

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 18, 2011

TO: Honorable Harvey Hilderbran, Chair, House Committee on Ways & Means

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

IN RE: HB1628 by Larson (Relating to the crediting of appropriated funds from the collection of taxes imposed on the sale of sporting goods.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1628, As Introduced: a negative impact of (\$87,259,730) through the biennium ending August 31, 2013.

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
2012	(\$43,629,865)
2013	(\$43,629,865)
2014	(\$43,629,865)
2015	(\$43,629,865)
2016	(\$43,629,865)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>State Parks Acct</i> 64	Probable Revenue Gain/(Loss) from <i>Local Parks Account</i> 467	Probable Revenue Gain/(Loss) from <i>Large Cnty & Muni Rec & Parks</i> 5150
2012	(\$43,629,865)	\$29,598,005	\$10,006,650	\$3,921,100
2013	(\$43,629,865)	\$29,598,005	\$10,006,650	\$3,921,100
2014	(\$43,629,865)	\$29,598,005	\$10,006,650	\$3,921,100
2015	(\$43,629,865)	\$29,598,005	\$10,006,650	\$3,921,100
2016	(\$43,629,865)	\$29,598,005	\$10,006,650	\$3,921,100

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Parks/Wildlife Cap Acct</i> 5004
2012	\$104,110
2013	\$104,110
2014	\$104,110
2015	\$104,110
2016	\$104,110

The bill would amend Section 151.801 of the Tax Code to repeal Subsection (c-1), which provides

that the comptroller may not credit to General Revenue or General Revenue-Dedicated Accounts at the Texas Historical Commission (THC) or the Texas Parks and Wildlife Department (TPWD) any amounts from the sale of sporting goods [General Revenue, Sporting Goods Sales Tax (SGST)] in excess of the amounts appropriated to THC or the TPWD in any one fiscal year.

Total SGST proceeds would be credited as follows: 6 percent to the Texas Historical Commission (THC) and 94 percent to the Texas Parks and Wildlife Department (TPWD). SGST credited to the THC would be allocated to the General Revenue Fund. SGST credited to the TPWD would be allocated as follows: 74 percent to the State Parks Account No. 64; 15 percent to the Texas Recreation and Local Parks Account No. 467; 10 percent to the Large County and Municipality Recreation and Parks Account No. 5150; and 1 percent to the Parks and Wildlife Conservation and Capital Account No. 5004.

The bill would take effect September 1, 2011.

Fiscal Analysis

This analysis assumes that all future deposits to the credit of the THC would remain in the General Revenue Fund, subject to appropriation levels. Accordingly, these amounts are not shown in the table above.

Amounts in excess of the average of amounts appropriated in fiscal years 2010 and 2011 to TPWD, would be deposited to the credit of the agency’s related General Revenue-Dedicated Accounts and thus represent a revenue loss to General Revenue, as reflected in the table above.

Methodology

The Comptroller of Public Accounts reports that SGST in the 2012-13 biennium is estimated to be \$251.3 million, or \$125,650,000 each fiscal year. This analysis uses this revenue assumption for 2012 and each fiscal year thereafter. Six percent of this amount, or \$7,539,000 each fiscal year would be allocated to the THC. The difference between the average amount appropriated in fiscal years 2010-11 is \$308,080 in fiscal year 2012 and each year thereafter, but these amounts remaining in General Revenue are not reflected in the table above [$\$7,230,920 \text{ average} - \$7,539,000 = (\$308,080)$].

Ninety-four percent of this amount, or \$118,111,000 each fiscal year would be allocated to the TPWD or more specifically transferred to four related General Revenue-Dedicated Accounts at TPWD and the difference between the average amount appropriated in fiscal years 2010-11 (a \$74,481,136 average across all accounts - $\$118,111,000 = \$43,629,856$) is shown as a General Revenue loss in fiscal year 2012 and each year thereafter. A breakout of the overall allocation to each agency account would be as follows:

- 1) SGST Transfer to the State Parks Account No. 64: 74 percent or \$87,402,140 each year; $\$57,904,136 \text{ average} - \$87,402,140 = \$29,598,005$ General Revenue loss;
- 2) SGST Transfer to the Texas Recreation and Parks Account No. 467: 15 percent or \$17,716,650 each year; $\$7,710,000 \text{ average} - \$17,716,650 = \$10,006,650$ General Revenue loss;
- 3) SGST Transfer to the Large County and Municipality Recreation and Parks Account No. 5150: 10 percent or \$11,811,100 each year; $\$7,890,000 \text{ average} - \$11,811,100 = \$3,921,100$ General Revenue loss; and,
- 4) SGST Transfer to the Texas Parks and Wildlife Conservation and Capital Account No. 5004: 1 percent or \$1,181,110 each year; $\$1,077,000 \text{ average} - \$1,181,110 = \$104,110$.

Together, \$29,598,005, \$10,006,650, \$3,921, 100 and \$104, 110 total \$43,629,865 as shown above. To the extent the Legislature appropriates less than is deposited to each TPWD account, unappropriated balances would accumulate in the affected General Revenue-Dedicated accounts and be available to certify the general appropriations act.

Local Government Impact

The bill could result in additional funding for local parks to the extent that additional amounts are appropriated in connection to deposits to the credit of the Texas Recreation and Parks Account No. 467 and the Large county and Municipality Recreation and Parks Account No. 5150.

Source Agencies: 802 Parks and Wildlife Department, 808 Historical Commission

LBB Staff: JOB, KK, ZS, TB