



## Draft Bill Executive Summary

**Basis:** This bill provides funding at the level identified in the [priority needs assessment](#) to three distinct areas of conservation (working lands, wildlife, parks/rec) with education included under all three categories. The principles used in drafting were to not create any new government structure or revenue source, but rather utilize existing agencies and inefficient or surplus funds.

**Structure:** The bill creates the state conservation fund which pools revenue from the sources discussed below. These funds are then divided amongst grant programs administered by their respective agency divisions. The funds, their administering divisions, and their funding percentages are: Working lands conservation fund, KDA division of conservation, 50%; wildlife conservation fund, KDWP wildlife division, 25%; Kansas outdoors fund, KDWP parks division, 25%. Each division has the responsibility to solicit public input as they develop rules and the requirement to establish an advisory group representative of industry members and stakeholders.

**Funding:** The estimated funding level of \$63.4 million comes from three different sources: lottery prize revenue, sports gambling revenue, and a general fund transfer related to sporting goods tax revenue.

- **Lottery prize revenue:** The Kansas Lottery Act requires that at least 45% of total lottery revenue goes towards prizes. Since its creation in 1988, an average of 55% has gone towards prizes. From FY 2017-2022, 60.06% of the total revenue went to prizes, with a .66% average increase every year for the past decade. The bill would annually transfer \$32 million (approximately 10%) of lottery revenue to the state conservation fund. This would keep the state above its minimum prize requirement by 5% or more and put the money to work, instead of into prizes.
- **Sports gambling revenue:** Projected to be \$10 million for the state by FY25. Currently goes to a fund dedicated to attracting a professional sports team to Kansas. Conservation funding invests into proven economic and tourism sources.
- **Sporting goods sales tax:** Due to Kansas being a member of the Streamlined Sales Tax agreement, a direct carve-off is not possible. The bill would create a transfer from the state general fund of fifty percent of the revenue generated by sporting goods sales tax as calculated by the NAICS code 451110.
- **Total of approximately \$63 million (\$31.5 to working lands, \$15.75 to wildlife, \$15.75 to Kansas outdoors)**

While somewhat convoluted, this appropriations methodology would not have a direct impact on the budget of any state agency nor an increase of fees/taxes to Kansans while multiplying many times over the return-on-investment for these public funds into conservation benefits.

**Eligibility:** Public and non-profit entities would be eligible for the funding. This would include conservation non-profits, groundwater management districts, cities, counties, conservation districts, etc. Each fund has a general standard of eligible uses and a list of explicit practices drawn from stakeholders.