

## **Funding mechanisms for wildlife on working lands using tourism revenue National Park Fee and Tax CRC Working group**

### **Executive summary:**

This report presents the process and findings from discussions of a small group of diverse stakeholders who vetted potential mechanisms to fund wildlife issues outside of national parks from tourism. The group discussed the revenue and political feasibility associated with three potential mechanisms in detail: 1) Sales and use tax inside the boundaries of national parks; 2) a state tax on an entrance fee into national parks; and 3) an increase in federal entrance fees that could be spent outside national parks. Below, we'll describe the facilitated process, summarize discussions around each of the mechanisms, and some general conclusions.

**Description of process:** Through involving a diversity of perspectives in a facilitated discussion, with guest speakers and research on the topics, we were able to better understand what parts of each mechanism might be broadly appealing or divisive. This information will hopefully help pave a pathway where important issues like wildlife conflicts can be broadly supported by durable, long term funding sources.

The group (through facilitated zoom discussions and survey feedback) arrived at agreement on the following statements:

### **Problem statement:**

National parks are home to a rich suite of public wildlife that are important for ecosystems and attracting tourism to gateway communities. Wildlife cross jurisdictional boundaries from national parks to public and private working lands, which bring conflicts and costs to states and private landowners that cannot be recovered by saleable products. To maintain connected, well-managed landscapes for the benefit of both people and wildlife, it is important to address wildlife conflicts and costs with additional, durable funding sources

### **Issue statement:**

Stakeholders have identified a need for additional, long-term funding to support wildlife conflict mitigation as well as connected habitat. Importantly, these needs vary across MT, ID and WY, fluctuate over time, and should therefore be administered adaptively by jurisdiction. Stakeholders also recognize the importance of coordinating with county development and planning to keep working wild landscapes intact for the benefit of rural economies and wildlife.

**Issues in need of funding** listed by this stakeholder group are as follows. Although at the start of the group, the goal was to rank fundable issues to come to consensus around the top few specific needs, group discussions resulted in the determining that those needs are different in different areas and states, and have variable stakeholder support at different times. For successful legislation in MT, WY or on a federal level, the following list of most important issues to fund would need to be narrowed down depending on location, needs associated with that location, and the target funding mechanism:

Predator loss compensation, agency carnivore management programs, carnivore conflict prevention tools, grass loss/ crop loss to elk, disease management (brucella/ CWD), wildlife

passage, conservation easements, payments for wildlife stewardship, fence modifications, and habitat/range improvements. Although initially outside the scope of interest of this group, the group also acknowledged the needs in many of these rural places for other essential local services that tourism puts a burden on (e.g. search and rescue, firefighting, law enforcement, county development and planning).

In the table below, we summarized obstacles, feasibility and revenue for the funding mechanisms we discussed. Through discussion, research, and feedback from members and guests of the group we summarized the most relevant information in the Table 1a and Table 1b.

**Table 1a. Obstacles, feasibility, and revenue for top funding mechanisms**

Mechanism	Obstacles	Feasibility/ strategy	Revenue
<b>1. Park entrance fee increase</b>	-Revenue can't be spent outside park (FLREA) -Need multiple pieces of federal legislation & cooperative agreement to use \$ outside NPS	-Non-binding resolutions in WY, MT and ID to unify states towards working with delegations/ DOI on federal legislation. -Federal legislation for cooperative NPS agreement and 5-year pilot (possible strategy, Middleton et al.).	\$1.3M – \$13M* (\$1-\$10 added fee at NPS gate per vehicle – total for all entrances).
<b>2. Increase sales tax inside MT GNP</b>	-Need administrative entity that reflects non-tribal (state) park boundary. - Opens Pandoras box to use this funding for other issues. -Requires multiple pieces of state legislation	-Would need to legislate some kind of resort district (to collect fees) that reflects boundaries around/ within park for MT. -Need to discuss/establish geographic radius or specific species related to park/ location of collection for fund distribution. -Likely need to get specific with funding needs before consideration by MT legislature.	Unknown – need a study
<b>3. Increase sales tax inside WY (YNP &amp; GTNP).</b>	-Requires state legislation for county or state tax increase. -Other issues in need of funds/ deficit.	-WY already has county and state sales tax, would take coordination to allocate added revenue towards wildlife. -Recent Park & Teton proposals for county sales tax increase were rejected (for gov't use).	\$9M-\$22M* For 1%-2% increase in taxes
<b>4. MT sales tax on entrance fee</b>	-Sales tax not popular in MT legislature/ needs to surgically target tourists. -Would require multiple state laws to implement. -Need funding administration entity	-Options for local offset? -Small amount of revenue, need to organize to agree on narrow set of needs across interest groups to make it productive. -Requires new legislation for: 1) state tax on federal fee for funding wildlife; 2) new geographic tax jurisdiction to target NPS entrance fee only; 3) Fiscal entity to administer funding for purposes	~\$1.07M/ year for MT entrances to YNP 4% tax collected on \$35 gate fee (\$1.40). ** -Would be almost double when applied to GNP +YNP
<b>5. WY sales tax on entrance fee</b>	-Would require state legislation to implement. -Risk of funding going elsewhere?	-Options for local offset? -Could build from Sommers 2018 legislative resolution.	~\$806K/ year for WY ** 4% tax collected \$35 gate fee

\*Example in Yellowstone National Park calculated by [Middleton et al. 2020](#).  
\*\*Amount calculated from proportional gate traffic in Yellowstone: 59% MT and 41% WY splitting revenue estimates from Middleton et al. 2020.

## Next steps

### I Further investigation

- 1. Feasibility studies.** Typically, a feasibility study is conducted to do an economic analysis on opportunities and obstacles of potential funding mechanisms. A study would find the best match for the priority topic(s) in need of funding with the location and amount needed for those issues. Before starting a feasibility study, as members of this group suggested, there would need to be time spent coming to consensus on what issues are the

most important at the geographic/ political scale of interest. This consensus would need to be established before conducting the study to find the best opportunity out of competing finance mechanisms (see section II of Next Steps).

2. **“Conservation stamp” as an opt-in mechanism.** For both Montana and Wyoming, buying an opt-in collector’s item like a duck stamp (see Table 1b) could provide an opportunity for tourists entering national parks to fund wildlife issues surrounding parks that benefit species they come to see. These type of finance mechanism can be unpredictable and have high administrative costs with unknown revenues, but the idea may warrant further study.
3. **Modifying other finance mechanisms in MT.** The group had a strong Montana base, so the mechanisms identified in Table 1b provoked some discussion but there were not the resources to assess political or economic feasibility within the time frame of this group.

## II Strategy and background work needed in Montana leading up to legislation

1. **Set up a long-term body to house discussions of finance needs around public wildlife conflicts and private lands.** This body could be:
  - Form a coalition of diverse representation, with a goal of coming to a consensus around prioritizing the issues in need of funding. The benefit here is that this coalition would create a clear voice of need with a broad and stable base when a funding mechanism (whatever mechanism it might be) becomes available.
  - House the conversation in an existing place, and work towards mandating a different mission via the governor’s office (e.g. [Private Lands/ Public Wildlife Committee](#)).
  - Work towards the governor appointing a special committee focused on developing recommendations on this issue that can provide input on how the state allocates money or legislates around this issue.
2. **Find or legislate an administration entity** that can distribute funds towards diverse issues having to do with public wildlife and private lands, ideally linked to the legislature. An entity that is often discussed is the [Wyoming Wildlife and Natural Resource Trust](#) , which could serve as a model for MT.

## III State and federal legislative opportunities

1. **Pass legislative resolutions in MT and ID** similar to the [Sommers 2018 legislative resolution](#) to express intent to pursue funding mechanisms via tourism around the parks. This could be an important step to lay groundwork for state or federal legislation for increased sales taxes or federal entrance fees. Montana Representative Tom France is at the time of writing this report, proposing a similar [resolution](#) in the 2021 Montana session. A strength of this approach is that although it does not have funding or a distinct action attached to it, if passed, expresses solidarity around a need for funding these types of wildlife issues. With MT and WY both having state resolutions, this could provide positive backing to approach a nuanced conversation with the park service and federal delegation about appropriate steps forward with a federal fee increase. Likewise, a resolution has the potential to lay bipartisan groundwork that can start difficult conversations about enacting targeted state, county or resort taxes for this purpose. A weakness of this approach is that it is confusing for people, and although the language is

general, people view it as taking an action to pursue a specific mechanism, which it does not. Because of this confusion around mechanism, there may be some opposition.

2. **Federal park entrance fee increase.** The increase in fees may need to be done via legislation, but could also (possibly) be done through a superintendent's initiative. Federal delegations (MT, WY & ID) need to legislate a change to the Federal Lands and Recreation Enhancement Act ([FLREA](#)) to allow money that is collected at a particular park to be spend outside of that park – potentially with a cooperative agreement with states. Federal legislation also may be needed to spend non-appropriated funds outside of NPS. A few challenges to this approach include establishing a method to offset local costs; the maintenance backlog in national parks and other funding needs, the need for a multi-stakeholder committee to distribute funds. Middleton et al. 2020 suggested legislating a 5-year pilot to start out. A benefit to this mechanism is that the revenue amounts could be relatively large.
3. **State legislation to tax entrance fee to park (MT and WY).** WY Representative Sommers is considering legislation around this idea for the 2021 session. Upon initial legal review, this mechanism holds promise and is hypothetically legal through the Buck Act (allows state to collect taxes on federal property), though untested. This could provide a good mechanism for both MT and WY to strategically target tourists and develop a discrete pot of funding for a select few wildlife issues, if the work is done to narrow down the list of issues in need of funding. Conversations with the MT dept of revenue suggest this initially looks possible, and one strategy would be to create legislation similar to boaters purchasing an AIS tag to fund zebra mussel work. They also suggested that perhaps the best method for collecting tax strategically at the gate of a national park would be to create some kind of taxable district that mirrors the wording of a resort district.
4. **Montana sales and use tax inside Glacier National Park.** This seemed like it would be palatable to a wide diversity of people, if the money was somehow tied to the region that tourists visit, or alternatively a species that they come to see in a park that is in need of funding statewide. However, the challenge would be that it would be logistically difficult requiring a few different pieces of legislation and an administrative boundary within which to collect funds

### **Conclusions:**

1. A wide recognition of the need to fund growing wildlife conflict issues outside of parks and on working lands has broad support.
2. Of the three mechanisms we explored, there is no clear, easy path – all require federal or state legislation and have different obstacles.
3. There were differences in opinion on which mechanism is best to pursue.
4. Specific mechanism may be different in WY than MT because of different politics (e.g. attitude towards taxes). The priority of fundable issues depends on who & where you are (livestock loss payments/ multiplier vs. migration corridors, habitat projects, disease etc.).
5. Despite obstacles, each of these mechanisms is possible. Requires long-term strategy and work from interested parties.

6. Big need to carry on the discussion of how to mitigate costs of public wildlife that impact rural agricultural businesses in MT. This discussion needs a home, and an administrative body to house and distribute funding.

**Appendix 1: List of participants and affiliations:**

Bill Berg, Park County MT County Commissioner  
 Tom Rice, Beaverhead County Commissioner  
 Linda Owens – Madison Valley Ranchlands Group  
 Bob Sitz – Sitz Angus Ranch, Harrison MT  
 Cole Mannix  
 Dave McEwan – Former MT director of Woolgrowers, Wildlife Services Advisory Committee  
 Arthur Middleton – UC Berkeley  
 Temple Stollinger – UW Haub School Professor of Law  
 Dan Bailey - National Parks Conservation Association  
 Trina Jo Bradley – Blackfeet Stockgrowers  
 Kara Maplethorp – Centennial Valley Association  
 Albert Sommers  
 Chris Colligan- Greater Yellowstone Coalition  
 Senator Pat Flowers  
 Senator Butch Gillespie

<b>Appendix 2. Funding mechanisms that warrant more research</b>			
<b>Mechanism</b>	<b>Obstacles</b>	<b>Feasibility/ strategy</b>	<b>Revenue</b>
<b>1. Opt -in voluntary gate fee to fund wildlife conflicts outside NPS</b>	Need cooperative agreement with Xanterra & NPS	<ul style="list-style-type: none"> <li>Voluntary funds may be more easily spent outside the parks, but unreliable.</li> <li>Work cooperatively with NPS locally rather than federal legislation?</li> </ul>	Need estimate Could be significant
<b>2. Opt -in \$1 with concessionaire purchases to fund wildlife conflicts outside NPS</b>	Need cooperative agreement with Xanterra & NPS	<ul style="list-style-type: none"> <li>Voluntary funds may be more easily spent outside the parks, but unreliable.</li> <li>Work with Xanterra directly, rather than DOI – may be simpler?</li> </ul>	Need estimate Could be significant
<b>3. Resort tax</b>	-Limited to 3% in MT -Distribution of \$ typically for needs inside small resort districts	<ul style="list-style-type: none"> <li>Not likely to support working lands issues outside of resort districts in WY or MT</li> </ul>	
<b>4. Increase MT lodging tax 4%-8%</b>	Need to change distribution from 6.5% to 25% wildlife	Targets non-residents but polling suggests this is not popular with locals and local business owners	\$106M – \$150M if sales tax 2.5%-4% and ¼ of 1% allocated. #
<b>5. Rental vehicle tax increase from 4% to 8%</b>	How can funding distribution change so that revenue will go to wildlife conflict?	<ul style="list-style-type: none"> <li>SB360 in MT 2019 legislative session passed senate, died in house. Projected 2.7M-3M to general fund from 2% increase.</li> <li>Increase could be structured as a surcharge for out of state license holders?</li> </ul>	\$5.4M – \$6M #
# Increasing Dedicated Conservation Financing for Montana: An initial assessment of selected financing mechanisms. June 2019 report by Western Resource Advocates.			

## Appendix 3: Quotes: