EXECUTIVE SUMMARY

For many of us, our most treasured childhood memories are romping in a neighborhood park or taking a hike in Arizona's wide open spaces. Almost every community in our state, regardless of size, has a place where parents and their children picnic; throw, kick, hit, and dunk a ball; or stare in wonderment at Arizona's unique flora and fauna. These special places provide wholesome outdoor recreation.



Historic downtowns and neighborhoods, where Arizonans of a previous era grew up, went to school, and conducted business, have been stabilized and

restored to their original beauty enabling natives and newcomers to continue to live near their jobs, schools, and local services. Their restoration helps us better understand and appreciate the architecture and craftsmanship of a particular era. Their reuse makes economic sense.

Unfortunately, urban sprawl and destructive fires have impacted our open spaces, and historic buildings and cultural sites have faced possible destruction as time, the elements, or neglect have taken their toll.

Fortunately, Arizona State Parks Heritage Fund grants, from the time citizens voted overwhelmingly for this unique initiative in 1990 to the Great Recession, provided key funding through a competitive, matching grant process, for communities, tribes, and agencies to enhance and create parks and trails, and restore, repair, and reuse historic properties.

The importance of Arizona's parks, trails, cultural sites, and public spaces has also become more evident as we work to overcome the social and economic hardships caused by the COVID-19 pandemic. Our public parks and open spaces provide Arizonans the space for socially distanced recreation and respite during these challenging times. In a recent study conducted by the National Parks and Recreation Association, three in five U.S. residents – more than 190 million people – visited a park, trail, open space, or other recreation facility at least once during the first three months of the pandemic (mid-March through mid-June 2020). Increased usage and foot traffic warrants increased maintenance and upkeep to meet the demand.

This demand has demonstrated that investing in our trails, parks, cultural sites, and public spaces – which contribute billions of dollars each year to the state's economy – is key to the economic recovery of our urban and rural economies. It is therefore imperative that we look toward a funding mechanism such as the Heritage Fund to invest in the physical, social, and civic structures that many of our communities, especially in rural and tribal areas, depend upon for generating tourism-related economic activities that in turn create jobs and support local business.

Not only do they protect and preserve Arizona's heritage, but as the past year has shown that they have been critical to our state's response to the pandemic. Please appropriate the necessary funds to restore the State Parks Heritage Fund. Vote "yes" on House Bill 2127 and Senate Bill 1384! Our outdoor recreation and tourism-based jobs and businesses they support will be key to stimulate Arizona's economy and aid our economic recovery.

Sincerely,

Board of Directors Arizona Heritage Alliance

BACKGROUND

The State Parks Heritage Fund was created in 1990 as a ballot initiative, Proposition 200, which passed with 62% of the vote.

The law directed \$10 million annually from state lottery revenues

- revenues remaining after paying out prizes and covering administrative costs - to the State Parks Heritage Fund to be used for local, regional, and state parks, trails, cultural sites, and public spaces.



The text of the statute specified that these funds were to be spent only by the State Parks Board and were not to revert to the general fund under any circumstances. Proposition 200 also created a separate Arizona Game & Fish Heritage Fund, with its own \$10 million annually from state lottery revenues. The Game & Fish Heritage Fund uses its money to protect and manage habitat for Arizona's wildlife.

Since the creation of the State Parks Heritage Fund, over \$89 million in grants has been reinvested in parks, trails, cultural sites, and public spaces in communities across Arizona. With local matching funds added in \$207 million has been invested in projects statewide (Heritage Fund, Cumulative Projects Costs, 1991-2008; 10/24/2011).

64% of Arizonans consider themselves to be outdoor recreation enthusiasts.

84% believe the outdoor recreation economy is important to Arizona's future.

Source: "Conservation in the West" Poll, Colorado College, 2019

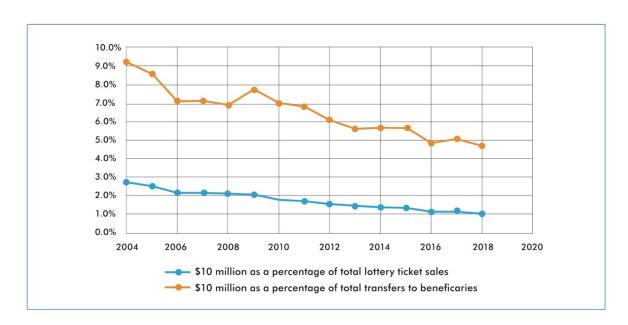
FUNDING CHALLENGES

Unfortunately, the ballot initiative that created the State Parks Heritage Fund was passed before the Arizona Voter Protection Act was passed, as an initiated constitutional amendment, Proposition 105, in 1998. The Voter Protection Act makes it more difficult for the state legislature to amend or repeal legislation that was passed as a ballot initiative. Since the Voter Protection Act only applies to initiatives passed at or after the November 1998 general election, initiatives passed earlier, including the State Parks Heritage Fund, remain vulnerable to easier amendment by the legislature.

This is exactly what happened in 2010, when the state legislature passed, and Governor Jan Brewer signed into law, HB2012 to help address budget shortfalls due in part to the Great Recession. HB2012 repealed the State Parks Heritage Fund and directed that any money remaining in the fund revert to the general fund, directly contradicting the language of the original ballot initiative.

Starting in 2010, the \$10 million annually that should have gone into the State Parks Heritage Fund was redirected to other priorities. Over the ten years since the State Parks Heritage Fund was swept by the legislature, the Fund has missed out on \$100 million that should have been used for parks, trails, and cultural sites in accordance with the wishes of the voters. (The Game & Fish Heritage Fund was not impacted by this legislative action and continues to receive \$10 million annually for wildlife habitat protection and management.)

Meanwhile, state lottery revenues continue to grow, and the \$10 million dedication to the State Parks Heritage Fund is an ever-decreasing percentage of lottery revenues that are transferred to beneficiaries. In 2004, \$10 million was 2.7% of lottery ticket sales, and 9.3% of transfers to beneficiaries. In 2018, had \$10 million been transferred to the State Parks Heritage Fund, it would have been only 1% of lottery ticket sales, and 4.7% of transfers to beneficiaries.



LEGISLATIVE ACTION

In the 2019 legislative session, SB1241 was passed by the state legislature and signed into law by Governor Doug Ducey. SB1241 restored the State Parks Heritage Fund, but with two important differences:

- First, while the law restored the State Parks Heritage Fund, it did not restore the annual deposit of \$10 million from state lottery revenues.
- Second, SB1241 specified that money in the State Parks Heritage Fund may not be used for acquisitions, a change from the ballot initiative that was passed by voters in 1990.

Today, money in the State Parks Heritage Fund as re-established by SB1241 is allocated across parks local, regional, and state parks (50%); historic preservation (30%); non-motorized trails (10%); and education (10%).

Restoring the State Parks Heritage Fund was an important first step. Now it is essential that the State Legislature respect the will of the voters and restore the \$10 million in annual funding that voters originally dedicated to the State Parks Heritage Fund. Vote to restore the Fund. Vote "yes" on House Bill 2127 and Senate Bill 1384!

According to a recent statewide survey,
77% of respondents believe the Arizona Legislature
should permanently restore funding for the Fund.

For more information, please contact:

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