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13.4.2. Economic and Legal Incentives for Waterfowl Management on Private Lands

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Introduction

Waterfowl management on public lands in the United States began about 1870 with the establishment of Lake Merritt, a State-owned refuge near Oakland, California. In 1924 the United States established the Upper Mississippi River Wild Life and Fish Refuge, a complex of waterfowl habitats extending from Wabasha, Minnesota, to Rock Island, Illinois. Over the next 50 years, more than 80 million acres of county, State, and Federal lands were acquired across the United States to provide waterfowl production, migration, and wintering habitats. Because of these early (and continuing) efforts, a significant portion of North America's remaining valuable wetland complexes exists on public lands.

Despite the success of governments in acquiring, restoring, and managing public lands for waterfowl and other species, many wildlife populations have declined to the lowest levels ever recorded. This is due, in part, to the historic and ongoing conversion of important wetlands and grasslands to croplands. Between 1950 and 1985 it is estimated that more than 450,000 acres of wetlands were converted each year; at least 87% of those conversions were for agricultural purposes. Today, 74% of the remaining wetlands are on private lands and are vulnerable to destruction.



In recent years, public and private conservation organizations have initiated programs designed to provide economic incentives for wildlife management on private lands. Other programs, whose primary objectives are other than waterfowl management, also improve and preserve waterfowl habitat on private lands. These programs range from tax incentives and wetland easements to direct financial assistance to landowners. In this chapter, legal and economic incentives for waterfowl management on private lands are summarized under the following categories: Federal programs, State and local programs, and private conservation organization programs.

In most instances, government programs and those of private conservation organizations complement one another and often provide the private landowner many alternatives from which to choose. Likewise, governmental and private organizations have recently expressed a strong desire to form partnerships to better manage waterfowl. This is one of the most important concepts in the North American Waterfowl Management Plan. No single entity has the capability to address the waterfowl needs of the future through unrelated and independent actions. Through combined efforts, however, we have a much better chance to achieve waterfowl management objectives.

The major purpose of this chapter is to discuss an array of economic and legal incentives for waterfowl management, although it is not a complete list. I am hopeful that the information contained here will stimulate the reader to investigate specific programs that are available for waterfowl management on private lands at the local level.

Federal Programs

One of the most significant pieces of legislation affecting natural resource management on private lands was the Food Security Act (Farm Bill) of 1985. This legislation was unique in that it began to integrate natural resource management with U.S. agricultural policy. Throughout the United States, waterfowl production, migration, and wintering habitats are affected by the programs designed to implement this legislation. The following is a discussion of these programs and other Federal programs that encourage waterfowl management on private lands.

Conservation Reserve Program (CRP)

One of the primary purposes of the CRP is to reduce soil erosion by retiring highly erodible croplands from production. These retired croplands provide excellent cover for upland-nesting waterfowl and other wildlife. Beginning in January 1989, CRP rules were modified to allow enrollment of certain wetlands into the program. With this change, private landowners were able to restore or enhance wetlands on their property, improving waterfowl production and migration habitats. Wintering waterfowl habitat on private lands was also improved through the restoration of bottomland hardwoods on qualifying CRP lands in the lower Mississippi valley.

Under the CRP, the Agricultural Stabilization and Conservation Service (ASCS) had the authority to share up to 50% of the cost of establishing conservation practices, including permanent vegetative cover, tree planting, wetland restoration and enhancement, and other erosion control practices. In many areas, private conservation organizations and State and Federal agencies will assume all or part of the landowner's cost for the restoration of wetlands on CRP lands.

Agricultural Conservation Program (ACP)

Through the ACP, cost-sharing up to 75% is available for private landowners willing to undertake conservation practices such as restoring drained wetlands or creating new ones. Unlike CRP, however, annual land rental payments are not paid to landowners under this program. The ACP is administered by the ASCS. Technical assistance for the ACP is provided by the Soil Conservation Service.

Water Bank Program

Wetlands and adjacent uplands in some States, including some states in the prairie pothole region and the lower Mississippi valley, are eligible for enrollment in the Water Bank Program. This U.S. Department of Agriculture program allows enrollment of wetlands and associated uplands into 10-year contracts where the landowner receives annual payments. Land parcels are reviewed for their wildlife values; no more than 4 acres of upland for every acre of wetland can be enrolled in the program. Since its inception, the program has not been fully funded; hence, only limited funding is available for enrollment of new lands. The Water Bank Program is administered by ASCS with technical assistance from the Soil Conservation Service.

Acres Conservation Reserve (ACR) Programs

Farmers participating in price support programs (commonly known as set-aside programs) of the U.S. Department of Agriculture have been required to set aside a certain percentage of their base acreage in most years. Conservation measures are required to provide soil erosion protection, water quality enhancement, wildlife production, and natural beauty. Millions of acres of cropland are retired each year as a result of this program.

Multiyear set-aside contracts have been available for program participants for program years 1986–90. Under these multiyear contracts, landowners may seed retired lands to permanent vegetative cover. Where this option has been used, high-quality upland nesting cover for waterfowl and other species has been established. However, multi-year set-aside is rarely used and relatively few acres are established in permanent cover.

The next logical step in this program is to promote the enrollment of restorable wetlands into annual and multiyear set-aside contracts throughout the United States. If this occurs, additional financial incentives for the landowner would likely become available from other government agencies and private conservation organizations.

Stewardship 2000: Partners for Wildlife on Private Lands

Recently, the U.S. Fish and Wildlife Service initiated Stewardship 2000, a program that will improve wildlife habitat on private lands. This program is designed to complement, and not com-

pete with, similar programs administered by other agencies and organizations. Stewardship 2000 will concentrate on wetlands and their associated fish and wildlife values. The restoration of wetlands on CRP lands has been expanded through this new program to include wetland restoration on other private lands as well. Other improvements to waterfowl habitats have been completed through deferred haying and grazing, creation of waterfowl nesting structures, and in some instances, construction of waterfowl nesting islands.

In the lower Mississippi valley, Stewardship 2000 has increased and improved waterfowl wintering habitat. Under this program, the U.S. Fish and Wildlife Service enters into annual lease agreements with landowners for flooding of harvested rice paddies and for the establishment of bottomland hardwoods. Additional information about these private lands management programs can be obtained from the nearest U.S. Fish and Wildlife Service field office.

Small Wetlands Acquisition Program

Under this program, administered by the U.S. Fish and Wildlife Service, high-quality waterfowl production habitat in the prairie pothole region is purchased outright or by perpetual easements. Existing and restorable wetlands are eligible for these programs. Under the easement program, the landowner retains all property rights except the right to burn, drain, fill, or level-ditch the wetlands in question. Basically, the easement is designed to protect the wetland in perpetuity. Landowners in the prairie pothole region who are interested in selling their property in fee simple or in selling a waterfowl production easement should contact the nearest U.S. Fish and Wildlife Service office.

Federal Income Tax Incentives

Expenses for many conservation practices undertaken by private landowners are tax-deductible. Conservation practices designed to reduce soil erosion and improve water quality qualify, and expenses related to the restoration of wetlands for water quality and wildlife purposes are typically tax-deductible. Landowners who lease their property to others for hunting or similar purposes may qualify for investment-credit tax treatment for those conservation practices that benefit both recreational activities and wildlife.

Gifts of conservation easements made to charitable organizations may qualify for tax deductions.

The conservation easements must be enforceable and perpetual, and they must be donated exclusively for conservation purposes to units of government or tax-exempt private entities. Additional information concerning tax incentives for waterfowl management on private lands can be obtained from a qualified tax preparer.

State and Local Programs

Many programs that improve waterfowl management on private lands are administered by State and local governments. These programs include short-term and perpetual land-retirement programs, property tax incentives, and direct financial assistance to private landowners. Examples of these programs are discussed below.

Reinvest in Minnesota (RIM)

In 1986 the Minnesota State legislature passed innovative legislation known as the Reinvest in Minnesota Resources Act of 1986. The purpose of this act is to retire marginal cropland from production through the use of conservation easements. In most instances, the program consists of perpetual easements, in which a lump-sum payment equal to 70% of the average market value of the agricultural land is made to the landowner. Both restorable wetlands and highly erodible croplands are eligible for the program. Perennial vegetative cover must be established on the uplands to reduce soil erosion, improve water quality, and improve fish and wildlife habitat. The program is administered by the Minnesota Board of Water and Soil Resources and the Minnesota Department of Natural Resources.

Critical Habitat Matching Program

As part of the RIM program, private landowners and individuals may contribute cash, land, easements, or pledges for acquisition or development of wildlife habitat. All contributions are tax-deductible and are matched, dollar for dollar, by State-appropriated funds.

Donated land is appraised at market value. If lands qualify, they are managed as a wildlife management area, scientific and natural area, fisheries area, or other appropriate State unit. Donated lands that do not qualify as critical habitat are sold, and the proceeds are deposited into the Critical Habitat Matching Account. Private landowners and others interested in participating in this pro-

gram should contact the Minnesota Department of Natural Resources.

State Private Lands Management Programs

Many State natural resource departments have developed wildlife management programs for private lands. State biologists are often available to provide landowners with technical assistance in the development of their lands for waterfowl and other wildlife species. These biologists frequently serve as "brokers" and are also familiar with programs of other agencies that may meet the objectives of the individual landowner. In some instances, these State-administered programs provide cost-sharing assistance to help finance wildlife management projects.

State Tax Credit and Exemption Programs

Several States have statutes that provide property tax relief for those landowners who are interested in preserving habitat that can benefit waterfowl and other wildlife resources. In the Midwest, for example, Iowa, North Dakota, and Minnesota exempt certain wetlands from taxation. Additional information about these programs can be obtained from county tax assessors.

Indiana Classified Wildlife Habitat Act

The purpose of this legislation, passed in 1979, is to reduce habitat loss by encouraging landowners to develop or save existing wildlife habitat. The incentives for landowner participation are a reduction of the assessed value of classified lands to \$1 per acre for tax purposes, and free technical advice and assistance from the Indiana Division of Fish and Wildlife. Lands eligible for this program include grasslands, shrublands, and wetlands. The owner of the classified wildlife habitat does not relinquish ownership or control of the property.

Minnesota State Cost-share Program

The Minnesota Board of Water and Soil Resources offers cost-share assistance to local Soil and Water Conservation Districts for construction costs of water quality projects. Frequently, these projects identify the need to restore wetlands and retire highly erodible croplands on private lands. Likewise, Watershed Management Districts, particularly in western Minnesota, have contributed cost-share grants for flood control purposes. Resto-

ration of drained wetlands and enhancement of existing wetlands are projects eligible for this program, depending on flood control benefits. Private landowners located in watersheds for which a need exists to improve water quality or control flood waters should contact their local Soil and Water Conservation District for additional information.

Private Conservation Organization Programs

In recent years, private conservation organizations have been instrumental in promoting wildlife habitat improvement projects on private lands. Several of these organizations are national or international in scope, while others are regional or local. Collectively, these conservation organizations are a great source of financial and technical assistance for the private landowner who wishes to improve lands for waterfowl.

Ducks Unlimited—U.S. Habitat Program

Since 1983 Ducks Unlimited has financed the improvement of waterfowl habitat in several States of the upper Midwest. Most of these projects were on public lands. Recently, however, Ducks Unlimited has expanded its program and assists in wetland restoration projects on private lands, including those lands enrolled in the Conservation Reserve Program. In cooperation with the U.S. Fish and Wildlife Service, Ducks Unlimited has assisted in restoring several hundred wetlands in North Dakota and western Minnesota.

Ducks Unlimited Canada—Prairie Care Program

Beginning in June 1989, farmers in selected areas of Canada's prairie Provinces were offered incentives and technical assistance to adopt conservation land-management practices or to convert marginal croplands to pastures or hayland. Annual rental payments are also used to maintain grass cover for several years. Additional information about this program can be obtained from Ducks Unlimited Canada, 1190 Waverly Street, Winnipeg, Manitoba R3T 2E2.

Pheasants Forever

Activities undertaken by Pheasants Forever include the restoration of upland nesting and wintering cover for pheasants. Many Pheasants Forever

projects also improve habitat for waterfowl; particularly where the organization finances the restoration of wetlands that provide excellent winter cover for pheasants in the upper Midwest. Local chapters also purchase or lease lands containing valuable habitats. Members of Pheasants Forever also work with private landowners, other private organizations, and government agencies to improve wildlife habitat.

The Nature Conservancy

The Nature Conservancy is an international organization, organized in the United States by State chapters; its purpose is to preserve rare and endangered plant and animal communities through land purchases and the acquisition of conservation easements. The Nature Conservancy also assists governments and other conservation organizations with land acquisitions, manages a worldwide system of nature preserves, and promotes legislation for the protection of ecological diversity.

Wetlands for Iowa

The Iowa Natural Heritage Foundation is a nonprofit organization whose purpose is to restore and preserve important resources within the State of Iowa. One such program is Wetlands for Iowa, which is designed to preserve existing wetlands and restore others. These wetlands may exist on private lands, and conservation easements can be acquired for their continued protection.

State Waterfowl Associations

These organizations assist in the restoration of wetlands located on CRP or public lands. Waterfowl associations and private duck-hunting clubs also purchase high-quality waterfowl habitat in fee title or protect important habitat through acquisition of perpetual conservation easements.

Local Hunting, Fishing, and Conservation Clubs

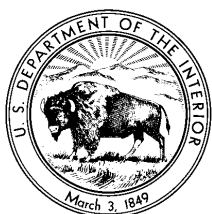
Local hunting, fishing, and conservation organizations are willing to assist private landowners with waterfowl habitat improvement projects. Many of these organizations have substantial financial resources that are often dedicated to wildlife habitat improvement projects on both public and private lands.

Summary

As indicated by the previous examples, a number of incentives exist for private landowners within certain areas to improve waterfowl management on their lands. Additional programs exist in Canada. Land managers and landowners interested in using these programs are encouraged to familiarize themselves with programs in their area. If no incentives exist for wildlife habitat protection of private lands, those interested are urged to promote the implementation of such programs through their local, State, and Federal governments. This participation is critical as we approach the next century, where the future of waterfowl in North America will depend on innovative programs to encourage resource conservation on private lands.

Suggested Reading

- Henderson, F. R. 1984. Guidelines for increasing wildlife on farms and ranches. Kansas State University Cooperative Extension Service, Manhattan. 572 pp.
- Messmer, T. 1989. North Dakota wildlife conservation programs. North Dakota State University Extension Service, Fargo. Pub. WL-942 revised. 16 pp.
- Steward, D., D. DeFrates, and K. Peper. 1988. Nonregulatory wetland protection options. Minnesota Board of Water and Soil Resources, St. Paul. 17 pp.
- Ward, J. R., F. K. Benfield, and A. E. Kinsinger. 1989. Reaping the revenue code. Natural Resources Defense Council, New York. 142 pp.



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