



# OLR RESEARCH REPORT

December 18, 2012

2012-R-0528

## FINANCING STATE PARKS

By: Janet L. Kaminski Leduc, Senior Legislative Attorney

You asked for examples of how other states have dealt with reduced funding for state parks. You also asked for information about Connecticut's use of seasonal employees in state parks.

### SUMMARY

Funding issues for state parks vary across the country, according to Mr. Philip McKnelly, executive director of the National Association of State Park Directors.

Mr. McKnelly noted that states having an easier time financing state parks are those with revenue streams dedicated to the state park system. For example, Arkansas, Minnesota, and Missouri dedicate a percentage of sales tax to state parks. Colorado and Oregon dedicate a percentage of lottery revenue. Illinois, Michigan, Montana, and Washington add a small dollar amount to the vehicle license plate fee to fund state parks. (See Table 1 below for a description of these revenue streams.)

Other states struggle to maintain park services because of reduced budgets and they have sought ways to keep the park systems operating. For example, Arizona has tried to privatize its state parks. But, according to Mr. McKnelly, this has been difficult because otherwise interested parties (e.g., local governments, nonprofit entities, and for-profit companies) are also struggling financially or are unable to undertake the management necessary to maintain the parks.

In 2011, California's governor announced the state would close 70 of its 278 parks because of budget issues. California's Department of Parks and Recreation (DPR) subsequently disclosed that it had additional money in reserve. The legislature has since appropriated about \$20 million to keep open parks previously slated for closure. The legislature also passed the *California State Parks Stewardship Act of 2012*, which (1) requires DPR to develop a plan to increase revenue from state parks and (2) allows residents to purchase annual park passes on tax returns (AB 1589).

In addition, the New York Times reports that some states are reducing the number of full-time park employees and park hours, imposing new entrance and parking fees, relying more on volunteers, and reducing services like routine maintenance and repairs (see <http://www.nytimes.com/2011/06/07/us/07parks.html>).

Connecticut is unique compared to other states in that it relies heavily on seasonal employees to deliver services at state parks, according to Thomas J. Tyler, director, State Parks and Public Outreach Division, Department of Energy and Environmental Protection. Only Maine and Vermont approach Connecticut's level of reliance on seasonal employees. Mr. Tyler reports that roughly 85% of Connecticut park employees are seasonal (550 seasonal versus 96 full-time employees). On a busy weekend or holiday, seasonal staff can make up about 97% of park staff.

## **OTHER STATES' REVENUE DEDICATED TO STATE PARKS**

Table 1 provides examples of states that have revenue streams dedicated to state parks.

**Table 1: Select States with Revenue Dedicated to State Parks**

<b>State</b>	<b>Citation</b>	<b>Description</b>
Arkansas	Ark. Const., Amendment 75	A tax of one-eighth of one percent upon all taxable sales of property and services subject to the Arkansas Gross Receipts Act and one-eighth of one percent upon all tangible personal property subject to the Arkansas Compensating Tax Act. Of the money collected, 45% is credited to the Department of Parks and Tourism Fund account for use by the department for state park purposes. Another 45% is credited to the Game Protection Fund for use by the Game and Fish Commission. Nine percent is for the Department of Heritage Fund Account and one percent is for the Keep Arkansas Beautiful Fund account.

**Table 1 (continued)**

<b>State</b>	<b>Citation</b>	<b>Description</b>
Colorado	<p>Colo. Const., Art. XVII, § 1 and Art. XVIII, § 2</p> <p>Colo. Rev. Stat. §§ 24-35-210, 22-43.7-104, and 33-60-101, <i>et seq.</i></p>	<p>The net proceeds of state-supervised lottery games is dedicated to preserving, protecting, enhancing, and managing the state’s wildlife, park, river, trail, and open space heritage. The Great Outdoors Colorado (GOCO) Program is established to meet these purposes.</p> <p>Proceeds from the lottery, after deduction of prizes and expenses, is allocated to the conservation trust fund for distribution to municipalities and counties for park, recreation, and open space purposes.</p> <p>The money appropriated to the parks and wildlife division must be used for acquiring and developing new state parks, recreation areas, and trails; expanding existing parks, areas, and trails; or for capital improvements to the same.</p> <p>Current distribution of lottery proceeds is:</p> <ul style="list-style-type: none"> <li>• 40% to the conservation trust fund;</li> <li>• 10% to the Division of Parks and Outdoor Recreation;</li> <li>• 50% to the GOCO trust fund up to a maximum annual cap of \$35 million, adjusted annually for inflation since 1992; and</li> <li>• any remaining proceeds in excess of the GOCO cap to the state general fund for K-12 public school capital construction.</li> </ul>

**Table 1 (continued)**

<b>State</b>	<b>Citation</b>	<b>Description</b>
Florida	Fla. Stat. Ann. §§ 259.101, 259.105, and 258.034	<p>The “Florida Preservation 2000 Act” created a trust fund for land acquisition programs. The trust is funded by bond proceeds.</p> <p>The Department of Environmental Protection uses the funds as follows:</p> <ul style="list-style-type: none"> <li>• 50% to purchase public lands, one-fifth of which must be coastal land,</li> <li>• 30% to purchase water management lands,</li> <li>• 10% to provide land acquisition grants and loans to local governments,</li> <li>• Two and nine-tenths percent to purchase additions to state parks,</li> <li>• Two and nine-tenths percent to acquire additions to state forests,</li> <li>• Two and nine-tenths percent to acquire fish and wildlife conservation lands, and</li> <li>• One and three-tenths percent to acquire greenways and trails.</li> </ul> <p>The “Florida Forever Act” also allows bond proceeds to be used for related purposes, including the purchase of state park land and capital project expenditures identified at the time of acquisition that meet land management planning activities needed for public access.</p>
Illinois	2012 SB 1566 (to be codified as 625 Ill. Comp. Stat. 5/3-806)	Each owner of a motor vehicle pays an annual vehicle registration fee. Beginning with the 2014 registration year, an additional \$2 surcharge will be assessed and deposited into the Park and Conservation Fund for the Department of Natural Resources to use for conservation efforts.

**Table 1 (continued)**

<b>State</b>	<b>Citation</b>	<b>Description</b>
Michigan	Mich. Comp. Laws Ann. § 257.805	A person renewing a vehicle registration is offered the option of paying an additional fee for a recreation passport (\$10 for a motor vehicle and \$5 for a motorcycle). If the fee is paid, the person's license plate becomes his or her official pass into state parks. (Out-of-state residents are still charged park entrance fees.) The collected fees are used to maintain and operate state parks.
Minnesota	Minn. Const., Art. XI, § 15	From July 1, 2009 until June 30, 2034, the sales and use tax rate is increased by three-eighths of one percent. Money collected is dedicated as follows: <ul style="list-style-type: none"> <li>• 33% to the outdoor heritage fund;</li> <li>• 33% to the clean water fund;</li> <li>• 14.25% to the parks and trails fund, which may be spent only to support parks and trails of regional or statewide significance; and</li> <li>• 19.75% to the arts and cultural heritage fund.</li> </ul>
Missouri	Mo. Const., Art. IV, §§ 47(a)-(c).	An additional sales and use tax of one-tenth of one percent is levied for soil and water conservation and for state parks. The Department of Natural Resources is to use the state park funds for acquiring, developing, maintaining, and operating state parks and state historic sites.  This constitutional tax provides about three-fourths of the department's budget for operating and developing state parks. Additional funding comes from revenue generated in the state park system and some federal funds.

**Table 1 (continued)**

<b>State</b>	<b>Citation</b>	<b>Description</b>
Montana	Mont. Code Ann. §§ 61-3-321(19) and 23-1-105	<p>A person renewing a vehicle registration is charged an additional \$6 fee for access to state parks. A person may opt out of paying the fee. Collected fees are used to maintain state parks (\$5.37), fishing access sites (\$0.25), and designated state-owned facilities (\$0.38).</p> <p>If the fee is paid, the person’s license plate becomes his or her official pass into state parks. (Out-of-state residents are charged park entrance fees.) Additional fees are charged at state parks for such things as camping; showers; guided tours; special events; and cabin, tipi, or yurt rentals.</p>
North Carolina	N.C. Gen. Stat. §§ 113-44.15 and 105-228.30	<p>The law creates the Parks and Recreation Trust Fund, which consists of gifts and grants made to the fund, money raised from a real estate conveyance tax, and other money the General Assembly may appropriate to the fund. The real estate conveyance tax equals \$1 on each \$500 (or part thereof) of the value of the property conveyed.</p> <p>Funds in the trust fund are annually appropriated to the North Carolina Parks and Recreation Authority and are generally used as follows:</p> <ul style="list-style-type: none"> <li>• 65% for the state parks system for capital projects, repairs and renovations, and land acquisition;</li> <li>• 30% to provide matching funds to local governments or public authorities for local park and recreation purposes; and</li> <li>• 5% for the Coastal and Estuarine Water Beach Access program.</li> </ul>

**Table 1 (continued)**

<b>State</b>	<b>Citation</b>	<b>Description</b>
Oregon	Or. Const., Art. XV, §§ 4-4c	15% of the net proceeds from the state lottery are deposited in a Parks and Natural Resources Fund. Half of the fund is used to protect, repair, operate, and create state, regional, and local public parks, ocean shores, beach access areas, historic sites, and recreation areas. The other half is used to restore and protect state native fish and wildlife, watersheds, and water quality.
Washington	Wash. Rev. Code Ann. §§ 46.16A.090 and 79A.05.215	A person renewing a vehicle registration is asked for a voluntary donation of \$5. Donations are deposited in the state parks renewal and stewardship account and used to operate and maintain state parks.

JKL:ro