

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 6, 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.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 442 of the Government Code to transfer 21 historical sites from the Texas Parks and Wildlife Department (TPWD) to the Texas Historical Commission (THC); specifies that the THC may use money from the State Parks Account No. 64 or the Texas Recreation and Parks Account No. 467 to administer, operate, preserve, repair, expand or otherwise maintain a historical site so long as the amounts used in each fiscal year do not exceed amounts used by TPWD in fiscal year 2007 from those accounts for those purposes. It would establish a new "Historic Site Account" within the General Revenue Fund to be used by the THC. On January 1, 2008 all obligations, liabilities, unobligated balances and unexpended funds, equipment, property, files and records associated with the 21 historic sites are to be transferred. The bill would take effect immediately with a two-thirds vote of all members, otherwise it would take effect September 1, 2007.

Because the overall cost for administration and operations of the 21 historic sites that would be transferred is a current cost to the state, there would be no significant fiscal impact as a result of passage of this legislation. Transfers of funds from the General Revenue Fund 1 and State Parks Account 64 would be equal to the transfer to the new Historic Sites account.

For fiscal year 2007, the Texas Parks and Wildlife Department is estimated to have used \$1,961,000 for site specific operating costs, and \$670,000 in direct and indirect administrative costs, for a total of \$2,631,000 to operate the 21 historic sites that would be transferred under this bill. Of this amount, the General Revenue Fund provided \$1,364,000 and the State Parks Account Number 64 provided \$1,267,000. The General Revenue Fund amount includes \$600,000 of Sporting Goods Sales Tax, which is appropriated to Account Number 64.

The new General Revenue Dedicated "Historic Sites" Account would receive annual transfers equal to the total direct and indirect cost for the 21 historic sites: \$2,631,000. These transfers would come from the two sources mentioned previously: \$1,364,000 to the General Revenue Fund, and \$1,267,000 to the State Parks Account Number 64. Because the transfer of the 21 sites would not occur until January 1, 2008, the fiscal year 2008 amounts would two-thirds of these amounts.

It is estimated that 60 full time equivalent employees would be transferred from the Texas Parks and Wildlife Department to the Texas Historical Commission. This includes 49 site-specific FTEs and 11 direct and indirect administrative FTEs.

The bill would also authorize the Historic Site account to receive donations and site-related revenue. The Texas Parks and Wildlife Department estimates this account revenue to be \$385,000. This amount, which is currently deposited into Account Number 64, would be deposited into the new Historic Site account under the provisions of this bill. The new Historic Site account would be subject to funds consolidation review by the current Legislature.

Based on information from the Texas Public Finance Authority (TPFA), a combined total of \$515,855 of principal and payments on revenue bonds associated with projects for the 21 historical sites will remain outstanding at the start of fiscal year 2008. Additionally, principal and interest payments of \$923,943 in general obligation bonds remain outstanding. A decision by the TPFA will be required for a final determination of how best to structure payments to retire this debt service. A total of \$3.84 million of Proposition 8 General Obligation bonding authority earmarked for repairs and improvements to the Levi Jordan state historic site remains unissued. This authority and any subsequent debt service would also transfer to THC with the sites. These amounts have not been reflected in the actual fiscal note figures.

Local Government Impact

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

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

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