

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 31, 2009

TO: Honorable Dennis Bonnen, Chair, House Committee on Land & Resource Management

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

IN RE: HB3971 by Ritter (Relating to the funding of certain activities of the General Land Office pertaining to the management of coastal public land.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3971, As Introduced: a negative impact of (\$24,755,392) 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) Impact to General Revenue Related Funds |
|-------------|--|
| 2010 | (\$11,974,196) |
| 2011 | (\$12,781,196) |
| 2012 | (\$13,592,196) |
| 2013 | (\$14,349,196) |
| 2014 | (\$15,283,196) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue Gain/(Loss) from <i>Sporting Good Tax- State Parks Account No. 64</i> 400 | Probable Revenue Gain/(Loss) from <i>Sporting Good Tax- Local Parks Account No. 467</i> 401 | Probable Revenue Gain/(Loss) from <i>Sporting Good Tax - Conservation and Capital Acct No. 5004</i> 403 | Probable Savings/ (Cost) from <i>Sporting Good Tax- State Parks Account No. 64</i> 400 |
|-------------|--|---|---|--|
| 2010 | (\$18,182,000) | (\$6,142,000) | (\$247,000) | \$12,596,804 |
| 2011 | (\$18,780,000) | (\$6,344,000) | (\$254,000) | \$12,596,804 |
| 2012 | (\$19,380,000) | (\$6,547,000) | (\$262,000) | \$12,596,804 |
| 2013 | (\$19,922,000) | (\$6,754,000) | (\$270,000) | \$12,596,804 |
| 2014 | (\$20,632,000) | (\$6,969,000) | (\$279,000) | \$12,596,804 |

| Fiscal Year | Probable Revenue Gain/(Loss) from <i>Coastal Erosion Response Account</i> | Probable Savings/ (Cost) from <i>Coastal Erosion Response Account</i> |
|-------------|---|---|
| 2010 | \$24,571,000 | (\$24,571,000) |
| 2011 | \$25,378,000 | (\$25,378,000) |
| 2012 | \$26,188,000 | (\$26,188,000) |
| 2013 | \$27,015,000 | (\$27,015,000) |
| 2014 | \$27,880,000 | (\$27,880,000) |

Fiscal Analysis

The bill would reduce the statutory maximum of SGST available to the Texas Parks and Wildlife Department (TPWD) from 94 percent to 74 percent, and would reduce the statutory maximum of SGST available for three TPWD accounts: the SGST Transfer to the State Parks Account No. 64, the SGST Transfer to the Texas Recreation and Parks Account No. 467 (the Local Parks Account), and the SGST Transfer to the Parks and Wildlife Conservation and Capital Account No. 5004 (the Capital Account). Under current law, the Comptroller cannot credit to the funds SGST in excess of amounts appropriated.

The bill would provide that the 20 percent of the allocation of sales tax revenue received from the sale of sporting goods (Sporting Goods Sales Tax - SGST) be deposited instead to the Coastal Erosion Response Account.

Methodology

Under current law, 94 percent of funds from the SGST allocation, or \$234.8 million of the estimated \$249.7 million in SGST receipts in the Comptroller's 2010-11 Biennial Revenue Estimate are available for transfer to the three TPWD accounts noted above. Actual transfers to the three TPWD accounts are set through the General Appropriations Act.

Currently, \$25.2 million of the SGST Transfer to the State Parks Account No. 64 is passed through, via an interagency contract, to the General Land Office (GLO) for Coastal Erosion projects. This estimate assumes that the \$25.2 million (\$12,596,804 each fiscal year) pass-through to GLO would be deducted from the SGST Transfer to the State Parks Account No. 64, and instead be deposited to the Coastal Erosion Response Account. (This amount is shown above as a savings to the SGST Transfer - State Parks Account No. 64.)

This estimate also assumes that the entire 20 percent would be deposited to the Coastal Erosion Response Account and that additional amounts (in excess of the \$12,596,804 each fiscal year currently received as an interagency contract) would be used for coastal erosion control projects. The Coastal Erosion Response Account was also not exempted from funds consolidation during the Eightieth Legislature, 2007. For purposes of this analysis, it is assumed that passage of this legislation would recreate this account and it would receive 20 percent of the state sales tax revenue received from the sale of sporting goods.

The amounts included in the table above for the Coastal Erosion Response Account are based on a 20 percent allocation of the SGST allocation as identified in the Comptroller's Biennial Revenue Estimate for 2010-11.

This estimate also assumes that the amounts that would be deposited to the Coastal Erosion Response Account would be at the expense of the three TPWD accounts noted above because the transfers would not otherwise be appropriated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 802 Parks and Wildlife Department, 808 Historical Commission

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