

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 20, 2009

TO: Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

IN RE: HB3989 by Merritt (Relating to the waiver of state park entrance fees for certain persons.),
As Engrossed

Estimated Two-year Net Impact to General Revenue Related Funds for HB3989, As Engrossed: an impact of \$0 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	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>State Parks Acct</i> 64
2010	(\$571,915)
2011	(\$634,786)
2012	(\$698,831)
2013	(\$762,266)
2014	(\$825,701)

Fiscal Analysis

The bill would amend the Parks and Wildlife Code relating to the waiver of state park entrance fees for the following: 1) active members of the Texas State Guard. Total revenue loss to the General Revenue-Dedicated State Parks Account No. 64 is estimated to be \$1,000 in fiscal year 2010 and \$1,046 in fiscal year 2011 and each year thereafter; and 2) Texas Residents and Non-Residents who are 70 years and older. Total revenue loss to the State Parks Account No. 64 is estimated to be \$570,915 in fiscal year 2010, \$633,435 in fiscal year 2011 with growing fiscal implications each year thereafter through fiscal year 2015.

The bill would take effect September 1, 2009.

Methodology

Texas State Guard: According to the Texas State Guard headquarters office, there are an estimated 1,600 active guardsmen. According to data from the US Census, it is estimated that the total adult population in Texas will be approximately 17,864,000 by 2010. The calculated rate of total active guardsmen to total adult population is $(1,600/17,864,000)$, or 0.009 percent. The Texas Parks and Wildlife Department (TPWD) charges state park entrance fees per person. For fiscal year 2009, TPWD estimates that total revenue from entrance fees for all state parks will be \$10,609,704. Using data going back to fiscal year 2004, the average growth rate in revenue has been 4.68 percent. Using this data, the estimated revenue for fiscal year 2010 is $(\$10,609,704 \times 1.0468) = \$11,106,238$ and the estimated revenue for fiscal year 2011 is $(\$11,106,238 \times 1.0468) = \$11,626,009$. For purposes of this analysis, growth assumptions were not applied to subsequent fiscal years. Multiplying the .009 percent by the revenue estimate for each fiscal year will determine the revenue loss associated with the waiver of park entrance fees for active members of the Texas State Guard, as follows: 1) Fiscal year 2010 - $\$11,106,238 \times 0.009$ percent = \$1,000; and 2) Fiscal year 2011 and each year thereafter - $\$11,626,009 \times 0.009$ percent = \$1,046.

70 and older customers:

1) Texas Residents - TPWD currently offers two levels of discounts for park entrance fees for elderly customers. The "Full Parklands Passport" offers a free entrance fee for residents and non-residents born on or before September 1, 1930. The "Partial Parklands Passport" offers a 50 percent discount to Texas residents born after September 1, 1930 and at least 65 years of age. Using fiscal year 2008 visitation data and fiscal year 2009 park entrance fees, TPWD is projecting an annual revenue loss of approximately \$274,890 due to the "Partial Parklands Passport" applied to Texas residents aged 65 through 77. Since no data is available on the exact age of each resident, TPWD has assumed an even distribution for the 13 years 65 through 77. This would represent a revenue loss of approximately \$21,145 for each of the age groups 65 through 77.

Using the \$21,145 annual loss per age group, starting in fiscal year 2010, those residents and non-residents ages 79 and older would have their entrance fee waived. In fiscal year 2010 the revenue loss as a result of this bill would be a nine year age bracket from 70 through 78. Using the projected fiscal year 2009 data, this would result in an annual revenue loss of \$190,305 in fiscal year 2010 (9 age groups x \$21,145). Each of the next four years would incur an additional loss of \$21,145 since the age of the waived entrance fee ("Full Parklands Passport") is increasing each year (beginning with 79 in fiscal year 2010 and going to 83 by fiscal year 2014). Therefore the losses each year thereafter would be: \$211,450 in fiscal year 2011; \$232,595 in fiscal year 2012; \$253,740 in fiscal year 2013; and \$274,885 in fiscal year 2014.

2) Non-Residents - The "Full Parklands Passport" also applied to non-residents. TPWD estimates that due to the high number of "snow-bird" visitors particularly in the southern coastal parks, the ratio of residents to non-residents within the "elderly community" is approximately one to one. Since the estimated revenue loss for residents in fiscal year 2010 was \$190,305, representing a 50 percent reduction; the estimated revenue loss for non-residents is projected to be \$380,610 (currently non-residents pay full price). The revenue loss in subsequent years would be: \$422,290 in fiscal year 2011; \$465,190 in fiscal year 2012; \$507,480 in fiscal year 2013; and \$549,770 in fiscal year 2014.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 802 Parks and Wildlife Department

LBB Staff: JOB, SD, ZS, TB, KK