

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 9, 2005

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

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

IN RE: SB1311 by Hinojosa (Relating to the establishment of an off-highway vehicle trail and recreational area program; providing a penalty.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1311, As Engrossed: an impact of \$0 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	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>FEDERAL FUNDS</i> 555	Probable Revenue Gain/ (Loss) from <i>New Off-Highway Vehicle Trail and Recreational Area Account</i>	Probable Savings/(Cost) from <i>New Off-Highway Vehicle Trail and Recreational Area Account</i>
2006	(\$1,000,000)	\$300,000	(\$200,000)
2007	(\$800,000)	\$300,000	(\$160,000)
2008	(\$800,000)	\$300,000	(\$160,000)
2009	(\$800,000)	\$300,000	(\$160,000)
2010	(\$800,000)	\$300,000	(\$160,000)

Fiscal Analysis

Estimated net revenue generated of \$100,000 in the new Off-Highway Vehicle Trail and Recreational Area Account for fiscal year 2006 and \$140,000 in fiscal year 2007 and each year thereafter. (Revenue of \$300,000 per fiscal year offset by costs to provide a 20 percent match to federal funds, or offset by \$200,000 in fiscal year 2006 and \$160,000 in fiscal year 2007 and each year thereafter.)

Estimated cost to Federal Funds of \$1,000,000 in fiscal year 2006, \$800,000 in fiscal year 2007 and each year thereafter.

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 off-highway vehicle 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 20,000 decals are sold, would generate annual revenue of \$300,000. Under the bill's provisions, the fee is either \$8 or whatever rate the TPW Commission adopts. Under the bill, proceeds to the Off-Highway Vehicle Trail and Recreational Area Account would only be used to: (1) acquire, construct, develop and maintain trails and other recreational areas for off-highway vehicle use; (2) provide access to those areas; (3) make grants for the purpose of acquiring, developing and maintaining public trails or recreational areas for off-highway vehicle use; and (4) enforce/administer the program.

According to TPWD, federal funds for recreational trail grants to local entities are available for the purposes established under the bill. Accordingly, this estimate assumes an expenditure of federal funds for grants to local entities, including non-profit organizations and political subdivisions. Based on current available data, TPWD estimates that approximately \$1 million will be available from this source in fiscal year 2006. TPWD expects at least \$800,000 in federal funds for this purpose in 2007-2011. The required match on these federal funds is 20%, which would be covered by revenue generated by the decal (includes a match of \$200,000 in fiscal year 2006 and \$160,000 in fiscal year 2007 and each year thereafter.)

According to the TPWD, no additional staff would be needed to administer the program as TPWD anticipates local entities would 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, WP, WK, ZS, TB