

2025



EXECUTIVE SUMMARY
of the
**SOUTH CAROLINA
CONSERVATION BANK STUDY**

FINDINGS

During the study of the South Carolina Conservation Bank, the Economic Development, Transportation, and Natural Resources Subcommittee (Subcommittee) of the House Government Efficiency and Legislative Oversight Committee (Committee) adopts 10 findings.

Findings note information a member of the public or General Assembly may seek to know or on which they may desire to act.

FINDING ONE

The South Carolina Conservation Bank plays a vital role in preserving the state's forestlands, farmlands, and wetlands, which contributes to the state's economy in various direct and indirect means.

FINDING TWO

The Conservation Bank utilizes conservation easements and fee simple acquisitions as its primary tools to protect land, with average costs of \$437 per acre for easements and \$1,804 per acre for fee simple acquisitions.

FINDING THREE

Landowners who conserve property through the Conservation Bank may be eligible for a South Carolina state income tax credit equal to 25% of the appraised value of the conservation easement, capped at \$250 per acre and \$52,500 per year, as well as federal income and estate tax deductions.

FINDING FOUR

The Conservation Bank is governed by a 17-member board and operates with only four full-time employees, making it one of the smallest state agencies by staff size.

FINDING FIVE

The Conservation Bank targets land protection projects that align with state priorities as well as objective, subjective, and financial criteria.

FINDING SIX

The Conservation Bank operates as a standalone state agency with a narrow, specialized focus on land conservation, which enables it to act quickly and secure high priority properties before opportunities are lost.

FINDING SEVEN

The Conservation Bank does not negotiate real estate transactions directly; instead, it relies on land trusts and other partners to structure deals and ensure compliance with conservation easements terms.

FINDING EIGHT

Recent increases to the Conservation Bank's budget reflect a legislative focus on transparency and fiscal accountability.

FINDING NINE

The Conservation Bank leverages reimbursable grants to enable land trust partners to act quickly in competitive real estate markets, while also providing time to pursue and secure matching federal funds.

FINDING TEN

As part of the state's annual budget process, each agency must identify a 3% reduction in general fund appropriations in case strategic cuts are required. For the Conservation Bank, a 3% reduction in FY 2025-26 amounts to \$487,809.

RECOMMENDATIONS

During the study of the South Carolina Conservation Bank, the Economic Development, Transportation, and Natural Resources Subcommittee (Subcommittee) of the House Government Efficiency and Legislative Oversight Committee (Committee) adopts 10 recommendations.

With any study, the Committee recognizes these recommendations (e.g., continue, curtail, improve areas potentially, and/or eliminate agency programs, etc.) will not satisfy everyone nor address every issue or potential area of improvement at the agency. Recommendations are based on the agency's self-analysis requested by the Committee, discussions with agency personnel during multiple meetings, and analysis of the information obtained by the Committee. This information, including, but not limited to, the Initial Request for Information, Accountability Report, Restructuring Report, and videos of meetings with agency personnel, is available on the Committee's website.

Modernization of Laws

RECOMMENDATION ONE

The Committee recommends that the General Assembly consider enacting legislation that establishes a statewide conservation goal such as conserving 30% of the state's land by 2030 as proposed in H.5125 (2020).

RECOMMENDATION TWO

The Committee recommends that the General Assembly consider enacting legislation to designate the Conservation Bank as the central clearinghouse for state funds used by agencies for strategic land acquisitions.

RECOMMENDATION THREE

The Committee recommends that the General Assembly consider amending Section 48-59-30(d) (Supp. 2024) of the Code, as proposed by the Conservation Bank, to establish a \$100,000 minimum financial threshold for non-profit entities to qualify as eligible trust fund recipients.

RECOMMENDATION FOUR

The Committee recommends that the General Assembly consider amending Section 48-59-40 (A) (Supp. 2024) of the Code, as proposed by the Conservation Bank, to expand the Bank's board from 17 to 18 members by adding the Chief Resilience Officer of the South Carolina Office of Resilience as an ex officio member.

RECOMMENDATION FIVE

The Committee recommends that the General Assembly consider amending Section 48-59-50 (B) (Supp. 2024) of the Code, as proposed by the Conservation Bank, to better reflect how information is shared and disseminated to the Governor, Lieutenant Governor, and General Assembly.

RECOMMENDATION SIX

The Committee recommends that the General Assembly consider amending Section 48-59-70 (F)(2) (Supp. 2024) of the Code, as proposed by the Conservation Bank, to provide for staggered two-year terms for members of the grant review committee.

RECOMMENDATION SEVEN

The Committee recommends that the General Assembly consider amending Section 48-59-80(D) (2008) of the Code, as proposed by the Conservation Bank, to remove the requirement that the Bank must be named as an insured on a title insurance policy approved to the board.

RECOMMENDATION EIGHT

The Committee recommends that the General Assembly consider amending Section 48-59-80(G)(1) (2008) of the Code, as proposed by the Conservation Bank, to align the language with federal and state tax laws so that the language marries with the perpetuity requirement underpinning tax laws associated with conservation conveyances, and to specify judicial extinguishment as the sole method for removing conservation restrictions.

RECOMMENDATION NINE

The Committee recommends that the General Assembly consider amending Section 48-59-100 (2008) of the Code, as proposed by the Conservation Bank, to clarify that public access is required only when grant funds are used to acquire land in fee simple.

RECOMMENDATION TEN

The Committee recommends that the General Assembly consider amending Section 48-59-110(A) (Supp. 2024) of the Code, as proposed by the Conservation Bank, to clarify that grant funds may be disbursed at or after a closing.