

February 18, 2015

TO: Representative Witt; Fish and Wildlife Funding Work Group

FROM: Dan Roper, Committee Services

SUBJECT: Analysis of Funding for State Fish and Wildlife Agencies

Background

Five options to increase revenue for state fish and wildlife management are discussed below:

1. Increase license and fee prices for hunting and angling;
2. Shift program funding to the General Fund;
3. Charge for agency program services;
4. Merge similar state agencies to reduce costs; and
5. Find alternative sources of funding.

Most states have explored and implemented alternative sources of funding, including sources from non-consumptives users (see Table 1). Several states have also increased revenue by increasing funding from the General Fund, notably Wyoming. At least five states now have a dedicated sales tax that goes to funding fish and wildlife agencies. Most recently Iowa and Minnesota passed legislatively-referred ballot measures that dedicate a portion of the state sales tax to natural resource management and conservation. The Iowa Outdoor Recreation Trust Fund Amendment was passed in 2010 and is estimated to generate about \$150 million a year for outdoor recreation and natural resources. In 2011, Colorado merged its State Parks and Wildlife departments into one agency to save approximately \$3 million annually. Montana and South Dakota had previously merged their parks and wildlife departments. This report highlights ideas and solutions from other states to improve funding for fish, wildlife, and parks.

Table 1: Primary Alternative Funding Mechanisms Used by Western Association of Fish and Wildlife Agencies Member States

Mechanism Type	WAFWA States
Sales Taxes on Outdoor Gear	TX
Impact Fees	MT, NV
State Lottery	AZ, CO, NE, OR
Gaming Revenue	AZ
License Plates	WA, TX, OK, CA, ID (more than 40 states)
Voluntary Conservation Stamp ¹	CA, TX, WA, OR
Mandatory Conservation Stamp	HI, UT, NM, NE, KS, WY, CO
Tax Check-off ²	CA, WA, AZ, OR, ND, MT, NE, ID, OK (more than 35 states)
Mandatory User Fee	CA, WA, NM, AK, CO, TX, OK

Voluntary Donation	NE
General Obligation Bond	NV

¹ Conservation stamps have been used by at least 10 WAFWA member states. Of those reporting, voluntary stamps raised between \$5,000 and \$100,000 annually, while mandatory stamps (attached to hunting/fishing licenses) raised up to \$1 million annually.

² Nongame/Diversity Tax Check-offs generally raise between \$50,000 and \$250,000 annually.

Funding in Oregon *needs update

Revenue from licenses and fees for hunting and angling continues to be the Oregon Department of Fish and Wildlife’s (ODFW’s) biggest funding source, accounting for nearly a third of the budget. Combined with federal excise taxes on hunting and fishing equipment that are returned to the states through the Dingell-Johnson and Pittman-Robertson Acts, sportsmen provide over half of the agency’s budget. In the 2013 -2015 biennium only five percent of ODFW’s budget came from the General Fund. Other states, including California, Wyoming, and Washington receive higher percentages from the General Fund. Agencies often increase their budgets through license and fee increases that need to be legislatively approved. This last occurred in Oregon in 2009. Currently ODFW is facing a \$32 million budget shortfall which the Governor’s Recommended Budget would fill through program reductions and efficiencies, fee increases, and shifting some costs to the General Fund.

Montana

In 2013-2014, the Fish and Wildlife Licensing and Funding Advisory Council (LFAC) spent nine months examining Montana’s hunting and fishing license system with a goal of generating revenue for fish and wildlife management and simplifying the license structure. The council produced a number of recommendations, now before the 2015 legislature as [House Bill 140](#). The recommendations include increasing resident and nonresident fishing license prices, reducing discounts for seniors and other groups, increasing prices more frequently, creating a base hunting license as a prerequisite to purchasing individual species tags, and adjusting special license fees. It is estimated that the recommendations would generate approximately \$6 million annually (note: the amended bill that passed in 2015 is expected to raise \$4.7 million in additional license revenue annually). The recommendations and supporting rationale are available online ([On the Hook: The Future of Fish and Wildlife in Montana](#)).

Wyoming

In 2005, Wyoming began allocating money from the General Fund to pay for the Department of Fish and Game’s aquatic and invasive species programs, wolf and sage grouse management, veterinary services programs, and sensitive nongame species programs. In 2014, the Legislature passed Senate File 45, which mandates that beginning in the 2017-18 biennial budget, the Game and Fish Commission will request funds from the state for grizzly bear management and to pay for its employees’ health insurance premiums. About \$2 million and \$4.8 million were spent on those items, respectively, in the current budget. The Legislature has not increased user fees since 2008.

Idaho

About 40 percent of Idaho Fish and Game’s budget comes from the sale of licenses, tags, and permits and the department receives no funds from Idaho’s General Fund. Idaho’s last hunting and fishing license fee increase was in 2005. [House Bill 32](#) (2015 session) would raise resident

licenses by 20 percent and allow users to lock in the current price for 3-5 years with subsequent purchases in each following year. (note: this bill did not make it out of committee) In August of 2012, Idaho Fish and Game organized the Idaho Wildlife Summit in order to discuss options to better fund wildlife management. A total of 41 revenue options were developed from Regional Work Group reports, past studies, and public comments (see Table 2).

Table 2: 41 Revenue Options for Idaho's Wildlife Diversity Program

Variations on Existing Mechanisms

1. Increase License Plate Purchases
2. Increase Personal Income Tax Check-Off for Non-Game Programs
3. Clarify Role of ID Fish & Wildlife Foundation & increase Direct Donations
4. Use College Interns and/or Americorps volunteers for WDP and IFWF projects

New, Non-legislative Mechanisms

5. Endowment Campaign
6. Adapt Culture of IDFG Toward Entrepreneurial Marketing & Fundraising
7. Broaden Outreach with Internet & Social Media
8. Crowd-funding Specific Projects
9. Idaho Wildlife Trust Membership
10. Idaho Wildlife Retail Products
11. Opportunity to Donate to WDP at License Purchase
12. "Round Up for Wildlife" Sales Challenge
13. Issue Wildlife Credit Card

New Taxes or Fees Requiring Legislation

14. Mandatory, Vehicle-based Conservation Stamp/ Access Card
15. Mandatory w Hunting & Fishing License, Individual-based Conservation/Habitat Stamp/ Access Card
16. Mandatory Conservation/Habitat Head Tax w or w/o Access
17. Voluntary Conservation Heritage / Non-Game Stamp / Nature Appreciation Card/ Wildlife Watchers' Card/Passport
18. Excise Tax on Outdoor Equipment
19. Nongame Wildlife Conservation Fund Tax Credit
20. Conservation/Habitat Fund Tax Credit
21. New Energy Development Tax
22. Real Estate Transfer Fee or Impact fee
23. Increase ORV Registration fees for WDP
24. Tax or Fee on OHV and Snowmobile Purchases
25. WDP Excise Tax On Outfitted Trips
26. Private Party River Float Permit Fee
27. Temporary Diversion of Sales Tax on Outdoor Equipment
28. Habitat Tax/registration Fee for Mountain Bikes
29. Charge Commercial Users of IFWIS information a Data User Fee
30. Increase and get share of general sales tax
31. Increase and get share of motor vehicle registration
32. Increase Gas Tax for WDP
33. Extractive industry taxes
34. Increase Kilowatt hour tax for WDP

Other Legislative Options

35. Statewide Wildlife Raffle
36. Nationwide Wildlife On-Line Auction for WDP
37. Wildlife Lottery Tickets
38. General Account Appropriation for youth & senior license subsidies

- | |
|---|
| 39. Increase Number of License Plate Animal Options
40. Authorize Limited Edition "Super Plate" License Plate
41. Expand Wildlife Plates to OHVs, Snowmobiles, Trailers, &/or RVs |
|---|

Colorado

Unique to Colorado is the Great Outdoors Colorado ([GOCO](#)) program. Created when voters approved a Constitutional Amendment in 1992, GOCO invests a portion of Colorado Lottery proceeds to help preserve and enhance the state's parks, trails, wildlife, rivers and open spaces, and to date has invested nearly \$900 million in Colorado programs. Colorado Parks and Wildlife (CPW) receives no annual support from the state's General Fund. Faced with declining revenues to fund its game programs, the agency has begun to consider potential alternative revenue generation. For the last two years, CPW has convened a standing Financial Sustainability Committee that focuses on developing and evaluating a list of potential revenue-generating concepts ([Colorado Parks and Wildlife Potential Revenue Concepts 2014](#)). Colorado last raised fees for resident licenses in 2006 and for nonresident licenses in 2001. Non-resident fees have been increasing since then because statute requires an annual adjustment based on the consumer price index. The Legislature is likely to consider raising resident fees in 2016.

Washington

[Senate Bill 5632](#) (2015) is an agency bill that aims to increase revenue through price increases on commercial and recreational fishing licenses. The Bill would generate \$6.4 million annually, but still leave a projected \$7.4 million budget gap within the Washington Department of Fish and Wildlife (WDFW). The bill will likely be amended to further increase fees to help cover this budget gap. Support for this bill is greater among the commercial fishing interests, and a separate bill was introduced ([SB 5531](#)) that contains only the price increases for commercial fishing (note: neither bill has been passed). WDFW's operating budget for the 2013-2015 biennium included \$60.6 million from the state's General Fund (16% of budget) used primarily for fish, habitat, enforcement, and business services programs. In 2011, the Fish and Wildlife, Parks, and Natural Resources departments jointly requested legislation that led to the creation of the Discover Pass, a user fee for vehicle access to nearly 3 million acres of state-managed recreation lands. WDFW receives 8 percent of Discover Pass funds, or approximately \$2-3 million annually. Washington last increased hunting and fishing fees by about 20 percent in 2011, and prior to that fees were last increased in the late 1990's.

Texas

In 1993, the Texas Legislature passed HB 706 which switched funding for the Texas Parks and Wildlife Department (TPWD) from a one penny per pack tax on cigarettes to revenue from the general sales tax attributable to sporting goods. There is no separate tax on sporting goods; rather, funding comes from a portion of the general sales tax on sporting goods. The historic upward trend on sporting good sales has resulted in a revenue source that has grown in relation to Texas' increasing population and economic growth. Revenue attributable to the sales tax on sporting goods has grown from \$58 million in 1993 to \$135.2 million (projected) in 2015. A 2007 bill limited sporting good tax revenue transfers to TPWD to the amount actually appropriated by the Legislature; in 2013, only 25 percent of the total sporting goods sales tax revenue went to TPWD. The Texas sales tax rate is 6.25 percent in 2015.

Michigan

When obtaining or renewing a license plate, Michigan motorists can purchase a Recreation Passport that grants access to all state parks, state forest campgrounds, and state-owned recreation areas, non-motorized trailheads and boat launch parking. The prices adjust with the Consumer Price Index and are currently \$11 for Michigan registered vehicles and \$31 for out-of-state vehicles. The program was patterned after a similar model in Montana, where people pay the fee unless they opt out. In FY 2012, the Recreation Passport generated \$20.7 million in revenues.

New Hampshire

[House Bill 518](#) (2015) would authorize the Fish and Game Department to establish fees for licenses with approval by the Fish and Game Commission. This would remove the requirement for Legislative approval of fee increases and has the potential to make smaller, more frequent fee increases easier. User surveys have shown hunters and anglers are supportive of smaller, more frequent fee increases, including annual fee adjustments (note: this bill has not passed).