

Design for Conservation Sales Tax Summary

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Background and History In the mid to late 1960's, we began to realize that revenues from license fees and federal excise taxes (PR and DJ) were stable at best or slightly decreasing. At the same time our human population in Missouri had increased dramatically since the Department of Conservation was formed in 1937. More and more people, greater and greater demands on our natural resources of forests, fish and wildlife and AT BEST stable revenues, or at worst declining ones. In 1970 there was a scientific study conducted by Charles Callison (then Ex. VP of Audubon, formerly Ex. Dir. Of CFM), Starker Leopold (Aldo's son) and Irving Fox (nationally acclaimed professor of regional planning at U Wisc) to assess status and needs of MDC. At that time, they imagined the need for additional funds to be about \$20-\$25 million per year. How to bridge the ever widening gap?

After a failed attempt to implement a 1cent fee on soft drinks in 1972, the Citizen's Committee for Conservation (chaired by past CFM President Ted Scott) settled on a constitutional amendment to create a 1/8% statewide sales tax earmarked expressly for conservation. The committee conducted a statewide poll, and decided this was the best option for securing the needed revenue. Long story short: the tax passed by about 30,000 votes in November, 1976.

Upshot The first year the tax generated \$25 million in revenue for MDC. This past year, for the first time, it generated over \$100 million. During the 30 years since passage, the tax has financed meeting all the original promises made to our citizens. Although we are public land poor in Missouri (MDC owns less than 2% of the landscape) with less than 7% in federal or state public ownership, the tax allowed MDC to make strategic acquisitions to ensure ready access to public lands in all 114 Missouri counties. Nature centers, education programs, increased staff, boat ramps, parking lots all the many requisites to empower public access have been made possible by revenues from this tax. Indirectly tax revenues have also allowed funds from license fees and excise taxes to be entirely focused on stewardship of game species in Missouri. So whitetail deer, wild turkey, Canada geese, river otters, and many other species have flourished during the 30 years Missouri has benefited from sales tax revenues. In fact, currently the \$100 million in sales tax revenue fuels an enormous economic engine resulting from enhancement of Missouri's forests, fish and wildlife. This year the economic impact of hunting, fishing, wildlife watching and forestry will surpass **\$8 Billion** in Missouri! A more than 1000% return on the investment in the year made! This is considerably more than the combined revenues generated by all professional sports in Missouri (Rams, Chiefs, Royals, Cardinals, Blues).

Future At present, the \$160 million budget for the Missouri Department of Conservation is equivalent to 0.7% of the Missouri state budget. Is this enough, considering the huge economic impact of this industry? Since 1977 not one cent of general revenue funds has been available for conservation. Right now inflation is growing at nearly 2 3/4% per year while sales tax revenue grows at only 2 1/2%. How will we Missourians meet the challenges of the future?

Conservation economic enhancements that benefit Missourians and Missouri communities:

- Over 1/2 million households receive the Missouri Conservationist magazine free each month.
- Almost all elementary school teachers receive free conservation education materials.
- A statewide network of interpretive centers and shooting ranges and outdoor education centers.
- Over 900,000 acres of Conservation Areas, river and stream accesses, and community lakes.
- Farm and forest services and technical assistance for private landowners.
- Community Conservationists assist communities in major urban areas.
- Fish, forest, and wildlife economic impacts that are about 1/3 of Missouri tourism economic impacts.
- The Department pays in-lieu taxes to counties on lands purchased since 1976.
- Cost-share with counties for roadway maintenance for access to Conservation Areas.
- Assist rural fire departments with grants, training, and equipment.
- Cooperate with communities through the Community Lake Program to provide close-to-home fishing opportunities.

Advantages of a Dedicated Conservation Sales Tax

- Missourians have voted and have directly specified the amount and how the dedicated conservation sales tax is allocated.
- The dedicated tax constitutes irrefutable evidence that the citizenry wants action.
- The dedicated tax reduces the favoritism aspects of the appropriation process.
- The dedicated tax provides consistent and predictable annual funding—this improves strategic planning and budgeting and makes long-term management possible.
- A dedicated sales tax for conservation places no additional financial burden on the state government budget for conservation management activities.
- The dedicated conservation sales tax allows for annual payments of in-lieu-of-taxes and forest cropland payments to Missouri counties for state-owned lands.
- A dedicated sales tax eliminates the need for entrance fees to Department areas and facilities.
- The dedicated conservation sales tax results in increased outdoor recreation expenditures which result in increased state revenues, jobs, and earnings benefiting all Missourians.