

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 10, 2007

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

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

IN RE: HB7 by Hilderbran (Relating to the transfer of historic sites from the Parks and Wildlife Department to the Texas Historical Commission, to the allocation and use of revenue by the department and commission, and to the eligibility of certain land for entry into the state parks system.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB7, Committee Report 1st House, Substituted: 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)	\$29,504,512	\$29,504,512	\$14,752,256
2009	(\$84,652,000)	\$31,061,152	\$31,061,152	\$15,530,576
2010	(\$88,847,000)	\$32,638,472	\$32,638,472	\$16,319,236
2011	(\$93,294,000)	\$34,310,544	\$34,310,544	\$17,155,272
2012	(\$97,946,000)	\$36,059,692	\$36,059,692	\$18,029,840

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Historic Site Account New GR-D Account</i>
2008	\$6,750,720
2009	\$6,999,120
2010	\$7,250,820
2011	\$7,517,640
2012	\$7,796,760

Fiscal Analysis

The bill would amend Chapter 442 of the Government Code to transfer 18 historical sites from the Texas Parks and Wildlife Department (TPWD) to the Texas Historical Commission (THC) effective September 1, 2007.

It would also amend Section 151.801(c) of the Tax Code to remove the cap on the use of proceeds from the sporting goods sales tax (SGST). Total SGST proceeds would be credited as follows: 94% to the TPWD, and 6% to the THC.

The THC credit would be deposited into a new "Historic Site Account" consisting of SGST deposits, transfers to the account, interest earnings, fees and other revenue from historic sites, and grants and donations to the THC. Money in the new account would be used by the THC to administer, operate, preserve, repair, expand, and maintain historic sites, and acquire a historical item appropriate to a historic site.

The new Historic Site account, a dedicated account in the General Revenue Fund, would be subject to funds consolidation review by the current legislature under Section 403.094 of the Government Code.

Methodology

The latest estimates of sporting goods sales tax revenue 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 allocation to TPWD. The same approach, Comptroller estimates less \$32 million, was used for fiscal years 2010 through 2012.

The 6 percent allocation of SGST proceeds for the Historic Site account is reflected in the fiscal impact table.

The three General Revenue Dedicated accounts administered by the TPWD -- State Parks Account Number 64, the Texas Recreation and Local Parks Account Number 467, and the Parks and Wildlife Conservation and Capital Account Number 5004 -- would receive SGST deposits according to the current Parks and Wildlife Code allocations, but at higher amounts given the removal of the SGST cap of \$32 million. These higher deposits are reflected in the fiscal impact table.

Based on the assumption that the THC can manage the 18 historic sites with the same level of resources as the TPWD, there would be no significant fiscal impact to the state resulting from THC administration of the sites.

It is worthwhile to note that in fiscal year 2007, the TPWD is estimated to expend \$1,911,000 for site specific operating costs, and \$637,000 in direct and indirect administrative costs, for a total of \$2,548,000, to operate the 18 historic sites.

Also, an estimated 57 full time equivalent employees are involved in the administration and operation of the sites. This includes 47 site-specific full time equivalent employees and 10 direct and indirect administrative full time equivalent employees.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 802 Parks and Wildlife Department, 347 Public Finance Authority, 808 Historical

Commission

LBB Staff: JOB, WK, ZS, RN