

## **BILL ANALYSIS**

Senate Research Center

S.J.R. 24  
By: Kolkhorst et al.  
Finance  
5/29/2019  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.J.R. 24 would automatically appropriate the sporting goods sales tax to the Texas Parks and Wildlife Department (TPWD) and the Texas Historical Commission (THC). The legislature would maintain the power to determine the specific uses of the funds and their allocation between TPWD, THC, and large county and municipal parks.

Our state's rapid growth in recent years has sparked an increase in support and use for state parks in Texas. State park visitation reached a record 9.7 million visits in fiscal year 2017. Unfortunately, this success has created many challenges, forcing several parks to regularly deny entry to visitors once they reach capacity. As the state park system approaches its 100th anniversary in 2023, the state must act to ensure that our parks have the resources they need to adequately fund deferred maintenance, staff, visitor safety and experience, and expansion of our state park system. THC is currently entitled under law to receive six percent of the sporting goods sales tax collection. By securing these funds, THC will have the ability to properly manage the historic sites currently under their control.

The comptroller of public accounts is required to estimate the portion of the state's sales tax revenue collected from the sale of goods related to sports and outdoor recreation. Statute currently requires this amount to be allocated between TPWD and THC; however, the actual appropriation is often much less than the amount estimated by the comptroller. By requiring the automatic appropriation of this amount in the constitution, the people of Texas will ensure that our state parks are protected for years to come.

Sustained and predictable funding through the automatic appropriation of the sporting goods sales tax offers a path forward to meet state park construction, operations, and customer demands while also protecting our valued historic treasures. (Original Author's/Sponsor's Statement of Intent)

S.J.R. 24 proposes a constitutional amendment relating to the appropriation of the net revenue received from the imposition of state sales and use taxes on sporting goods.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Article VIII, Texas Constitution, by adding Section 7-d, as follows:

Sec. 7-d. (a) Provides that, subject to Subsection (b) of this section, for each state fiscal year, the net revenue received from the collection of any state taxes imposed on the sale, storage, use, or other consumption in this state of sporting goods that were subject to taxation on January 1, 2019, under Chapter 151 (Limited Sales, Excise, and Use Tax), Tax Code, is automatically appropriated when received to the Texas Parks and Wildlife Department (TPWD) and the Texas Historical Commission (THC), or their successors in function, and is allocated between those agencies as provided by general law. Authorizes

the legislature by general law to provide limitations on the use of money appropriated under this subsection.

(b) Authorizes the legislature by adoption of a resolution approved by a record vote of two-thirds of the members of each house of the legislature to direct the comptroller of public accounts of the State of Texas (comptroller) to reduce the amount of money appropriated to the TPWD and THC, or their successors in function, under Subsection (a) of this section. Authorizes the comptroller to be directed to make that reduction only:

(1) in the state fiscal year in which the resolution is adopted, or in either of the following two state fiscal years; and

(2) by an amount that does not result in a reduction of more than 50 percent of the amount that would otherwise be appropriated to TPWD and THC, or their successors in function, in the affected state fiscal year under Subsection (a) of this section.

(c) Prohibits money appropriated to the TPWD and THC, or their successors in function, under Subsection (a) of this section from being considered available for certification by the comptroller under Section 49a(b) (relating to certain limitations on the amounts of appropriations), Article III, of this constitution.

(d) Defines "sporting goods" for purposes of this section.

SECTION 2. Adds the following temporary provision to the Texas Constitution:

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, dedicating the revenue received from the existing state sales and use taxes that are imposed on sporting goods to TPWD and THC to protect Texas' natural areas, water quality, and history by acquiring, managing, and improving state and local parks and historic sites while not increasing the rate of the state sales and use taxes.

(b) Effective date, Section 7-d, Article VIII, of this constitution: September 1, 2021. Makes application of that section prospective.

(c) Provides that this temporary provision expires on January 1, 2022.

SECTION 3. Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 5, 2019. Sets forth the required language of the ballot.