

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**February 19, 2007**

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

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

**IN RE: HB6** by Hilderbran (Relating to the allocation and use of the sporting goods sales tax revenue to fund state and local parks.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB6, As Introduced: a negative impact of (\$165,164,000) through the biennium ending August 31, 2009.

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
2008	(\$80,512,000)
2009	(\$84,652,000)
2010	(\$88,847,000)
2011	(\$93,294,000)
2012	(\$97,946,000)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable Revenue Gain/(Loss) from <i>STATE PARKS ACCT 64</i>	Probable Revenue Gain/(Loss) from <i>LOCAL PARKS ACCOUNT 467</i>	Probable Revenue Gain/(Loss) from <i>PARKS/WILDLIFE CAP ACCT 5004</i>
2008	(\$80,512,000)	\$67,759,000	\$1,377,000	\$125,000
2009	(\$84,652,000)	\$70,822,000	\$1,998,000	\$167,000
2010	(\$88,847,000)	\$73,927,000	\$2,627,000	\$208,000
2011	(\$93,294,000)	\$77,218,000	\$3,294,000	\$253,000
2012	(\$97,946,000)	\$80,660,000	\$3,992,000	\$299,000

Fiscal Year	Probable Revenue Gain/(Loss) from <i>LARGE MUNICIPALITY RECREATION AND PARKS NEW GR-D ACCOUNT</i>
2008	\$11,251,000
2009	\$11,665,000
2010	\$12,085,000
2011	\$12,529,000
2012	\$12,995,000

## **Fiscal Analysis**

The bill would amend Section 151.801(c) of the Tax Code to remove the current \$32 million annual limit on allocations of the Sporting Goods Sales Tax to the Texas Parks and Wildlife Department (TPWD) . It would also amend the Parks and Wildlife Code Chapters 11 and 24 such that the Sporting Goods Sales Tax would be allocated as follows: 74 percent to the State Parks Account Number 64; 15 percent to Texas Recreation and Local Parks Account Number 467; 10 percent to a new Large Municipality Recreation and Parks Account; and 1 percent to the Parks and Wildlife Conservation and Capital Account Number 5004.

Under current law, the State Parks Account and the Local Parks Account each receive \$15.5 million and the Capital Account receives \$1 million per year. The current local parks grant program would be split into two programs – one for large cities defined as having a population over 500,000, the other for small cities defined as having a population of 500,000 or less.

The bill would create a dedicated account, the Large Municipality Recreation and Parks Account, in the General Revenue Fund that would be subject to funds consolidation review by the current legislature under the Government Code 403.094

## **Methodology**

The latest estimates of sporting goods sales tax revenues from the Comptroller's Office are as follows:

Fiscal Year 2008: \$112,512,000

Fiscal Year 2009: \$116,652,000

The loss to the General Revenue Fund was calculated by subtracting these estimated amounts from the current \$32 million credit of the Sporting Goods Sales Tax to the TPWD. The same approach, Comptroller estimates less \$32 million, was used for fiscal years 2010 through 2012.

The Sporting Sales Tax allocation specified by the bill to the various accounts mentioned previously would be available for appropriation by the Legislature. According to the Comptroller, the additional amounts that would be allocated to these accounts for fiscal year 2008, above their current allocations, are as follows:

State Parks Account Number 64: \$67,759,000

Texas Recreation and Local Parks Account Number 467: \$1,377,000 (the current allocation is \$15.5 million)

Large Municipality Recreation and Parks Account (new): \$11,251,000

Parks and Wildlife Conservation and Capital Account Number 5004: \$125,000

These allocations would increase in proportion to the increase in the Sporting Goods Sales Tax credit to the TPWD.

## **Local Government Impact**

The bill would increase funding for local park grants overall by \$12.6 million in fiscal year 2008, with increasing gains in future years.

**Source Agencies:** 304 Comptroller of Public Accounts, 802 Parks and Wildlife Department

**LBB Staff:** JOB, WK, RN, TB, EB, ZS