

MONTANA

Greens, governor clash over pot taxes for public lands

Kylie Mohr, E&E News reporter • Published: Friday, February 19, 2021



Ballot initiative language passed in November would devote a large chunk of taxes from recreational marijuana to public land programs, but Montana Gov. Greg Gianforte's (R) budget proposal directed most of the funds to conservation. Pictured is Medicine Rocks State Park in the east of the state. John Fowler/Flickr

Conservationists are girding for battle over Montana Gov. Greg Gianforte's budget proposal that doesn't follow a directive approved by voters last fall to send revenue from marijuana taxes to public lands.

At issue is **Initiative 190**, which legalized recreational marijuana and levied a 20% tax on nonmedical marijuana sales, with proceeds to go toward conservation, substance abuse treatment, veterans affairs, health care and local government programs.



Gov. Greg Gianforte. House/Wikimedia Commons

But the budget Gianforte proposed last month wouldn't direct any marijuana tax revenue to conservation, suggesting money go to existing health care programs and proposing more than \$10 million for a new substance abuse program.

Travis Hall, Gianforte's senior adviser and director of communications, today called the Republican governor a "strong voice for public lands" but said the cash is needed for public health and addressing drug addiction.

"The tax revenue from the sale of recreational marijuana ... ought to go to addressing the meth epidemic in our state," he said.

Tying the bill into conservation and public lands — issues that generate bipartisan support — was a major part of messaging during election season. And while the initiative made recreational marijuana legal, it's up to the Montana Legislature to appropriate tax revenue it generates.

"I'm sure if the voters had said, 'We want you to spend it on the Department of Agriculture,' the Republican Party wouldn't be attacking the ultimate destination of funds," said Dan Vermillion, who chaired Montana's Fish, Wildlife and Parks Commission for 12 years. "I think Montanans were pretty clear about how they wanted that money to be spent, and as a legislature, you have to have pretty considerable reasons to just completely ignore the will of voters."

The Legislature is expected to group the marijuana tax issue into larger budget bills that will go to the House Appropriations Committee at the end of February. Conservation groups are lobbying lawmakers behind the scenes.

"That would be a huge boost for conservation funding, which is why it's been a high priority for us," said Whitney Tawney, executive director of Montana Conservation Voters. "Now it's about bringing home the bacon."

Noah Marion, a state policy director for the Montana Wilderness Association, and Tawney both said their organizations, among others, are negotiating with lawmakers to retain at least some of the funding. Creating a recreational marijuana program has already run into other hurdles during the legislative session, with House appropriators rejecting the Department of Revenue's request for over \$1 million to create it.

"The dance is not done yet, to say the least," Tawney said. "We are hopeful we will be able to secure some funding, but I don't believe we will be able to secure what Montana voters voted for in November."

Pot of cash

University of Montana economists estimate that once the state's marijuana industry is up and running, it could generate around \$50 million in tax revenue annually after five years.

The ballot initiative said the state's general fund would see 10.5% of the tax proceeds a year, and roughly half of that would have been directed to parks maintenance, improved public access and protecting wildlife habitat. That would put cash into the Nongame Wildlife Special Revenue Account, State Park Special Revenue Account, and Trails and Recreational Facilities Account, which were expected to each get about 4% of revenue, with another 37% going to Habitat Montana.

Conservation groups, thrilled with the idea of an estimated \$18 million going toward their causes, banded together during the election season. Montana Conservation Voters, the Montana Wildlife Federation, the Wild Montana Action Fund and the Trust for Public Land formed a coalition to endorse the initiative.

"When this ballot initiative came up, we saw it as a good way to secure some revenue for conservation without impacting the state's general fund," Marion said.

In October, the National Wildlife Federation said in a [statement](#) that the promised revenue from Initiative 190 would "establish a significant national precedent for funding conservation in the 21st century."

Advocates see investments made in public lands, wildlife and fishing access in the state as economic drivers. The backlog of infrastructure maintenance projects at a federal level, they say, underscores the need to fund conservation more using creative revenue streams. So do large numbers of tourists and second homeowners flocking to places like Montana as they seek outdoor spaces as a refuge from the coronavirus pandemic.

Tawney is also interested in using that revenue to leverage matching-fund grants from the federal Land and Water Conservation Fund.

The governor's budget proposal, Tawney said, "doesn't sit well with us."

"At the end of the day, more people voted for I-190 than they did the governor," she said.

Making matters tricky politically is where Gianforte is proposing to send the money. Conservationists say negotiations shouldn't be about treating substance abuse versus conservation.

"We believe there is enough money from this initiative to do both of those things," Marion said. "Forcing us to make a choice between two very valid and valuable causes is a false choice."

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