



MEMORANDUM

TO: INTERESTED PARTIES

FROM: LORI WEIGEL, PUBLIC OPINION STRATEGIES
DAVID METZ, FAIRBANK, MASLIN, MAULLIN, METZ & ASSOCIATES

DATE: JANUARY 21, 2013

RE: KEY FINDINGS FROM A SURVEY OF IOWA VOTERS REGARDING A TAX INCREASE
TO FUND THE NATURAL RESOURCES & OUTDOOR RECREATION TRUST FUND

The bipartisan research team of Public Opinion Strategies (R) and Fairbank, Maslin, Maullin, Metz & Associates (D) recently completed a survey of 500 voters throughout Iowa regarding their perceptions of the Natural Resources and Outdoor Recreation Trust Fund and a tax increase to fund it.¹ The survey results show that a solid majority of Iowa voters support the Legislature increasing the state sales tax by three-eighths of one cent if those funds are directed to the Trust Fund which voters approved in 2010. A majority of voters in every area of the state, across the political spectrum, and of most demographic sub-groups respond positively to this sales tax increase. The survey indicates that support is grounded in a widely-held desire to ensure future generations can enjoy the state's land, water and wildlife much as Iowans do today, a belief that these things contribute to the state economy and a desire to help farmers improve water quality.

Specifically, the survey found that:

- **The overwhelming majority of Iowa voters look back on the creation of the Natural Resources and Outdoor Recreation Trust Fund as a positive.** Given that some respondents are not familiar with the Trust Fund, respondents were provided with a brief explanation of it: *"Next I would like to ask you about a state constitutional amendment that was passed by 63 percent of Iowa voters in 2010, called the Water and Land Legacy Amendment. The amendment created the Natural Resources & Outdoor Recreation Trust Fund to protect*

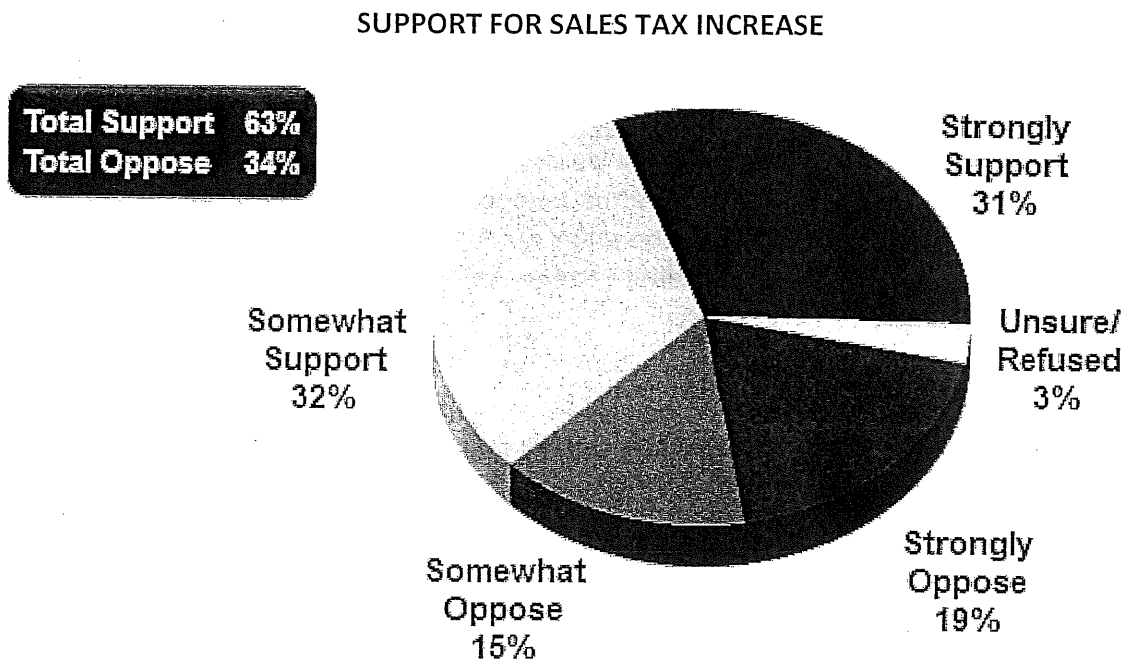
¹ **Methodology:** Fairbank, Maslin, Maullin, Metz & Associates and Public Opinion Strategies conducted a telephone survey of N=500 voters in Iowa. The survey was conducted January 10-13, 2013 and has an overall margin of error of +4.38%. Sampling error for subgroups within the sample will be larger. Interviews were distributed proportionally throughout the state, and are demographically representative of the electorate. Interviews were conducted both on traditional land lines and cell phones.

water quality, agricultural soils and natural areas in the state. It did not raise taxes, but guaranteed that when the Iowa Legislature decides to increase the state sales tax rate in the future, the next three-eighths of one cent of rate increases would be dedicated to the trust fund."

Four-in-five state voters indicate support for the creation of the Trust Fund (79 percent), with a near majority (47 percent) indicating "strong" support. Only 16 percent of Iowa voters oppose the creation of the Trust Fund to address these conservation issues. Support for the Trust Fund is strong throughout the state (75 percent or higher in every region of the state), and with all sub-groups of the electorate, including 71 percent of Republicans, 79 percent of independents, and 87 percent of Democrats.

- In addition, more than three-in-five Iowa voters support the Legislature increasing the state sales tax, knowing those funds would be dedicated to the Trust Fund. A solid 63 percent majority of Iowa voters support "the State Legislature increasing sales taxes by three-eighths of one cent to fund the Natural Resources & Outdoor Recreation Trust Fund approved by the voters in 2010 to protect water, land, and wildlife, and ensuring strict accountability for all funds, including independent public audits and citizen oversight."

As one can see in the following graph, support is intense – as nearly one-third (31 percent) "strongly" support a tax increase to finance the Trust Fund. Conversely, only 34 percent offer any level of opposition to such a tax increase.

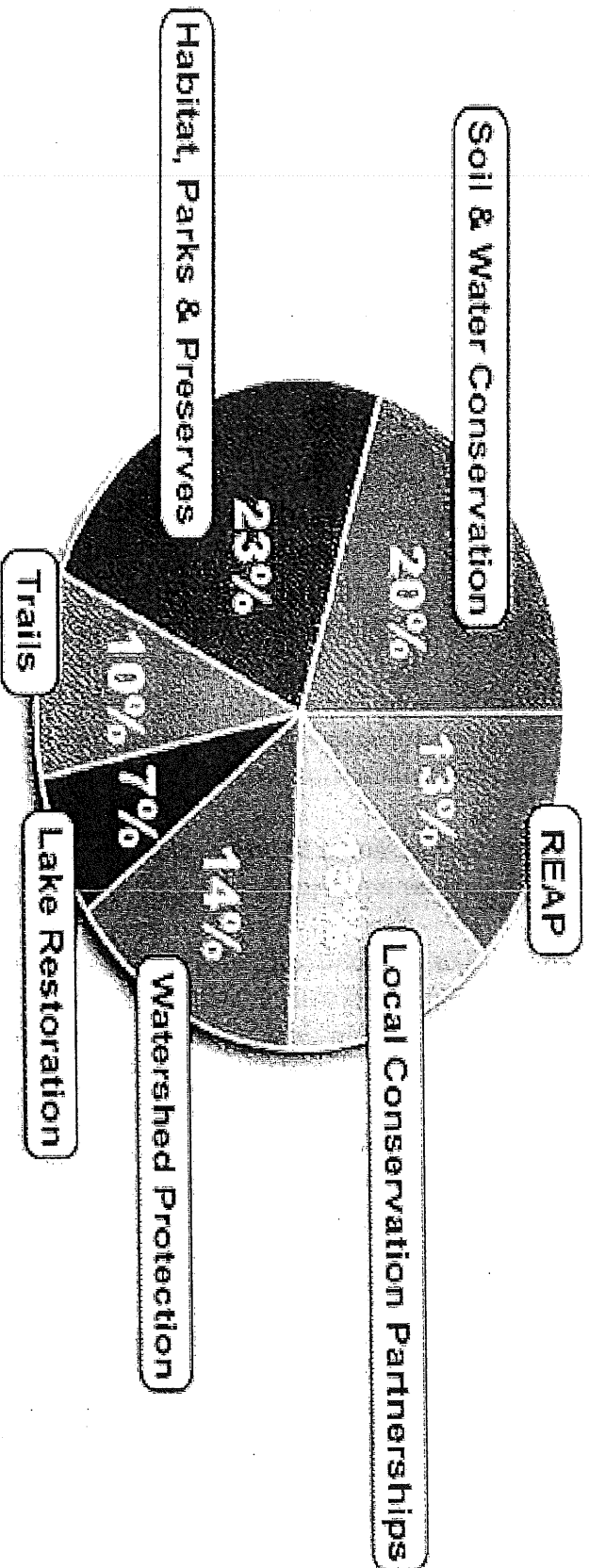


- Support for the Legislature financing the Natural Resources and Outdoor Recreation Trust Fund through a sales tax increase is broad-based and widespread. Majorities of many key sub-groups – particularly key swing voter sub-groups – express support, including...

- 70 percent of women and 54 percent of men;
 - 65 percent in the Cedar Rapids media market; 63 percent in the Davenport market, 58 percent in Des Moines and Sioux City markets, and 71 percent in the remainder of the state;
 - 79 percent of Democrats, 61 percent of independents, and 50 percent of GOP voters;
 - 66 percent of city voters, 67 percent of suburbanites, 62 percent of small town residents and 58 percent of rural residents; and
 - 58 percent of those whose livelihood is dependent on farming.
- **Support for the Trust Fund and the Legislature financing it through a state sales tax increase is higher among sportsmen than among those who do not think of themselves as a hunter or angler.** A significant 42 percent of voters say they consider themselves to be a hunter or angler. Fully 81 percent of these voters express support for the creation of the Natural Resources and Outdoor Recreation Trust Fund (compared to 78 percent of non-sportsmen). Similarly, two-thirds of hunters and anglers support the Legislature increasing the sales tax in order to provide funding to the Trust Fund. Again, this is slightly higher than among Iowans who do not hunt or fish (60 percent support for the tax increase).
 - **Support for the Trust Fund and a tax increase to finance it appear to be grounded in broad agreement with a number of key conservation values:**
 - There is near universal agreement that “we need to ensure that our children and grandchildren can enjoy Iowa's land, water, wildlife and natural beauty the same way we do” (97 percent agree, 76 percent strongly agree).
 - More than nine-in-ten (92 percent) believe that “we have a moral responsibility to care for God's creation.”
 - Nearly as many agree with a statement that “water quality is key to Iowa's quality of life. We need to help farmers improve water quality through voluntary incentives to help prevent run-off and reduce soil erosion from our farms” (89 percent agree, 60 percent strongly agree).
 - Fully 83 percent of voters say that “Iowa's parks, trails, wildlife areas, and other public lands are an essential part of our economy” (a majority of 52 percent agrees “strongly”).
 - **In conclusion, the survey indicates a significant amount of good will for the voter-approved Trust Fund and a real openness among the electorate to a tax increase to finance it – willingness that cuts across party lines, geographic areas, and other distinctions.**

What the Amendment Does

- Oversight built into the Trust Fund – both legislative oversight and two (2) public audits on a yearly basis.
- Formula driven approach, modeled after Iowa's successful REAP program – helps avoid special interest earmarks and political game playing
- Restricted to voluntary conservation programs





Talking Points

Iowa's Water & Land Legacy Coalition supports fully funding the Natural Resources & Outdoor Recreation Trust in an amount equivalent in value to a 3/8ths of one percent sales tax increase. We support a funding mechanism that would dedicate sustainable funding to the Trust Fund on an annual basis, and would be constitutionally protected. Based on estimates from Iowa State University's Center on Agriculture and Rural Development we expect this amount to be approximately \$123.4 million on an annual basis. This amount would fluctuate based on the value of 3/8ths of one percent of the state sales tax.

Benefits

- Fully funding the Natural Resources & Outdoor Recreation Trust Fund would help protect sources of clean drinking water, our rivers/lakes/streams, and fund vital watershed improvements that would help prevent future flooding.
- Spending on conservation & outdoor recreation reaps economic benefits as well. A 2012 ISU study has shown that conservation & outdoor recreation generate over \$3 billion in economic activity on a yearly basis and support over 31,000 jobs.
- Funding for voluntary conservation programs can help Iowa farmers invest in cleaner water, soil conservation and programs that can increase agricultural productivity and reduced soil erosion. Funding from the Trust Fund can't be used for regulatory efforts, enforcement actions or litigation.

Cost & Accountability

- The Natural Resources & Outdoor Recreation Trust Fund has accountability measures built in. All projects/expenditures are subject to an annual public audit and will be published on a website for review and comment from the public.
- The Trust Fund is constitutionally protected and can't be used for purposes beyond conservation & outdoor recreation. The fund was approved by 63% of Iowa voters in 2010 and will be held accountable by those same voters.
- Dedicating funds from the state budget to the Natural Resources & Outdoor Recreation Trust Fund would only cost the average Iowan just under \$4 per month, would account for less than 2% of the state budget, and would dedicate 2/3rds of the Trust Fund to measures that protect water quality and conserve Iowa's farmland.

Mechanism

- Iowa is currently operating with an over \$700 million budget surplus. Dedicating funds to the Trust Fund would not take away from education programs or other funding priorities. This is a common sense way to dedicate funding to water quality, agricultural soil conservation and outdoor recreation programs.

Public Support

- Iowans want to dedicate more resources to conservation. Amendment 1 passed with 63% of the vote in 2010, voters have approved ballot measures in both Polk and Johnson counties that dedicate resources, and poll after poll nationally shows support for conservation & outdoor recreation.
- Recent statewide bipartisan polling conducted by Public Opinion Strategies (R) & FM3 Research (D) shows 63% of Iowa voters support increasing the state sales tax 3/8ths of one percent to fund the Trust Fund. After demonstrating costs, benefits and other facts about the fund support holds strong. This support is wide-ranging, and geographically diverse as well. With majorities of Republicans, Independents and Democrats supporting the sales tax.