

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 1, 2009**

**TO:** Honorable Mark Homer, Chair, House Committee on Culture, Recreation & Tourism

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

**IN RE: HB7** by Hilderbran (Relating to the allocation and use of the sporting goods sales tax revenue to fund state and local parks, the transfer of a historic site from the Parks and Wildlife Department to the Texas Historical Commission, and the general rulemaking authority of the Parks and Wildlife Commission.), **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 (\$137,926,880) through the biennium ending August 31, 2011.

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)<br>Impact to General Revenue Related<br>Funds |
|-------------|--|
| 2010        | (\$69,092,446)   |
| 2011        | (\$68,834,434)   |
| 2012        | (\$72,886,434)   |
| 2013        | (\$77,023,434)   |
| 2014        | (\$81,348,434)   |

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

| Fiscal Year | Probable Revenue<br>(Loss) from<br><i>General Revenue Fund</i><br><b>1</b> | Probable Revenue<br>Gain from<br><i>State Parks Acct</i><br><b>64</b> | Probable Revenue<br>Gain from<br><i>Local Parks Account</i><br><b>467</b> | Probable Revenue<br>Gain from<br><i>Parks/Wildlife Cap Acct</i><br><b>5004</b> |
|-------------|--|---|---|--|
| 2010        | (\$69,092,446)   | \$54,946,586  | \$13,370,750  | \$154,830  |
| 2011        | (\$68,834,434)   | \$53,709,054  | \$14,318,750  | \$192,750  |
| 2012        | (\$72,886,434)   | \$56,527,714  | \$15,271,000  | \$230,840  |
| 2013        | (\$77,023,434)   | \$59,404,834  | \$16,243,000  | \$269,720  |
| 2014        | (\$81,348,434)   | \$62,413,674  | \$17,259,500  | \$310,380  |

| Fiscal Year | Change in Number<br>of State Employees<br>from FY 2009 |
|-------------|--|
| 2010        | 1.5  |
| 2011        | 1.5  |
| 2012        | 1.5  |
| 2013        | 1.5  |
| 2014        | 1.5  |

## **Fiscal Analysis**

The bill would amend the Parks and Wildlife, Government, and Tax Codes relating to the allocation and use of the Sporting Goods Sales Tax (SGST) revenue to fund state and local parks, the transfer of a historic site from the Parks and Wildlife Department to the Texas Historical Commission, and the general rulemaking authority of the Parks and Wildlife Commission.

The bill would repeal Tax Code § 151.801(c-1) which provides the Comptroller may not credit to accounts of the Texas Parks and Wildlife Department (TPWD) or the Texas Historical Commission (THC) any amounts in excess of amounts appropriated to each entity for a biennium.

With the repeal of this provision, 100 percent of the estimated SGST receipts would be allocated to TPWD and the THC, i.e., 94 percent of SGST amounts to TPWD and 6 percent of amounts to THC. For purposes of this estimate, amounts shown in the tables include the increase from SGST receipts in fiscal year 2010 compared to fiscal year 2008 amounts appropriated. The increase from SGST receipts in fiscal year 2011 and each year thereafter is compared to fiscal year 2009 appropriated amounts.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

The bill would take immediate effect if the bill receives two-thirds the vote of all members. Otherwise, the bill would take effect September 1, 2009. For the purposes of providing a single set of calculations and tables in this estimate, this analysis assumes an effective date of September 1, 2009.

## **Methodology**

The Comptroller of Public Accounts (CPA) estimates sales tax revenue related to the sale of sporting goods items as follows: \$122,854,000 in fiscal year 2010, \$126,888,000 in fiscal year 2011, \$130,940,000 in fiscal year 2012, \$135,077,000 in fiscal year 2013, and \$139,402,000 in fiscal year 2014. Amounts shown as a revenue loss in tables above are the difference between SGST amounts appropriated in the 2008-09 biennium, compared to estimated receipts in fiscal year 2010 and each year thereafter.

Based on this legislation, TPWD would be transferred fully 94 percent of these amounts (i.e., the maximum statutory allocation) under provisions of the bill, resulting in an increase of \$68,472,166 in fiscal year 2010 and \$68,220,554 in fiscal year 2011 to the following TPWD General Revenue-Dedicated Accounts: 1) the State Parks Account No. 64; 2) the Texas Recreation and Parks Account (Local Parks Account) No. 467; and, 3) the Texas Parks and Wildlife Capital and Conservation Account No. 5004.

The bill would require the transfer of the Lipantitlan State Historic Site from TPWD to THC effective January 1, 2010. TPWD indicates that neighboring parks currently maintain the 5-acre site, which has no related staff or entry fees. THC indicates that its immediate needs in administering the site would include 1.5 FTEs. Total salary, benefits, equipment and other operating expenses related to this function would be \$162,772 in fiscal year 2010 and \$142,557 in fiscal year 2011 with similar costs each year thereafter. Also, the THC indicates it would need at least \$250,000 in fiscal year 2011 for one-time expenses for a new on-site building that would incorporate a visitor and reception area, interpretive displays, office space for site staff, and restrooms. This analysis assumes these costs could be absorbed in the new revenue from the SGST allocation credited to the THC.

This analysis assumes THC will be appropriated fully 6 percent of the SGST allocation under provisions of the bill, resulting in an increase of \$620,280 in fiscal year 2010, \$613,880 in fiscal year 2011, \$856,880 in fiscal year 2012, \$1,105,880 in fiscal year 2013, and \$1,364,880 in fiscal year 2014. Because the Historic Site Account established by House Bill 12, Eightieth Legislature, Regular Session was not created, and because this current bill does not reestablish the account, the increased allocations to THC for fiscal years 2010-14 are incorporated in the revenue loss table to General

Revenue, as shown above.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 802 Parks and Wildlife Department, 808 Historical Commission

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