten million dollars will be allocated for Agland Preservation and five million dollars for Forestry Preservation for use in carrying out Title 3 Chapter 9.

Synopsis

Current law provides for the mandatory transfer of \$10 million annually from the Division of Revenue for the use by the foundation. The recommendation would require the foundation to adopt and impose procedures for the direct transfer of monies collected under the Real Estate Transfer tax, change the amount to \$15 million dollars, allocate \$10 million to farmland preservation and \$5 million dollars to forestland preservation.

**The Committee recommends that bi-annual meetings be held by the Ag. Preservation Foundation, Forest Preservation Foundation, Open Space Council and pertinent Federal agencies to identify opportunities for coordination and efficient use of funds.**

Regards to all,

Marty Ross

DFB Representative