

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**March 17, 2019**

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Finance

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: SJR24** by Kolkhorst (Proposing a constitutional amendment relating to the appropriation of the net revenue received from the imposition of state sales and use taxes on sporting goods.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SJR24, As Introduced: an impact of \$0 through the biennium ending August 31, 2021.

The legislation proposes a constitutional appropriation of revenue to the Parks and Wildlife Department and the Historical Commission, but does not dedicate the appropriated amounts to specific accounts or for specific purposes through the agencies.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2020	\$0
2021	\$0
2022	(\$175,300,000)
2023	(\$178,800,000)
2024	(\$182,400,000)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund</b>
	<b>1</b>
2020	\$0
2021	\$0
2022	(\$175,300,000)
2023	(\$178,800,000)
2024	(\$182,400,000)

**Fiscal Analysis**

The resolution would propose an amendment to Article VIII, of the Texas Constitution, adding

Section 7-d to appropriate the net revenue received from state sales and use tax on sporting goods. Section 7-d would provide that the net sales and use tax revenue received from the sale, storage, use, or consumption of sporting goods is automatically appropriated to the Parks and Wildlife Department and Historical Commission each fiscal year.

The cost to the state for publication of the resolution would be \$177,289.

The proposed amendment would be submitted to voters at an election to be held November 5, 2019, and if approved, Section 7-d would take effect September 1, 2021.

### **Methodology**

According to the Comptroller of Public Accounts, the estimated amounts appropriated in fiscal years 2022-24 are extrapolated from the estimates of state sales and use tax revenue attributable to sporting goods in fiscal years 2020 and 2021 from the *2020-21 Biennial Revenue Estimate* (BRE). The BRE estimates the revenue attributable to sporting goods would be \$170,200,000 in fiscal year 2020 and \$171,900,000 in fiscal year 2021.

Under current law, the maximum statutory allocation of state sales and use tax on sporting goods for both entities is set at 94.0 percent to the Parks and Wildlife Department and 6.0 percent to Historical Commission and this legislation would not alter the allocation percentages. Additionally, allocations of state sales and use tax on sporting goods to the Parks and Wildlife Department are currently appropriated to the agency through the General Appropriations Act in several dedicated general revenue accounts. Allocations to the Historical Commission are currently appropriated as general revenue funds because there is no dedicated general revenue account to receive the allocations for the agency. This analysis assumes appropriations to the Parks and Wildlife Department would continue to be made through dedicated general revenue accounts and appropriations to the Historical Commission would continue to be made through the general revenue fund.

### **Local Government Impact**

The proposed constitutional amendment alone would have no fiscal implication to units of local government.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** WP, KK, MW, TBo