

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 27, 2007

TO: Honorable Harvey Hilderbran, Chair, House Committee on Culture, Recreation, & Tourism

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB12 by Hilderbran (Relating to the funding, powers, and duties of the Parks and Wildlife Department and the Texas Historical Commission related to parks and historic sites.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB12, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.

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
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>STATE PARKS ACCT</i> 64	Probable Savings/(Cost) from <i>PARKS/WILDLIFE CAP</i> <i>ACCT</i> 5004	Probable Savings/(Cost) from <i>LOCAL PARKS ACCOUNT</i> 467
2008	(\$9,828,826)	(\$5,801,290)	(\$16,114,884)
2009	\$0	\$0	\$0
2010	\$0	\$0	\$0
2011	\$0	\$0	\$0
2012	\$0	\$0	\$0

Fiscal Analysis

The bill would amend various provisions of the Government Code, the Parks and Wildlife Code, and the Tax Code as they relate to the transfer of historic sites, grant programs, and disposition of proceeds from the Sporting Goods Sales Tax.

The bill would amend Section 151.801(c) of the Tax Code to remove the \$32 million cap on the amount of sporting goods sales tax credited to the Texas Parks and Wildlife Department (TPWD). It would allocate all proceeds from the sporting goods sales tax to four General Revenue-Dedicated accounts associated with the TPWD, plus a new Historic Sites Account that would be administered by the Texas Historical Commission. The specific percentage allocations to these accounts are not

specified in the bill.

The TPWD accounts that would receive sporting goods sales tax proceeds are three existing accounts, the State Parks Account Number 64, the Parks and Wildlife Conservation and Capital Account Number 5004, the Texas Recreation and Parks Account Number 467, and a new Large County and Municipality Recreation and Parks Account.

The bill would amend Chapter 442 of the Government Code and Chapter 22 of the Parks and Wildlife Code to transfer 22 historical sites from the TPWD to the Texas Historical Commission (THC). It would allow the THC to use money from the new Historic Site account to provide for the administration, operation, and overall capital-related functions associated with the 22 historic sites; as well as acquire historic items appropriate to any site.

On September 1, 2007 all obligations, liabilities, unobligated balances and unexpended funds, equipment, property, files and records associated with the 22 historic sites are to be transferred from the TPWD to the THC.

The bill would amend Section 11.035, Parks and Wildlife Code so that a one-time appropriation of unencumbered balances from the three existing park-related accounts could be used to provide funding for the transfer of the 22 sites. This appropriation would have to be authorized by a rider in the General Appropriations Act for the 2008-2009 biennium, contingent on passage of House Bill 12 or similar legislature.

The new Historic Site account would be subject to funds consolidation review by the current Legislature.

Methodology

Because the percentage allocation of the Sporting Goods Sales Tax to the various General Revenue Dedicated Accounts mentioned above is not specified in the bill, the fiscal impact of those provisions is not reflected in this fiscal note.

Based on the assumption that the THC can manage the 22 historic sites with the same level of resources as the TPWD, there would be no significant fiscal impact to the state resulting from THC administration of the sites.

It is worthwhile to note that in fiscal year 2007, the department is projected to expend \$1,961,000 for site specific operating costs, and \$670,000 in direct and indirect administrative costs, for a total of \$2,631,000, to operate the 22 historic sites.

Also, an estimated 60 full time equivalent employees are involved in the administration and operation of the sites . This includes 49 site-specific full time equivalent employees and 11 direct and indirect administrative full time equivalent employees.

The Texas Historical Commission estimates the total repairs, renovations, maintenance, and other one time transfer costs to be \$8,000,000 for fiscal year 2008, \$12,000,000 for fiscal year 2009, and \$11,745,000 for fiscal year 2010, for a total of \$31.7 million. These costs are reflected in the fiscal impact table because of the bill's provisions regarding funding to implement the site transfers.

The estimated unencumbered balances in the three TPWD accounts as of August 31,2007 are as follows: State Parks Account No. 64 = \$9,829,826; Texas Recreation and Local Parks Account No. 467 = \$35,940,478; and Parks and Wildlife Conservation Account No. 5004 = \$5,801,290. This latter amount includes receipts from motor vehicle registration fees, which are restricted by statute for other purposes. The sum total, \$31.7 million, of the amounts shown in the fiscal impact table out of the aforementioned unencumbered balances equate to the total amount estimated by the THC for improvements to the 22 historic sites.

The bill would authorize the Historic Site account to receive donations and site-related revenue. The Texas Parks and Wildlife Department estimates this account revenue to be \$385,000. This amount,

which is currently deposited into State Parks Account Number 64, would be deposited into the new Historic Site account under the provisions of this bill.

Local Government Impact

The fiscal impact to local governments would depend on the percentage allocation and funding for local park grants.

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

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