

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 2, 2005

TO: Honorable Harvey Hilderbran, Chair, House Committee on Culture, Recreation, & Tourism

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB2897 by Oliveira (Relating to the establishment of an all-terrain vehicle trail and recreational area program; providing a penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2897, As Introduced: a negative impact of (\$1,080,000) through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$1,080,000)
2007	\$0
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>All-Terrain Vehicle Trail and Recreational Area Account</i>
2006	(\$1,080,000)	\$150,000
2007	\$0	\$150,000
2008	\$0	\$150,000
2009	\$0	\$150,000
2010	\$0	\$150,000

Fiscal Analysis

Estimated revenue generated of \$150,000 in the new All-Terrain Vehicle Trail and Recreational Area Account for fiscal year 2006 and each year thereafter. Estimated cost to General Revenue Fund of \$1,080,000 in FY2006.

The bill would create or recreate a dedicated account in the General Revenue Fund, or create a dedicated revenue source. Therefore, the fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Methodology

TPWD indicates that in other states with similar ATV programs, a comparable cost for a decal is an

annual fee of \$15. According to the TPWD, the TPW Commission would set the annual fee at \$15, which assuming 10,000 ATV decals are sold, would generate annual revenue \$150,000. Under the bill's provisions, the fee is either \$7 or whatever rate the TPW Commission adopts.

According to the agency, TPW Commission rules prohibit the use of trails and paths by ATV vehicles at existing parks, unless the trail or path is specifically posted for this use. In fact, the agency reports that at present no trails or paths at existing state parks are designated for ATV use. According to the agency, allowing ATV use on existing parkland could result in conflicts between park visitors, safety issues, and could potentially damage landscape and existing trails.

Accordingly for purposes of this analysis, it is assumed that existing parkland would not be used for this program and new land would be acquired. According to the agency, any new land acquired would be adjacent to existing state parkland. The agency estimates that 1,800 acres would be needed for a statewide program. Total acquisition costs assuming an estimated cost of \$600 per acre is \$1,080,000 in FY 2006. TPWD indicates price per acre varies statewide depending on the availability of land, market issues, and location factors.

According to the TPWD, no additional staff would be needed to administer the program as TPWD anticipates using contractors to maintain the sites. All other costs related to program administration and enforcement could be absorbed within existing agency resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 802 Parks and Wildlife Department

LBB Staff: JOB, WK, ZS, TB