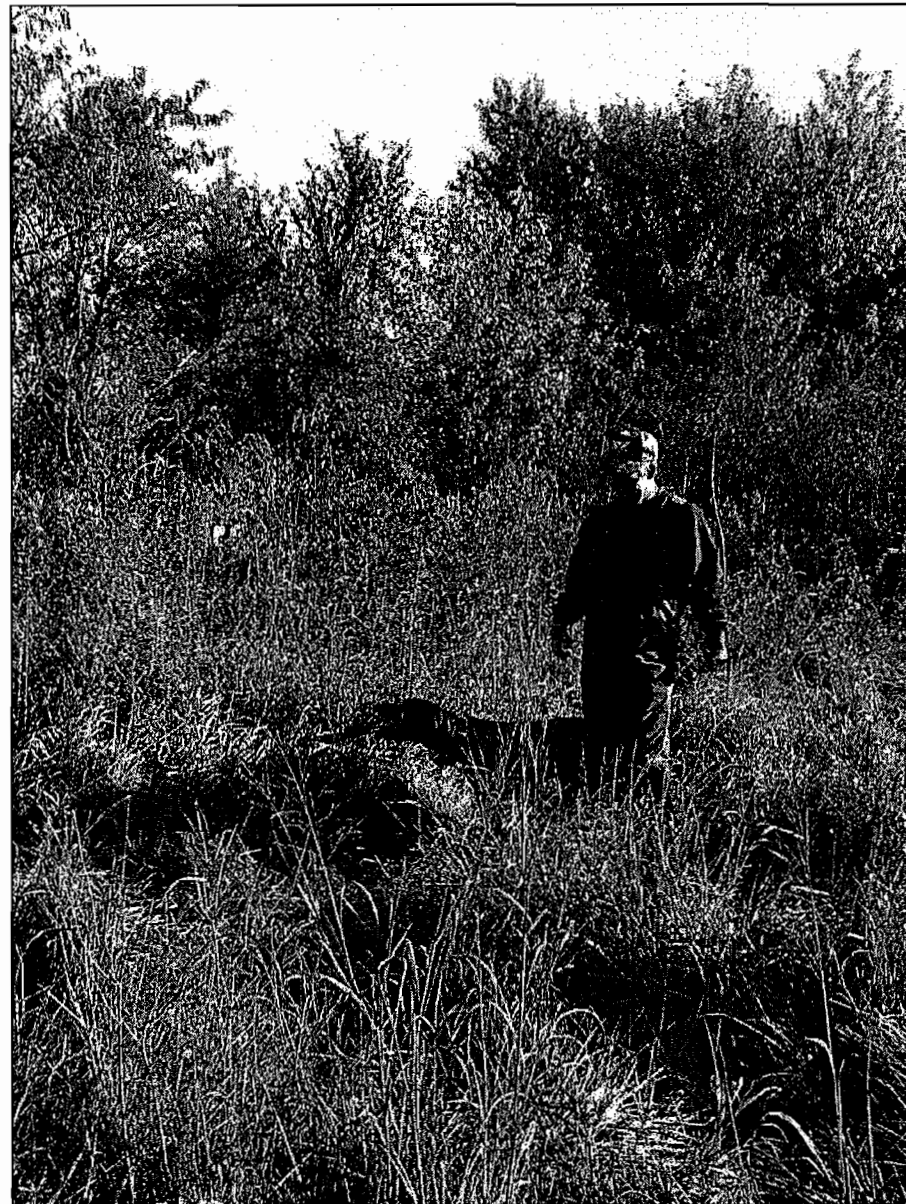


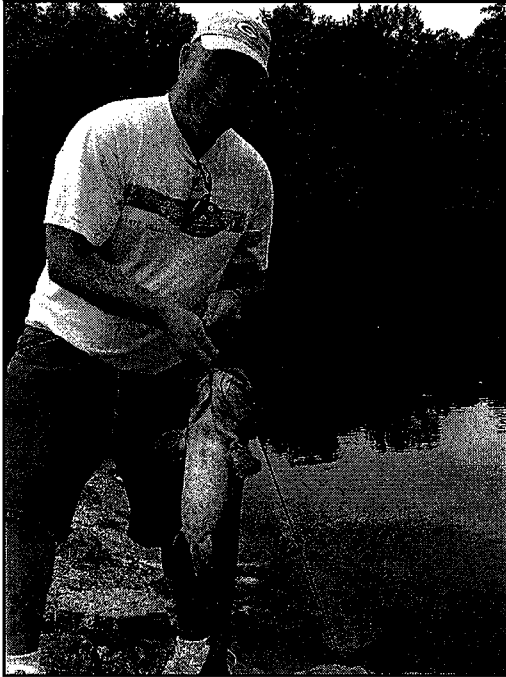
Sustainable Funding for Natural Resources

A promise to every Iowan!

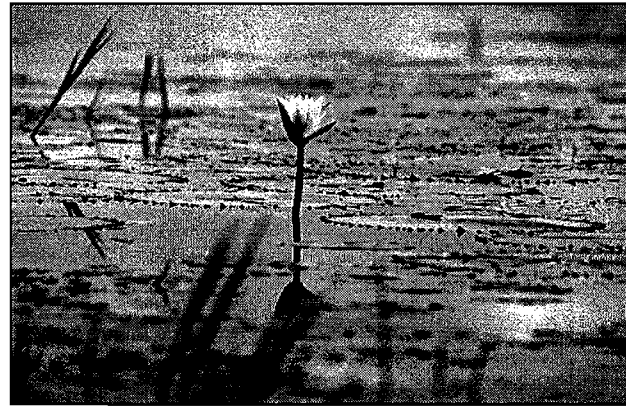
Dan Cohen
Sustainable Funding Committee Member
Iowa Association of
County Conservation Boards.



Our Promise...

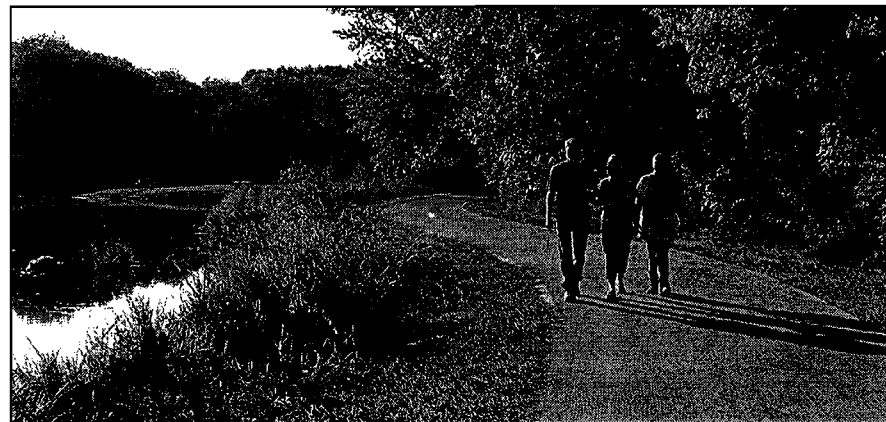


Healthy Fish and
Wildlife Populations



Clean
Water and
Protected
Soils

A top-notch
Park and Trail
System



Finding the Money

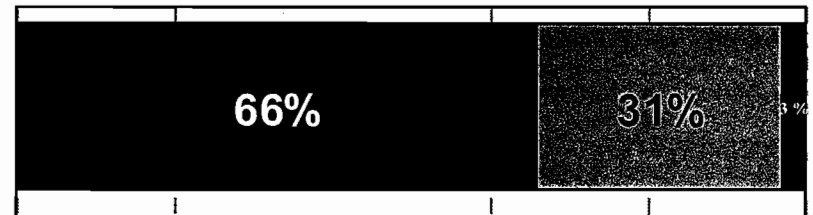
Consideration criteria

1. All Iowans will benefit from sustainable funding for natural resources and the burden of funding should be a responsibility of all Iowans.

- Supported by Polling Data

All Iowa residents have a personal responsibility to protect the state's natural resources.

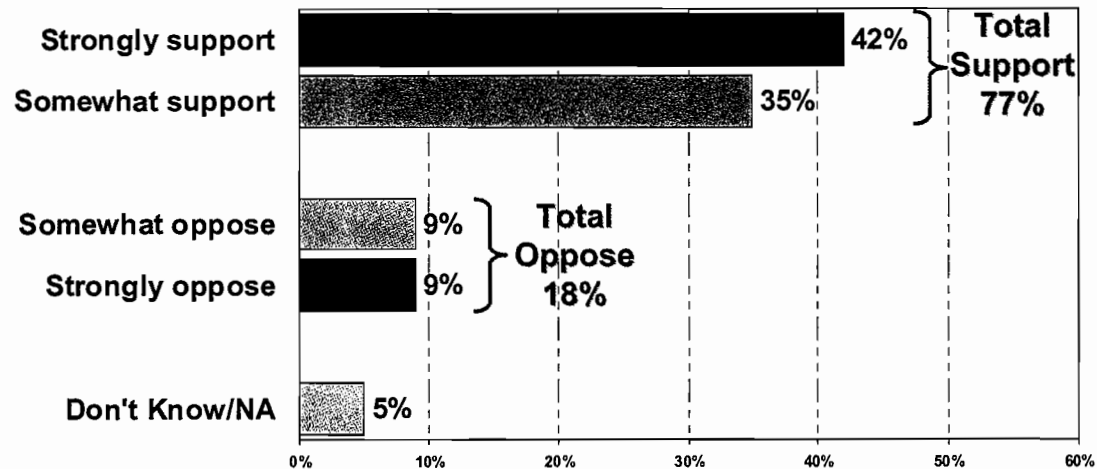
■ Strng. Agr. ■ S.W. Agr. ■ S.W./Strng. Disagr. ■ DK/NA



Criteria Continued

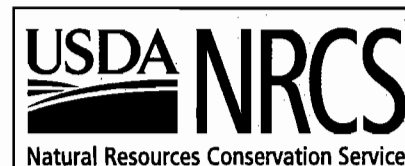
- The funding source should have statewide appeal and be politically viable.

Support for Dedicating Additional Public Funding to Programs to Protect Iowa's Land, Water, and Wildlife



Criteria Continued

3. The source of funds should be easy to administer without the need to establish significant additional administrative staff.
 - Single source of funds may be easier.
 - REAP only has one percent administrative costs
4. New funds, when possible, should have the ability to be leveraged to increase their effectiveness.
 - Federal, county, community, nonprofits, etc.



Criteria Continued

5. Each new funding mechanism must raise over \$5 million annually to be considered by the committee.
6. The new funding mechanism(s) must conform to all state and federal commerce regulations.
7. The funding mechanism(s) should be "new money" and not a replacement of existing resources.
8. The funding mechanism(s) should be stable, protected, and identified as dedicated.
9. The new funding must unite, rather than divide, conservation agencies and organizations.
 - A byproduct of the diverse makeup of the Committee.

Using the Criteria

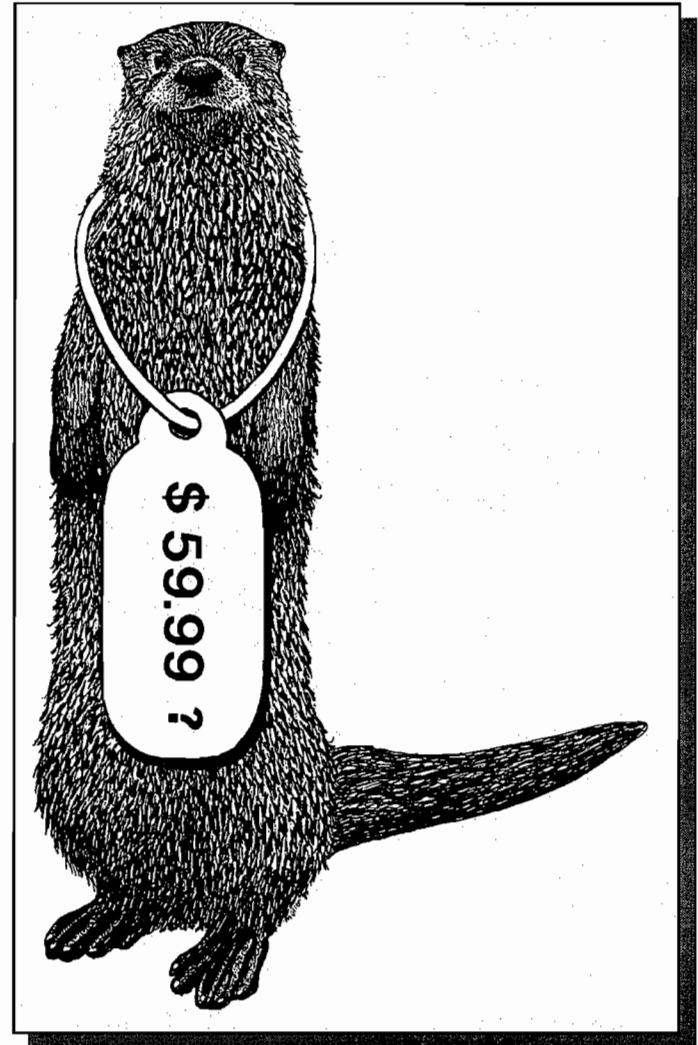
Prioritization

The Committee evaluated a broad range of sustainable funding mechanisms. Dozens were considered. Through research and evaluation based on our criteria, the list was narrowed to more viable options. Iowans' willingness to pay was gauged using a polling survey and public input.



Meeting the Need

- Billions of dollars could be spent meeting total natural resources needs.
- A strategic, \$150 million package of funding vehicles will go a long way toward the promise of sustaining Iowa's valuable natural resources.
- A dedicated, sustainable promise to Iowans.

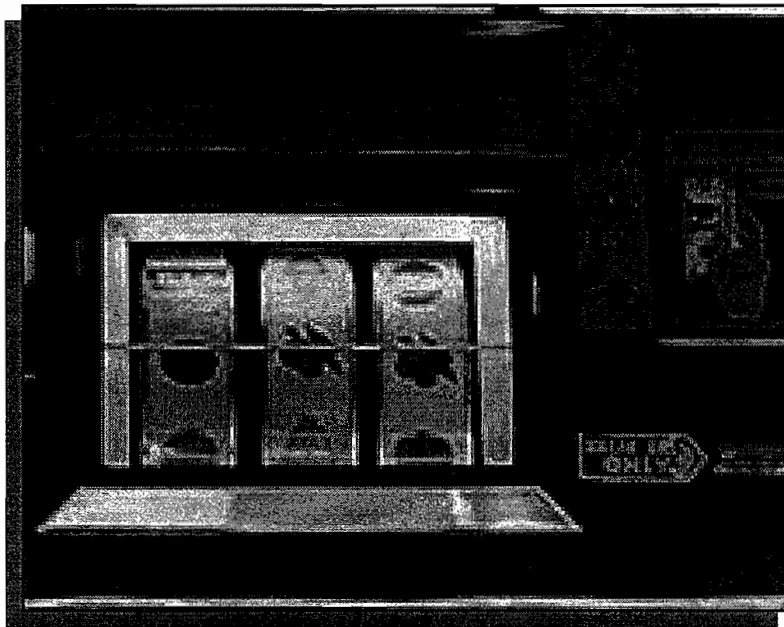


Recommendations

Meeting most of the criteria

- **Gaming/Gambling Dollars**
- **Asking lowans to pay by increasing their sales tax**
- **Dedicating profits from the state lottery**

Gaming Gambling

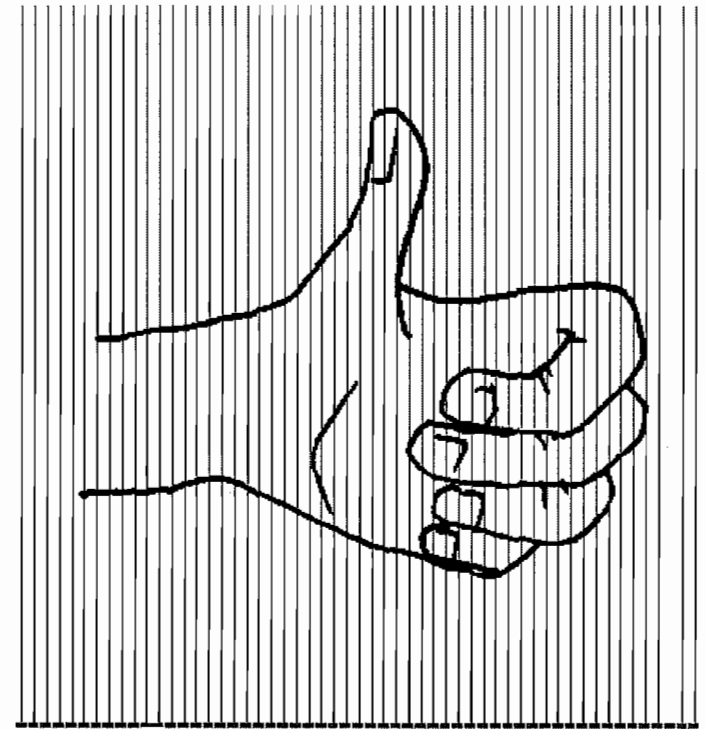


- Capturing revenue based on admissions.
- Collected from casinos.
- Based on 2007 revenues, \$6.33 per admission provides \$150 million.

Taking it to the People

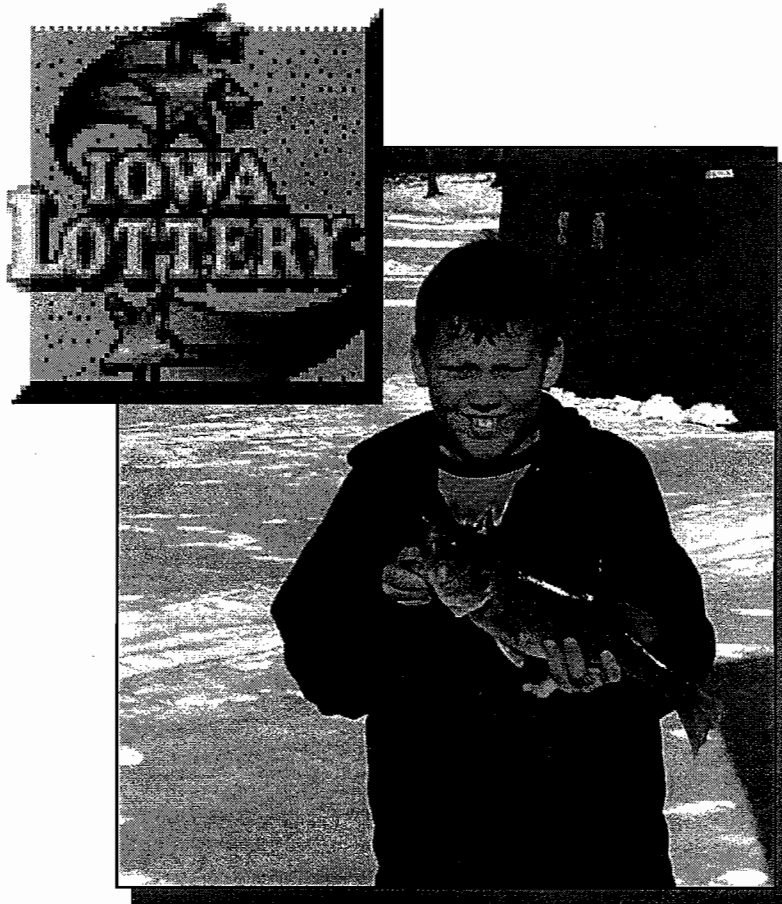
Sales Tax

- Present a proposal to the people of Iowa to approve a constitutional amendment.
- Requires passage by a majority of both houses of the legislature in two consecutive legislative sessions, and a majority vote of the people.
- Fractional Sales Tax Increase - $\frac{3}{8}$ of one cent raises \$150 million.



Lottery

Dedicated to Iowa's Natural Resources

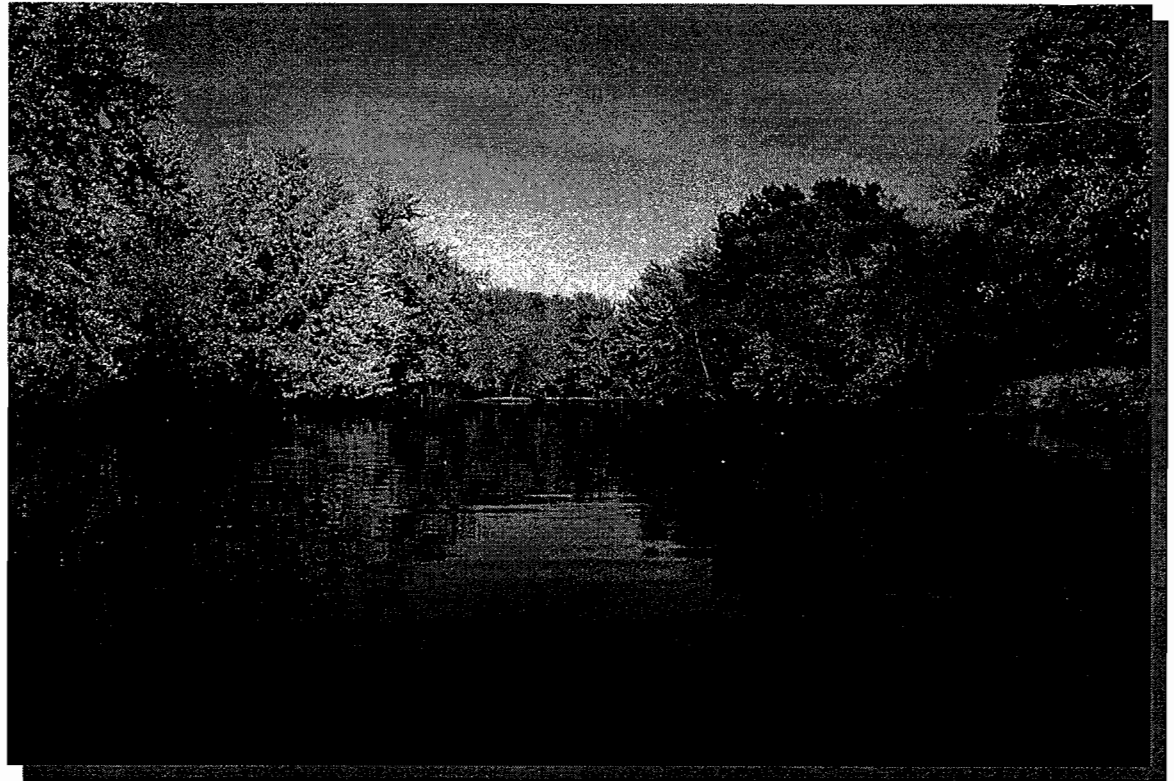


- Dedicating lottery profits would be a **“wild!”**, **“natural!”**, **“healthy!”**, **“good citizen!”** marketing tool for the lottery.
- In 2007, this mechanism would have provided about \$55 million.

Other recommendations that Support Sustainable Funding

■ Tax Credits ■ Bonding

Stable and dedicated funds lead to better planning and dollar savings.



Rewarding Conservation Tax Credits

- Reward practices that promote wildlife habitat, soil and water conservation, and public access.
- Provides incentives for conservation easements or selling land below market value to public or private conservation agencies.
- Stable and sustainable since no annual appropriations by the legislature are required.



Sustainability through Bonding

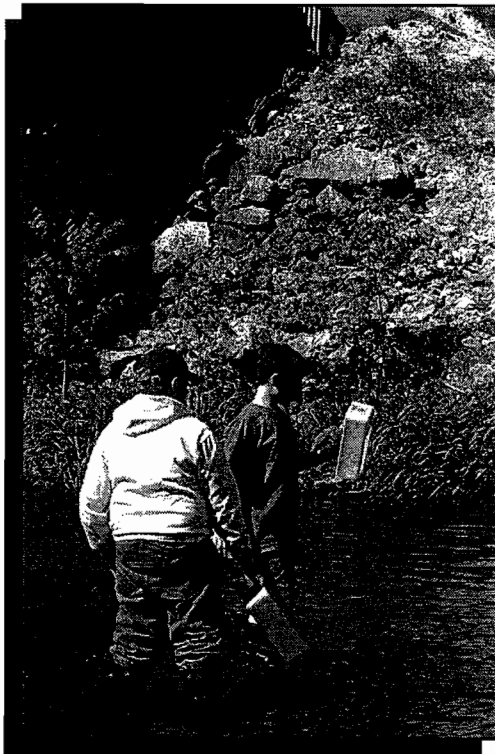
- Makes an initial investment sustainable and reliable over time.
- Opportunity to benefit from cost-share dollars for which there is inadequate state matching funds.
- Mitigates inflation.
- Opportunity to meet more immediate needs.



Funding sources: General obligation bonds; gambling revenues; or the \$20.0 million in Iowa Communications Network (ICN) bonds (freed up in 2007).

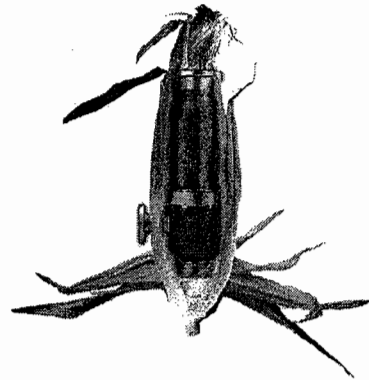
Other Funding Mechanisms

researched as requested
by legislators or other participants:



- **Real Estate Transfer Tax** - Used by some states for land protection because revenue is proportionate to real estate value. A tax of 1.1% of valuation raises \$150 million.
- **Reallocating the drinking water tax (water utility tax)** - Drinking water from public water supplies are currently taxed. The water industry supports directing and protecting the tax for watershed improvement and protection. Raises \$18 million.

Other Requested Funding Mechanisms



- **Excise tax on outdoor recreation equipment –**
Similar to Pittman-Robertson or Dingell-Johnson (hunting and fishing). Anticipated as low dollar and difficult to administer.
- **Bottled Water Fee –**
A 38-cent sales tax on all bottled water sold in Iowa would generate \$150 million.
- **Biofuels Severance Tax –**
A 14-cent tax on ethanol exported out of Iowa would generate \$150 million (est. FY07).

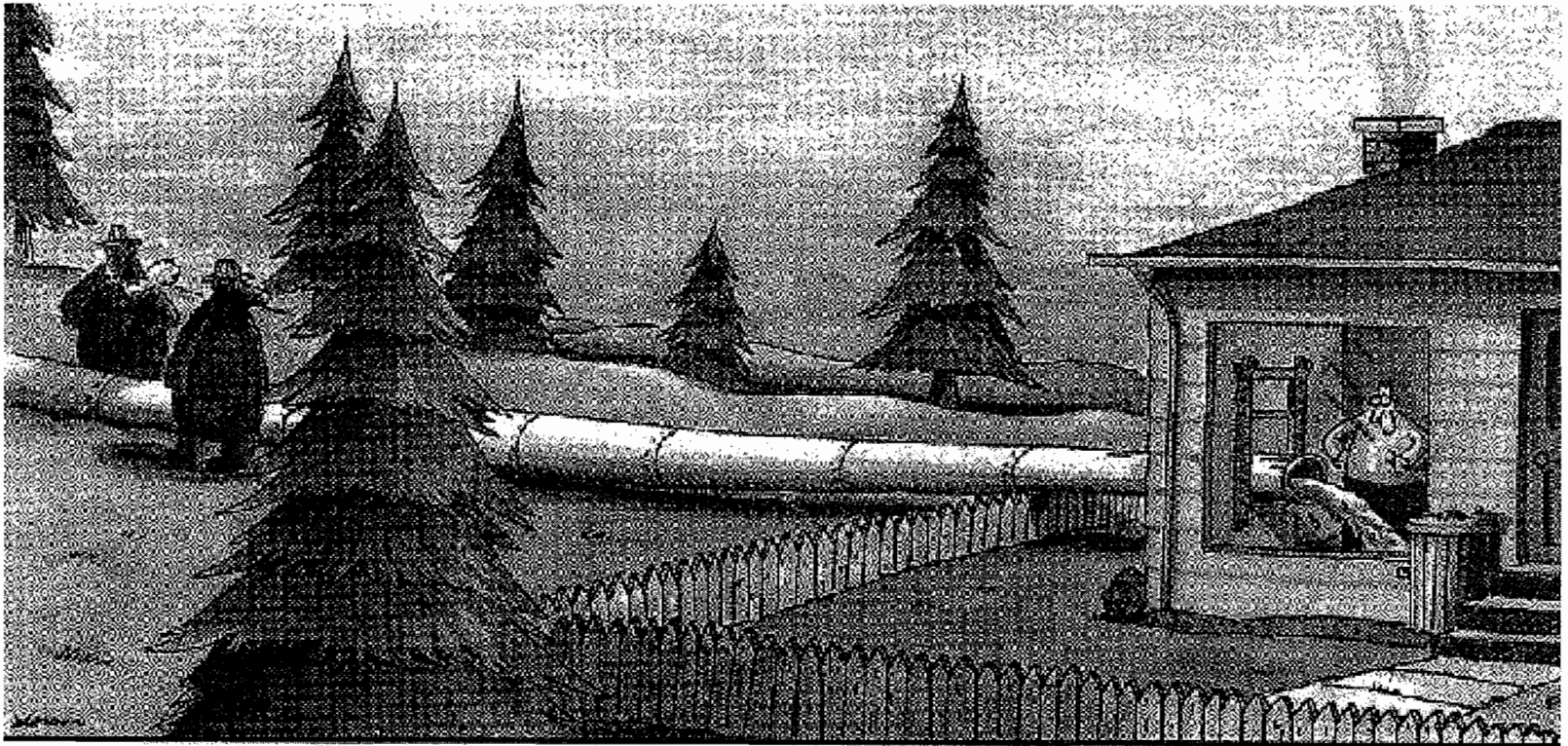
Other Mechanisms Considered

Dedication of a portion of the existing sales tax.	Expanding the bottle bill to include bottled water and other containers.
Reallocation of existing infrastructure funds.	Various taxes on those who adversely affect the environment.
Placing a tax on large volume water users.	Severance tax on products requiring extensive water use.
Importation fee of fossil fuels.	Severance tax on all energy producers.
Park user fee.	A tax on out-of-state water users.
Additional gasoline tax.	Expanded use of underground storage tank remediation funds.
Property Tax	Combined tax on energy producers and importation of fossil fuels.
Taxing large storm water run-off sources.	Reallocating recreational vehicle registration fees.

“Natural resources are the basis of healthy Iowa communities. They attract business and tourists, and keep people in our state. They define our quality of life.”



How we treat the natural world,
is often how we will treat ourselves.



Animal Waste Management