

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 6, 2023

TO: Honorable Trent Ashby, Chair, House Committee on Culture, Recreation & Tourism

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SJR74 by Parker (proposing a constitutional amendment providing for the creation of the centennial parks conservation fund.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SJR74, Committee Report 2nd House, Substituted : a negative impact of (\$1,000,204,406) through the biennium ending August 31, 2025.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	(\$1,000,204,406)
2025	\$0
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Probable Revenue Gain from Centennial Parks Conservation Fund</i>
2024	(\$1,000,204,406)	\$1,000,000,000
2025	\$0	\$0
2026	\$0	\$0
2027	\$0	\$0
2028	\$0	\$0

Fiscal Analysis

The proposed amendment to Article III of the Texas Constitution would add Section 49-e-1 which would create the Centennial Parks Conservation Fund ("Fund") as a fund outside of the state treasury to be used only for the creation and improvement of state parks. The Fund would consist of appropriations; money transferred or deposited by general law; investment and interest earnings on amounts credited to the fund; and gifts, grants, and donations. The amendment would permit the Legislature to appropriate money from the Fund to the Texas Parks and Wildlife Department (TPWD) or its successor. The amendment would specify that for the purposes of Section 22, Article VIII, of the Constitution, money in the Fund is dedicated by the Constitution and that an appropriation of state tax revenues for the purpose of depositing money to the credit of the Fund is treated as if

it were an appropriation dedicated by the Constitution. The amendment would direct the Comptroller of Public Accounts (CPA) to transfer \$1,000,000,000 of the unencumbered balance of General Revenue that exists to the Fund on January 1, 2024. This subsection requiring the transfer would expire on December 31, 2024.

The proposed constitutional amendment would be submitted to the voters at an election to be held November 7, 2023.

Methodology

For the purpose of this analysis, costs reflected in the table above assume voter approval of the proposed amendment and that there would be a sufficient balance of unencumbered General Revenue in the Treasury and that \$1,000,000,000 would be transferred to the Fund on January 1, 2024. Costs in the table above also reflect the \$204,406 cost to the state for the publication of the resolution.

Based on the analysis of the CPA, further fiscal implications of the amendment cannot be determined because amounts of any future appropriations, transfers, deposits, investment and interest earnings, gifts, grants, or donations that would be deposited to the credit of the Fund are unknown.

Based on information provided by TPWD, it is assumed that if funding for land acquisition was available, suitable land was identified and available for purchase, and the purchase was approved, as necessary, per the enabling legislation, the agency could incur staffing and operational costs to develop new parks and to expand existing parks. Further analysis of these potential costs is included in the cost estimate for Senate Bill 1648.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

According to CPA, language in the proposed amendment requiring the transfer of funds from the General Revenue Fund within the treasury to the new Fund outside the treasury could conflict with Article 8, Section 6, of the Constitution which provides, in part, that, "No money shall be drawn from the Treasury but in pursuance of specific appropriations made by law." The CPA indicates that if there were a conflict, and if Article 8, Section 6 were to prevail, there would be no movement of money from the General Revenue Fund to the new Fund. In addition, the CPA also reports that the availability of unencumbered balances of General Revenue on the date of the transfer is unknown.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

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

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