

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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November 13, 2012

To: Joint Committee on Energy and Environmental Policy
From: Abigail Boudewyns, Fiscal Analyst
Re: State Water Plan Fund—Alternative Funding Mechanisms

The Kansas State Water Plan Fund is funded through a State General Fund transfer, an Economic Development Initiative Fund transfer, water protection fees, fees imposed on fertilizer and pesticides, sand royalty receipts, pollution fines, and a clean water drinking fee. The following is the result of a survey conducted by the Kansas Water Authority on how other states fund natural resource needs, projects, and initiatives, which may or may not include water related projects.

Illinois—Dedicates 35 percent of a Real Estate Transfer Tax to open space lands acquisition and development, and 15 percent to natural areas acquisition.

Iowa—Approved a new tax in 2010 to deposit three-eighths of one percent of any future sales tax rate increase into a Natural Resources and Outdoor Recreation Trust Fund for an estimated \$150 million annually. Iowa has not had a sales tax increase since the tax was approved.

Minnesota—Uses lottery proceeds for environmental and natural resource protection and has imposed a 6.5 percent "in-lieu-of sales tax" tax on lottery tickets, with one-third of the proceeds going to the Game and Fish Fund, one-third going to parks and trails, and the remaining third going to the State General Fund.

Missouri—Has a one-eighth percent sales tax for the Department of Conservation and a one-tenth percent sales tax to support soil and water conservation and for state parks.

South Dakota—Funded primarily from user fees (hunting and fishing licenses), and federal aid, with a small amount coming from the state's general fund. No sustainable funding.

Texas—Has a sporting goods sales tax, which is statutorily allocated to fund state park operations, capital, and local park grants.

Wisconsin—Has primarily user fee based fish and wildlife funding (hunting and fishing licenses). Wisconsin also has a stewardship program to provide outdoor recreation opportunities and assist in protecting critical natural areas. Program receives a bonding authority of \$86 million annually.

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