

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 3, 2017

**TO:** Honorable John Zerwas, Chair, House Committee on Appropriations

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB78** by Guillen (Relating to credits to certain accounts of the Parks and Wildlife Department resulting from the allocation of the proceeds from taxes imposed on the sale, storage, or use of sporting goods.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB78, As Introduced: a negative impact of (\$92,506,000) through the biennium ending August 31, 2019.

The revenue loss to General Revenue would be offset to the extent that the balance within General Revenue-Dedicated State Parks Account No. 64 is increased by a like amount resulting in no net cost to certification.

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
2018	(\$44,200,000)
2019	(\$48,306,000)
2020	(\$49,997,000)
2021	(\$51,746,000)
2022	(\$53,558,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from State Parks Acct 64
2018	(\$44,200,000)	\$44,200,000
2019	(\$48,306,000)	\$48,306,000
2020	(\$49,997,000)	\$49,997,000
2021	(\$51,746,000)	\$51,746,000
2022	(\$53,558,000)	\$53,558,000

## **Fiscal Analysis**

The bill would amend a portion of the Parks and Wildlife Code relating to the allocation of General Revenue Sporting Goods Sales Tax (SGST) revenue to the Parks and Wildlife Department (TPWD). The bill would require that any amount of the SGST estimated to be available to TPWD by the Comptroller of Public Accounts in the Biennial Revenue Estimate (BRE) that is not appropriated by the General Appropriations Act be transferred to the State Parks Account No. 64 (Fund 64).

The bill would take effect September 1, 2017.

## **Methodology**

Under current law, TPWD is eligible to receive up to 94 percent of all SGST revenue as estimated by the Comptroller of Public Accounts. Appropriated amounts are transferred to one of four General Revenue-Dedicated accounts, and transfers are limited each fiscal year to appropriated amounts, as well as amounts necessary to cover parks-related debt service payments and payroll-related benefits. The distribution of SGST between the four accounts is determined by the Legislature. Appropriations from SGST in the House engrossment of SB 1, as passed Second House, total \$74,316,769 for 2018 and \$74,316,768 for 2019. Amounts reserved for payroll-related benefits and debt service payments total \$36,583,451 for 2018 and \$35,767,411 for 2019, to bring the total SGST utilized in SB 1 to \$110,900,220 for 2018 and \$110,084,179 for 2019. The 2018-19 BRE provided for a total of \$155,100,000 for 2018 and \$158,390,000 for 2019. Based upon information provided by the Comptroller of Public Accounts, this analysis assumes that the entire difference between amounts appropriated in SB 1 and amounts available to TPWD under the 2018-19 BRE would be transferred to Fund 64 under the provisions of the bill. This analysis assumes additional growth in the amount of SGST estimated to be available to TPWD in fiscal years 2020-22. To the extent that actual appropriations for 2018-19 differ from the amounts noted above, the GR-to-GR-D implications of this legislation could be higher or lower.

For context, for 2016-17, the full amount of SGST estimated to be available in the 2016-17 BRE was appropriated, reserved for benefits and debt service payments, or transferred to the Deferred Maintenance Account No. 5166 (Fund 5166), which was then appropriated to TPWD. The annualized distribution for 2016-17 is shown below, including direct appropriations, transfers to Fund 5166, and estimated amounts for benefits and debt service payments.

- (1) Transfer from General Revenue to the State Parks Account No. 64: \$109,243,500
- (2) Transfer from General Revenue to the Texas Recreation and Parks Account No. 467: \$9,494,102
- (3) Transfer from General Revenue to the Large County and Municipality Recreation and Parks Account No. 5150: \$7,218,765
- (4) Transfer from General Revenue to the Texas Parks and Wildlife Conservation and Capital Account No. 5004: \$4,609,633

The 2018-19 BRE provided an annualized increase of \$26,179,000 in the amount of SGST available to TPWD above the 2016-17 amount. Under the provisions of the bill, this amount would be transferred to Fund 64 unless it were appropriated elsewhere. Additionally, any amounts reserved for benefits would be transferred to Fund 64 since these amounts would not be appropriated. In 2016-17, the total estimated benefits amounts to accounts besides Fund 64

totaled \$310,699 each fiscal year.

Utilizing the 2016-17 appropriations as the comparison year, the provisions of the bill would result in a revenue gain to Fund 64 of \$26,489,699 and revenue losses to the General Revenue Fund of \$26,179,000, to the Texas Recreation and Parks Account No. 467 of \$188,586, and to the Large County and Municipality Recreation and Parks Account No. 5150 of \$122,113 each fiscal year for the 2018-19 biennium.

### **Local Government Impact**

The fiscal implications of the bill cannot be determined at this time as the amounts of Sporting Goods Sales Tax utilized for grants to local units of government are dependent upon appropriations.

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

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