

Issues Relating to the Indiana Heritage Trust Program

July 1997

Agricultural Matters
Evaluation Committee

Indiana Legislative Services Agency

Legislative Evaluation and Oversight

The Office of Fiscal and Management Analysis is a Division within the Legislative Services Agency that performs fiscal, budgetary and management analysis. Within this office teams of program analysts evaluate state agency programs and activities as set forth in IC 2-5-21.

The goal of Legislative Evaluation and Oversight is to improve the legislative decision-making process and, ultimately, state government operations by providing information about the performance of state agencies and programs through evaluation.

The evaluation teams prepare reports for the Legislative Council in accordance with IC 2-5-21-9. The published reports describe state programs, analyze management problems, evaluate outcomes, and include other items as directed by the Legislative Evaluation and Oversight Policy Subcommittee of the Legislative Council. The report is used by an evaluation committee to determine the need for legislative action.

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Preface

Each year, the Legislative Services Agency prepares reports for the Legislative Council in accordance with IC 2-5-21. In accordance with Legislative Council Resolution 15-96, this report concerns issues relating to the Indiana Heritage Trust Program. It has been prepared for use by the Agricultural Matters Evaluation Committee.

This report pays particular attention to the impact on (1) local government and property taxes and (2) the issue of maintenance of purchased property.

We gratefully acknowledge all those who assisted in the preparation of this report. The staff of the Department of Natural Resources was helpful in their response to our requests for information.

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Summary of the Program Evaluation of the Indiana Heritage Trust Program.

Legislative Council Resolution 15-96 requested the study and evaluation of the Indiana Heritage Trust Program. Particular attention was to be paid to the maintenance of Heritage Trust purchases and the impact that Heritage Trust purchases have on local governments and property taxes.

Legislative Mandate. Public Law 69-1992 established the Indiana Heritage Trust Program and Fund and required the Bureau of Motor Vehicles to issue an environmental license plate at a cost of \$35; \$25 of which is deposited in the Indiana Heritage Trust Fund. The Indiana Heritage Trust Project Committee and the Indiana Heritage Trust Committee oversee the program which is designed to ensure the preservation through the purchase of property or property rights of Indiana's natural heritage.

Budget. From 1994 through March 1997, approximately \$12 million was deposited in the Fund. License plates sales generated \$6.3 million; appropriations from the General Assembly equaled \$5 million; transfers from other funds and miscellaneous revenue comprised the remainder. Funding sources outside of the Heritage Trust Fund generated \$3.5 million with \$7.7 million expended for 14,700 acres.

Maintenance of Heritage Trust

Purchases. Since the inception of the Heritage Trust program through March 1997, 63 parcels were purchased. The Department of Natural Resources' (DNR) Division of Fish and Wildlife purchased or assisted in the purchase of nine parcels (10,394 acres); the Division of State Forests acquired 24 parcels (1,705 acres); the Division of Nature Preserves acquired 20 parcels (1,631 acres); State Parks gained seven (424 acres); and the Divisions of Outdoor Recreation and State Museums and Historic Sites acquired three (209 acres).

Acquisitions That Reduced Maintenance Costs. The DNR decreased maintenance costs with the purchase of 28 inholdings, or 44% of the total purchases. Purchases of inholdings decreased surface boundary area, eliminated property line disputes, and in some cases provided easier access to other state land holdings.

Acquisitions Maintained by Others. The DNR acquired maintenance partners for 12 properties, or 19%.

Small Acquisitions. Existing staff maintain 11 properties, or 17.5%, of less than 100 acres.

New Staff. Staff were hired for new state parks that involved four Heritage Trust properties, or 6.4%.

Large Acquisitions. Existing staff maintain 8 properties, each over 100 acres, or 13%.

Use of the Stewardship Account. A total of 4.5% of all Heritage Trust revenue is deposited in the Stewardship Account for maintenance of purchases. As of April 1997, \$347,390 was available; \$19,463 had been used.

Maintenance of Future Acquisitions. With the continuing acquisitions of Heritage Trust properties, it appears that at some point the DNR will need additional staff. Since the initial purchase in 1994, the DNR has eliminated 19 positions directly related to property management and maintenance. The DNR did receive 21 parked-related workers for new state parks. Currently, if the DNR wishes to add staff to be funded by the Department's budget, there is a mechanism in place, the state budget process, that could allow the Department to do so. The stewardship account, under its current statutory guidelines, could not provide sufficient funding for ongoing personnel costs.

The Effect of Heritage Trust Properties on Neighboring Properties.

Effect on Property Values. Seven county extension agents located in counties that contain large tracts of Heritage Trust properties indicated that neighboring residents have not complained about a decline in property values resulting from Heritage Trust acquisitions. Some neighboring property owners have contributed or supported the purchase of certain acquisitions because such purchases guarantee that the land will remain undeveloped, thereby, increase the value to the current neighbors.

Drainage. Although the fear of water run off from wetlands has been a concern of proposed projects, no evidence was found that suggests that Heritage Trust properties have drained on neighboring properties. The DNR contracts for hydraulic engineering studies to develop water maintenance and manipulation systems to ensure no run off on neighboring properties.

How Much Land Are They Going to Buy? Some local residents at times may not have a clear picture of the overall purchasing plan. Each DNR division has

general land acquisition goals. A goal of the Division of State Parks, for example, is to provide state park recreational facilities for central Indiana residents. The land acquisition goal of the Division of State Forestry is to acquire (from willing sellers) numerous inholdings located within existing state forests. Sharing acquisition goals might allay local fears.

Notification of Projects Under Consideration. At its June 1997 meeting, the Project Committee discussed the need to notify legislators and county officials of upcoming Committee meetings on proposed projects.

The Effect of Heritage Trust Purchases on Community Services. The need for local services appears to be the same after the state purchase; however, the state does not pay property taxes to fund the services. Representatives of the Association of Indiana Counties, Indiana Township Association, and the Indiana School Boards Association indicated that members have not complained about the provision of local services to Heritage Trust properties. In two cases, the Lake County Parks Department and the Indianapolis Parks Department advocated the purchases and agreed to maintain the properties.

The Impact of Heritage Trust Purchases on Local Governments and Property Taxes. The Heritage Trust Program has removed an estimated \$533,046 in assessed value from the tax rolls. Generally, the removal of assessed value redistributes the tax liability to all other taxpayers. The estimated total statewide shift resulting from Heritage Trust was \$20,021. (The state school funding formula offset any loss in the school general fund.) The estimated average rate increase was \$0.00182, which would result in an annual tax bill increase of \$0.38 for property with a market value of \$100,000. For 432 of 646 taxing districts, the Heritage Trust purchase resulted in no rate increase. For 94 of the 138 taxing units located with these districts, or 68%, tax rates did not increase. The highest rate increase was \$0.0091 in Lake County.

Cumulative funds would be affected only if the funds were already at the maximum tax rate. *If* all funds were at their maximum rate, 190 cumulative funds (including school capital projects funds) would lose and average of \$26 for a statewide loss of \$4,949.

From the School Boards' Perspective. A representative of the Indiana School Boards Association, indicated that any time property is removed from the tax rolls, school corporations are affected. Corporations containing significant amounts

of tax-exempt property are affected more than corporations with little to no exempt property. The Association supports state compensation for any revenue lost. However, tax exemptions for Tax Increment Financing Districts and Tax Abatements for businesses cause a greater impact on schools than Heritage Trust purchases. In addition to the loss of taxable property resulting from tax exempt status of certain business properties, businesses might also result in an increase in students. Local school boards are often criticized for tax rate increases that result from a decrease in taxable property compounded by an increased demand for school services.

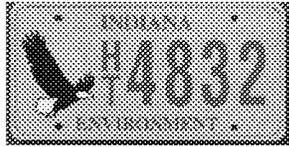
From the County Perspective. A representative from the Association of Indiana Counties suggested that in some counties other tax-exempt property is more significant than Heritage Trust properties.

From the Township Perspective. A representative of the Indiana Association of Townships indicated that if the state purchased a significant percentage of a township's property, the township tax rate could increase significantly. The Association supports state compensation; however, most purchases do not appear to be significant. A Heritage Trust property's greatest impact was in Eagle Creek Township in Lake County where the exemption equaled .9405% of all taxable property.

Other States. Currently, 32 states have an environmental license plate program. Nationwide over 10.7 million environmental plates have been sold, generating over \$324 million. Indiana ranks 39th in terms of the total percent of land owned by the state. Three recent studies suggest that 11 states do not compensate local units; 39 states compensate in some fashion and to some extent for state property. No state compensates local units for 100% of the taxes that would have been due. The types of compensation programs were numerous; some states had more than one program. Costs for the compensation programs ranged from \$26,000 in Nevada to \$59 million in New York. Of the 38 states, 24 reportedly compensate for wildlands. Eight states pay a flat rate per acre, ranging from \$0.10 to \$3.00. Seven states compensate local units if the state property comprises a certain percent of total land or total taxable property. Six states limited property value assessments. In general, states appear to adopt programs that have uniform application and result in predictable liabilities. Some states target certain units for reimbursement.

Overview of the Indiana Heritage Trust Program.

Public Law 69-1992 (IC 9-18-29) established the Indiana Heritage Trust Program and Fund and required the Bureau of Motor Vehicles (BMV) to design and issue an environmental license plate. The BMV was to charge a \$35 fee for the initial plate and for annual renewals. The Bureau retains \$10 of the fee for administrative expenses. The remaining \$25 is deposited in the Indiana Heritage Trust Fund for use by the Indiana Heritage Trust Program.



Purpose of the Heritage Trust Program.

IC 14-12-2-1 specifies that the purpose of the Indiana Heritage Trust Program is to acquire real property¹ or interests in real property that

- are examples of outstanding natural features and habitats;
- have historical and archeological significance; and
- provide areas for conservation, recreation, and the restoration of native biological diversity.

The program is designed to ensure that the state's natural heritage is preserved or enhanced for succeeding generations by acquiring, preserving, and enhancing real property for new and existing

- state parks,
- state forests,
- nature preserves,
- fish and wildlife areas,
- wetlands,
- trails, and
- river corridors.

The **Indiana Heritage Trust Project Committee** and the **Indiana Heritage Trust Committee** oversee the operations of the Heritage Trust Program.

¹ An interest in real property includes ownership in fee simple, conservation easements, leaseholds, and management rights (IC 14-12-2-6).

Figure 1. Prefixes on the Indiana Environmental License Plate

HT	Heritage Trust
EN	Environment
NR	Natural Resources
DU	Ducks Unlimited
NC	Nature Conservancy
OR	Ohio River
LM	Lake Michigan
HP	Historic Preservation
FW	Fish and Wildlife
WF	Wildlife Federation
WT	Whitetail/Wild Turkey
PF	Pheasants Forever
QU	Quails Unlimited
ED	Earth Day
AD	Arbor Day
GW	Greenways
HE	Hoosier Environment
As of 4/17/97	

The Indiana Heritage Trust Project Committee.

IC 14-12-2-14 established the Indiana Heritage Trust Project Committee to provide technical assistance to the Indiana Heritage Trust Committee. The Project Committee consists of 16 members; six are directors of the following DNR divisions:

- Fish and Wildlife,
- Forestry,
- Nature Preserves,
- State Parks and Reservoirs,
- Outdoor Recreation, and
- State Museums and Historic Sites.

The Governor appoints the Chair of the Project Committee as well as a member from each of the ten Congressional districts. Each appointee must have a demonstrated interest or experience in the conservation of natural resources or management of public property. The ten appointees must represent environmentalists, academia, hunting and fishing organizations, the forest products community, and the parks and recreation community.

The Project Committee, which has met at least quarterly since November 1993, must conduct meetings in a manner that promotes broad and fair public participation. About 90 guests have attended Project Committee meetings, all of which were held in Indianapolis. Of these 90, three opposed proposed projects.

The public or DNR representatives propose projects for consideration. The Project Committee considers property from willing sellers only. Based on its fact-finding, the Project Committee may recommend the purchase of property or interest in property to the Indiana Heritage Trust Committee.

The Indiana Heritage Trust Committee.

IC 14-12-2-8 established the Indiana Heritage Trust Committee primarily to recommend to the Governor purchases for the Heritage Trust Program. The Trust Committee consists of 17 members:

- ▶ 12 members of the Natural Resources Foundation.²
- ▶ 2 members of the Indiana State Senate.
- ▶ 2 members of the Indiana House of Representatives.
- ▶ The Treasurer of State or designee.

The Chair of the Trust Committee is also the Chair of the Natural Resources Foundation. The Trust Committee has met at least annually, as specified by statute, since 1993. Twelve persons have attended the Committee meetings, held in Indianapolis. Two have opposed projects.

²IC 14-12-1 provides for the creation of the Indiana Natural Resources Foundation, a public body corporate and politic. The Foundation consists of twelve members, not more than six of whom may be of the same political affiliation, appointed by the Governor. The exclusive purpose of the Foundation is to acquire real and personal property to be donated to the Department of Natural Resources or any unit of local government.



The Heritage Trust Land Acquisition Process

Step One: Either the public or a DNR staff member submits a proposal to the Heritage Trust Project Coordinator. The Coordinator, a DNR staff member, returns proposals that do not meet Heritage Trust criteria or forwards acceptable proposals to the Project Committee.

Step Two: The Project Committee conducts a public hearing to review the proposal. If the project is approved, the Project Committee ranks the project according to division accounts. The Project Committee submits final recommendations to the Trust Committee.

Step Three: The Trust Committee may approve the project proposed by the Project Committee, with or without modifications, and may recommend the project to the Governor.

Step Four: If the Governor approves the project, he or she must approve the project as recommended by the Trust Committee. If approved, the Governor informs the DNR director of the approval.

Step Five: The DNR takes the necessary steps to acquire the property. Not all properties are purchased. Sellers may change their mind, an agreeable price may not be reached, or a variety of other reasons may result in a failure to purchase the property.

Step Six: If the property is acquired, the DNR negotiates and implements a management plan by one of the DNR divisions or a nonstate entity.

The Trust Committee, with the assistance of the Project Committee and the DNR, also establishes an Indiana Heritage Trust Strategic Plan which provides a general overview of the program and includes specific criteria for the use of each Trust account.

The Indiana Heritage Trust Fund. IC

14-12-2 established the Indiana Heritage Trust Fund for the purpose of purchasing property or property rights. The fund consists of:

- Fees from environmental license plates.
- Appropriations made by the General Assembly.
- Money transferred to the fund from other funds.
- Interest earned on money in the fund.
- Money donated to the fund.

The DNR administers the fund. Money in the fund at the end of a state fiscal year does not revert to the state general fund or any other fund.

Accounts Within the Heritage Trust Fund.

IC 14-12-2-26 provides the following accounts within the Heritage Trust Fund:

- (1) *State parks* account.
- (2) *State forests* account.
- (3) *Nature preserves* account.
- (4) *Fish and wildlife* account.³
- (5) *Outdoor recreation/Historic sites* account.
- (6) *Stewardship* account.
- (7) *Discretionary* account.

Money in accounts, other than the stewardship account, is used for land acquisition and related expenses, such as the costs of surveying, title insurance, environmental assessments, hydraulic engineering studies, appraisals, project development, and legal services. Money in the **stewardship account** may be used only for:

- (1) Maintaining Heritage Trust property.
- (2) Removing structures and debris unsuitable for the intended use of the property.
- (3) Preparing and preserving sites, including installing fences, restrooms, public ways, and signs.
- (4) Returning the property to its natural state.

³In addition to other revenue sources, money collected from the voluntary purchase of a \$5 Fish and Wildlife Land Acquisition Stamp is deposited in the **Fish and Wildlife account** (IC 14-12-2-35).

- (5) Not more than 10% of the money in the account may be used for the promotion of the Heritage Trust Program.

Trust Fund money may not be used to construct, remove, or remediate hazardous substances; treat wastewater; or restore, renovate, or repair historic structures.

Money in the **discretionary account** may be used for any purpose for which money may be used in the other six accounts. However, for every \$3 expended from the **discretionary account**, at least \$1 in matching money or value must be provided from nonstate sources.

Allotments of Funds to the Accounts. IC

14-12-2-28 provides that 5% of the money appropriated to the Heritage Trust Fund is allotted to the stewardship account. After the allotment to the stewardship account, 10% of the remaining balance, or 9.5% of the total, is allotted to each of the five Heritage Trust division accounts. The remaining 47.5% of the total is allotted to the discretionary account.

Figure 2. Percent of Allotments of Heritage Trust Funds to Accounts

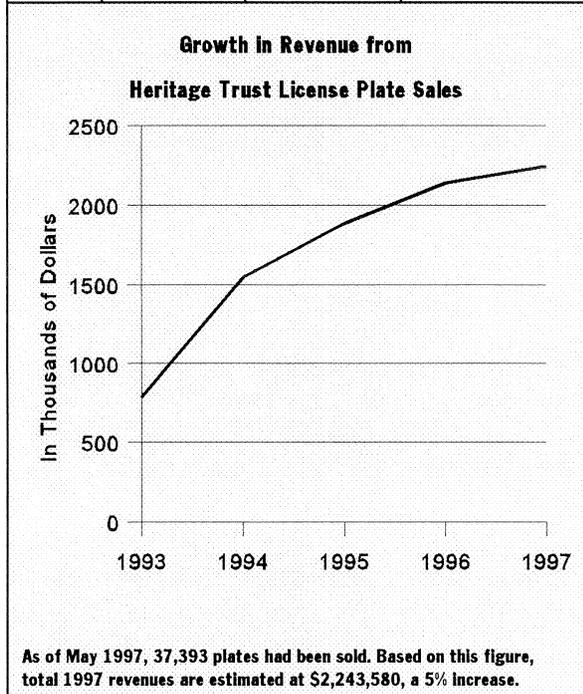
Discretionary Account.....	47.5%
State Parks Account.....	9.5%
State Forests Account.....	9.5%
Nature Preserves Account...	9.5%
Fish & Wildlife Account.....	9.5%
Outdoor Recreation/Historic Sites Account.....	9.5%
Stewardship Account.....	5%

Sources of Revenue for the Heritage Trust Fund

Revenue from the Sale of Heritage Trust License Plates.

The Heritage Trust plates became available in January 1993, generating revenue for 1994. The most significant source of revenue for the Heritage Trust Program from fiscal year 1994 through 1996 has been the sale of Heritage Trust license plates. The environmental plate is the second most popular special recognition plate. (See Appendix I for statistics on special recognition license plates.)

Year	Plates Sold	Percent of Change	Revenue from Plate Sales
1993	31,373		\$784,325
1994	61,772	196%	\$1,544,300
1995	75,470	22%	\$1,886,750
1996	85,593	13%	\$2,139,825
Total	254,208		\$6,355,200



Owners of passenger vehicles, recreational vehicles, jeeps, vans, and trucks may buy a Heritage Trust plate. In 1996, approximately 1.8% of individuals who had the option of purchasing a Heritage Trust plate did so. The highest percent of plate sales occurred in Hamilton County with 3.46%. Monroe County had the second highest percent with 3.25%. Brown County ranked third with 3.06%. Perry County had the lowest percent with 0.65%. Gibson and Martin Counties tied for second to the lowest with 0.78% each. (Appendix II provides the percent of Heritage Trust sales for each county.)

Appropriations from the General Assembly.

For fiscal year 1996, the General Assembly appropriated \$5 million to the Heritage Trust Fund. This appropriation was distributed among the Heritage Trust accounts in the same manner that all other primary sources of revenue are distributed. For the 1997-1999 biennium, an additional \$5 million was appropriated.

Transfers from Other Funds. Public Law 69-1992 transferred to the Heritage Trust Fund the unexpended balances of two funds, established in 1989 and 1990, for wetland acquisition.⁴

Other Sources of Revenue for the Heritage Trust Fund.

Other revenue in the Heritage Trust Fund consists of interest earned on money in the fund; money donated to the fund; and miscellaneous revenue. Interest earned is prorated on the basis of the account formula. Miscellaneous revenue consists of revenue from the sale of posters, key chains, and other related Heritage Trust merchandise. For fiscal year 1994, total revenue from the above three sources equaled \$2,960; for 1995, \$151,730; for 1996, \$204,281. Annual interest averaged around \$175,000 for the two-year period of 1995 and 1996. Donations averaged around \$4,000, and miscellaneous sales averaged around \$1,000.

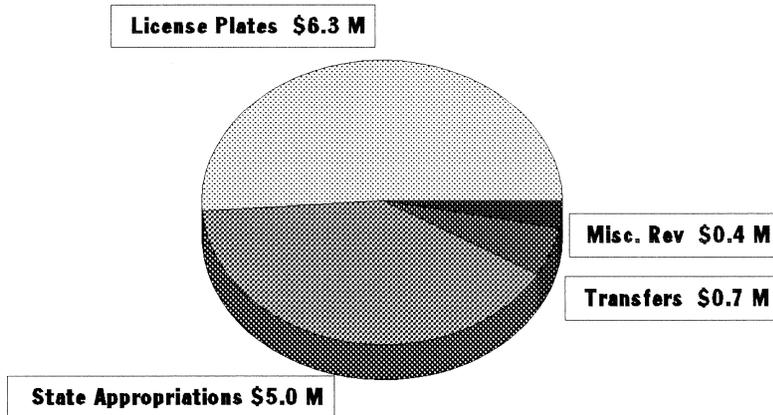
Heritage Trust Revenue: 1993-1996. Total Heritage Trust Revenue from 1993 through 1996 equaled \$12.4 million.

⁴Public Law 357-1989(ss), Sec. 30C, appropriated \$2.2 million for wetland acquisition. Public Law 185-1990 also appropriated money for wetland acquisition and restoration.

Figure 4.

Heritage Trust Fund Revenues

1993-1996



Expenditures from the Heritage Trust Fund.

Since the inception of the Heritage Trust Program through February 1997, \$7.7 million has been expended to purchase or assist in the purchase of property or interest in property for approximately 14,700 acres.⁵ The average cost per acre was \$524. Approximately 1.6% of the total expenditure was for administrative expenses, such as costs associated with surveying, environmental assessments, hydraulic engineering studies, appraisals, title insurance, and legal services. The remaining expenses were for the purchase of property or interest in property. By law, the DNR can purchase or assist in the purchase of a fee simple, a conservation easement, a lease, or ownership of management rights. Fee simple is the unqualified ownership of the property in which the DNR owns the land and controls access and activity on the property. A conservation easement allows the state to limit the

⁵The Heritage Trust Program is not the only source of funds for land acquisition for the DNR. The DNR receives state general fund appropriations that are either earmarked for the acquisition of specific projects or that are allotted to division accounts that may be used for land acquisition. The Department also receives federal money for land acquisition as well as revenue from the sale of land acquisition stamps. From fiscal year 1987 through 1994, the DNR acquired about 2,220 acres per year, expending \$8.6 million for an average cost per acre of \$485.

use of the property that is owned by another. Easements range from protection of all aspects of the property, as is typically the case with a nature preserve easement, to restrictions on the use of selected aspects of the property, such as timber easement, wherein the state would be able to prohibit the removal of trees. The state could also acquire hunting rights or prohibit development. If the DNR purchases a conservation easement, the owner of the property is responsible for taxes, unless the owner is tax exempt. The Heritage Trust program has not purchased management rights to date. Of the 64 parcels purchased, 54 were fee simple, nine were conservation easements, and one was a lease. Because some projects that have been approved by the Governor may not be purchased, for various reasons (such as the owner changed his or her mind, an acceptable price could not be negotiated, or the owner sold the

property before the state could act). The impact on the fund can not be determined until the property is purchased. A breakdown of expenditures by account is provided below.

Figure 5.

Heritage Trust Expenditures by Account: 1993 Through 1997

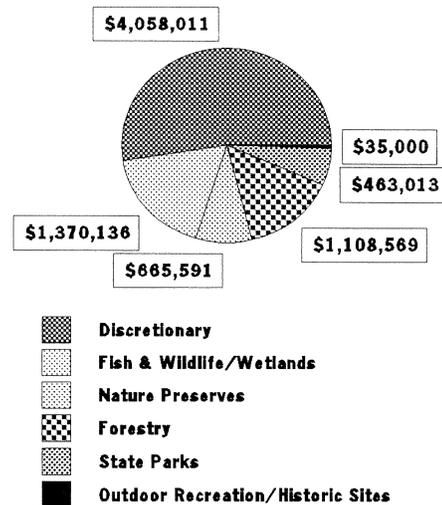


Figure 5 does not include \$17,217 expenditure from the Stewardship Account. Also, the Discretionary Account was used to fund purchases of the six divisions.

Other Sources of Revenue for the Heritage Trust *Program*.

In addition to funding from the Heritage Trust **Fund**, the Heritage Trust **Program** also uses other sources of state funds as outlined below.

Other Sources of State Funding

Indiana Natural Heritage Protection Campaign	\$435,320
Division of Fish and Wildlife Augmentation Fund	
from the Cigarette Tax	300,000
Division of Fish and Wildlife	300,000
Division of Fish and Wildlife Capital	
Repair and Rehabilitation Account	200,000
Division of State Parks and Reservoirs	20,500
Non Game Fish and Wildlife Account	<u>3,000</u>

Total Other State Funding: \$1,258,820

Sources of Nonstate Funding.

For every \$3 expended from the **discretionary account**, at least \$1 in matching money or value must be provided from nonstate sources. According to IC 14-12-2-31, nonstate funding may include:

- (1) The value of property and eligible costs related to the acquisition that are donated.
- (2) Improvements such as reforestation, reclamation, or restoration.
- (3) The dedication of, other restriction on, or improvements to adjoining property for conservation purposes.
- (4) Other real property held by a nonprofit corporation, the federal government, or local government; and used for the benefit of property in an approved project, with restrictions on the use of the property, such as dedication as a nature preserve.
- (5) Federal revenues distributed directly to the fund or through the state for the project.

From 1994 through March 1997, the Heritage Trust Program generated \$3.5 million in nonstate funding.

Sources of Nonstate Funding

Land or Property Value Donations

Discounted Land Value	\$1,712,838
Development Rights Value	208,333
Conservation Easement Value	<u>33,333</u>
Subtotal	\$1,954,504

Federal Funds

North American Wetlands Conservation Act	\$512,000
Federal Wetlands Reserve Program	179,392
North American Waterfowl Management Plan	<u>118,000</u>
Subtotal	\$809,792

Private/Nonprofit Contributions

Lake County Parks and Recreation:	\$150,000
The Indianapolis Foundation:	100,000
The Lilly Endowment	100,000
Indianapolis Parks and Recreation	100,000
Amos Butler Audubon Society	85,000
The Shirley Heinz Foundation	68,000
The Ropchain Foundation	50,000
Acres Land Trust	30,000
Public Service Indiana	25,000
The Prophetstown Foundation	25,000
The Natural Resources Foundation	21,000
Wild Turkey Federation	15,000
The Nature Conservancy	14,000
Friends of Limberlost	10,000
Indiana Trail Riders Association	<u>5,000</u>
Subtotal	\$798,000

Total Nonstate: \$3,562,296

The above contributions may be understated because the Land Acquisition Office assesses the necessary minimum value needed to use funds from the discretionary account. Expenditures from the discretionary account equaled \$4,058,011. The amount of nonstate money exceeded the \$3 for every \$1 match for all expenditures. A review of the files indicated that individual projects also obtained the needed match when discretionary funds were used. Unfortunately, documentation of state as well as nonstate sources of funding is not compiled in one computer data base. Nonstate sources of funding listed in annual reports are based on figures provided during the proposal stage of the process. In order to ascertain if the amount of nonstate money listed in the proposals was actually contributed, a review of individual files is necessary.

Sometimes a contributor may donate money garnered from other contributors. For instance, the Heritage Trust program purchased property with Acres, Inc.. The Fort Wayne National Bank Foundation contributed \$25,000; the Lincoln National Corporation contributed \$15,000; and local businesses contributed \$5,500 to Acres, Inc.. Acres, Inc., contributed \$4,880 from its members and \$2,580 from nonmembers, for a total contribution of \$52,960 in nonstate funding. Nonstate matching money typically is not deposited in a state account.

Maintenance of Heritage Trust Purchases.

The Heritage Trust Program began purchasing properties in 1994. From 1994 through April 1997, the program purchased or assisted in the purchase of 64 parcels of land or rights to the land.⁶ When a project is considered for purchase, the oversight committees and interested parties agree on who will own and manage the property.

Use of the Stewardship Account. When property is purchased, 4.5% of the Heritage Trust costs of the purchase is assigned from the fund's stewardship account to the stewardship account of the division that sponsored the purchase. The sponsoring division may

⁶ A parcel is a portion of land that is purchased from one owner or one set of owners. A project can be comprised of several parcels.

use the revenue for maintenance, debris removal, or site preparation of any Heritage Trust purchase.⁷

If the division has purchased rights to the property that another entity owns, the division can transfer money from the division's stewardship account to the entity managing the property. The division and the managing entity establish written agreements with respect to the payments of stewardship money and with respect to the maintenance to be performed.

Each project receives a one-time allocation of 4.5% of the Heritage Trust portion of the purchasing price to assist with the maintenance of the property. Once the 4.5% is spent, another funding source must be used to finance maintenance.

As of April 30, 1997, \$643,596 had been deposited into the stewardship account. This figure is based on total revenues to the account of over \$12 million. However, as indicated earlier, money in the stewardship account is not allocated to a division until the project is purchased. Heritage Trust expenditures equaled only \$7,719,783 million, \$347,390, or 4.5%, of which would be available for maintenance. Of the total available for maintenance, \$5,957, or 1.7%, had been used by the Division of Nature Preserves for maintenance. For promotion of the program, the DNR spent \$11,260.

An overview of properties purchased by DNR divisions and maintenance and management of those properties follows. (In the following discussion, maintenance and management are intertwined to the extent that maintenance is a tool used to obtain management objectives.) The discussions consider the impact of the property on local government services and neighboring properties as well as the benefits of the acquisitions.

Projects by Division

Fish and Wildlife.

The Division of Fish and Wildlife manages over 110,000 acres. The Division has acquired eight parcels through the Heritage Trust



⁷ As indicated earlier, 5% of total revenue deposited into the fund is deposited into the stewardship account. Ten percent of the 5% may be used for promotion of the program.

Program, gaining 3,554 acres. In addition to these purchases, the Division has acquired hunting rights on one 6,840 acre project. Given that less than 3% of land in Indiana is open to the public, the Division's priority is acquiring land for hunters, anglers, and outdoor enthusiasts. Management and maintenance of the land is a major concern only after the land has been purchased.

When the Division acquires new property, a management plan is developed to address staffing needs. A fully staffed fish and wildlife area employs one property manager, one assistant property manager, one secretary, two laborers, and a variable number of intermittent employees. Some properties function with less than a full staff. When determining the management of the acquired property, the Division considers the type of maintenance needed, wildlife species on the property, availability of existing staff, and the size of the acquisition.

Type of Management. Different types of properties require different types of maintenance. Wetlands may require maintenance of water control structures. Grasslands may need to be burned, plowed, or mowed to stop tree growth. On the other hand, some acquisitions may have established and easily maintained habitats. Parking lot maintenance is often all that is required for an established mature woodlands. Whether a property needs habitat manipulation and maintenance depends on the purpose of the property and the type of species that the DNR wishes to encourage.

Type of Wildlife Species. The Division may need to provide little to no staff to manage squirrels in an acquired forest. In contrast, grouse and turkeys need mature forest with openings. Young grouse feed on insects that contain high protein. Insects need grass and sunlight, so in order for the young grouse to obtain the necessary protein, areas of wooded land may need to be cleared. Many other birds and rabbits will not live in heavily overgrown areas. If the property is poorly maintained and not properly mowed, trees and long grasses may overcome the area, reducing wildlife habitat. Additionally, a lack of mowing and other maintenance of the property's perimeters or access facilities of properties require different types of maintenance. Wetlands may require maintenance of water control structures. Grasslands may need to be burned, plowed, or mowed to stop tree growth. On the other hand, some acquisitions may have established and

easily maintained habitats. Parking lot maintenance is often all that is required for an established mature woodlands. Whether a property needs habitat manipulation and maintenance depends on the purpose of the property and the type of species that the DNR wishes to encourage.

Size of the Acquisition. The Division's property staff are typically responsible for approximately 800 to 12,000 acres. Maintenance requirements for larger properties are generally greater than those for similarly maintained smaller properties. With the acquisition of large properties, the Division may need to hire additional personnel to operate within the established management plans.

Managed by Others. The Division may purchase property in conjunction with another entity that has agreed to provide the necessary maintenance.

The Purchase of Inholdings Can Reduce Management Costs. Acquisitions of inholdings or additions may reduce maintenance costs. An inholding, as its name suggests, is property located within the boundaries of property already held by the Division. These acquisitions reduce the boundary surface area of the Division which reduces maintenance costs for several reasons. First, the acquisition of inholdings reduces the number of boundary markers or fences that identify property lines. Second, state acquisition of inholdings reduces property line disputes that might arise when landowners knowingly or inadvertently use state property or when state property users knowingly or inadvertently trespass onto adjoining private property. State personnel expend time and effort resolving property line disputes. The acquisition of the property in question eliminates the disputes.

Maintenance of Fish and Wildlife Properties Purchased by Heritage Trust.

The Division has not acquired additional personnel to maintain properties purchased by the Heritage Trust. Of the nine parcels, two were inholdings, and two were additions of less than 50 acres that could be maintained by existing staffing. The fifth project involved the purchase of hunting rights on 6,840 acres of the Kankakee Sands project in Newton County. The Nature Conservancy owns and manages the property. The Conservancy plans to farm 2,500 acres (that it purchased in addition to the above 6,840) to pay for maintenance and property taxes. The Division

considered staffing the remaining four projects: Chinook Fish and Wildlife Area; Grand Kankakee Marsh Project (which includes two parcels); and the Wabash Lowlands.

The Chinook Fish and Wildlife Area, 1,520 acres in Clay County, was strip mined prior to the Heritage Trust acquisition. The DNR's Division of Reclamation is restoring the land which is wooded with some grassy areas and some water pits that have resulted from the mining. (Reclamation is funded by fees assessed coal mining operators.) An existing fish and wildlife crew located approximately 20 miles away at Minnehaha Fish and Wildlife area will be in charge of maintenance at Chinook, which typically involves mowing for aesthetic purposes. Chinook has enough existing openings in the wooded areas to accommodate certain species for about five years. After this time the Division may need to clear parts of the wooded areas to maintain the habitat. Additionally, as grasslands are restored and mature, the Division may need to conduct burnings on an annual basis. Mowing along roadsides, picking up trash, and maintaining two pit toilets are the other basic maintenance activities required.

The second major property that the Division acquired was the Grand Kankakee Marsh Project, composed of two parcels totaling 1,038 acres, 886 acres of which are in Lake County. The Lake County Parks Department has assumed maintenance of these acres. The DNR will maintain the remaining 152 acres. The third property, the Wabash Lowlands, 730 acres of wooded wetland in Posey County, is maintained by existing staff at Hovey Lake, approximately five miles away. Maintenance has involved the construction of signs and parking lots.

The Division is unable to separate costs for Heritage Trust properties. Any maintenance that has been done on Heritage Trust properties has been paid from the Division's budget. As of March 1997, the Division had not used funds from the stewardship account.

Are the Heritage Trust Fish and Wildlife Properties Well-Maintained?

Poor management can result in a reduction in wildlife species. The Heritage Trust program began purchasing properties in 1994, and a sufficient amount of time may not have passed to assess the conditions of certain habitats and species. Also, numerous other environmental factors beyond the Division's control, such as water or air pollution, may affect wildlife. The

Division has not lost or witnessed a decline in any species on Heritage Trust properties that the Division sought to preserve.

A representative of the Indiana Sportsmen's Round Table, which consists of approximately 70 different sporting groups and 45,000 members, indicated that some members have complained that DNR fish and wildlife properties are not well maintained--that mowing and burning that should be done, is not. Members have also complained about a lack of quail and rabbits. Although the pheasant population is reportedly increasing, in 1997 approximately 2,500 hunters entered a drawing for a pheasant hunt in the northwestern part of the state. About 600 were allowed to participate. Although not from a scientific sample, feedback from the sportsmen's group suggests that problems might exist. From the perspective of the Round Table, the DNR may not have sufficient staff to maintain properties. The Division has 18 fish and wildlife areas with 15 property managers and 13 assistant managers, who are responsible for habitat maintenance. The Division has lost 14 positions since 1995, which included laborers and three supervisory positions.

The majority of organizations that are a part of the Round Table, such as the Indiana Field Trials Association, the Indiana Deer Hunters Association, the Indiana Trappers Association, and the Indiana B.A.S.S. Chapter Federation, have supported an increase in license fees to provide revenue for the Department's use in increasing salaries of professional staff. The money could also be used for the maintenance or purchase of properties to increase hunting, fishing, and trapping opportunities. Although members of the Round Table may express concerns about maintenance, the organizations's representative emphasized that the top priority is land acquisition. Maintenance is second. A representative from the Indiana B.A.S.S. Federation stressed the need to address maintenance and public access.

**Figure 6. Heritage Trust Purchases of Fish and Wildlife Properties
January 1994 through March 1997**

Project	County	Acres	Maintenance
1. Little Pigeon Creek/Wilson Tract	Warrick	185	Inholding*
2. Pigeon River/Wire Tract	LaGrange	13	Inholding*
3. Hillenbrand Fish & Wildlife Area	Greene	21	Small Addition to Existing DNR Property
4. Crosley Fish & Wildlife Area	Jennings	47	Small Addition to Existing DNR Property
5. Kankakee Sands Hunting Rights	Newton	6,840	The Nature Conservancy
6. Grand Kankakee Marsh Project	Lake	886	Lake County Parks Department
7. Chinook Fishing & Wildlife Area	Clay	1,520	Division of Reclamation
8. Grand Kankakee Marsh/Hien Wetlands	Starke	152	Existing DNR Staff
9. Wabash Lowlands/Gray Tract	Posey	730	Existing DNR Staff
Total		10,394	
*Inholdings reduce the overall perimeter of the DNR property which reduces maintenance costs.			

Impact of Fish and Wildlife Heritage Trust Purchases on the Local Community

Local Law Enforcement and Fire

Protection. The Division of Fish and Wildlife staff use the local sheriff and state police to some degree, but the primary source of law enforcement is provided by the DNR's conservation officers. The Division's properties are not susceptible to many crimes that can be committed in commercial or residential areas. For instance, there is not a lot of property that is susceptible to theft or vandalism.

The majority of the Division's properties require local fire protection; however, the properties may not need the level of protection that a residential area would. The Division's properties typically do not have a large number of buildings or other structures that could be damaged by fire.

Drainage Issues. Some residents may be concerned that extending wetlands will cause



flooding on neighboring properties. To date, the Heritage Trust Program has not restored a wetland. The Program, however, has purchased hunting rights to Kankakee Sands, a 6,840 acre project in Newton County, owned and managed by The Nature Conservancy. The Conservancy plans to restore certain wetlands in the area.

With respect to Heritage Trust land acquisitions, county extension agents serving counties where Chinook, the Grand Kankakee, Kankakee Sands, and the Wabash Lowlands projects are located, reported that local residents have not complained about drainage runoff from the Heritage Trust properties.⁸ The DNR pays required local drainage fees, just as any other landowner is required to do. Therefore, drainage provided for state property should be no different from

⁸Telephone interviews with county extension agents in Clay, Starke, and Posey Counties, May 21, 1997. The Fulton County extension agent who used to be the Lake County agent was contacted on May 22, 1997. The current Lake County agent was contacted on May 29, 1997. The Newton County extension agent was contacted on June 3, 1997, and the Jay County extension agent was contacted on June 6, 1997 about a wetland under the supervision of the Division of State Museum and Historic Sites.

drainage provided property under private ownership. Ditches located within the Division's property are maintained by Division personnel.

Heritage Trust has attempted to purchase and restore portions of the Goose Pond and Bee Hunters' Marsh, 8,000 acres in Greene County. Water is pumped from the existing pond in order to allow for some farming. To restore the wetlands, Heritage Trust proposed allowing the water level to rise in certain sections of the property. In order to ensure no runoff on neighboring properties, the DNR contracted with hydraulic engineers to design a water maintenance and manipulation system that would result in no run off on neighboring properties. The engineers proposed a water course that would be manipulated by a series of water management control devices, such as pumps, drains, dams, and levees. The engineers recommended the installation of more levees than what the DNR had originally planned. The DNR planned to install all necessary drainage devices as recommended by the report. However, due to local opposition, the property was not purchased.

Opponents of the project were concerned primarily with water runoff, the loss in the property tax base (discussed in a subsequent section), and nuisance animals, such as geese, that may be attracted by the proposed wetlands.

Nuisance Animals. Some neighbors of Goose Pond feared that geese attracted by the wetlands would destroy crops adjacent to the pond. The DNR attempted to allay these fears by providing buffer zones. The DNR also indicated that farmers near a comparable wetlands in Illinois dug goose pits in property adjoining the wetlands and rented the pits to hunters. Crop damage was more than offset by income generated by goose pit rentals; however, it should not be assumed that all farmers will want to operate goose pits.

Access Roads. The Department of Transportation builds and maintains roadways on the interior of a fish and wildlife area. The maintenance of established county roads and state highways are the responsibility of the respective governing units. A representative from the Association of Indiana Counties indicated that road usage resulting from the presence of DNR properties has not been an issue raised by association

members.⁹

Effect on Neighboring Property Values.

According to county extension agents contacted, neighboring property owners have not indicated that Heritage Trust properties had a negative impact on land values. The Farm Bureau also indicated that members had not brought to the Bureau's attention a loss in property value due to the proximity of the Heritage Trust land.

Controlling Vegetation. IC 15-3-4-3 provides that townships can bill the state, municipalities, and tax-exempt property owners for costs incurred to destroy detrimental plants on the state, municipal, or tax-exempt land. Prior to this legislation, if farmers allowed plants to grow that were detrimental to neighboring properties, townships could destroy the plants and add eradication costs to the farmers' property tax bills. The law did not allow for billing of tax-exempt properties. The author of the legislation indicated that the legislation was designed to address the growth of Canada thistle on lands owned by the Indiana Department of Transportation. The legislation was broadened to include all state properties. According to the township representative, no specific DNR property or Heritage Trust property was identified, but the proponents of the legislation acknowledged the potential.

The township official must send a certified statement to the Auditor of State to request payment for the services. The legislation became effective in 1996. The Auditor's Office is not aware of receiving any certified statements requesting payment for the destruction of detrimental plants on state property.¹⁰

Benefits of Fish and Wildlife Heritage Trust Acquisitions

Revenue Generation. Statewide hunting, fishing, trapping, and related licenses generated \$13 million in

⁹Telephone conversation with Patrick J. Murphy, Director of Legislative Relations, Association of Indiana Counties, May 21, 1997.

¹⁰On May 30, 1997, the Deputy Auditor and the Deputy Auditor of Settlements from the State Auditor's Office indicated that they were not aware of receiving any certified statements from township officials requesting reimbursement for destruction of detrimental plants located on state property.

fiscal year 1996. According to the 1996-1997 annual report of the Division of Fish and Wildlife, the Glendale Fish and Wildlife area, located in the county immediately south of the proposed Goose Pond area, received 229,616 visitors during the year. A reported 7,719 hunters and 52,196 anglers visited the area. The remaining 169,701 visitors were presumably bird watchers, hikers, field trials attendees, and other wildlife enthusiasts. Glendale is primarily an upland, grassy and wooded area with 1,400 acres, one lake, and some ponds, but no wetlands.

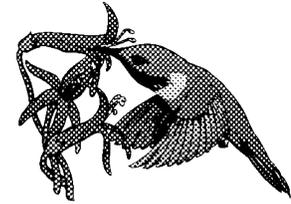
A study conducted by Southwick Associates for the DNR, entitled The Economic Contributions of: Hunting and Non-Consumptive Recreation at the Goose Pond¹¹, Indiana, November 1996, estimated that restoring the Goose Pond would generate annually \$2.2 million in expenditures by hunters, anglers, and wildlife viewers. Secondary expenditures resulting from the initial purchases were estimated at \$4.7 million. Salaries and wages, resulting from increased retail sales, were estimated to generate \$1.3 million. The report estimated that 72 jobs would be created as a result of the restoration of the Goose Pond. These jobs included employment by businesses providing direct services, such as retail stores, hotels, and motels, as well as businesses providing indirect support, such as food manufacturers, wholesalers, and utilities. The study estimated that the project would generate \$118,400 in state sales tax; \$35,000 in state income tax; and \$151,000 in federal income tax revenue. It should be noted, however, that the DNR provided estimates of the number of visitors to the Goose Pond that were used in the study. Based on the number of visitors to two nearby fish and wildlife areas, the DNR estimated that 6,000 waterfowl hunters, 2,000 upland game hunters, and 50,000 wildlife viewers would visit the Goose Pond each year.

Flood Water Storage and Filtration. Wetlands reduce the flow of water and can prevent or ameliorate flooding downstream. Reducing the water flow also allows for some filtration of pollutants.

¹¹The Goose Pond was a property located in Greene County that the Heritage Trust Program attempted to purchase. However, the purchase did not go through due to local opposition.

Nature Preserves.

IC 14-31-1 charges the Division of Nature Preserves with locating and protecting through acquisition or through the purchase of in-perpetuity conservation easements, high quality natural areas, and rare species habitat. Once acquired, the highest and best use of the property is declared to be that it remain in its ecological condition forever. According to the Division, less than ½ of 1% of Indiana remains in a high quality natural condition. The Division manages over 150 nature preserves consisting of over 21,000 acres with four regional ecologists. Some preserves are located in state parks or state forests. Acquired nature preserves are typically small in size, receive minimal development, and require minimal maintenance.



The Division has acquired or assisted with the acquisition of 21 parcels through Heritage Trust, gaining 1,631 acres. Of the 21 parcels the Division acquired, eight are maintained by others, eight are inholdings, and five are stand-alone preserves. The Division intends to dedicate all tracts acquired as nature preserves.

Maintenance of Nature Preserves Purchased by Heritage Trust

Managed by Others. For eight of the 21 properties, consisting of 588 acres, or 36% of the acquired purchases, the Division has a maintenance partner. Nonprofit entities purchased six properties on which the DNR acquired nature preserve conservation easements. The easements guarantee that the property will be kept in its natural condition in-perpetuity because the state owns the development rights. If the easement was purchased from a private owner, the private owner is responsible for property taxes. If a nonprofit entity assumed ownership, the nonprofit entity is responsible for its property tax status.

The Nature Conservancy maintains Fern Cliff in Putnam County, Cypress Slough in Posey County; and Fish Creek in Steuben County. The Sycamore Land Trust maintains Bean Blossom Bottoms in Monroe County; the Shirley Heinz Environmental Fund manages the Cressmoor Prairie in Lake County; and Acres, Inc., manages the Bicentennial Woods in Allen

County.

The seventh property, Farris Prairie, is leased by the Division and maintained by the private owner. Farris is an 80-acre tract that has been grazed but never plowed. Under the lease agreement, the owner has agreed to stop using the acres for pasture land. The Division hopes that the owner will eventually sell the property to the state. The state is responsible for conducting prescribed burning, which it plans to accomplish with existing staff.

The Division of Fish and Wildlife helps maintain two Heritage Trust additions to existing nature preserves: one parcel of Hardin Ridge Nature Preserve in Floyd County and Little Chapman Lake in Kosciusko County. Both additions are considered inholdings.¹² Neither the Division of Fish and Wildlife nor the Division of Nature Preserves has incurred any maintenance costs to-date on these two parcels.

Less Maintenance Resulting from the Purchase of Inholdings. The Division acquired eight inholdings that consist of 528 acres, or 32% of the total nature preserve acquisition acreage. Two parcels of the Big Walnut Nature Preserve in Putnam County, two parcels of the Bloomfield Barrens Nature Preserve in Spencer County, Little Chapman Lake in Kosciusko County, one parcel of Hardin Ridge in Floyd County, Crooked Lake in Whitley County, and Lime Lake in Steuben County were inholdings whose acquisition reduced maintenance costs. The purchase of inholdings reduced maintenance costs because it reduced the property perimeter area and eliminated property line disputes.

New Stand-Alone Nature Preserves. Through the Heritage Trust Program, the Division has acquired maintenance responsibilities for five stand-alone properties consisting of 515 acres: Chamberlain Lake in St. Joseph County, Blue River Narrows in Harrison County, Charles Spring in Washington County, Bell Woods in Jay County, and Bluffs of Beaver Bend in Martin County. According to the Division, these new stand-alone preserves can be maintained by the current regional ecologists.

Nature preserves, in many cases, require no

¹²The Division of Fish and Wildlife also assists with maintenance of 430 acres of the Wabash Lowlands project that was set aside as a nature preserve. In general, nature preserves are not hunted. However, 180 acres of the preserve will be open to hunting.

maintenance. When needed, maintenance is primarily biological in nature, such as controlling exotic plant species, conducting prescribed burns to maintain prairie vegetation, or controlling wooded vegetation growth in prairies. Of the five acquisitions listed, only Bloomfield Barrens' inholding requires burning. The other parcels are forests with the exception of Chamberlain Lake. The St. Joseph County Parks Department will assist with the maintenance of Chamberlain Lake. The remaining properties require periodic inspections. In general the only development needed for nature preserves is sometimes a parking lot or trails. Some tracts require periodic mowing. There are no facilities to maintain.

Nature Preserve Stewardship Account. The stewardship account has provided sufficient funds to finance needed maintenance. As of March 1997, the Division has expended \$5,957 for maintenance.

Figure 7. Expenditures for Heritage Trust Nature Preserve Acquisitions		
Project	Expenses	Service(s)
Goose Pond Cypress Slough	\$700	Signs and Trash Disposal
Farris Prairie	\$573	Coordination of Volunteer Work Day
Fern Cliff	\$1,284	Signs, Trash Disposal, Control of Exotics, and Gates
Fish Creek	\$2,000	Signs, Trash Disposal, and Reforestation
Bicentennial Woods	\$1,400	Parking and Signs
Total	\$5,957	
As of April 30, 1997		

According to the Division, as more sites are acquired, additional staff may be needed. The location, size, and type of preserve acquired will dictate the number of staff needed.

Are the Heritage Trust Nature Preserve Properties Well-Maintained? Before the Division acquires property, it conducts biological assessments to inventory species on the property and conducts

environmental assessments to determine if the property is subject to environmental influences or pollutants that might adversely affect the property and the species that the Division is attempting to preserve. After acquiring the property, the property is dedicated and a master plan for the property is established that outlines what kind of use the property can take. The fragile nature of properties may require limiting or restricting access. Conservation officers help monitor the property to ensure that violations do not occur, such as the trespassing of motor bikes or illegal dumping.

If violations occur, the Division may need to take corrective action, such as establishing a fence around the property. Because a fence may require more money than what is provided for from the stewardship account, the Division accumulates money in the account so that funds will be available if a major purchase, such as a fence, is needed. Prior to installing fences, the Division installs signs, regional ecologists inspect the property, and conservation officers patrol to control illegal access.

One measure of how well the property is maintained would be how well the species for which the property was purchased has been surviving. Success could be monitored over time to see if the species that the Division hopes to preserve thrives. The Heritage Trust Program began purchasing properties in 1994. The Division has not lost or witnessed a decline in any species on Heritage Trust properties that the Division sought to preserve. For example, some of the more vulnerable species, such as orchids, are thriving.

Another measure of performance might be how neighboring properties react to the presence of the state land. No survey of neighboring properties was conducted for the purposes of this report. However, representatives from governmental associations and certain county extension agents were interviewed. No complaints about Heritage Trust properties were identified.

Impact of Heritage Trust Nature Preserve Acquisitions on Local Community Services

Local Law Enforcement and Fire Protection.

Nature preserves do not appear to need any more local law enforcement and fire protection than what they did prior to state purchase. However, the state does not pay

property taxes. The preserves may require less local law enforcement because conservation officers patrol the preserves. Generally, the Division locates parking lots along roads so that law enforcement officers can view activities in the access areas. The Division conducts prescribed burning of certain preserves which reduces the risk of wildfires set by vandals.

Infrastructure Requirements. Nature preserves require no utility or other infrastructure services, and the fairly light use probably does not cause significant stress to the existing roads. Pine Hills, with 40,000 visitors annually, is located on a state highway.

Drainage. The Division has purchased three existing wetlands with Heritage Trust funds (Chamberlain Lake, Lime Lake, and Wabash Lowlands). Additionally, the Division has helped purchase a conservation easement on 1,500 acres of the Kankakee Sands in Newton County. The county extension agent has not heard complaints about water run off from the property. According to the Division, if wetlands are restored, the Division will hire professional hydraulic engineers to determine the water flow and to prevent drainage onto neighboring properties.

If the property purchased contained a public drain prior to the Division's acquisition, maintenance of the drain is allowed to continue. According to the Division staff, a Heritage Trust nature preserve has never caused a neighbor to be flooded. The Division has, however, experienced a few disputes over the rapidity of drainage on two nonHeritage Trust preserves. However, the Division had kept drains open and functioning and believes that the disputes have been resolved.

In some cases, nature preserves store floodwater. For example, at Hoosier Prairie much water is stored during the rainy season that would otherwise be funneled into storm sewers of the adjacent cities of Highland Griffith and Schererville.

Benefits of Nature Preserves Acquired by the Heritage Trust Program. IC 14-31-1-1 identifies nature preserves as:

- (1) laboratories for scientific research;
- (2) reservoirs of natural materials, not all of the uses of which are now known;
- (3) habitats for plant and animal species and biotic communities whose diversity enriches the meaning

and enjoyment of human life;
(4) living museums where people may observe natural biotic and environmental systems of the earth and the interdependence of all forms of life;
(5) reminders of the vital dependence of the health of the human community upon the health of the natural communities of which the human community is an inseparable part.

According to statute, the purpose of a nature preserve is to promote understanding of the scientific, esthetic, cultural, and spiritual values the environmental systems possess.

Preservation of Endangered Species and Natural Habitat. Heritage Trust nature preserves protect endangered species and natural habitats. To illustrate, Farris Prairie is an 80-acre tract of black soil prairie which is unique because huge glacial granite boulders prohibit it from being plowed. Aside from Farris Prairie only one acre of black soil has been preserved by the state. The purchase of Bell Woods preserved an old growth forest in which several species of oak trees are estimated to be 125 years old or older. Old growth forests are extremely rare in Indiana. The Wabash Lowlands contain flatwoods, ponds, and bottomland forests. The Bluffs of Beaver Bend contain sandstone cliffs, over a mile of river frontage, and dry upland forest. The Narrows contain a “back bone” with a mesic upland forest. Little Chapman Lake contains a bog. Chamberlain Lake preserves many rare species, such as spoon-leaved sundew and pipewort.

”Psychic” Benefit. One intangible benefit of a nature preserve is the “psychic” benefit. According to the Division, people enjoy nature as indicated by attendance reports at nature preserves. The Division maintains sign-in sheets at the preserves. Over 40,000 visitors annually visit Pine Hills Nature Preserve in Montgomery County.

Most of the Heritage Trust acquisitions are not yet accessible. The Bicentennial Woods receives several thousand visitors each year. Others receive only a few hundred as they do not yet have trails.

Educational and Recreational Opportunities.

According to a representative of the Indiana School Boards Association, one of the benefits of acquiring nature preserves is that such properties provide numerous educational opportunities. Elementary and secondary schools conduct field trips to nature

preserves. Colleges and universities also use the preserves for classes and to conduct scientific research. Nature preserves are reportedly advertised by schools and local park boards in their offerings of green space opportunities for study or enjoyment. Indiana State University advertises Pine Hills Nature Preserve next to Shades State Park. St. Joseph County plans to install visitor facilities for the Lake Chamberlain Nature Preserve. St. Joseph and Elkhart Counties schedule activities for their parks departments in nearby nature preserves.

Enhanced Property Values. Nature preserves can enhance property values to the extent that some home owners prefer living near open spaces or undeveloped land. For example, a subdivision is proposed for an inholding at Big Walnut nature preserve. In another instance, housing occupies one side of Chamberlain Lake. One Heritage Trust project was an addition to Crooked Lake in Whitley County. Adjoining landowners on the southwest side of the lake contributed \$100,000 toward the purchase of the original preserve on the northeast side of the lake. Landowners were willing to contribute in order to assure that property across the lake would remain undeveloped and not subsequently converted into condominiums, strip malls, or other residential or commercial establishments. Some realtors in Lake, Porter, and Marion Counties use nature preserves in their marketing strategies. A town council member in Leo-Cedarville in Allen County requested assistance in setting aside natural land for town green space.

Eco-tourism. The National Council of State Legislatures identifies eco-tourism as one of the fastest growing segments of the tourism industry. The Council cites increases of visitors to parks and nature preserves.¹³ The counties of Putnam, Warren, and Fountain reportedly mentioned their counties' nature preserves in their eco-tourism brochures.

¹³Runyon, Cheryl and Loyacono, Laura, “Eco-Tourism”, NCSL Legisbrief, Vol. 5, No.24. April/May 1997.

Figure 8.

Heritage Trust Purchases of Nature Preserve Properties

January 1994 Through March 1997

Project	County	Acres	Maintenance
1. Little Chapman Lake	Kosciusko	1	Inholding*
2. Big Walnut/Harger-Hinds Tract	Putnam	104	Inholding
3. Big Walnut/Harshley Tract	Putnam	123	Inholding
4. Bloomfield Barrens/Ayer Tract	Spencer	67	Inholding
5. Bloomfield Barrens/Cato Tract	Spencer	60	Inholding
6. Crooked Lake /Bishop Tract	Whitley	46	Inholding
7. Lime Lake/Friend Tract	Steuben	40	Inholding
8. Hardin Ridge/Wilson-Bulleit Tract	Floyd	87	Inholding Maintained by the Division of Fish and Wildlife
9. Hardin Ridge/Senn Tract	Floyd	40	Division of Fish and Wildlife
10. Fern Cliff Conservation Easement/Cox Tract	Putnam	36	The Nature Conservancy
11. Fish Creek Nature Preserve/Douglas Woods	Steuben	177	The Nature Conservancy
12. Sycamore Conservation Easement/Skirvin Tract	Monroe	80	The Sycamore Land Trust
13. Cressmoor Prairie Easement/Glueck Tract	Lake	36	Shirley Heinz Foundation
14. Bicentennial Woods Conservation Easement	Allen	79	ACRES, Inc.
15. Goose Pond Cypress Slough Conservation Easement	Posey	60	The Nature Conservancy
16. Farris Prairie Lease	White	80	Private Owner and Existing Staff
17. Chamberlain Lake/Padre Tract	St. Joseph	75	Existing Staff
18. Blue River Corridor/Narrows Tract	Harrison	83	Existing Staff
19. Bell Woods/Bell-Croft Tract	Jay	40	Existing Staff
20. Blue River Corridor/Charles Spring Tract	Washington	109	Existing Staff
21. Bluffs of Beaver Bend/Holles Tract	Martin	208	Existing Staff
Total		1,631	

*The inholding reduced maintenance costs by decreasing the length of the property's perimeter.

Note: The Division of Nature Preserves also acquired a conservation easement on 1,500 acres of the Kankakee Sands Project, and approximately 180 acres of the Wabash Lowlands which are maintained by (and listed under) the Division of Fish and Wildlife.



State Forests.

The Division of State Forests manages 145,000 acres. The Division has acquired 23 parcels, for a total of 1,705 acres, through

the Heritage Trust Program. Of the 23 parcels, three were additions that could be maintained by existing staff, one was a property adjacent to existing land, and 18 were inholdings. The Division purchased these inholdings in order to reduce management costs associated with having to manage fragmented or noncontiguous state forest land. The inholdings, in some instances, also provided access to other state forests.

The fragmented state holdings resulted from the original purchases of the land. The primary period of state forest land acquisition was during the 1930s through the early 1960s. Generally, land was obtained from willing sellers rather than through eminent domain. Purchasing primarily from willing sellers left the ownership of state forests in a scattered pattern of large and small blocks with numerous private inholdings in between. As a result, many state forest holdings have limited or no access, and the Division must oversee over 1,000 miles of property line, which is approximately the distance of Indiana's boundary with neighboring states.

The majority of state forest property lines are not surveyed. This lack of delineation has resulted in numerous property line disputes and encroachments onto state forests. The type of encroachment ranges from logging state trees to using state forest land for pasture land or cropland. State forests have been used for trash dumping, for driveways, outbuildings, garages, houses, and businesses. State forest land surveyors establish property lines where alleged trespasses have occurred. As residential development in rural areas expands, the number of boundary disputes will probably increase. Boundary disputes require the time and attention of state forest personnel, the DNR land surveyor and attorney, and the Office of the Attorney General.

In addition to boundary disputes, as the usage of state forests increases, occurrences of state forest users inadvertently crossing unsurveyed property lines and trespassing on neighboring private land may also increase. State forest personnel try to calm upset neighbors and, at times, attempt to identify property

lines to avoid future problems.

Scattered holdings and rural development may result in an increased demand for access to state lands to establish utility corridors to subdivided neighboring properties. Oversight of utility access also requires delineation of state land. Many private inholdings still exist. The Division calculates that key acquisitions of several thousand acres of private inholdings would decrease state forest property lines by over 30%. The acquisition of an inholding can eliminate property line disputes.

Maintenance of State Forest Properties Purchased by Heritage Trust

Inholdings. As indicated above, 18 of the 23 Heritage Trust purchases were inholdings that reduced maintenance costs. One Heritage Trust purchase, the Dersch parcel, reduced a state forest property line by one-half mile. The purchase of this inholding also allowed forest users to reach a scenic high point on state forest land known as the Pinnacle. This purchase eliminated a trespass problem of forest users going onto private land. The purchase of the Young Parcel protected state land by eliminating development and potential conflicts between private landowners and reservoir/state forest users in an area between a state forest and Monroe Reservoir.

Purchases Adjacent to Existing State Forests.

Two Heritage Trust purchases that were not inholdings were properties that were adjacent to existing properties. The purchase of these parcels did not increase maintenance responsibilities. According to the Division, there are no maintenance costs per se. Additional acreage does increase the amount of management time, which might include inventory of the property, but this increase is offset by reduced property line dispute costs and encroachment problems.

Stand-Alone Acquisitions. The third non-inholding purchase was a bottomland forest located downstream from the first reintroduction site of the river otter. The purchase will provide public access to the Muscatatuck River. The property is maintained by existing staff.

State Forests Stewardship Account. As of April 1997, the Division had not used any funds from the stewardship account.

Are the Heritage Trust State Forest Acquisitions Well-Maintained?

Because the majority of Heritage Trust State Forest acquisitions are inholdings, the new acquisitions probably receive the same maintenance as the surrounding state forest.

Impact of Heritage Trust Forest Lands on Local Community Services

Local Fire Protection and the State Timber Management Program. When Heritage Trust purchases state forest properties, the trees on the property are not necessarily “preserved” in that they may be cut as are trees in other state forests. The Division of State Forestry distributes 15% of the net proceeds from the sale of state timber to the county in which the trees were located. Over the past nine years, state forest payments to local units have amounted to over \$1.1 million. For fiscal year 1995, the Division’s net profits from timber sales equaled \$805,784 with \$120,867 distributed to the counties. For fiscal year 1996, net profits equaled \$504,413 with \$75,662 distributed to the counties. The remaining revenue was deposited into the State Forest Account to be used to fund the operations of the Division of Forestry.

Brown County received the most from the program, obtaining \$39,000 in 1995 and \$24,000 in 1996. Monroe County received \$22,000 in 1995 and \$15,000 in 1996. Counties must distribute up to 50% of their receipts to local volunteer fire departments that have cooperative agreements with the state. The Division also distributes federal revenue and equipment to certain rural fire departments that participate in a state-local mutual aid agreement. Although the agreements are not binding, the state and the local fire units agree to provide services when needed. If timber on the Heritage Trust purchases were harvested, counties would receive 15% of the net revenues.

Local Law Enforcement. Conservation officers are the primary source of law enforcement in state forests.

Infrastructure Needs. State forest purchases require no utilities. The purchases also do not require local communities to build access roads. Consolidated state forest ownership allows counties to close seldom used portions of county roads that may have served one inholding. These isolated roads are often the site of illegal activity, such as trash dumping. When the

property is purchased by the state, access is controlled.

Benefits of State Forest Acquisitions.

State forests provide the habitat necessary for large ecosystems, allowing for biodiversity. State forests provide educational opportunities on the benefits and uses of state forests as well as recreational opportunities, such as hunting, fishing, hiking, horseback riding, swimming, caving, boating, and camping. Additionally, according to the Division, three Heritage Trust purchases protect the Lake Monroe watershed and the City of Bloomington’s water supply.

Enhanced Property Values. For some people, having a state forest in close proximity may be an asset because of convenient access to the property and the assurance that the property will remain undeveloped.

The Impact on Local Governments of Residential, Farmland, Forests, and Other Undeveloped Lands.

The American Farmland Trust, a national, nonprofit organization dedicated to the protection of agricultural resources, has studied the impact of farmland, forest land, undeveloped land, and residential properties on community services. In 1994, the Farmland Trust concluded that residential demand for local services exceeded the amount of revenue that the local governments received from the residential properties. In contrast, privately owned farmland, commercial, industrial, and other “open” lands that require minimal services generated more revenue for the local unit than was needed to provide the services. The study considered properties in Connecticut, Massachusetts, New York, Minnesota, and Ohio. The study indicated that for every \$1 generated by residential properties (including farm houses), one local unit in Ohio (a village) expended \$1.40 while another local unit (a township) expended \$1.67. For every \$1 generated by a commercial or industrial property, the local units expended \$0.25 and \$0.20 respectively. For every \$1 generated by a farm, forest, or other open land, the local units expended \$0.30 and \$0.38 respectively.¹⁴

¹⁴Freedgood, Julia, “Farmland Pays Its Way: A Review of Costs of Community Services Studies,” adapted from a Lincoln Institute of Land Policy presentation at a May 19, 1994, conference in Chicago, Illinois, American Farmland Trust, Washington, D.C.

**Figure 9. Heritage Trust Purchases of State Forest Properties
January 1994 Through March 1997**

Project	County	Acres	Maintenance
1. Owen-Putnam State Forest/Taylor Tract	Owen	40	Inholding*
2. Jackson-Washington State Forest/Hall Tract	Jackson	174	Inholding
3. Jackson-Washington State Forest/Lamer Tract	Washington	163	Inholding
4. Jackson-Washington State Forest/Wenger Tract	Owen	1	Inholding
5. Jackson-Washington State Forest/Brown Tract	Washington	40	Inholding
6. Salomonie River State Forest/Ford Tract	Washington	69	Inholding
7. Jackson-Washington State Forest/Zink Tract	Washington	81	Inholding
8. Morgan-Monroe State Forest/Boy Scouts Tract	Monroe	4	Inholding
9. Jackson-Washington State Forest/Dersch Tract	Jackson	40	Inholding
10. Deam Lake/Dietrich Tract	Clark	35	Inholding
11. Deam Lake/Meyer Tract	Clark	23	Inholding
12. Yellowwood State Forest and Nature Preserve	Brown	36	Inholding
13. Jackson-Washington State Forest/Hoeverer Tract	Jackson	40	Inholding
14. Yellowwood State Forest/Emberton Tract	Brown	30	Inholding
15. Morgan-Monroe State Forest/Blackwell Tract	Monroe	80	Inholding
16. Morgan-Monroe State Forest/Manley Tract	Morgan	20	Inholding
17. Morgan-Monroe State Forest/Young Tract	Monroe	39	Inholding
18. Martin State Forest/Sanders Tract	Martin	40	Inholding
19. Morgan-Monroe State Forest/Cockrell Tract	Monroe	30	Addition to Existing DNR Property
20. Jackson-Washington State Forest/Wischmeier Tract	Washington	140	Addition to Existing DNR Property
21. Jackson-Washington State Forest/Horton Tract	Jackson	174	Addition to Existing DNR Property
22. Blue River Corridor	Harrison	65	Addition to Existing DNR Property
23. Clark State Forest/Garriott Tract	Washington	341	Adjacent to Existing DNR Property
Total		1,705	

*The inholding reduced maintenance costs by decreasing the length of the property's perimeter.

State Parks.

The Division of State Parks and Reservoirs manages approximately 176,000 acres. State park acreage consists of approximately 61,000 acres.¹⁵ State parks typically require more maintenance than other DNR properties. In addition to mowing, trail upkeep, and waste disposal, maintenance of a state park may include maintenance of inns, cabins, rental equipment, and camping facilities. The Division acquired seven parcels through Heritage Trust, totaling 489 acres. Two parcels became a part of newly opened state parks; two will become a part of a new state park.



Charlestown State Park/Frazier Tract.

The Division acquired 251 acres with the purchase of the Frazier tract that adjoins the new Charlestown State Park in Clark County. The state acquired much of the park land when the federal government closed the Army Ammunition Plant. The 1997-1999 state budget includes \$4 million for Charlestown State Park to be used for construction of a service area, an office, campground, a picnic area, trails, parking lots, a youth tent area, and a bridge over Fourteenmile Creek.

Maintenance. The Heritage Trust property is primarily forested and does not require maintenance at this time except for the regular inspection of boundary fencing and signs which can be handled by existing staff.

Law Enforcement and Fire Protection.

Demands on local law enforcement and fire protection are infrequent.

Floodways As Opposed to Residential Development. Much of the Frazier Tract is prone to flooding. State ownership eliminates residential development on property that is susceptible to flooding.

Infrastructure Requirements. The Indiana Department of Transportation constructs and maintains roads located on state park property as well as state roads leading to the property.

Local governments maintain local county or municipal roads.

Benefits. Charlestown State Park helps preserve the riparian corridor of Fourteenmile Creek. As Charlestown recovers from the closing of the ammunition plant, new industry will be recruited to the area and having a state park nearby may be a positive attraction to businesses.

Prophetstown State Park/Haines and Higdon Tracts.

The Division acquired 1.66 acres with the purchase of the Haines and Higdon tracts. These parcels are part of the overall land acquisition process for the new Prophetstown State Park in Tippecanoe County. The Division has purchased 800 other acres primarily from appropriated funds for the establishment of the park.

All properties are being leased for farming or will be rented until more of the 2,770 acres of land to be purchased are ready for development. For the 1997-1999 biennium, the General Assembly appropriated \$10 million for land acquisition and possible construction of a sewage treatment plant. Because the park is not yet open, there is no continuous, on-site management. The Division is using staff from Tippecanoe River State Park to maintain the properties. The DNR 1999-2001 budget will include some staffing for the park.

Each of the two Heritage Trust parcels purchased for the park include a residence. The two residences, along with other residences acquired, will be managed by a realty firm. When the park's development begins, the houses will probably be razed or sold and moved.

Local Law Enforcement and Fire

Protection. The need for local law enforcement and fire protection will remain at the same levels as they were prior to state ownership.

Benefits. The Indiana Department of Commerce indicated that during the first ten years of the park, visitors would spend \$110 million, generating \$7.4 million in state tax revenues, with outlays for park construction resulting in \$10.3 million in additional income

¹⁵ Most of the reservoir acreage is owned by the U.S. Army Corps of Engineers and leased to the DNR.

for the workers developing the park.¹⁶

Fort Benjamin Harrison State Park/Hair

Tract. The Division acquired 27 acres with the purchase of the Hair Tract. This parcel was purchased as a part of the new Fort Harrison State Park. The 1997-1999 budget includes \$2.5 million for the Park which will be used for a nature center, office facilities, restrooms, and a concession building.

Maintenance. Staff at the park will maintain the Heritage Trust purchase.

Local Law Enforcement and Fire

Protection. The purchase of this tract is not expected to increase the demand for local law enforcement and fire protection.

The remaining three Heritage Trust purchases that were not associated with a new state park are described below.

Hardy Lake/Whitsitt Tract. The Division acquired 60 acres of state park land with the purchase of the Whitsitt Tract which adjoins Hardy Lake in Scott County.

Maintenance. This parcel has not required additional staffing.

Local Law Enforcement and Fire

Protection. Residential communities may require more police and fire protection than this state-owned tract.

Benefits. As a natural area, the acquisition will preserve wildlife habitat. State park land provides educational programs and opportunities for the public to learn about nature. Additionally, state-owned land does not require school and library services. The Whitsitt Tract was about to be sold for residential development which would have put increased demands on local services.

Adjacent Land Owner Support. Adjacent

land owners supported the purchase of the Whitsitt tract by offering to raise additional dollars to contribute to the purchase if the state would raise its bid when the property was sold at auction.

Lake Monroe/Grandi *et al.* A house is located on this parcel of 45 acres located in Monroe County. The house will not require any greater need for fire protection than what existed before. However, the local unit providing fire protection will no longer be receiving property taxes from the property.

The residence is in need of repair, and management will also need to patrol the property. Once the residence is habitable, the Division intends to rent it which will generate revenue to the state and provide additional protection and security.

Ouabache State Park/Geisel Tract. The purchase of the 39-acre Geisel Tract, in Wells County, enables the establishment of a multi-purpose trail connecting Ouabache State Park with the city of Bluffton's existing trail. The trail has been a long-standing project of the local community and was the only route acceptable to adjacent landowners. Existing staff will be able to manage the park's portion of the trail. No increased fire or police protection is necessary. Through this trail linkage, park visitors will be able to access the community and vice-versa. The construction of the trail will not affect the drainage of neighboring landowners. The trail corridor may also increase wildlife habitat which will provide opportunities for interpretation of good wetland and wildlife management practices.

Heritage Trust State Park Stewardship

Account. The seven Heritage Trust acquisitions have resulted in no additional costs to the Division. As of May 1997, the Division had not used any stewardship funds.

Benefits of State Parks. The economic benefits of a new state park to a local community includes employee salaries as well as visitors' expenditures in the local community. The state gains revenues from the park itself through admission, camping, and other fees. Visitors also generate sales taxes, and employees generate income taxes. In

¹⁶ Indiana Department of Commerce, An Assessment of the Potential Impacts from the Establishment of the Proposed Prophetstown State Park, 1992, p. 3.

Figure 10. Heritage Trust Purchases of State Park Properties
January 1994 Through March 1997

Project	County	Acres	Maintenance
1. Prophetstown/Higdon Tract	Tippecanoe	1	Part of New State Park
2. Prhophetstown/Haines Tract	Tippecanoe	.66	Part of New State Park
3. Charlestown/Frazier Tract	Clark	251	Part of New State Park
4. Fort Harrison/Hair Tract	Marion	27	Part of New State Park
5. Hardy Lake/Whitsitt Tract	Scott	60	Existing DNR Staff
6. Ouabache State Park/Giesel Tract	Wells	39	Existing DNR Staff
7. Lake Monroe/Grandi et al	Monroe	45	Existing DNR Staff
Total		424	

addition to providing additional employment opportunities, local park-related businesses also pay business income taxes. Visitors buy gasoline, food, and other supplies that generate both road and sales taxes. Some sites may also increase local motel/hotel taxes and food and beverage taxes.

State parks also provide a quality-of-life benefit that is difficult to quantify. The DNR conducted a survey in 1994 known as the “Statewide Comprehensive Outdoor Recreation Plan.” The survey showed that demand for outdoor recreation is high and the supply is low. According to the Division, the Indianapolis Business Journal indicated that businesses are increasingly including the proximity of recreational facilities when considering locating in an area.

Impact of Parks on Neighboring Property Values.

The National Park Service cited several studies that suggest that proximity to a park or other similar open space increases property values.¹⁷ A study of residences surrounding a park in Columbus, Ohio, indicated that residences facing the park sold for between 7% and 23% more than similar residences that did not face the park. Additionally, residences adjacent to the park sold for between 7% and 23% more than similar residences located one block away from the

¹⁷ National Park Service. U.S. Department of the Interior, Economic Impacts of Protecting Rivers, Trails, and Greenway Corridors. Fourth Edition. 1995. Section 1, pp. 1-10.

park.¹⁸ In Dayton, Ohio, proximity to a park and arboretum accounted for an estimated 5% of the average sales price for a residence.¹⁹

Outdoor Recreation, State Museum, and Historic Sites.



The Indiana Division of Outdoor Recreation and the Division of State Museum and Historic Sites are two separate divisions within the DNR; however, they share one Heritage Trust account.

Through the Heritage Trust Program, the Division of Outdoor Recreation has acquired one property consisting of 21.9 acres that adjoined the existing Juan Solomon Park in Marion County. The property was an

¹⁸Weicher, John C. and Zerbst, Robert H., “The Externalities of Neighborhood Parks: An Empirical Investigation.” Land Economics, 1973, 49(1):99-105.

¹⁹Kimmel, Margaret M., “Parks and Property Values: an Empirical Study in Dayton and Columbus, Ohio” Thesis. Oxford, OH: Miami University, Institute of Environmental Sciences, 1985.

undeveloped area that was suitable for trails and nature study and as a means to preserve some undeveloped green space in Indianapolis.

The Division of Outdoor Recreation is *not* a landholding division. Projects purchased by the Division must provide some other means of maintaining the state's interest in the property. The Indianapolis City Parks Department requested state assistance in purchasing the park addition and agreed to manage it after the purchase. The state was granted a conservation easement on the property which requires that any development on the property must be approved by the state. The acquisition was intended to support recreation areas in an urban area given the number of Heritage Trust plates sold in Marion County and because many Heritage Trust projects are not located in major population centers.

The Division is considering the purchase of controversial linear parks, such as river corridors and rails-to-trails properties. The Division would purchase rights to the property that would be managed by other entities. For example, the Division is considering purchasing rights to segments of an abandoned rail line from Speedway to the Wabash River. The project would be managed by an incorporated, nonprofit organization.

The **Division of State Museum and Historic Sites** acquired two parcels of the Limberlost Swamp in Jay County, consisting of 188 acres, through the Heritage Trust Program. The purchase involved poorly drained land which was once the heart of the historic Limberlost Swamp, the wetlands area that inspired much of the work of Gene Stratton Porter. Existing staff will oversee the maintenance of the property.

Drainage from the Limberlost Swamp. The Division does not plan to restore the wetlands until additional property can be purchased which will insure no water run off on neighboring properties. (The additional purchase is in the process of being purchased and includes natural and constructed barriers that will prohibit water run off.)

Stewardship Account. As of April 1997, the Division had not used any funds from the stewardship account.

Impact on Local Community Services. Demands on local law enforcement and fire protection will probably remain the same for both services after the state purchase.

**Figure 11. Heritage Trust Purchases of Outdoor Recreation/Historic Sites Properties
January 1994 Through March 1997**

Project	County	Acres	Maintenance
1. Juan Solomon Conservation Easement	Marion	21.9	Neighborhood Association and the Indianapolis Parks Department
2. Limberlost Swamp/Fiechter Tract	Jay	143	Existing DNR Staff
3. Limberlost Swamp/Oswalt Tract	Jay	45	Existing DNR Staff
Total		209	

Heritage Trust Purchases and Local Government Property Taxes

The Calculation of Property Taxes

Property Tax Value. Property taxes due from each taxpayer are based on the true tax value of the taxpayer's property. The local assessor determines the true tax value based on calculations derived from following guidelines outlined in a state property tax assessing manual.²⁰ The true tax value is divided by three in order to calculate the assessed value (AV). Property tax rates for local units of government are multiplied by each \$100 of a taxpayer's AV to determine property tax liability.

Property Tax Levies. Property taxes are a major source of revenue for local governments. Basically six types of local governmental units can levy a property tax: counties, municipalities (cities and towns), school corporations, libraries, townships, and special taxing districts, such as solid waste management districts, special fire districts, and airport authorities. All units except school corporations are referred to as "civil" units of government.

The six types of local taxing units typically maintain at least three types of funds: general operating funds; debt funds; and cumulative funds, which generally serve as savings accounts for capital projects.²¹ School districts also maintain a transportation fund and a few other relatively minor funds.²²

A taxing unit sums the AV of all taxable property within its district and applies a tax rate to generate a tax levy. Tax rates or the overall amount of property tax revenue that a local unit can generate, or the levy, are

²⁰The "True Tax Value" system has been challenged by recent litigation.

²¹The cumulative fund for a school district is referred to as the capital projects fund.

²²Local units may generate other levies that may have controls that differ from the controls discussed in this report. However, only the controls on the three major funds are considered in this report.

subject to certain state and/or local controls.

General Operating Fund Levies. Revenues in general operating funds are used to finance basic day-to-day operations of government. IC 6-1.1-18.5 (for civil units) and IC 6-1.1-19 (for school corporations) limit the property tax levy that can be raised for general operating expenses. Civil units are guaranteed a minimum increase of 5% and are limited to a maximum increase of 10% over the previous year's maximum levy.²³ The percentage increase is based on the unit's three-year average increase in the AV for all taxpayers in the unit's taxing district.²⁴

General Fund Levies for Civil Units. A loss of AV does not reduce the property tax levy generated for the general funds of local civil units. The unit's general fund levy remains the same; however, in order to generate the levy, the unit is allowed to increase the tax rate. The additional levy resulting from the tax rate increase due to a loss in AV is referred to as the *tax shift*.²⁵

General Fund Levies for School Corporations. A school corporation's general fund tax rate is set by the state, independent of the unit's AV.²⁶ If a school corporation loses AV, the loss in local property tax revenue is offset by a corresponding increase in state grants to the school corporation.

Debt Service Fund Levies. If a unit wishes to incur at least \$2 million in debt and the unit wishes to make annual payments for the debt with property taxes, the unit is subject to certain local and state controls. Projects with a cost of at least \$2 million are subject to a petition and remonstrance process whereby signatures of local supporters and/or opposers are

²³IC 6-1.1-18.5-2

²⁴The three years applied may not include a reassessment year when property is revalued and AV generally increased.

²⁵On general fund levies for both civil units and for schools, the state pays 20% property tax replacement credit as well as a homestead credit that equaled 8% in 1996.

²⁶General fund tax rates for school corporations are set by the state based on the school corporation's previous year's rate relative to a target rate identified through a series of calculations that consider overall spending per student.

collected. If the number of supporters is greater than the number opposed, the unit can ask for state approval to incur the debt. If the unit receives state approval, the unit may levy an annual property tax to pay the debt. As was true with general fund levies, if a unit loses AV, the unit is allowed to increase the tax rate in order to generate comparable funds to pay the debt.

If the assessed value within a civil taxing unit's boundaries decreases, the tax rate increases for general funds and debt service funds in order to generate state approved levies.

Limits on Debt. According to the state Constitution, the amount of debt that local units can incur is limited to 2% of the unit's total AV. A decrease in AV could reduce the amount of debt that a unit could incur.

Cumulative Fund Levies. While the state controls the **levy** generated for operating and debt funds, the state controls the **rate** applied to cumulative fund levies. For example, the tax rate that a county can assess for the county cumulative bridge fund may not

exceed \$0.30 per \$100 of AV. (Maximum rates for all cumulative funds were adjusted downward in 1996 to offset the effects of reassessment when property tax values were recalculated and generally increased.)

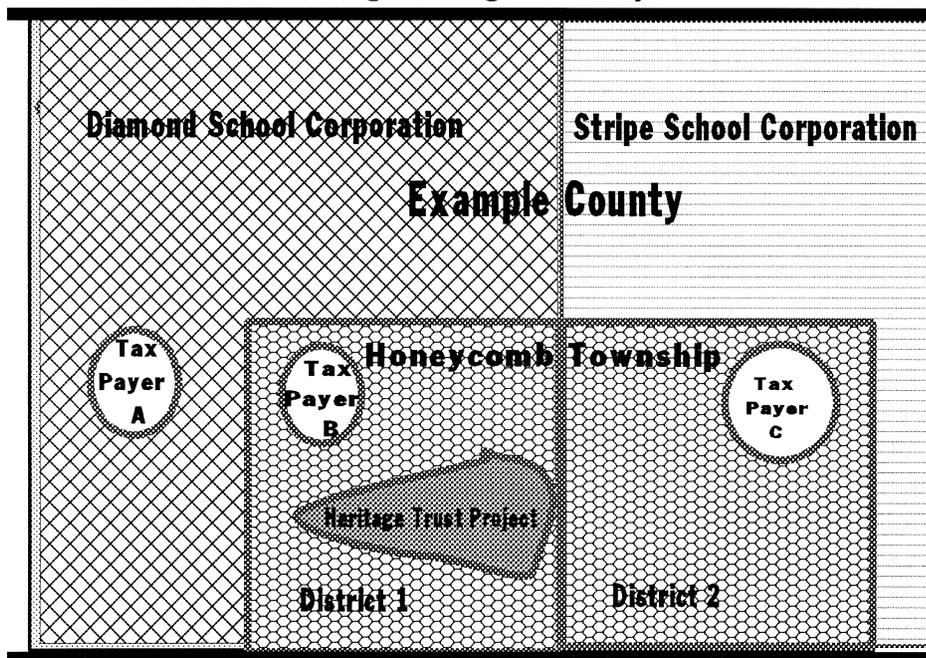
A loss of AV affects revenue generated by cumulative funds only if the fund is at the maximum tax rate. Otherwise, the unit is allowed to increase the rate in order to generate a comparable levy.

Taxing Districts. Each taxing unit applies the approved tax rate to all property within its boundaries. The individual tax statement is the sum of the liabilities which are due each unit within the taxing district. IC 6-1.1-1-20 defines a taxing district as a geographic area within which property is taxed by the same taxing units and at the same total rate.

How Location of Tax Exempt Property Affects the Tax Impact. A simplified example of how location of tax-exempt property affects the tax impact is presented below. In Example County, the Heritage Trust property is located in Honeycomb Township in Diamond School Corporation. Three taxpayers in Example County might be affected by the Heritage Trust project in three different ways.

Taxpayer A: *Taxpayer A* lives outside of the township in which the Heritage Trust Project is located. However, *Taxpayer A* lives within Diamond School Corporation and Example County. The Heritage Trust property is located within the boundaries of the Diamond School Corporation and Example County. Thus, *Taxpayer A*'s tax rate could increase if Diamond School Corporation's debt, transportation, or capital projects fund rates increase as a result of the reduction in AV resulting from the Heritage Trust purchase. (The school general fund would not be affected because the

Figure 12. Taxing Units and Districts Containing a Heritage Trust Project



state sets the tax rate and offsets any loss in revenue.) Taxpayer A could also be affected if the county tax rate increases as a result of the reduction in AV resulting from the Heritage Trust purchase.

Taxpayer B: *Taxpayer B* lives within the township within which the Heritage Trust property is located. *Taxpayer B's* tax rate could increase if the township, Diamond School Corporation, and county tax rates increase as a result of the reduction in AV resulting from the Heritage Trust purchase. (As indicated above, possible rate increases for the school corporation would not include the general fund rate.)

Taxpayer C: *Taxpayer C* lives within the township and within the county within which the Heritage Trust property is located; however, *Taxpayer C* is located outside of the taxing district within which the Heritage Trust property is located. *Taxpayer C's* tax rate could increase if the township and the county tax rate increase as a result of the reduction in AV resulting from the Heritage Trust purchase.

Tax Status of Heritage Trust Purchases. Since the inception of the Heritage Trust Program through March 1997, the DNR has purchased property or property rights for 63 parcels. For eight of these parcels, the Program acquired conservation easements, leaving property tax responsibilities to the owner of the property. In one case, the Program is leasing the property, leaving the remaining 54 parcels tax-exempt due to the state tax-exempt status.

In order to calculate the property tax impact for the 54 purchases, tax information on each parcel was obtained by reviewing files available in the DNR Land Acquisition Office. In some cases, the property tax statement for the parcel was available. However, for most purchases AV information, taxes paid by previous owners, and/or the taxing district were obtained from the title insurance included in the file or from the appraisal. Additionally, in most cases, not all of the tax information was available. For some parcels the AV was available, but not the tax liability. In these cases, the 1995 tax rate payable in 1996 was applied to the AV in order to calculate the tax liability. If the tax amount was available, but not the AV, the AV was calculated by dividing the tax liability by the tax rate. If the taxing district was not in the file, the parcel number was recorded, and the county treasurer or auditor was contacted to identify the proper taxing district. For a few parcels that were purchased through the Heritage

Trust in conjunction with another outside entity, the Heritage Trust portion of the tax was pro-rated based on total acreage of the parcel relative to the acreage purchased for the Trust.

Estimates of the Property Tax Shift Resulting from Heritage Trust Purchases. Most of the AV for the 53 parcels purchased from 1994 through March 1997 has probably already been removed from the tax rolls. For illustration purposes, the following estimates depict the property tax impact, holding all other factors constant, that would result if all of the purchases were removed from the tax rolls in 1995, thereby affecting taxes paid in 1996. Estimates of the property tax impact were based on 1996 tax data contained in the State Board of Tax Commissioners' Local Government Data Base.

The Heritage Trust Program purchased properties in 31 of the state's 92 counties. The total statewide loss in AV was estimated at \$533,046. The total statewide net levy shift was estimated at \$20,021. The levy shift, as was indicated earlier, is the amount of taxes that is redistributed to all other tax payers due to the AV loss. The estimated average increase in the tax rate for all taxpayers within the 31 counties resulting from the purchase of Heritage Trust properties equaled \$0.000182. This average considers taxpayers with property within the district of the Heritage Trust purchase as well as outside of the district (Taxpayers A, B, and C, above.)

Changes in tax rates resulting from the Heritage Trust properties ranged from \$0.0 to \$0.0091. For 432 of the 646 taxing districts involved, the AV decrease was so insignificant that the rate did not increase. (Property tax bills are based on tax rates carried out to the fourth decimal place. Increases beyond the fourth decimal place would have no impact.) A total of 138 taxing units were located within the 646 taxing districts. For 94 of the 138 taxing units, or 68%, no tax rate increase resulted from the Heritage Trust purchase. When the tax impact is so insignificant that it does not affect the tax rate, the units simply lose the revenue that would have been redistributed. On average, each unit of the 94 units with no rate increase would lose an estimated \$46. With respect to the greatest impact, the highest tax rate increase occurring within the 646 taxing districts was an increase of \$0.0091 per \$100 of AV in Eagle Creek Township in Lake County. A table of the tax impact for individual parcels is presented in Appendix III.

Illustrations of the Impact of the Property Tax Shift on Individual Residences.

For residential properties, the statewide median AV is 20.7% of market value.²⁷ Applying this statewide average, a residence with a market value of \$100,000 would have an AV of \$20,700. Applying the average increase resulting from the Heritage Trust purchases of \$0.00182 to each \$100 of AV would result in an annual tax bill increase of \$0.38 for each \$100,000 (market value) property.

As indicate above, the greatest tax rate increase resulting from a loss in AV due to the purchase of a particular parcel was estimated at a \$0.0091. Applying this rate increase to a \$100,000 residence would result in an estimated increase in the annual tax bill of \$1.88.

Illustrations of the Property Tax Shift on Agricultural Property.

For agricultural properties, the statewide median AV is 18% of market value.²⁸ Applying this statewide average, agricultural property with a market value of \$100,000 would have an AV of \$18,000. Applying the average increase resulting from the Heritage Trust purchases of \$0.00182 to each \$100 of AV would result in an annual tax bill increase of \$0.33 for each \$100,000 (market value) property.

Applying the greatest tax rate increase of \$0.0091 resulting from the purchase of a particular parcel to agricultural property valued at \$100,000 would result in an estimated increase in the annual tax bill of \$1.64.

Estimated Cumulative Fund Loss Resulting from Heritage Trust Purchases.

As indicated earlier, a unit would lose money for its cumulative fund if the unit was at the maximum tax rate for the fund. Maximum cumulative fund rates are set in statute. The rates were readjusted for 1996 reassessment. However, information pertaining to whether funds were at their maximum rates was not readily available. *If* all of the funds were at their maximum rate, the statewide loss to cumulative funds resulting from the purchase of Heritage Trust properties would equal approximately

²⁷ The AV to market value ratio was calculated based on the median true tax value sales ratio for residential and agricultural properties as provided in Report of the Indiana Fair Market Value Study presented to the Interim Study Committee on Real Property Assessment Practices, Indiana General Assembly, Larry DeBoer, Project Director, December 10, 1996.

²⁸ Ibid.

\$4,949. The revenue loss could have affected 190 cumulative funds (including school capital projects funds) for an average loss of \$26.

Impact on School Funds. The Heritage Trust Program has purchased property in 39 school districts. As indicated above, any loss in the school corporation's general fund levy resulting from the loss of AV due to the state purchase of the property will be offset by a comparable increase in state funding via the state school funding formula. Based on the 61 parcels, school corporations would lose an estimated \$18,860 from local property taxes; however, the corporations would receive an additional \$18,860 in state grants from the state school funding formula.

From the School Boards' Perspective. Statewide, property taxes contribute about 30% of all school corporation funding.²⁹ According to a representative of the Indiana School Boards Association, any time AV is removed from the tax rolls, school corporations are affected. As indicated above, school corporation general funds would not be affected because the school state funding formula compensates for the loss. However, for the other three major school funds--debt service, transportation, and capital projects--reductions in AV could result in higher tax rates. The specific impact of state-exempt property depends on the school corporation. School corporations that contain a significant amount of tax-exempt property would be affected more than corporations with little to no tax-exempt property.

The Indiana School Boards Association supports state compensation for any revenue lost at the local level. However, according to the Association, state tax exemptions for Tax Increment Financing (TIF) and Tax Abatements for businesses cause a greater impact on school districts than the purchase of Heritage Trust properties. In addition to the loss of AV resulting from tax exemption for business properties, businesses might also generate more students which require more school services. Local school boards are often criticized for tax rate increases that result from a decrease in AV compounded by the increase in demand for school services.³⁰ (Real property tax abatements

²⁹ Based on statistics provided by the 1996/7 Indiana School Statistical Report, Farm Bureau, p.9. Net property tax figures were used which does not include state property tax replacement.

³⁰ Telephone conversation, May 23, 1997.

equaled \$431,001,923 in 1996 with abatements in tax increment financing districts equaling \$602,680,498. Heritage Trust exemptions totaled \$533,046.)

From the County Perspective. A representative from the Association of Indiana Counties indicated that the provision of services to state properties is not an issue. The representative suggested that in some counties the presence of other tax-exempt property might be more significant than Heritage Trust properties. A review of Heritage Trust purchases indicated that the largest percent of AV for a Heritage Trust's purchase to the county's AV was 0.0413% of the total AV for projects in Clay County.

From the Perspective of Cities and Towns. One Heritage Trust parcel for which the state had ownership was located within a municipal taxing district: a tract of 27 acres was purchased for the new Fort Harrison State Park. However, generally Heritage Trust purchases of land do not appear in metropolitan areas. Heritage Trust has purchased conservation easement on two other municipal properties: Juan Solomon Park in Indianapolis and Kankakee Marsh in Lake County. In both cases the local units of government requested financial assistance from the Trust, and the local governments agreed to maintain the properties.

From the Township Perspective. Townships provide poor relief, assess property, maintain certain cemeteries, administer the dog tax, and provide fire protection. Basically, the presence of state land increases the demand for township services only to the extent that the state land requires fire protection. As was indicated earlier, many townships have agreements with the state to provide mutual assistance in the case of fire. A representative of the Indiana Association of Townships indicates that the Association has not heard complaints from members regarding the provision of fire protection for state properties.³¹ Also, as indicated earlier, townships do receive state funding from the DNR and federal funding and resources for fire protection.

With respect to services, townships do not appear to be experiencing a significant demand from state properties. However, if the state purchased a significant percentage of a township's property, the township

would be affected to the extent that the tax rate could increase significantly.³¹ The Association would support state compensation; however, most purchases do not appear to be taking significant amounts of land. A review of Heritage Trust purchases indicated that the largest percent of AV for a Heritage Trust's purchase to the township's AV was .9405%, almost 1/100 of the total AV, for the Kankakee Marsh project in Eagle Creek Township, in Lake County.

³¹Steve Buschmann, Indiana Association of Townships, telephone conversation, June 23, 1997.

The Case of the Goose Pond. Most of the Heritage Trust purchases have not involved large purchases of land. However, the Heritage Trust Program did attempt to purchase 8,000 acres of the Goose Pond in Greene County (which included a section of land known as the Beehunters' Marsh.) *The state did not purchase the Goose Pond property, and the following estimates are provided for illustration purposes only.*

The parcels under consideration were located in four different taxing districts: Stafford, Stockton, Washington, and Grant. For all of the units contained

within the four districts, the total tax shift that would have occurred had the project been purchased is estimated at \$40,329. Although taxes previously paid equaled close to \$85,000, about 41% of the previous tax bill would have been made up by the state school funding formula. With respect to impacts to other school funds and other taxing units, AV loss, tax shift, potential cumulative fund loss, tax rate increase, and tax bill increase based on a \$100,000 market value for agricultural and residential properties are listed below. The possible rate increases for the four districts that would have resulted had the property been purchased are also listed below.

Figure 13. Estimated Impact That the State Purchase of Goose Pond Would Have Had on Unit Tax Rates

Unit	Potential Cumulative Fund Loss	Tax Shift	Net Rate Increase
County	\$2,468	\$20,674	\$0.0131
Linton-Stockton School Corporation	2,480	2,553	0.0072
White River Valley Consolidated School Corporation	4,709	14,459	0.0243
Linton Public Library	0	347	0.0010
Grant	0	240	0.0029
Stafford	0	1,383	0.0294
Stockton	201	622	0.0040
Washington	0	51	0.0006
Total	\$9,859	\$40,329	

Figure 14. Estimated Impact That the State Purchase of Goose Pond Would Have Had on District Tax Rates

District	Net Rate Increase	Annual Increase for a Residence with a \$100,000 Market Value	Annual Increase for Agricultural Property with a \$100,000 Market Value
Grant	0.0403	\$8.34	\$7.25
Stafford	0.0668	13.83	12.02
Stockton	0.0253	5.24	4.55
Washington	0.0380	\$7.87	\$6.84

Environmental License Plate Programs in Other States.

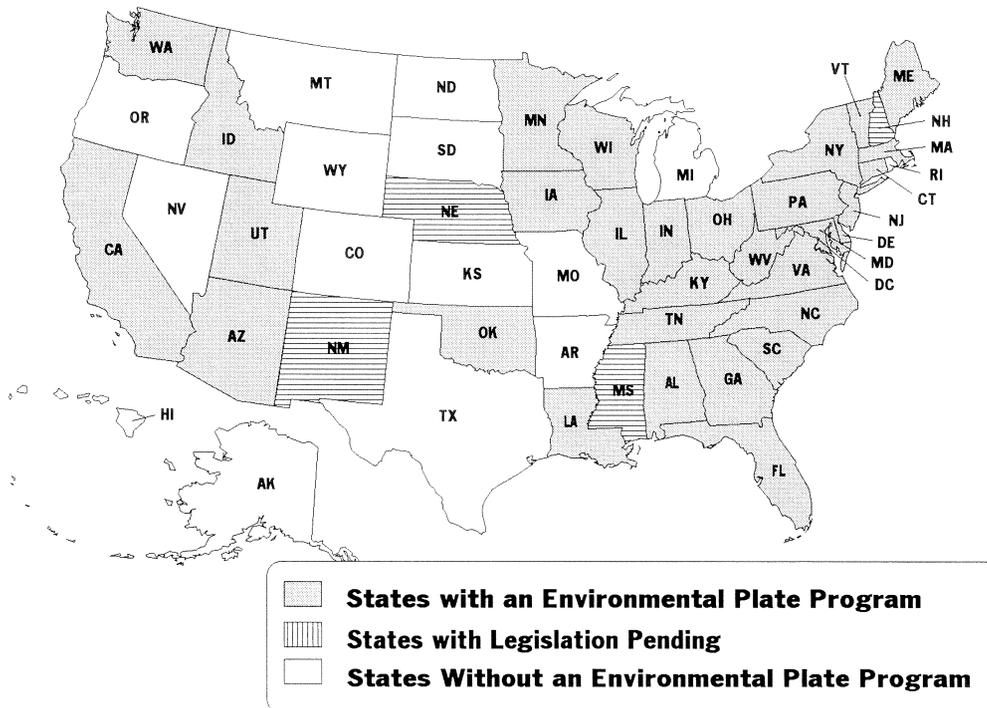
A telephone survey revealed that 32 states currently have an environmental license plate program; three states had legislation pending to institute a program; and 15 states had no program. California was the first to establish an environmental plate program with plates available in 1970. Since that time California has sold over 8 million plates and generated over \$246 million. Florida's program began in 1990 and has generated the second largest amount of revenue--\$32 million--by selling 355,000 plates in seven years. Florida sells two license plates: "Protect the Panther" and "Save the Manatee." Nationwide over 10.7 million environmental plates have been sold (including renewals), generating over \$324 million. The Indiana Heritage Trust plate became available in November 1993. Over 240,000 plates have sold, generating over \$6 million.

Costs for environmental plates range from a low of \$12 in Maryland to \$65 in Connecticut. Plate costs cited exclude additional administrative fees. Nationwide the average cost per plate was about \$30. The nature and extent of funding mechanisms for other conservation programs in other states is beyond the scope of this report. However, as a point of information, of the 32 states that have an environmental plate program, about a third use the money for land acquisition. The remaining states do not use the revenue to purchase land for a variety of reasons. For many, land acquisition appeared to be financed through other mechanisms. (See Appendix IV.) Additionally, other states have different needs. In Florida, for example, revenue raised for the "Save the Manatee" program would not be used to purchase land.

Other uses of the revenue generated from the sale of environmental plates included funding for

Figure 15.

State Environmental License Plate Programs



environmental education programs and research. Some states focus on a particular resource, such as Long Island Sound in Connecticut, the Chesapeake Bay in Maryland, Cape Cod in Massachusetts, Lake Erie in Ohio, or the shoreline in New Jersey. For many states the revenue generated appeared to be deposited in funds used by departments comparable to the Indiana Department of Natural Resources or the Indiana Department of Environmental Management. Most states used the revenue to survey, manage, protect, and/or conserve a threatened or endangered resource or species. Some states appeared to have unique programs. Tennessee, for example, used the revenue to plant trees, flowers, and shrubs primarily in state parks. Other programs were targeted for improving water quality or pollution abatement.

The environmental plate program is relatively new. With the exception of California, whose program began in 1970, the remaining 31 programs began during the 1990's. Revenue information for individual states is presented below.

Figure 16.

Environmental License Plate Programs in Other States

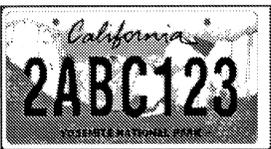
State	Program or Plate	First Year Available	Cost of Initial Plate	Revenue Since the Inception of the Program	License Plates Sold
	Protect Our Environment	1993	\$49	\$2,133,985	43,774
Alaska	No License Plate Program	n/a	n/a	n/a	n/a
	Protect Our Environment	1992	\$25	\$2,452,275	97,291
Arkansas	No License Plate Program	n/a	n/a	n/a	n/a
	Yosemite National Park	1970	\$40	\$246,000,000	8,200,000
Colorado	No License Plate Program	n/a	n/a	n/a	n/a
	Preserve the Sound	1992	\$65	\$3,000,000*	60,000
Delaware	Lighthouse and Mallard Duck	1996	\$35	n/a	n/a
	Save the Manatee	1990	\$15	\$16,219,178	355,404
	Protect the Panther	1993	\$25	\$15,853,681	246,486
Georgia	Wildlife Plate	1997	\$15	n/a	n/a
Hawaii	No License Plate Program	n/a	n/a	n/a	n/a
Idaho	Wildlife Plate	1993	\$35	\$355,988	35,471
Illinois	Wildlife Prairie Park	1994	\$25	\$1,300,000	53,000

Figure 16.

Environmental License Plate Programs in Other States

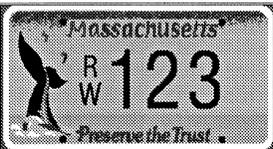
State	Program or Plate	First Year Available	Cost of Initial Plate	Revenue Since the Inception of the Program	License Plates Sold
	Heritage Trust	1993	\$25	\$6,016,625	240,665
Iowa	DNR License Plate	1995	\$35	\$1,519,455	43,413
Kansas	No License Plate Program	n/a	n/a	n/a	n/a
Kentucky	Nature License Plate State Bird License Plate	1994	\$25	\$310,339	18,243
Louisiana	Environmental Plate	1996	\$26	n/a	70
	A Natural Treasure	1994	\$20	n/a	> 100,000
	Treasure the Chesapeake	1991	\$12	\$12,953,180	650,064
	Preserve the Trust	1995	\$35	\$1,342,250	58,543
	Cape Cod and Islands Plates	1996	\$50	\$438,900	14,630
Michigan	No License Plate Program	n/a	n/a	n/a	n/a
Minnesota	Reinvest in Minnesota	1996	\$30	\$135,000	4,500
Mississippi	Legislation Pending	n/a	n/a	n/a	n/a
Missouri	No License Plate Program	n/a	n/a	n/a	n/a
Montana	No License Plate Program	n/a	n/a	n/a	n/a
Nebraska	Legislation Pending	n/a	n/a	n/a	n/a
Nevada	No License Plate Program	n/a	n/a	n/a	n/a
New Hampshire	Legislation Pending	n/a	n/a	n/a	n/a

Figure 16.

Environmental License Plate Programs in Other States

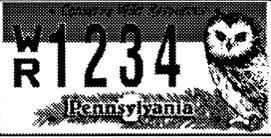
State	Program or Plate	First Year Available	Cost of Initial Plate	Revenue Since the Inception of the Program	License Plates Sold
	Shore to Please	1994	n/a	\$3,591,738	68,002
	Conserve Wildlife	1994	n/a	\$1,290,430	28,482
New Mexico	Legislation Pending	n/a	n/a	n/a	n/a
	Adirondacks	1995	\$40	\$63,925	2,680
North Carolina	Wildlife Plate	1995	\$20	\$23,420	1,171
North Dakota	No License Plate Program	n/a	n/a	n/a	n/a
	Erie...Our Great Lake	1994	\$26	\$1,125,000	45,000
	Wildlife Conservation	1994	\$27	\$14,850	550
Oregon	No License Plate Program	n/a	n/a	n/a	n/a
	Conserve Wild Resources	1993	\$15	\$3,300,000	220,000
					
Rhode Island	No License Plate Program	n/a	n/a	n/a	n/a

Figure 16.

Environmental License Plate Programs in Other States

State	Program or Plate	First Year Available	Cost of Initial Plate	Revenue Since the Inception of the Program	License Plates Sold
	Keep It Beautiful!	1991	\$39	\$517,823	24,938
	Protect Endangered Species	1994	\$39	\$149,913	5,293
South Dakota	No License Plate Program	n/a	n/a	n/a	n/a
Tennessee	Environmental Plate	1995	\$25	\$1,200,000	48,000
Texas	No License Plate Program	n/a	n/a	n/a	n/a
	Assuring Wildlife's Future	1993	\$25	\$255,119	10,204
Vermont	Conservation Plate	1997	\$20	n/a	n/a
	Friend of the Chesapeake	1993	\$25	\$1,010,445	67,363
	Four Wildlife Conservation Plates	1992	\$25	\$451,110	30,074
Washington	Wildlife Plates	1973	\$40	\$2,000,000	89,073
West Virginia	Non-game Wildlife Conservation P	1998	n/a	n/a	n/a
	Endangered Resources	1995	\$25	\$901,850	22,475
Wyoming	No License Plate Program	n/a	n/a	n/a	n/a
Total				\$322,926,479	10,784,859

* Estimate

** Information was gathered from a telephone survey conducted November 1996 through March 1997.

Illustrations: License Plate Book copyright 1995 Interstate Directory Publishing Co. Inc., 420 Jericho Tpke. Jericho, NY 11753

Note: Some plates were available as late as December of the year in which they became available. Also, the revenue generated divided by the number of plates sold may not equal plate costs because of renewal rates and time frames.

Other States' Compensation to Local Governments for Tax-Exempt State Properties.

To date, Heritage Trust properties have had minimal impact on both property taxes and on the demand for local services. However, the Heritage Trust Program represents only a small fraction of all DNR properties. The state also owns other property in addition to that managed by the DNR. The tax impact on local government of all state property is difficult to define because state property is typically not assessed, and assessed value of state property is not available on a statewide basis. However, the State Land Clerk does keep data on the number of acres reported by state entities. Although the data is not comprehensive, the percent of land reported by state entities can be compared with that of other states, and Indiana's policy toward compensating local governments can be compared with that of other states.

In Indiana, the county with the largest percent of Heritage Trust property was Clay County with .04% If all DNR properties are considered, Brown County qualifies as the county with the greatest percent of state acreage with 20% of the county's acreage belonging to the DNR. DNR properties comprise 93% of all state acreage that is recorded. If all state properties are considered, Brown County remains number one in terms of the county with the greatest percent of state property. The second largest percent of state acreage was located in Monroe County, with 8%. Clark and Scott Counties ranked third with 7%.

It is possible that the Department of Transportation (DOT) owns a significant number of acres; however, statewide totals on DOT properties were not available. Of the agencies that report to the Land Clerk, the DNR is the largest land-holding state agency with a reported 320,244 acres.³² State universities owned the second largest number of acres with 19,985. University property was last compiled in 1989. The Department of Corrections was third with 7,497 acres. Appendix V depicts reported state property *in terms of acreage and not tax value*. In total, state property is an estimated 1.5% of all land in Indiana, which includes water area.

³²DNR acreage recorded in the Land Clerk's Office is low when compared with acreage reported by each division, which added together equaled approximately 452,000.

How Does Indiana Compare with Other States in Terms of the Percent of State Owned Land?

Excluding water area, the state owns 1.3% of all acreage and ranks 39th in terms of the percent of land in the state that is owned by the state. Of all the states, Hawaii holds the largest percent of land with 40.8%. Arizona ranks second with 22.7%. Utah ranks third with 19.3%, and New Mexico ranks fourth with 15.2%. With respect to surrounding states, the state of Michigan owns 12.4% of the state's total acreage; Ohio owns 1.2%; Kentucky owns 0.6%; and Illinois owns 0.7%. The average percent of state-owned land was 5.66%.³³

Do States That Own a Large Percent of State Land Compensate Local Governments?

According to a study by the New York State Office of Real Property Services, Hawaii, with the largest percent of state-owned land, does not compensate local units of government for tax-exempt state property. New Mexico, with 15.2%, has no compensation program. Illinois, with 0.7%, does compensate school districts if the state owns more than 45% of the land in the school district. Illinois also reimburses local units for service costs. Wisconsin, with 3.2%, pays taxes for school purposes for state-owned agricultural land.³⁴ Wisconsin also reimburses municipalities for any service costs.³⁵ Whether a state compensates local governments for the presence of tax-exempt state property does not necessarily appear to be a function of the percent of land owned by the state.

Indiana's Compensation Program. IC 20-8.1-6.1-6 provides that the state may reimburse a school corporation for expenses incurred for educating a student who is a dependent of a state employee who resides on state-owned property. The state-owned property involved primarily involves DNR property.

³³Sylvia Adams, State Programs for Compensating Local Governments for State-Owned Property (Albany, NY, New York State Board of Equalization and Assessment) January 1990, pp. 6-7.

³⁴Thomas G. Griffen, Compensating Local Governments for Loss of Tax Base Due to State Ownership of Land (New York State Office of Real Property Services) September 1996.

³⁵Christina Fong and Jeff Kuenzi, Reimbursing Municipalities for the Presence of State-Owned Properties (University of Massachusetts at Amherst, Office of Institutional Research) March 1994, p. 8.

According to the Department of Education, transfer tuition payments equaled approximately \$200,000 in 1995, \$188,000 in 1996, and \$133,000 in 1997.

Compensatory Programs of Other States

States with No Compensation Programs. Three recent studies suggest that 11 states do not compensate local units for the presence of state land within the unit's jurisdiction.³⁶ The 11 states as well as the percent of state-owned land owned by the states are indicated below.

Figure 17. States That Do Not Compensate Local Governments for Tax-Exempt State Properties	
State	% of State-owned Land
1. Alabama	.07%
2. Alaska	Not Available
3. Arkansas	1.2%
4. Hawaii	40.8%
5. Idaho	12.3%
6. Louisiana	2.1%
7. Mississippi	1.8%
8. New Mexico	15.2%
9. North Carolina	1.4%
10. Texas	1.6%
11. West Virginia	1.9%

States with Compensation Programs.

The studies suggest that 39 states provide some level of compensation to certain local governments for the presence of state-owned land within the local government's jurisdiction. It should be emphasized that the compensation programs were not limited to compensation for property purchased for conservation

purposes or for properties financed through an environmental license plate program. As the following discussion reveals, the compensation mechanisms apply to many types of state properties. Although the majority of states reimburse local governments for the fiscal impact of accommodating exempt state property in some fashion, it should be noted that the studies indicate that no state reimburses all local governments for 100% of the amount of property taxes that would be paid on *all* state property had the property been owned by a private taxpayer.

No state reimburses all local governments for 100% of the property taxes that would be due on *all* state property.

The studies also indicated that typically state highway properties are excluded from state compensation plans. Variations of the types of compensation programs were numerous and some states had more than one program. Costs incurred by the states for the compensation programs ranged from \$26,000 in Nevada to \$59 million in New York. The following discussion provides an overview of the types of state property for which states provided compensation. Limitations on the amount of compensation are also provided.

Exclusions. Many states excluded types of state property from the compensation program. The studies suggest that the majority of states excluded developed state property and included undeveloped state property. The types of property for which the states paid compensation are listed below.

³⁶Op. Cit., Adams, Griffen., and Fong.

Figure 18. Types of State Property for Which States Compensate Local Governments			
State	Type of Property	State	Type of Property
1. Arizona	Fish/Game	20. Nebraska	Public Power Districts, Community Redevelopment
2. California	Forest, Wildlife	21. Nevada	Wildlife
3. Colorado	Wildlife, Parks, Housing	22. New Hampshire	Parks and Recreation, Forests, Flood Control Property, Public Utilities, State Capital Land, Housing Projects
4. Connecticut	Reservations and Airport		
5. Delaware	State Capitol	24. New York	Wildlands, Nuclear Fuel Services, Others
6. Florida	Preserve Land	25. North Dakota	Wildlife, Board of University and School Lands, National Guard
7. Georgia	Land in Counties Containing More Than 20,000 State Acres		
8. Illinois	School Districts in Which the State Owns More Than 45% of the Land in the District	28. Oregon	Wildlands
9. Indiana	Compensates School Corporations That Enroll Dependents of State Employees Living on State Property	29. Pennsylvania	Parks, Wildlands, Flood Prevention Lands
10. Iowa	School Payments for Forests Lands and Parks	30. Rhode Island	Hospitals, Correctional Facilities
11. Kansas	Oil and Gas Rights	31. South Carolina	Hydroelectric and Electric Power Producing Structures
12. Kentucky	Daniel Boone Grave		
13. Maine	Shares Income Generated from Property Owned by the Bureau of Public Lands		
14. Maryland	Airports and Shares Income from Parks and Forests	32. South Dakota	Wildlife, Hunting Areas, Properties of the Board of Charities and Corrections
15. Massachusetts	Compensates Towns for State Land Used for Wildlife Purposes As Well Property Owned by the Major Departments of State Government	33. Tennessee	Wetlands
		34. Utah	State Mineral Trust
		35. Vermont	State Facilities
16. Michigan	Certain Forests, Parks, Military	36. Virginia	Police and Fire to Certain State Facilities
17. Minnesota	Wildlife, Certain Parks	37. Washington	Fire Protection to Certain Facilities
18. Missouri	Forest, Conservation		
19. Montana	Payments to Counties in Which the State Owns More Than 6% of the Land for Forest, Agricultural, Fish/Game Lands	38. Wisconsin	Parks, Forests, Payments for Municipal Services Including Police and Fire
		39. Wyoming	Housing for State Employees, Game and Fish Properties

In addition to specifying certain types of state property for which the state will make compensation, many states also limit the amount of the payment through one or more of the following means.

Limits on State Payments. Some states put a cap on the total amount of reimbursement that the state will pay. Kentucky annually pays the City of Frankfort \$2,500 for police and fire protection and other services for the Daniel Boone Grave. Minnesota limits payments to a certain county to \$200,000 per year.

Phase-outs on Amount of Payments Paid. New Hampshire pays an amount equal to taxes due; however, the amount is reduced by 20% over a five-year period for parks and recreation land. New Jersey makes payments equal to the amount of taxes owned prior to the state purchase; the amount is reduced by 8% over a 13-year period.

Limits on the Taxable Value or Assessed Value. Some states limit the taxable value of the property or reduce the assessed value by a certain percent each year. A floor under which assessed value may not go may also be established. Another alternative provides that assessed values are set at the time of purchase or during a certain year. Property may be valued at a specified use.

In Colorado, wildlife areas are assessed like agricultural lands. Connecticut makes payments on 20% of the assessed value. In Illinois the value per acre equals the average value per acre of all land assessed in the school district. Massachusetts reduces the value of forest land by the value of the products removed. In Michigan assessed value may not exceed 50% of the true cash value as set by the state. New Hampshire sets the assessed value at the time of state acquisition for parks and recreational areas.

Payments Limited to a Certain Percent of the Taxes Due at the Time of Purchase. Nevada compensates counties for state-owned wildlands in an amount that is equal to taxes that were due prior to the state's purchase.

Limits on Rates. Some states set the tax rate that can be applied to the state property. For instance, a flat tax rate can be applied to all state properties, or different flat tax rates are applied to different types of state property depending upon the use of the property. Flat rates are used in 8 states; they vary from \$0.05 to \$3.00 per acre.

Figure 19. Rates Applied to State Properties		
State	Type of Land	Rate Per Acre
Michigan	Natural Resources	\$2.50
Minnesota	Hunting Areas--	\$0.50
	Natural resource land--	\$3.00
Missouri	Forest land	\$0.75
Montana (Income producing lands)	Grazing	\$0.12
	Agricultural	\$0.35
	Forest	\$0.12
New Jersey	Parks and Forests	\$0.10
Pennsylvania	Water conservation and flood control land	\$0.20
Utah	Wildlife areas	\$0.52
Wisconsin	Forests, parks, fishing and hunting areas, and fish and game preserves	\$0.80

Limits on Payments Made. Delaware pays 7.7% of the taxes due on state government buildings located in the City of Dover. Rhode Island limits payments to 25% of taxes that would be paid by a private owner. In Ohio, payments on wildlands equal 1% of the assessed value of the land at the time of state acquisition.

Thresholds. Some states employ thresholds. For instance, taxes are not paid unless the acreage or value of state property reaches a particular threshold, such as Minnesota's 1,000 acre minimum per county or Georgia's 20,000 acre minimum per county. Other states determine the thresholds based on state acreage or property value as a percent of the total local acreage or value. Colorado compensates local governments if the state owns 1/10 of 1% of the area in a county. Illinois compensates municipalities if state-owned properties equal at least 45% of the local land. Montana compensates counties if the state owns

grazing, agricultural, or forest lands that produce income and that comprise more than 6% of the county land. Virginia allows local units to assess service charges if the state property is more than 3% of the value of all property within the taxing unit's jurisdiction. Washington makes payments for local services if the state facilities comprise 10% or more of the total assessed value.

Lump Sum Payments. Tennessee made a one-time payment of \$300,000 for wetland property.

Date of Purchase. Arizona pays \$0.75 per acre on state land acquired from the federal government after 1985.

Not All Taxing Units Receive Payments. Florida compensates only counties with small populations if certain state preservation lands comprise over .01% of the unit's total. Ohio compensates school districts. Vermont makes payments to two towns: Montpelier and Waterbury.

Limits on the Amount of the Payment. If the payment is less than a certain amount, the state does not have to pay. This method presumably considers administrative expenses. Michigan does not make payments for fire services of less than \$500. New Jersey does not make payments to municipalities if the liability is less than \$1,000.

Revenue Sharing. Maine pays 25% of certain camping fees to local units. Maryland shares revenue if state park or forest land comprises over 10% of the total county area. Minnesota shares 35% of revenue generated from hunting and game refuges.

Combination of the Above. Some states use a combination of the above limitations.

Summary of Compensation Programs. Many states appear to adopt programs that allow them to control payments made. States tend to apply programs that result in a predictable liability that has uniform application. Some states target certain recipients, such as school districts, specific towns or municipalities, or counties.

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Number of Special Recognition License Plates Sold by Year				
Ranked by 1996 Plate Sales				
Organization	1993	1994	1995	1996
1 Children's Trust	n/a	n/a	75,618	106,356
2 Heritage Trust	31,373	61,772	75,470	85,593
3 Indiana University	11,915	19,980	21,843	21,704
4 Hoosier Veteran	3,586	8,179	12,294	15,069
5 Purdue University	2,975	6,453	8,097	9,453
6 Volunteer Firefighters	6,638	7,090	7,493	7,823
7 Freemasons	3,300	4,152	4,495	4,671
8 Notre Dame	1,865	3,921	3,428	4,013
9 Ball State University	877	1,674	2,076	2,386
10 Fraternal Order of Police	1,416	2,092	2,648	2,324
11 Indiana Black Expo	n/a	891	1,449	1,701
12 Emergency Medical	n/a	1,139	1,385	1,481
13 Indiana Shrine Association	1,462	1,246	1,209	1,126
14 Butler University	n/a	508	678	867
15 4-H Foundation	n/a	n/a	n/a	855
16 Literacy Foundation	n/a	n/a	n/a	813
17 University of Indianapolis	n/a	n/a	n/a	797
18 Indiana State University	305	492	587	694
19 University of Evansville	n/a	460	551	628
20 Taylor University	352	374	533	610
21 Wabash College	258	409	533	600
22 DePauw University	n/a	n/a	n/a	552
23 Rose Hulman Institute	n/a	335	437	524
24 Indiana Wesleyan	n/a	310	386	444
25 Lions Trust Fund	n/a	405	417	440
26 IUPUI	127	237	444	358
27 Manchester College	n/a	248	317	353
28 Indiana Dancers Association	334	350	343	344
29 Vincennes University	235	290	308	302
30 Air Force Reserve	542	490	336	301
31 University of Southern Indiana	206	227	268	279
32 St. Mary of the Woods	n/a	203	219	237
33 Marian College	n/a	n/a	220	224
34 Army Reserve	287	237	219	192
35 Pearl Harbor Survivors	156	165	157	158
36 Navy Reserve	105	177	151	155
37 Indiana Guard Reserve	194	180	183	155
38 Marine Reserve	39	64	67	71
39 Freemasons' Prince Hall Lodge	n/a	n/a	n/a	32
40 National Guard	n/a	n/a	n/a	4
41 Education Trust	n/a	n/a	n/a	n/a
Total (All Groups)	70,827	124,750	223,688	

*Indicate total of new plates sold and renewal of plates issued last year.

*n/a Indicates that the plate was not available in that year.

Percent of Heritage Trust License Plate Purchases by County				
County	1990 County Population	Number of 1996 Purchases of Heritage Trust License Plates	Licenses Sold for Passenger and Recreational Vehicles, Trucks, Jeeps, and Vans*	Heritage Trust License Plate Purchases As A % of the Total
Adams	31,095	246	23,792	1.03%
Allen	300,836	3,835	241,781	1.59%
Bartholomew	63,657	1,035	57,781	1.79%
Benton	9,441	75	8,103	0.93%
Blackford	14,067	117	11,634	1.01%
Boone	38,147	1,057	35,573	2.97%
Brown	14,080	415	13,544	3.06%
Carroll	18,809	245	17,032	1.44%
Cass	38,413	403	31,086	1.30%
Clark	87,777	1,172	70,535	1.66%
Clay	24,705	217	21,579	1.01%
Clinton	30,974	351	25,831	1.36%
Crawford	9,914	87	9,157	0.95%
Davless	27,533	174	21,290	0.82%
Dearborn	38,835	533	36,308	1.47%
Decatur	23,645	227	20,364	1.11%
DeKalb	35,324	350	32,354	1.08%
Delaware	119,659	1,474	86,138	1.71%
Dubois	36,616	386	33,094	1.17%
Elkhart	156,198	2,373	128,763	1.84%
Fayette	26,015	197	20,898	0.94%
Floyd	64,404	1,083	51,992	2.08%
Fountain	17,808	163	14,444	1.13%
Franklin	19,580	202	17,549	1.15%
Fulton	18,840	273	16,995	1.61%
Gibson	31,913	206	26,451	0.78%
Grant	74,169	623	57,275	1.09%
Greene	30,410	257	26,777	0.96%
Hamilton	108,936	3,965	114,525	3.46%
Hancock	45,527	900	44,843	2.01%
Harrison	29,890	392	29,885	1.31%
Hendricks	75,717	1,481	75,589	1.96%
Henry	48,139	553	41,826	1.32%
Howard	80,827	910	65,928	1.38%
Huntington	35,427	392	29,304	1.34%
Jackson	37,730	413	33,384	1.24%
Jasper	24,960	270	23,832	1.13%
Jay	21,512	149	17,594	0.85%
Jefferson	29,797	342	23,402	1.46%

Percent of Heritage Trust License Plate Purchases by County				
County	1990 County Population	Number of 1996 Purchases of Heritage Trust License Plates	Licenses Sold for Passenger and Recreational Vehicles, Trucks, Jeeps, and Vans*	Heritage Trust License Plate Purchases As A % of the Total
Jennings	23,661	234	21,469	1.09%
Johnson	88,109	1,545	81,203	1.90%
Knox	39,884	307	29,526	1.04%
Kosciusko	65,294	1,077	57,097	1.89%
LaGrange	29,477	239	20,111	1.19%
Lake	475,594	6,594	308,806	2.14%
LaPorte	107,066	1,483	84,034	1.76%
Lawrence	42,836	344	37,179	0.93%
Madison	130,669	1,709	103,022	1.66%
Marion	797,159	15,656	606,584	2.58%
Marshall	42,182	694	34,965	1.98%
Martin	10,369	68	8,699	0.78%
Miami	36,897	279	27,689	1.01%
Monroe	108,978	2,388	73,508	3.25%
Montgomery	34,436	388	29,048	1.34%
Morgan	55,920	975	52,987	1.84%
Newton	13,551	159	12,304	1.29%
Noble	37,877	449	33,498	1.34%
Ohio	5,315	64	4,666	1.37%
Orange	18,409	121	15,393	0.79%
Owen	17,281	298	16,717	1.78%
Parke	15,410	145	12,790	1.13%
Perry	19,107	100	15,490	0.65%
Pike	12,509	119	11,071	1.07%
Porter	128,932	2,732	104,840	2.61%
Posey	25,968	324	22,274	1.45%
Pulaski	12,643	122	11,445	1.07%
Putnam	30,315	477	25,718	1.85%
Randolph	27,148	202	22,620	0.89%
Ripley	24,616	252	22,820	1.10%
Rush	18,129	227	14,900	1.52%
Scott	20,991	176	18,393	0.96%
Shelby	40,307	557	34,939	1.59%
Spencer	19,490	188	17,117	1.10%
St. Joseph	247,052	2,960	188,441	1.57%
Starke	22,747	204	18,599	1.10%
Steuben	27,446	500	26,131	1.91%
Sullivan	18,993	176	16,417	1.07%
Switzerland	7,738	56	6,542	0.86%
Tippecanoe	130,598	1,687	91,923	1.84%

Percent of Heritage Trust License Plate Purchases by County				
County	1990 County Population	Number of 1996 Purchases of Heritage Trust License Plates	Licenses Sold for Passenger and Recreational Vehicles, Trucks, Jeeps, and Vans*	Heritage Trust License Plate Purchases As A % of the Total
Tipton	16,119	201	14,720	1.37%
Union	6,976	59	6,159	0.96%
Vanderburgh	165,058	1,782	129,419	1.38%
Vermillion	16,773	157	14,454	1.09%
Vigo	106,107	1,469	76,574	1.92%
Wabash	35,069	374	28,140	1.33%
Warren	8,176	112	7,407	1.51%
Warrick	44,920	583	41,044	1.42%
Washington	23,717	170	21,165	0.80%
Wayne	71,951	667	44,835	1.49%
Wells	25,948	254	22,551	1.13%
White	23,265	327	21,527	1.52%
Whitley	27,651	292	24,963	1.17%
Totals	5,544,159	80,265	4,452,165	1.80%
* No evaluation was made to determine if everyone purchasing a plate knew of the availability of the Heritage Trust plate or knew of what steps to take to purchase the plate.				

Estimated 1996 Property Tax Impact of Heritage Trust Purchases From 1994 Through April 1997

Project Number	Project Name	Assessed Value	Total Tax Shift	Cumulative* Fund Loss	County Levy	City &			School** Levy	Library Levy	Special Levy
						Twp Levy	Town Levy				
3	Pigeon River F&W Area/Wire Tract	1,720	50	14	20	2	0	40	2	0	
6	Yellowwood State Forest/Emberton Tract	530	15	6	7	0	0	14	0	0	
7a	Owen-Putnam State Forest/ Taylor Tract Chuck Taylor	2,400	108	25	57	3	0	68	5	0	
7b	Owen-Putnam State Forest/ Wenger Tract Lloyd weng	720	31	8	17	0	0	21	1	0	
8	Blue River Corridor/Wyandotte Cave/Sphire Tract	8,820	274	126	122	4	0	264	10	0	
8b	Blue River Corridor/Wyandotte Springs	3,160	72	33	49	2	0	54	0	0	
8c	Blue River Corridor/Narrows	2,330	85	23	32	4	0	72	0	0	
9	Little Chapman Lake Nature Preserve/Hogan Tract	5,400	126	37	43	11	0	109	0	0	
10a	Hardin Ridge Nature Preserve/Wilson/Bulleit Tract	870	25	10	11	2	0	20	2	0	
14	Clark State Forest/Garriott Tract	203	6	0	3	0	0	3	0	0	
15	Martin State Forest/Sanders Tract	850	28	11	18	1	0	20	0	0	
19	Bloomfield Barrens/Cato Tract	4,370	104	57	51	9	0	93	8	0	
20	Bluffs of Beaver Bend/Hoiles Tract	22,040	736	292	460	37	0	531	0	0	
22	Jackson-Washington State Forest/Dersch Tract	630	14	2	4	1	0	10	1	0	
22	Jackson-Washington State Forest/Hoevener Tract	670	16	3	4	1	0	12	2	0	
25	Lake Monroe/Grandi et al	18,040	526	217	322	26	0	322	73	0	
26	Little Pigeon Creek/Wilson Tract	5,930	197	40	87	18	0	119	13	0	
27	Limberlost Swamp/Fiechter Tract	20,100	630	263	201	25	0	637	30	0	
27	Limberlost Swamp/Oswalt Tract	6,100	190	80	61	7	0	193	9	0	
28	Lime Lake/Friend Tract	1,400	43	11	18	2	0	34	0	0	
29	Ouabache State Parks/Geisel Tract	12,930	302	151	161	14	0	242	36	0	
30	Deam Lake Dietrich Tract	3,000	92	30	54	4	0	56	8	0	
30	Deam Lake Meyer Tract	430	13	5	8	0	0	9	1	0	
31	Yellowwood State Forest and Nature Preserve	6,300	189	73	85	5	0	167	5	0	
32	Bell Woods Nature Preserve/ Bell-Croft	100	3	0	2	0	0	1	0	0	
34	Wabash Lowlands/Gray Tract	45,801	1284	210	575	128	0	687	104	0	
35	Prophetstown/Higdon Tract	11,430	257	92	127	29	0	177	16	0	
35	Prophetstown/Haines Tract	12,310	277	100	137	32	0	191	17	0	
37	Morgan-Monroe State Forest/Blackwell Tract	4,330	129	52	78	7	0	78	18	0	
37	Morgan-Monroe State Forest/Boy Scouts Tract	1,330	37	16	24	1	0	23	5	0	
37	Morgan-Monroe State Forest/Manley Tract	470	10	6	5	1	0	9	1	0	
37	Morgan-Monroe State Forest/Cockrell Tract	560	15	7	10	0	0	10	2	0	
37	Morgan-Monroe State Forest/Young Tract	30	0	0	0	0	0	0	0	0	
38	Bloomfield Barrens/Ayer Tract	8,880	212	116	104	19	0	188	17	0	
39	Big Walnut/Harger & Hinds	15,670	422	105	155	8	0	341	23	0	
40	Crooked Lake Nature Preserve/Bishop Trust	25,600	898	168	367	92	0	540	67	0	
43	Grand Kankakee Marsh Project	100,100	7207	1,147	4,279	574	0	2,887	614	0	
46	Fort Ben Harrison /Hair Tract	1,400	68	19	19	0	24	38	4	2	
50	Grand Kankakee Marsh/Hien Wetlands	22,240	858	244	370	35	0	623	74	0	
53	Charlestown State Park/Frazier Tract	16,840	545	133	298	16	0	322	42	0	
61	Jackson-Washington State Forest/Hall Tract	2,770	64	11	19	4	0	46	6	0	
61	Jackson-Washington State Forest/Lamer/Hall Tract	1,140	25	8	18	2	0	13	0	0	
61	Jackson-Washington State Forest/Brown/Couch Tract	100	2	0	1	0	0	1	0	0	
61	Jackson-Washington State Forest/Zink Tract	1,570	35	11	24	4	0	18	0	0	
61	Jackson-Washington State Forest/Wischmeier Tract	18,800	406	131	291	29	0	217	0	0	
61	Jackson-Washington State Forest/Horton/Harrison/Hal	2,770	64	11	19	4	0	46	6	0	
64	Crosley Fish and Wildlife Area/Fair Tract	1,000	24	7	13	1	0	16	1	0	
66	Chamberlain Lake/Padre Pio, Inc.	2,470	122	36	64	15	0	63	16	0	
68	Big Walnut Nature Preserve/ Harshey Tract	17,922	524	131	193	10	0	424	28	0	
71	Hillenbrand Fish & Wildlife	870	30	9	17	4	0	18	0	0	
76	Salomonie River State Forest/Ford Auction	12,300	320	68	166	34	0	188	0	0	
84	Hardin Ridge Nature Preserve/Senn Tract	30	0	0	0	0	0	0	0	0	
90a	Chinook Fishing Area Amax	70,800	2157	536	678	72	0	1943	0	0	
92	Hardy Lake/Whitsitt Auction	4,470	148	49	76	10	0	104	7	0	
	Total	533,046	20,015	4,940	10,024	1,309	24	12,322	1,274	2	

* Cumulative funds include civil as well as school capital projects funds.

** School levies do not include general fund levies.

**Conservation Ballot Measures
1986-1994**

YEAR	STATE	FUNDING MECHANISM	WON/ APR'VAL	EST. AMT/ YEAR	AMOUNT
1986	New York	Bond	Yes/62%		\$250 million
	NY: Southampton	Bond	Yes		\$8 million
	Rhode Island	Bond	Yes		\$8 million
1987	California	Bond	Yes		\$776 million
	Maine	Bond	Yes/60%		\$35 million
	New Jersey	Bond	Yes/65%		\$35 million
	NY: Southold	Bond	Yes		\$2 million
	Rhode Island	Bond	Yes		\$65 million
1988	New Mexico	Bond	Yes/59%		\$400,000
	NY: Nassau County	Bond	Yes		\$3.5 million
1989	NY: East Hampton	Bond	Yes		\$3.5 million
	PA: Chester County	Bond	Yes		\$50 million
	Rhode Island	Bond	Yes		\$74.5 million
1990	Arizona	Lottery	Yes/62%	\$20 million	
	FL: Brevard County	Property tax	Yes		\$55 million

VI. Ballots

Conservation Ballot Measures, 1986-1995

YEAR	STATE	FUNDING MECHANISM	WON/ APR'VAL	EST. AMT/ YEAR	AMOUNT
1992	Nebraska	Lottery*	Yes/62%	\$5 million	
	New Jersey	Bond	Yes/75%		\$200 million
	Texas	Bond	Yes/66%		\$22 million
	Virginia	Bond	Yes/69%		\$11.5 million
1993	Illinois	Bond	Yes/61%		\$30 million
	Ohio	Bond	Yes/61%		\$19 million
	Pennsylvania	Bond	Yes/63.9%		\$50 million
	Pennsylvania	Real Estate Transfer Tax	Yes	\$3 million	
	North Carolina	Bond	Yes/56%		\$10 million
1994	Texas	Bond	No/48%		
	California	Bond	No/43.6%		
	FL: St. Lucie County	Property Tax for Bond	Yes/67%		\$20 million
TOTAL					\$2,318,850,000

* = Annual Amounts

Note: Not all funds listed are necessarily used for land acquisition.

Reported Number of Acres Owned by the State As a Percent of Total County Acres

County	Acres in the County	# of Acres Owned by the State That Are Reported	Reported State Acres As a % of County Acres	Acres Owned by the Department of Natural (DNR) Resources	DNR Acres As a % of County Acres	Acres Owned by State Universities as of May 1989	University Acres as a % of County Acres
1 Adams	217,216	839	0%	92	0%	0.00	0%
2 Allen	420,672	39	0%	39	0%	324.87	0%
3 Bartholomew	260,416	847	0%	841	0%	13.54	0%
4 Benton	260,032	2,231	1%	1,602	1%	0.00	0%
5 Blackford	105,664	3	0%	0	0%	0.00	0%
6 Boone	270,528	35	0%	31	0%	0.00	0%
7 Brown	199,872	40,312	20%	40,312	20%	0.00	0%
8 Carroll	238,272	264	0%	260	0%	0.00	0%
9 Cass	264,256	952	0%	101	0%	0.14	0%
10 Clark	240,128	16,592	7%	15,833	7%	59.60	0%
11 Clay	228,864	832	0%	826	0%	105.00	0%
12 Clinton	259,264	136	0%	31	0%	0.00	0%
13 Crawford	195,648	10,305	5%	10,245	5%	0.00	0%
14 Daviess	275,648	7,894	3%	7,890	3%	0.00	0%
15 Dearborn	195,328	43	0%	43	0%	0.00	0%
16 Decatur	238,464	41	0%	40	0%	347.71	0%
17 Dekalb	232,256	281	0%	232	0%	0.00	0%
18 Delaware	251,712	12	0%	0	0%	1,167.09	0%
19 Dubois	275,264	4,525	2%	4,511	2%	1,016.25	0%
20 Elkhart	296,832	318	0%	308	0%	0.00	0%
21 Fayette	137,600	118	0%	108	0%	0.00	0%
22 Floyd	94,720	1,710	2%	1,625	2%	174.72	0%
23 Fountain	253,248	436	0%	435	0%	0.00	0%
24 Franklin	247,040	412	0%	408	0%	37.81	0%
25 Fulton	235,840	360	0%	360	0%	0.00	0%
26 Gibson	312,896	116	0%	114	0%	0.00	0%
27 Grant	264,960	7,449	3%	7,434	3%	826.31	0%
28 Greene	346,944	46	0%	42	0%	99.96	0%
29 Hamilton	254,720	12	0%	0	0%	0.00	0%
30 Hancock	195,968	37	0%	0	0%	0.00	0%
31 Harrison	310,592	16,203	5%	16,203	5%	0.00	0%
32 Hendricks	261,376	994	0%	0	0%	0.00	0%
33 Henry	251,520	4,259	2%	1,307	1%	0.00	0%
34 Howard	187,584	86	0%	80	0%	77.51	0%
35 Huntington	244,864	6	0%	0	0%	0.00	0%
36 Jackson	325,952	7,163	2%	7,141	2%	40.01	0%
37 Jasper	358,336	5,606	2%	5,593	2%	0.00	0%
38 Jay	245,568	264	0%	257	0%	0.00	0%
39 Jefferson	231,296	2,263	1%	1,620	1%	6.00	0%
40 Jennings	241,472	6,989	3%	6,445	3%	924.27	0%
41 Johnson	204,928	5,787	3%	5,787	3%	0.00	0%
42 Knox	330,176	341	0%	337	0%	298.30	0%
43 Kosciusko	344,000	3,700	1%	3,700	1%	174.23	0%
44 LaGrange	242,944	9,581	4%	9,581	4%	238.37	0%

Reported Number of Acres Owned by the State As a Percent of Total County Acres

County	Acres in the County	# of Acres Owned by the State That Are Reported	Reported State Acres As a % of County Acres	Acres Owned by the Department of Natural (DNR) Resources	DNR Acres As a % of County Acres	Acres Owned by State Universities as of May 1989	University Acres as a % of County Acres
45 Lake	318,080	3,369	1%	2,446	1%	115.66	0%
46 Laporte	382,912	7,351	2%	7,147	2%	370.34	0%
47 Lawrence	287,296	1,502	1%	1,479	1%	848.37	0%
48 Madison	289,408	2,255	1%	299	0%	0.00	0%
49 Marion	253,696	1,597	1%	259	0%	201.66	0%
50 Marshall	284,352	7,638	3%	7,638	3%	40.00	0%
51 Martin	215,168	1,087	1%	1,070	0%	0.00	0%
52 Miami	240,512	578	0%	562	0%	0.00	0%
53 Monroe	252,416	19,912	8%	19,901	8%	2,884.09	1%
54 Montgomery	322,944	1,901	1%	1,901	1%	237.07	0%
55 Morgan	260,160	5,315	2%	5,310	2%	2,950.18	1%
56 Newton	257,216	14,015	5%	14,014	5%	0.00	0%
57 Noble	263,104	4,655	2%	4,651	2%	440.42	0%
58 Ohio	55,488	0	0%	0	0%	0.00	0%
59 Orange	255,744	687	0%	687	0%	0.00	0%
60 Owen	246,528	7,650	3%	7,649	3%	0.00	0%
61 Parke	284,672	3,836	1%	3,780	1%	125.64	0%
62 Perry	244,096	4,047	2%	3,929	2%	0.00	0%
63 Pike	215,168	5,458	3%	5,458	3%	0.00	0%
64 Porter	267,648	5,293	2%	3,548	1%	550.87	0%
65 Posey	261,440	7,425	3%	6,732	3%	0.00	0%
66 Pulaski	277,568	10,361	4%	10,361	4%	0.00	0%
67 Putnam	307,392	5,083	2%	2,256	1%	0.00	0%
68 Randolph	289,856	165	0%	160	0%	645.81	0%
69 Ripley	285,696	5,913	2%	5,913	2%	0.00	0%
70 Rush	261,312	392	0%	0	0%	222.00	0%
71 St Joseph	292,672	3,821	1%	3,792	1%	17.52	0%
72 Scott	121,856	7,924	7%	7,916	6%	106.13	0%
73 Shelby	264,128	29	0%	1	0%	0.00	0%
74 Spencer	255,168	2,612	1%	2,612	1%	20.00	0%
75 Starke	197,952	3,663	2%	3,663	2%	0.00	0%
76 Steuben	197,568	5,791	3%	5,788	3%	0.00	0%
77 Sullivan	286,208	5,858	2%	5,541	2%	0.00	0%
78 Switzerland	141,568	4	0%	0	0%	0.00	0%
79 Tippecanoe	319,872	2,568	1%	574	0%	3,390.08	1%
80 Tipton	166,656	74	0%	72	0%	0.00	0%
81 Union	103,424	1,462	1%	1,462	1%	0.00	0%
82 Vanderburgh	150,144	766	1%	509	0%	348.31	0%
83 Vermillion	164,416	0	0%	0	0%	0.00	0%
84 Vigo	258,112	626	0%	248	0%	326.73	0%
85 Wabash	264,448	864	0%	864	0%	0.00	0%
86 Warren	233,536	795	0%	795	0%	0.00	0%
87 Warrick	245,824	1,195	0%	1,194	0%	0.00	0%
88 Washington	329,280	14,396	4%	14,386	4%	0.00	0%

Reported Number of Acres Owned by the State As a Percent of Total County Acres

County	Acres in the County	# of Acres Owned by the State That Are Reported	Reported State Acres As a % of County Acres	Acres Owned by the Department of Natural (DNR) Resources	DNR Acres As a % of County Acres	Acres Owned by State Universities as of May 1989	University Acres as a % of County Acres
89 Wayne	258,304	936	0%	25	0%	212.90	0%
90 Wells	236,800	1,079	0%	1,076	0%	0.00	0%
91 White	323,392	417	0%	413	0%	0.00	0%
92 Whitley	214,720	359	0%	345	0%	0.00	0%
Total	22,956,800	343,166	1%	320,244	1%	19,985.47	0%

*County land area was taken from the Indiana Factbook 1994-95, Indiana Business Research Center.

**Other state entities include the Department of Corrections, State Office Buildings, State Police, Adjutant General, Veterans' Affairs, State Board of Health, Workforce Development, and some properties owned by state authorities or commissions.