EXPLORING DEDICATED FUNDING FOR CONSERVATION

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INTRODUCTION

Virginia’s Constitution charges it “to protect its atmosphere, lands, and waters from pollution, impairment, or destruction, for the benefit, enjoyment and general welfare of the people of the Commonwealth.” Despite this, Virginia’s investment into its natural resources has been inconsistent and significantly lower than its peers, averaging less than 1% of its total budget towards natural resources.

This insufficient and unreliable funding makes it difficult to properly manage and protect our natural wonders. Other states have established a variety of revenue sources dedicated to natural resources to aid their conservation efforts. With a stated goal of increasing the percentage of the general fund spent on natural resources to 2% (see Achieving Two Percent for Natural Resources, p. 74), it is time for Virginia to begin considering dedicated natural resource revenue streams of its own.

BACKGROUND

SALES TAX

By either dedicating a portion of the existing sales tax or by increasing the tax, typically 1/8th of 1%, and dedicating the additional revenue to natural resources, some states have found consistent revenue streams to bolster their conservation efforts.

New Jersey. In 1988, New Jersey citizens approved a constitutional amendment which dedicated $88 million of the existing state sales tax revenue annually to the Garden State Preservation Trust. The Trust is tasked with acquiring open space, farmland, and historic sites around the state. Through 2018 the Trust has protected over 440,000 acres.

Missouri. In 1976, Missourians passed a constitutional amendment which dedicated 1/8th of 1% of the existing sales tax to the state’s Department of Conservation. In 2015, this provided $100 million in revenue. In 1984, Missourians again passed a constitutional amendment, this time dedicating 1/10th of 1% of the existing sales tax to fund state parks and soil and water conservation efforts. This tax must be reauthorized by voters every 10 years. It generates $90 million a year and has been reauthorized 4 times.

Minnesota. In 2008, voters approved a constitutional amendment increasing the sales tax by 3/8th of 1% until 2034 and dedicate the revenue to the Minnesota Legacy Fund. The Fund puts the revenue into four funds: 33% to the Clean Water Fund; 33% the Outdoor Heritage Fund; 19.75% the Arts and Cultural Heritage Fund; and 14.25% to the Parks and Trails Fund.

Arkansas. Voters approved a constitutional Amendment in 1996, dedicated a portion of the existing sales tax for land conservation. Revenue is split between the state Game & Fish Department and the State Parks Department. This provides $40 to $60 million annually.

OUTDOOR GOOD SALES TAX

Rather than dedicating a portion of all sales tax to fund conservation efforts, some states have instead dedicated only portions of the sales tax collected on outdoor goods, such as backpacks and other hiking gear. At this time no state has increased the sales tax on outdoor goods specifically to fund conservation efforts.

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Texas. In 1993, Texans dedicated a portion of the sales tax on outdoor goods to fund their state park system, with the majority going towards park operations and maintenance. The tax generates over $100 million per year.

Georgia. In 2018, Georgia voters established the Georgia Outdoor Stewardship Fund and dedicated up to 80% of the tax on outdoor recreation equipment towards the conservation of priority lands, stewardship of state parks and wildlife management areas, and the support of local parks and preserves. It is estimated to generate around $20 million a year.

LOTTERY PROCEEDS

Other states have looked towards lottery proceeds as a way to bolster funding for conservation, dedicating a portion of the lottery funds to natural resource programs.

Oregon. In 1998, voters passed a constitutional amendment dedicating 15% of lottery proceeds to the Parks and Natural Resources Fund, split evenly to support state parks and watershed enhancement/salmon restoration. In 2010, voters reaffirmed this commitment in perpetuity. Proceeds are expected to generate over $174 billion in the next twenty years.

Colorado. In 1992, Colorado voters approved a constitutional amendment dedicating a portion of lottery proceeds to the Great Outdoors Colorado Trust Fund for the preservation, protection, enhancement, and management of the state’s wildlife, park, river, trail, and open space heritage. In FY 2018 the Fund received over $46 million.

TRANSFER TAX

One of the most common funding sources for conservation is a real estate transfer tax, where the state levies a tax on transfers of real property.

Maryland. In 1969 Maryland established a 1% property transfer tax to fund Program Open Space, which acquires and develops state and local parks and preserves unique natural areas, farmlands, and local resource lands through easements. This has protected over 390,000 acres of land and awarded more than 6,000 grants to local governments.

CONCLUSION

While Virginia’s existing programs have achieved many successes, insufficient and inconsistent funding levels impede our efforts and threaten the progress we have made. States across the country have implemented a variety of funding mechanisms, as well as different ways to direct the additional revenues. It is time that Virginia begins to take a serious look at what options are viable within the Commonwealth and where the revenues would be best spent.

POLICY RECOMMENDATIONS

Begin examining different dedicated mechanisms for natural resource conservation, considering not only the economic and conservation costs and benefits, but also each mechanism’s impacts on the communities and people who would most likely bear the majority of the expense for each mechanism.