

Statement of Senate Finance Committee Chairman Max Baucus as given at the hearing held by the Senate Finance Committee on Preserving and Protecting our Natural Resources on June 12, 2001

Before I get into the details of the hearing, I would like to take a few moments to comment on this historic, mid-session transition to majority. The Senate is made up of the same 100 members. We have different leadership, but we have the same faces in the chamber. That simple reality means that the Senate must operate in total bipartisanship. In a Senate so closely divided we must, in our approach to issues, seek to be closely united.

This also holds for the Finance Committee. While the Committee's agenda may change, the need for bipartisanship will not. Therefore, I hope to follow the example of my friend and colleague, Senator Chuck Grassley. During his Chairmanship, he served this Committee well. He led us through the tax debate with balance, fairness, and civility. Chairman Grassley, on behalf of all our members, I thank you for the honorable and professional way you have led the committee.

Now, let me turn to the subject of today's hearing.

In the wake of the big tax bill, you might be inclined to think this hearing is small potatoes. What's so important about tax incentives for land conservation? Here's how I see it. To my mind, tax incentives may be the next wave of success in the land conservation movement. They allow us to bring together landowners, conservationists, the federal government, and local communities to preserve our precious natural resources. They build public-private partnerships. And they encourage voluntary actions by private individuals who want to leave a legacy of natural heritage.

This hearing allows us to look at some of the details. It proceeds from the belief that the tax code has been an important incentive for land conservation. I think that premise is justified by the facts. Here's what the Land Trust Alliance tells us. In 1988, 600,000 acres of land were held by land trusts. By 1998, approximately 2.4 million acres were held. That's a more than four-fold increase in protected land over a decade. A lot of those donations of land were the result of incentives put into law in the 1970s and 1980s. First, Congress established an estate tax exclusion for conservation of land. Second, we allowed landowners to deduct the value of land conservation as a charitable contribution, limited to 30% of a taxpayer's adjusted gross income.

Today's hearing continues the work started by the tax subcommittee in a hearing last July. At that hearing, national organizations and large interests in land conservation gave testimony. Today, we will focus on local efforts. We will hear testimony from 5 witnesses involved on a local level in the stewardship and conservation of land across the country.

What do we want to accomplish? We want to find out what kind of conservation projects are happening. We want to find out how tax incentives have helped. We want to hear how they can be improved. I'll note that there are many types of land we may want to preserve. It may be crop- or range-land in Iowa or Montana or Oklahoma. It may be thick forests in Maine. It may be a wildlife habitat in Louisiana. Or it simply may be a place of beauty in Arizona or New Mexico. Whatever the resource, it needs to make economic sense for landowners to save the land. A bill that I have introduced, the Rural Heritage Conservation Act, would address this concern. I will ask the witnesses some questions about that bill later in the hearing.

Another area of land conservation is also worth noting and that is the purchase of conservation easements by governments. More and more, state and local governments are making purchases. In Montana, for example, Gallatin County voters just approved a bond issue to purchase conservation easements. And there may be ways to motivate more sales of land for conservation easements. Senator Jeffords and the Administration support such a proposal. I hope to learn from our panel about that idea as well.

I want to thank the witnesses for coming from across the country to be here today. The Committee is lucky to have you here.

Again, I thank Senator Grassley for his help in organizing this hearing. It is a pleasure working together.