



Mechanisms for State-Level Wildlife Funding

Your state wildlife action plan is a persuasive statement of need for the dedicated funding your agency needs! To take advantage of this opportunity, you'll need to select a mechanism with a history of success. The mechanisms profiled below range from nearly \$100 million/yr supporting an entire agency to just \$1 million/yr focused specifically on matching State Wildlife Grants. Likewise means of passage ranged from a 10-year public ballot campaign to ideas hatched by legislators and passed without a fight. The best mechanism and campaign strategy for your state will depend on your funding needs, constitutional options, legislative relationships and the strength of your Teaming with Wildlife Coalition. The following is a sampling of mechanisms you might consider:

General Sales Tax

The sales taxes passed by Missouri and Arkansas are the envied nationwide for their permanence and reliability of funding (\$96 and \$22 million respectively in 2004). Sales taxes, however, often require constitutional amendments making them notoriously difficult to pass.

Pros

- Potential for large amounts of reliable, unrestricted funding
- Generally permanent and extremely difficult to divert
- Similar burden on urban vs. rural residents

Cons

- Generally requires constitutional amendment, making passage extremely difficult, usually needs a legislative super-majority *and* a voter referendum
- Long campaign and explicit tax likely to attract organized opposition
- No increases for inflation once fixed in constitution

Dedication of Sales Taxes on Outdoor Gear

Texas and Virginia each passed legislative bills dedicating a share of the existing sales taxes collected on outdoor gear to wildlife conservation. Rather than creating a new tax, independent estimates of spending are used to allocate a share of general revenue to wildlife accounts. Spending on wildlife conservation can thus be justified as a user-pay--user-benefit model, without the administrative burden and potential opposition that comes with a separate tax.

Pros

- The "user-pays, user-benefits" concept is appealing to legislators
- Generally can be passed with a simple legislation
- Unlike a new excise tax, dedicating existing sales tax is popular with retailers
- Low administrative costs- Virginia allocates revenues based on spending estimates in the "National Survey of Fishing, Hunting & Wildlife-Associated Recreation."
- If properly dedicated, can be a substantial and growing source of revenue

Cons

- Legislative promises are easily broken:
 - Texas capped revenue at \$32m/yr and has diverted some of that to debt service
 - Virginia's legislature has allocated fluctuating amounts under the \$13m/yr cap
- Allocated revenues and the mechanisms themselves must be defended every year
- Virginia receives no general fund appropriations outside this allocation

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Real Estate Transfer Tax

In Florida and South Carolina a portion of the *existing* document recording fees on the transfer of real estate were dedicated to their state wildlife agencies for land protection. A similar measure *increasing* transfer taxes in Georgia passed the assembly but failed at the ballot box due to opposition from the well-networked real estate industry. Realtors also defeated a Senate version of South Carolina's "Conservation Bank Act" *increasing* the fee but supported dedicating *existing* fees. Florida's case is somewhat unique in that these fees comprise nearly half the state's revenue and even the small percentage secured for wildlife amounted to \$36M last year.

Pros

- Link between development and habitat loss helps to justify this mechanism
- Generally does not require a constitutional amendment
- Large windfalls are possible in a hot real estate market

Cons

- The real estate industry has enormous grassroots resources. Do not attempt this mechanism unless you can avoid or effectively counter real estate opposition.
- Revenues can crash when property values fall or sales slow

Dedicated Lottery Funds

Ballot initiatives in Arizona and Colorado dedicated lottery funding to conservation. Their wildlife agencies receive \$10m & \$8.75m respectively each year. Maine's legislature created a specific lottery ticket dedicated to conservation, providing \$1.5m in the first year and declining amounts since. While funds are declining in Maine, and Arizona's have been raided, Colorado's funding is safeguarded by a constitutional amendment and is adjusted for inflation.

Pros

- While they compete with other interests, lotteries attract less anti-tax opposition
- A constitutional amendment generally isn't necessary for a lottery mechanism (but having one makes funding permanent and more reliable)
- Funding can be substantial, unless it's tied to the marketing of a specific game

Cons

- Anti-gambling opposition can be powerful, even when earmarking existing revenues
- In Colorado and Maine, independent boards have dedicated funding to projects and priorities other than those the agencies would have chosen
- Arizona's legislature can (and once did) divert funding, requiring constant vigilance

Other Creative Approaches:

- In 2005, New Jersey's Legislature passed a bill promising to appropriate sufficient general funds to match State Wildlife Grants each year. While this mechanism is nothing more than a promise, it has been kept for a second year despite a severe budget crisis.
- In 2002, Nevada voters approved general obligation bonds that could be used not just for land protection, but also for "improvement of existing habitats." This more flexible definition allows for spending on a more diverse array of projects.
- Florida's wildlife diversity program is supported by a unique mechanism that allocates revenues from speeding fines. Under pressure from wildlife supporters, legislative staff suggested this alternative mechanism.
- Additional mechanisms are discussed in *Investing in Wildlife: State Wildlife Funding Campaigns*, a report by graduate students at the University of Michigan.

The *Investing with Wildlife* report, links to legislative text and other resources are available at:
www.teaming.com/state_funding_initiatives.htm

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Excerpts from Legislative Text of Successful Funding Mechanisms

Full text available at: www.teaming.com/state_funding_initiatives.htm.

Missouri—Conservation Sales Tax

www.moga.missouri.gov/const/A04043a.HTM; www.moga.missouri.gov/const/A04043b.htm

Missouri Constitution

Article IV

Section 43(a)

Sales tax, use for conservation purposes.

Section 43(a). For the purpose of providing additional moneys to be expended and used by the conservation commission, department of conservation, for the control, management, restoration, conservation and regulation of the bird, fish, game, forestry and wildlife resources of the state, including the purchase or other acquisition of property for said purposes, and for the administration of the laws pertaining thereto, an additional sales tax of one-eighth of one percent is hereby levied and imposed upon all sellers for the privilege of selling tangible personal property or rendering taxable services at retail in this state upon the sales and services which now are or hereafter are listed and set forth in, and, except as to the amount of tax, subject to the provisions of and to be collected as provided in the "Sales Tax Law" and subject to the rules and regulations promulgated in connection therewith; and an additional use tax of one-eighth of one percent is levied and imposed for the privilege of storing, using or consuming within this state any article of tangible personal property as set forth and provided in the "Compensating Use Tax Law" and, except as to the amount of the tax, subject to the provisions of and to be collected as provided in the "Compensating Use Tax Law" and subject to the rules and regulations promulgated in connection therewith.

Use of revenue and funds of conservation commission.

Section 43(b). The moneys arising from the additional sales and use taxes provided for in section 43(a) hereof and all fees, moneys or funds arising from the operation and transactions of the conservation commission, department of conservation, and from the application and the administration of the laws and regulations pertaining to the bird, fish, game, forestry and wildlife resources of the state and from the sale of property used for said purposes, shall be expended and used by the conservation commission, department of conservation, for the control, management, restoration, conservation and regulation of the bird, fish, game, forestry and wildlife resources of the state, including the purchase or other acquisition of property for said purposes, and for the administration of the laws pertaining thereto, and for no other purpose. The moneys and funds of the conservation commission arising from the additional sales and use taxes provided for in 43(a) hereof shall also be used by the conservation commission, department of conservation, to make payments to counties for the unimproved value of land for distribution to the appropriate political subdivisions as payment in lieu of real property taxes for privately owned land acquired by the commission after July 1, 1977 and for land classified as forest cropland in the forest cropland program administered by the department of conservation in such amounts as may be determined by the conservation commission, but in no event shall the amount determined be less than the property tax being paid at the time of purchase of acquired lands.

Arkansas—Conservation Sales Tax

<http://www.sos.arkansas.gov/ar-constitution/arcamend75/arcamend75-2.htm>

§ 2. [Excise tax levied].

(a) There is hereby levied an additional excise tax of one-eighth of one percent (1/8 of 1%) upon all

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taxable sales of property and services subject to the tax levied by the Arkansas Gross Receipts Act (Arkansas Code § 26-52-101 et seq.), and such tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting and payment of all other Arkansas gross receipts taxes.

(b) There is hereby levied an additional excise tax of one-eighth of one percent (1/8 of 1%) upon all tangible personal property subject to the tax levied by the Arkansas Compensating Tax Act (Arkansas Code § 26-53-101 et seq.), and such tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting and payment of Arkansas compensating taxes.

§ 3. Use of proceeds.

(a) Notwithstanding any provision of Amendment 35 or any other provision of the Arkansas Constitution to the contrary, forty-five percent (45%) of all monies collected from the tax levied herein shall be deposited in the State Treasury as special revenues and credited to the Game Protection Fund to be used exclusively by the Arkansas Game and Fish Commission, as appropriated by the General Assembly.

Texas—Sporting Goods Sales Tax

<http://www.capitol.state.tx.us/statutes/tx.toc.htm> see § 151.801

SUBCHAPTER M. DISPOSITION OF PROCEEDS

§ 151.801. DISPOSITION OF PROCEEDS. (a) Except for the amounts allocated under Subsections (b) and (c), all proceeds from the collection of the taxes imposed by this chapter shall be deposited to the credit of the general revenue fund.

(b) The amount of the proceeds from the collection of the taxes imposed by this chapter on the sale, storage, or use of lubricating and motor oils used to propel motor vehicles over the public roadways shall be deposited to the credit of the state highway fund.

(c) The proceeds from the collection of the taxes imposed by this chapter on the sale, storage, or use of sporting goods shall be deposited as follows:

(1) For the period beginning September 1, 1993, and ending August 31, 1995, an amount equal to 50 cents per 1,000 cigarettes shall be deposited to the credit of the general revenue fund, state parks account, and an amount equal to 50 cents per 1,000 cigarettes shall be deposited to the credit of the general revenue fund, Texas recreation and parks account, and the balance shall be retained in the general revenue fund.

(2) Beginning September 1, 1995, the taxes collected shall be credited to the Parks and Wildlife Department and deposited as specified in the Parks and Wildlife Code. The comptroller shall not credit in excess of \$32 million in sporting goods tax revenue annually to the Parks and Wildlife Department

Virginia House Bill 38—Dedicating Sales Tax Revenues on Outdoor Gear

<http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+58.1-638>

E. Beginning July 1, 2000, of the remaining sales and use tax revenue, the revenue generated by a two percent sales and use tax, up to an annual amount of \$13 million, collected from the sales of hunting equipment, auxiliary hunting equipment, fishing equipment, auxiliary fishing equipment, wildlife-watching equipment, and auxiliary wildlife-watching equipment in Virginia, as estimated by the most recent U.S. Department of the Interior, Fish and Wildlife Service and U.S. Department of Commerce, Bureau of the Census National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, shall be paid into the Game Protection Fund established under § [29.1-101](#) and shall be

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used, in part, to defray the cost of law enforcement. Not later than 30 days after the close of each quarter, the Comptroller shall transfer to the Game Protection Fund the appropriate amount of collections to be dedicated to such Fund. At any time that the balance in the Capital Improvement Fund, established under § [29.1-101.1](#), is equal to or in excess of \$35 million, any portion of sales and use tax revenues that would have been transferred to the Game Protection Fund, established under § [29.1-101](#), in excess of the net operating expenses of the Board, after deduction of other amounts which accrue to the Board and are set aside for the Game Protection Fund, shall remain in the general fund until such time as the balance in the Capital Improvement Fund is less than \$35 million.

South Carolina—Real Property Transfer Tax

<http://www.scstatehouse.net/code/t12c024.doc>

CHAPTER 24.

DEED RECORDING FEE

SECTION 12-24-10. Recording fee.

In addition to all other recording fees, a recording fee is imposed for the privilege of recording a deed in which any lands and all improvements on the land, tenements, or other realty is transferred to another person. The fee is one dollar eighty-five cents for each five hundred dollars, or fractional part of five hundred dollars, of the realty's value as determined by Section 12-24-30.

SECTION 12-24-95. State deed recording fee credited to South Carolina Conservation Bank Trust Fund.

Notwithstanding the provisions of Section 12-24-90(B)(3) of the 1976 Code, effective July 1, 2003, twenty-five cents of the one dollar thirty-cent state deed recording fee must be credited to the South Carolina Conservation Bank Trust Fund.

Florida—Documentary Stamp Tax

http://www.flsenate.gov/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=Ch0201/SEC15.HTM&Title=->2006->Ch0201->Section%2015#0201.15

http://www.flsenate.gov/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=Ch0201/SEC15.HTM&Title=->2006->Ch0201->Section%2015#0201.15

201.02 Tax on deeds and other instruments relating to real property or interests in real property.--

(1) On deeds, instruments, or writings whereby any lands, tenements, or other real property, or any interest therein, shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or any other person by his or her direction, on each \$100 of the consideration therefor the tax shall be 70 cents. When the full amount of the consideration for the execution, assignment, transfer, or conveyance is not shown in the face of such deed, instrument, document, or writing, the tax shall be at the rate of 70 cents for each \$100 or fractional part thereof of the consideration therefor. For purposes of this section, consideration includes, but is not limited to, the money paid or agreed to be paid; the discharge of an obligation; and the amount of any mortgage, purchase money mortgage lien, or other encumbrance, whether or not the underlying indebtedness is assumed. If the consideration paid or given in exchange for real property or any interest therein includes property other than money, it is presumed that the consideration is equal to the fair market value of the real property or interest therein.

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Florida—Speeding Fines

http://www.flsenate.gov/Statutes/index.cfm?mode=View%20Statutes&SubMenu=1&App_mode=Display_Statute&Search_String=318.21&URL=CH0318/Sec18.HTM

318.21 Disposition of civil penalties by county courts.--All civil penalties received by a county court pursuant to the provisions of this chapter shall be distributed and paid monthly as follows:

7) For fines assessed under s. [318.18](#)(3) for unlawful speed, the following amounts must be remitted to the Department of Revenue for deposit in the Nongame Wildlife Trust Fund:

For speed exceeding the limit by:

1-5 m.p.h.	\$.00
6-9 m.p.h.	\$.25
10-14 m.p.h.	\$ 3.00
15-19 m.p.h.	\$ 4.00
20-29 m.p.h.	\$ 5.00
30 m.p.h. and above	\$10.00

The remaining amount must be distributed pursuant to subsections (1) and (2).

Arizona Heritage Fund (Lottery)

<http://www.azleg.gov/FormatDocument.asp?inDoc=/ars/5/00522.htm&Title=5&DocType=ARS>

4. For payment to the state general fund of not less than twenty-one and one-half per cent of the revenues received from the sale of any instant bingo games conducted by the state lottery and not less than twenty-nine per cent of the revenues received from the sale of any on-line three-number games conducted by the state lottery, up to a maximum of ten million dollars each fiscal year, except that if on or before June 1 of each fiscal year the state lottery director determines that monies available to the Arizona state parks board heritage fund under subsection D of this section may not equal ten million dollars in that fiscal year or that the monies available to the Arizona game and fish commission heritage fund under subsection D of this section may not equal ten million dollars in that fiscal year, or both, the director shall authorize deposits to the Arizona state parks board heritage fund in an amount so that the total monies in that fund in that fiscal year equal ten million dollars or to the Arizona game and fish commission heritage fund in an amount so that the total monies in that fund in that fiscal year equal ten million dollars, or both. The state lottery director shall not make any deposits pursuant to this paragraph until after the director's determination each fiscal year.

Colorado—Great Outdoors Colorado Trust Fund (Lottery)

Constitution of the State of Colorado [1876]

§ 1. Great Outdoors Colorado Program

(1) The people of the State of Colorado intend that the net proceeds of every state-supervised lottery game operated under the authority of Article XVIII, Section 2 shall be guaranteed and permanently dedicated to the preservation, protection, enhancement and management of the state's wildlife, park, river, trail and open space heritage, except as specifically provided in this article. Accordingly, there shall be established the Great Outdoors Colorado Program to preserve, protect, enhance and manage the state's wildlife, park, river, trail and open space heritage. The Great Outdoors Colorado Program shall include:

(a) Wildlife program grants which:

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- (I) Develop wildlife watching opportunities;
- (II) Implement educational programs about wildlife and wildlife environment;
- (III) Provide appropriate programs for maintaining Colorado's diverse wildlife heritage;
- (IV) Protect crucial wildlife habitats through the acquisition of lands, leases or easements and restore critical areas;

§ 2. Trust Fund created

A fund to be known as the Great Outdoors Colorado Trust Fund, referred to in this article as the "Trust Fund," is hereby created and established in the Treasury of the State of Colorado.

§ 3. Moneys allocated to Trust Fund

(1) Beginning with the proceeds from the fourth quarter of the State's Fiscal Year 1992-1993, all proceeds from all programs, including Lotto and every other state-supervised lottery game operated under the authority of Article XVIII, Section 2 of the Colorado Constitution, whether by the Colorado Lottery Commission or otherwise (such programs defined hereafter in this Article as "Lottery Programs"), net of prizes and expenses of the state lottery division and after a sufficient amount of money has been reserved, as of the end of any fiscal quarter, to ensure the operation of the lottery for the ensuing fiscal quarter (such netted proceeds defined hereafter in this Article as "Net Proceeds") are set aside, allocated, allotted, and continuously appropriated as follows, and the Treasurer shall distribute such proceeds no less frequently than quarterly, as follows:

§ 5. Trust Fund expenditures

(1)

(a) Expenditures from the Trust Fund shall be made in furtherance of the Great Outdoors Colorado Program, and shall commence in State Fiscal Year 1993- 94. The Board of the Trust Fund shall have the duty to assure that expenditures are made for the purposes set forth in this section and in section 6, and that the amounts expended for each of the following purposes over a period of years be substantially equal:

(I) Investments in the wildlife resources of Colorado through the Colorado Division of Wildlife, including the protection and restoration of crucial wildlife habitats, appropriate programs for maintaining Colorado's diverse wildlife heritage, wildlife watching, and educational programs about wildlife and wildlife environment, consistent with the purposes set forth in Section 1(1)(a) of this article;

§ 9. Eminent domain

No moneys received by any state agency pursuant to this article shall be used to acquire real property by condemnation through the power of eminent domain.

Maine—Outdoor Heritage Fund (Lottery)

<http://janus.state.me.us/legis/statutes/8/title8sec374.html>

Maine Revised Statutes Annotated)

§ 374. Commission; powers and duties

5. Wildlife lottery game. No later than January 30, 1996, the commission, in consultation with the Maine Outdoor Heritage Fund Board, shall develop and initiate a wildlife lottery game designed to raise funds for the Maine Outdoor Heritage Fund established pursuant to Title 12, chapter 903, subchapter 6. [FN2] The sales commission paid to agents for the sale of wildlife lottery game tickets must be one percentage point higher than the sales commission paid to agents for the sale of other instant lottery game tickets. The commission shall provide the net proceeds of this wildlife lottery game to the Maine Outdoor Heritage Fund annually. The commission shall change the wildlife game ticket periodically throughout the year.

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New Jersey--State Wildlife Grants Matching Legislation

1. There shall be appropriated each year from the General Fund to the Department of Environmental Protection a sum sufficient to provide the State match required to qualify for any federal grants or other assistance apportioned and made available to the State of New Jersey under the State Wildlife Grants Program or any similar program established pursuant to federal law, rule, or regulation for the purpose of benefitting wildlife and their habitat, including species that are not hunted or fished. The sum appropriated each year shall be expended by the Division of Fish and Wildlife in the Department of Environmental Protection for the purposes and in accordance with the requirements of the federal program and to allow the Endangered and Nongame Species Program in the division to perform its duties and responsibilities.

2. There is appropriated from the General Fund to the Department of Environmental Protection the sum of \$381,715 to provide the State match for the year 2004 sums which have been apportioned and made available to the State of New Jersey under the State Wildlife Grants Program established by the federal government. The sum appropriated pursuant to this section shall be expended by the Division of Fish and Wildlife in the Department of Environmental Protection for the purposes and in accordance with the requirements of the federal program and to allow the Endangered and Nongame Species Program in the division to perform its duties and responsibilities. To the extent that the State has expended any funds from other sources to provide the State match for the year 2004 under the State Wildlife Grants Program established by the federal government, the sum appropriated pursuant to this section shall be used to fully reimburse those other sources accordingly.

Nevada—General Obligation Bonds Allowing for “Habitat Improvement”

<http://www.leg.state.nv.us/17thspecial/bills/ab/ab9%5Fen.html>

Section 1.

At the general election to be held on November 5, 2002, there must be submitted to the voters of this state, in the manner prescribed by chapter 349 of NRS, a proposal to issue general obligation bonds of the state to protect, preserve and obtain the benefits of the property and natural resources of this state in an amount not to exceed \$200,000,000. If the proposal is carried, the bonds may be issued at one time or from time to time, and the Legislature shall levy such tax as may be necessary to pay the principal of and interest on the bonds. The proceeds of such tax together with any other amounts appropriated to pay the principal of and interest on the bonds when due must be deposited in the consolidated bond interest and redemption fund.

Sec. 2.

Except as otherwise provided in subsection 9 of section 3 of this act, of the total bond issue, if approved pursuant to section 1 of this act:

1.

2. An amount of \$27,500,000 must be allocated to the Division of Wildlife of the State Department of Conservation and Natural Resources for the following purposes:

(a) For the acquisition of real or personal property or interests in real or personal property to enhance, protect, and manage wildlife and wildlife habitat or enhance recreational opportunities related to wildlife, or both; or

(b) For the development and renovation of facilities or the improvement of existing habitats for fish and other wildlife.

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