

State Funding for Outdoor Recreation

According to the [U.S. Department of Commerce](#), the outdoor recreation industry generated a record \$862 billion in gross output, 1.9% of U.S. GDP and 4.5 million jobs in 2021. From 2020-2021, this industry grew by 18.9% while the U.S. economy as a whole grew by 5.7%, and outdoor recreation employment grew by 13%.

These numbers are reflective of skyrocketing participation in outdoor recreation since the start of the COVID-19 pandemic. More than 164 million Americans have made outdoor recreation a priority in their lives, whether it's a visit to a local park or a trip into the expansive backcountry. Investments in outdoor infrastructure and access can help maximize opportunities for outdoor enthusiasts and, in doing so, offer economic, social, and health benefits for both rural and urban communities.

States have employed a variety of mechanisms in recent years to fund outdoor recreation projects and programs. These measures, together with significant federal resources, can help states tap into this fast-growing sector of the economy.

Five Things to Know About Outdoor Recreation Funding

1

Outdoor recreation is one of America's biggest industries. The [outdoor recreation industry](#), which includes public, private, and non-profit organizations that enable people to enjoy the outdoors, [accounted](#) for 1.9% of U.S. GDP last year, surpassing industries such as mining, utilities, farming and ranching, and computer and electronics products. At the [state level](#), the outdoor recreation economy grew an average of 24.3% across all states from 2020-2021.

2

The outdoor workforce is diverse and growing. Outdoor recreation provides a wide array of [employment opportunities](#) and lifelong careers in fields including business strategy, communications and branding, biology, engineering, guiding and outfitting, retail sales, and advanced manufacturing. Jobs are also created in other sectors as companies and workers relocate to areas with ample outdoor opportunities. In [Utah](#), tech sector companies consider the outdoors their top recruiting tool.

3

Investments in outdoor recreation provide multiple benefits. In addition to the jobs created, [investments](#) in outdoor recreation also increase rural prosperity, improve public health outcomes and quality of life, increase property values, and promote environmental stewardship and conservation. According to [Headwaters Economics](#), counties with outdoor recreation economies are more likely to attract new residents with greater wealth and have faster-growing wages than their non-recreation counterparts.

4

Outdoor recreation has bipartisan support. States have implemented multiple funding mechanisms for outdoor recreation in recent years, utilizing bonds, general appropriations, lottery proceeds, vehicle registration fees, oil and gas royalties, taxes on temporary lodgings, real estate transfers, and more. In addition, 17 states have created [offices of outdoor recreation](#), including Arkansas and Maryland in 2021.

5

Significant federal funding is available to state and local governments. States can access federal funding for outdoor recreation projects from multiple sources, including the [Land and Water Conservation Fund](#) and the [Outdoor Recreation Legacy Partnership Program](#). Funded at \$900 million annually, the Land and Water Conservation Fund provides grants to states for the acquisition and development of public outdoor recreation areas and facilities, such as parks, trails, campgrounds, bike paths and boating areas. The newly revived [Federal Interagency Council on Outdoor Recreation](#) is expected to encourage additional collaboration between the federal government and states.



State Legislation

1

Colorado has long used lottery proceeds to support outdoor recreation. Since 1992, [Great Outdoors Colorado](#) has invested over \$1.3 billion in lottery revenues to fund 5,500 projects in all of the state's 64 counties. Lawmakers also approved the “[Keep Colorado Wild Pass](#)” in 2021, an opt-out purchase of a state parks pass included for \$29 when residents register a vehicle ([SB 249](#)). Money raised will support the state parks system, search and rescue teams, avalanche awareness education, wildlife conservation efforts, and local accessible outdoor opportunities.

2

Georgia and Texas support their state and local parks by designating a portion of an existing sales tax on sporting goods. Georgia's [Outdoor Stewardship Act](#), passed in 2018, sets aside up to 80% of state sales tax revenue from purchases at outdoor recreation stores to fund land conservation, trail improvements and restoration—the state's first source of dedicated funding for these purposes ([HB 332](#)). This year, 15 [projects](#) received a total of \$28 million. The Texas program dates to 1993, though the legislature acted in 2019 to permanently ensure all revenues from the sales tax go to the parks and wildlife department ([SB 26](#)), nearly [\\$100 million](#) in fiscal year 2021. Voters in both states approved the necessary constitutional amendments by wide margins.

3

Michigan's [Natural Resources Trust Fund](#) relies on royalties from the sale and lease of state-owned oil, gas and mineral rights. Since its creation in 1976, the oil and gas industry has contributed over \$1.1 billion to state and local parks, waterways, trails and nature preserves.

4

New Mexico lawmakers enacted [SB 462](#) in 2019 creating the [Outdoor Recreation Division](#) and an associated [Outdoor Equity Fund](#) to provide outdoor experiences to low-income youth. In 2022, 48 organizations received [grants](#) totaling nearly \$800,000, half of which support tribal, rural and land grant communities. Funding comes from the state as well as private sector sponsors. Colorado has a similar program (2021 [HB 1318](#)).

5

Utah imposed a state transient room tax of 0.32% in 2018 ([HB 264](#)) on rentals of lodging accommodations that are less than 30 consecutive days. Revenue is deposited in the outdoor recreation grant fund. In 2022, the legislature supplemented the fund with an additional \$5 million, contributing to the largest [grant cycle](#) yet—\$11 million to 85 projects that build or restore outdoor recreation infrastructure.

Additional Sources

- NCSL Webinar, [State Outdoor Recreation: Climbing to New Heights](#) (June 2021)
- [Outdoor Recreation Roundtable](#)
- U.S. Department of Commerce, Bureau of Economic Analysis, [Outdoor Recreation](#)
- Outdoor Foundation, [2022 Outdoor Participation Trends Report](#)