

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 24, 2015

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HJR33 by Guillen (Proposing a constitutional amendment relating to the appropriation of the net revenue received from the imposition of the state sales and use tax on sporting goods.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HJR33, As Introduced: a negative impact of (\$118,681) through the biennium ending August 31, 2017.

The bill would make an appropriation of \$77,343,552 beginning in fiscal year 2018 and growing slightly each fiscal year thereafter to the Texas Parks and Wildlife Department and the Texas Historical Commission. Also, the cost to the state for publication of the resolution would be \$118,681 in fiscal year 2016.

Appropriations:

Fiscal Year	Appropriation out of General Revenue Fund 1
2018	\$77,343,552
2019	\$83,942,552
2020	\$90,443,552

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$118,681)
2017	\$0
2018	(\$77,343,552)
2019	(\$83,942,552)
2020	(\$90,443,552)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1
2016	(\$118,681)
2017	\$0
2018	(\$77,343,552)
2019	(\$83,942,552)
2020	(\$90,443,552)

Fiscal Analysis

The joint resolution would amend the Texas Constitution to require that certain revenue received from collections of sales tax on sporting goods be automatically appropriated to the Texas Parks and Wildlife Department (TPWD) and the Texas Historical Commission (THC).

The resolution would appropriate 100 percent of the statutory maximum as provided under the Tax Code, Section 151.801(c) from the allocation of the proceeds from collections of sales tax on sporting goods as follows: in fiscal 2016 and thereafter, 94 percent to TPWD and 6 percent to the THC. Allocations to TPWD would be deposited to four General Revenue-Dedicated accounts as specified in the Parks and Wildlife Code.

The amendment would be submitted to voters on November 3, 2015. If approved, the amendment would take effect for the fiscal year beginning September 1, 2017.

Methodology

In this analysis the Comptroller of Public Accounts' estimates of sales tax revenue from sales of sporting goods for the five-year period are compared to the annualized amount of sales tax revenue from sporting goods appropriated to the TPWD and THC in the 2014-15 biennium, including estimated fringe benefits and debt service payments. The difference between estimated amounts available and appropriated amounts is shown as a revenue loss to the General Revenue Fund and additional costs to the TPWD General Revenue-Dedicated accounts that by statute are recipients of the proceeds.

In its analysis, the Comptroller of Public Accounts extrapolated the estimate for state sales tax revenues from sales of sporting goods in the 2016-17 Biennial Revenue Estimate through fiscal year 2020 and the allocation percentages to the four General Revenue-Dedicated accounts for each year as provided by the legislation and the Parks and Wildlife Code were applied to the estimate for each year.

The additional appropriations to the four TPWD General Revenue-Dedicated accounts was derived by calculating the difference between the maximum allocation of state sales tax revenue from sales of sporting goods and the annualized amounts appropriated to TPWD, for debt service appropriations, and appropriations for benefits in the 2014-15 Biennium. These combined total additional appropriations to the four accounts are reflected above as a General Revenue appropriation. The 2014-15 appropriated amounts are indicated by General Revenue-Dedicated Account below:

- (1) Transfer from General Revenue to the State Parks Account No. 64: \$60,944,331

(2) Transfer from General Revenue to the Texas Recreation and Parks Account No. 467:
\$5,145,861

(3) Transfer from General Revenue to the Texas Recreation and Parks Account No. 5150:
\$3,466,256

(4) Transfer from General Revenue to the Texas Parks and Wildlife Conservation and Capital
Account No. 5004: \$0

The THC allocation of proceeds from the collection of sales tax on sporting goods is appropriated directly from a General Revenue Fund account and not deposited to a General Revenue-Dedicated Account. This General Revenue account is tracked separately from other General Revenue accounts and the automatic maximum appropriation would have the same effect on the General Revenue Fund as a transfer to a General Revenue-Dedicated account. Annualized appropriations from state sales tax revenues in the 2012-13 biennium for the Texas Historical Commission was \$5,002,515.

The cost to the state for publication of the resolution would be \$118,681 in fiscal year 2016.

Local Government Impact

Local governments would benefit from the increased appropriations to TPWD's local park accounts.

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

LBB Staff: UP, MWI, SD, TBo