Natural Resources & Outdoor Recreation Trust Fund

In 2010, 63 percent of Iowa voters gave overwhelming support to a constitutional amendment that would allow increased investment in Iowa’s parks, recreation and clean water.

Article VII Section 10 of the Iowa Constitution created a Natural Resources & Outdoor Recreation Trust Fund (Trust) that is to be supported by a sales tax of 3/8 of one cent. This trust fund is to be used “for the purposes of protecting and enhancing water quality and natural areas in this State including parks, trails, and fish and wildlife habitat, and conserving agricultural soils in this State.”

All that is needed is for the sales tax to be approved.

Iowa’s parks and natural areas provide many benefits.

Iowa does not have oceans and mountains, but Iowa does have prairies, woods, lakes and streams. Iowa’s natural areas:

- Offers habitat for wild plants and animals
- Afford recreation opportunities for hiking, camping, canoeing, viewing wildlife
- Cleanse the air, retain and absorb water, sequester carbon
- Offer relaxation, stress relief and spiritual needs satisfaction
- Deliver beautiful scenery
- Provide economic benefits to the neighboring communities when visitors spend money for things such as hotels, gas, restaurants
- Present jobs and careers to people who work in parks and recreation, both in the public and private sectors
- Preserve places where children can learn about nature, can play safely and can enjoy being outdoors

Impact on low-income families

We have heard the argument that a sales tax is regressive. The Iowa Legislature has exempted a number of items from sales tax, including food and medical equipment, resulting in a less regressive tax. Sierra Club took a look at what a 3/8 of one cent increase might mean for low-income Iowans.

The International Business Times (IBT) prepared a chart indicating how American families spend their money. The information is based on data from the U.S. Bureau of Labor Statistics (BLS).

IBT found that a family of two earning $17,563 per year in 2013 spent 56 percent of its annual income on its household while the average family with an annual income of $63,685 spent 26 percent and the wealthy family earning $247,261 annually spent 15 percent on their households.

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Housing is simply the largest expense. IBT broke down where a low-income family of two spends its money—transportation (23%), food (21%), health care (12%), entertainment (6%), education (2%) alcohol (<1%) and other (20%). “Other” encompasses restaurants and bars, personal insurance, personal care products, apparel, services, tobacco, etc.iii

Since food, health care and education are not taxedvi, Sierra Club looked at the other expenditures using the information found by IBT. The remaining portion of income amounts to $8,833. A sales tax increase on a two-person family spending $24,806 (what the family actually spends) would amount to $33.12 more per year. A family of four, on the other hand, earning 100 percent of poverty guidelines ($24,300) would spend an additional $31.23 on sales tax. By comparison, two adult movie tickets cost $20.

Other benefits of the 3/8 Cent sales tax

The Trust would provide significant funding for wildlife habitat, parks, nature preserves, trails, REAP, lake restoration and other free recreation opportunities to ensure the next generation of Iowans could enjoy open spaces and outdoor recreation. Low-income families have fewer options for recreation than higher income families. State parks currently are free and charge nothing to park a vehicle. Iowa tried charging admission fees to state parks, but that essentially eliminated the ability for these families to enjoy the outdoor spaces.

Supporting the Trust increases available funding for other priorities.

In 2016, the Iowa House passed legislation that would take money from the Rebuild Iowa Infrastructure Fund (RIIF) to pay for water quality improvements. That would not be necessary if deposits started coming into the Trust because it would provide funding sorely needed to improve Iowa’s water quality by providing funds for soil, water and watershed protection and local conservation. Funds could then be available for the desperately needed $300 million for state infrastructure through the RIIF appropriations.

Healthy people need clean water, a healthy environment and parks and recreation areas.

Expanding funding for Iowa’s parks and natural areas is good for all Iowans.

The Iowa Chapter supports a 3/8 of one cent sales tax to support the Natural Resources & Outdoor Recreation Trust Fund and retaining the current funding formulas.

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iv. Percentages do not add up to 100% because the low-income family will usually spend more than it brings in.

v. Housing is not generally taxed; however, there may be slight increases in utilities charging sales tax. Housing costs may be lower in Iowa and families who receive housing assistance obviously would change the scenario.