May 29, 2018

Environmental Quality Council
Joe Kolman, Environmental Analyst

NATURAL HERITAGE PROGRAM

FUNDING OPTIONS

At its March 2018 meeting, the EQC directed staff to draft discussion bills covering three broad areas of possible funding for the Natural Heritage Program (NHP), which by law gathers and disseminates data related to the flora, fauna, and biological community types in Montana. The NHP is part of the natural resources information system (NRIS), a program that gathers and distributes data related to natural resources. Both programs were created by law and are housed within the state library, which provides a large variety of data used in conjunction with the NHP and the NRIS.

For example, the EQC discussed the NHP map viewer. The map viewer shows observed locations of animals and plants, information compiled by the NHP. But a person can also search for wetlands and riparian systems, the collection of which falls under NRIS. A person can also examine public versus private land ownership in the state, which are data compiled by the library outside of NHP and NRIS.
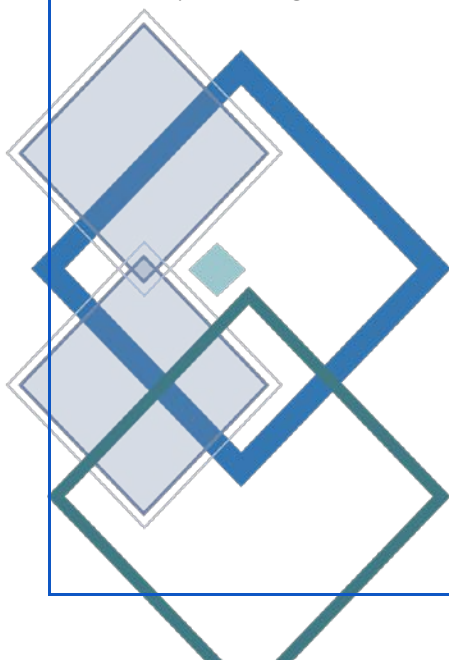
As discussed previously this interim, the library's goal of sustainable funding for NHP would require $350,000 in new funds in addition to the money NHP receives now from state and federal agencies that use the program most and money it obtains for special projects that are not part of the program's core mission.

While the EQC study focused on the NHP, much of the discussion this interim has delved into services provided by NRIS and other services provided by the library. As directed by the EQC, the funding options below relate specifically to the NHP, but they could be revised at the council's direction to include other data programs within the library.

LCNH1a

This draft creates a fee for environmental assessments and environmental impact statements under the Montana Environmental Policy Act. The fees would be paid by applicants for permits, licenses, leases, or certificates. The fees would be assessed to applicants for mines, pipelines, gravel pits, water use permits, and air quality permits. The scenarios below use a 10-year average of environmental review numbers.

Possible Fee Scenarios for LCNH1a				
EA Total	10yr Avg	$10 fee	$30 fee	$50 fee
	1253	$ 12,530	$ 37,590	$ 62,650
EIS Total	10yr Avg	$100 fee	$300 fee	$500 Fee
	3	$ 300	$ 900	$ 1,500

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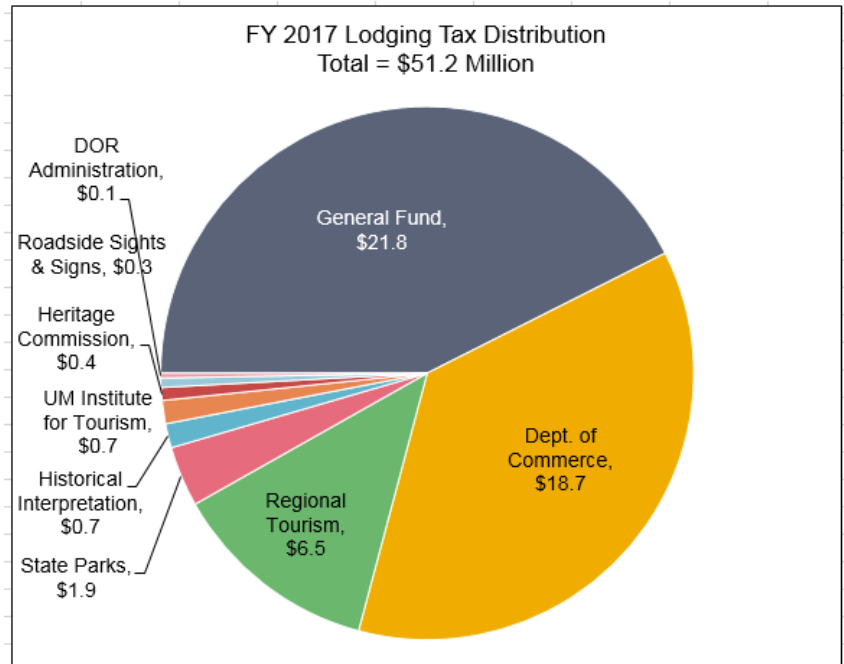Joe Kolman, Environmental Analyst

LCNH2a & LCNH2b

LCNH2a allocates a fixed dollar amount from the lodging facility use tax. This is the 4% tax for each room. It would remain the same year to year. The Montana heritage and preservation development account for Virginia and Nevada City and other historic properties is funded this way. [1]

LCNH2b also allocates a portion of the lodging facility use tax; however, it would be a percentage of the collection each year. Examples of this type of funding include historical road signs and sites, state park maintenance, and the Commerce Department. This option requires reducing at least one other percentage allocation.
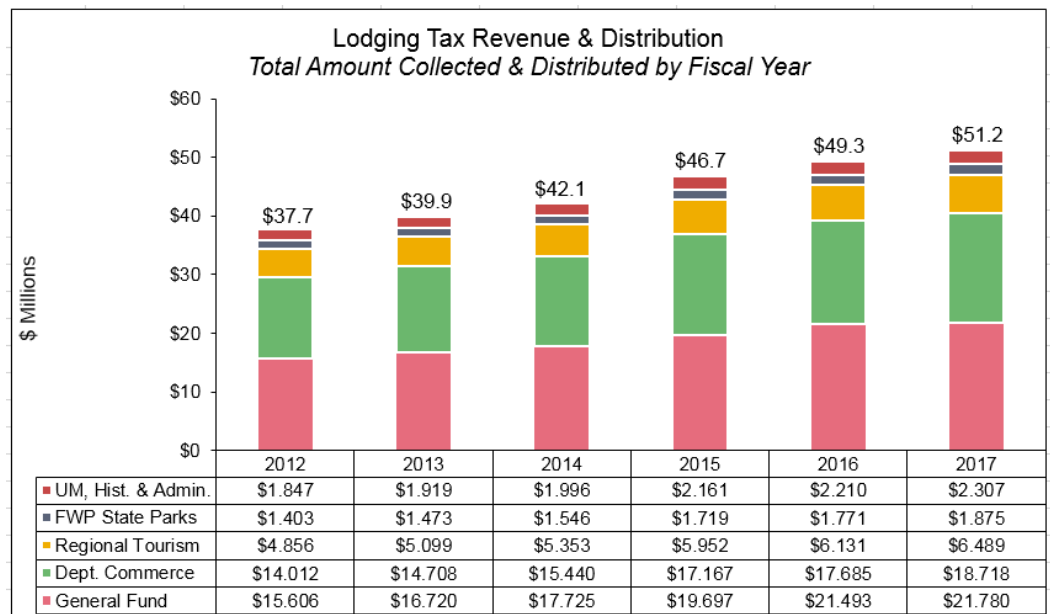
Another decision for these options is whether the funds are statutorily appropriated or subject to appropriation by each legislature.

These charts from the Legislative Fiscal Division show current uses of the lodging tax. (The general fund money comes from the 3% lodging sales tax and would not be affected by either proposal. [2]

FY 2017 Lodging Tax Distribution
Total = $51.2 Million

- General Fund, $21.8
- Dept. of Commerce, $18.7
- Regional Tourism, $6.5
- State Parks, $1.9
- Historical Interpretation, $0.7
- UM Institute for Tourism, $0.7
- Heritage Commission, $0.4
- Roadside Sights & Signs, $0.3
- DOR Administration, $0.1

LCNH3a

This option establishes a fee for each device that is connected to the state network. It could be assessed on all state agencies or selected agencies. State agency funding comes from the departments of Environmental Quality, Fish, Wildlife, and Parks, Natural Resources and Conservation, and Transportation and the State

Lodging Tax Revenue & Distribution
Total Amount Collected & Distributed by Fiscal Year

	2012	2013	2014	2015	2016	2017
UM, Hist. & Admin.	$1.847	$1.919	$1.996	$2.161	$2.210	$2.307
FWP State Parks	$1.403	$1.473	$1.546	$1.719	$1.771	$1.875
Regional Tourism	$4.856	$5.099	$5.353	$5.952	$6.131	$6.489
Dept. Commerce	$14.012	$14.708	$15.440	$17.167	$17.685	$18.718
General Fund	$15.606	$16.720	$17.725	$19.697	$21.493	$21.780

Totals: $37.7 (2012), $39.9 (2013), $42.1 (2014), $46.7 (2015), $49.3 (2016), $51.2 (2017)
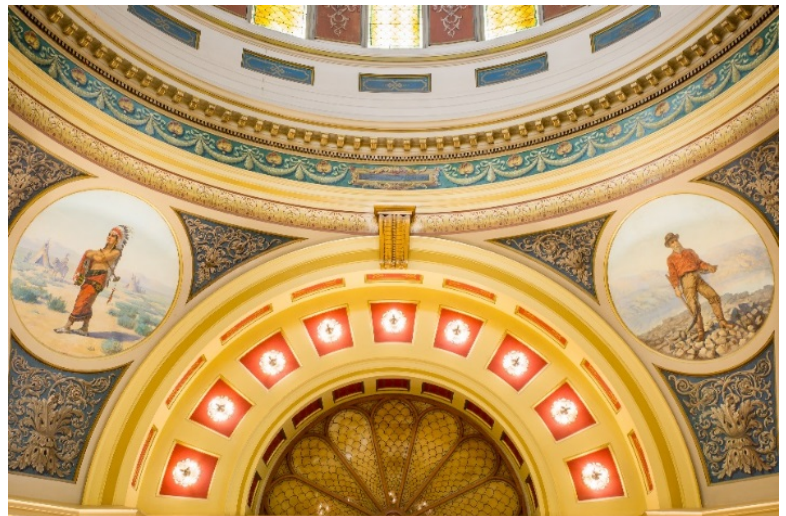
[1] 15-65-111, MCA.
[2] 15-68-102(1)(a), MCA.

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Library.[3] Network-connected devices are those that that connect to the state network, including desktop computers, laptops, and printers. There are about 18,000 of these devices in state agencies as broken down below.

Agency	Devices
AGR	152
ARTS	7
BCC	1
BPE	4
COR	1,462
CPP	11
DEQ	604
DLI	1,298
DMA	56
DNRC	836
DOA	512
DOC	295
DOJ	1,757
DPHHS	3,534
FWP	751
GOV	67
HIST	93
JUD	1,125
LEG	112
LIB	77
LIV	93
MDT	2,924
MPERA	80
OPD	338
OPI	244
PSC	45
PSCB	5
REV	972
SAO	116
SOS	67
STF	350
TRS	43
UNIV	1
Total	**18,302**

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[3] The NHP has won noxious weed grants from the Department of Agriculture.

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