

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 14, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1366 by Kolkhorst (relating to the allocation to the Parks and Wildlife Department of the proceeds from taxes imposed on the sale, storage, or use of sporting goods.),
Committee Report 1st House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would amend portions of the tax code relating to the allocation of Sporting Goods Sales Tax (SGST). The bill would repeal Section 151.801(c-1), which provides for limiting the allocation of sales tax revenue from the sales of sporting goods to appropriated amounts. The bill also recreates this language in portions of the Parks and Wildlife Code relating to the four General Revenue-Dedicated accounts the SGST revenue is transferred to in the Parks and Wildlife Department (TPWD), which would continue to limit the revenue transferred to the appropriated amount. The bill does not recreate the language with respect to the six percent of SGST revenue that is allocated to the Historical Commission (THC). Unlike TPWD, the THC allocation of proceeds from the collection of sales tax on sporting goods is appropriated directly from the General Revenue Fund and not deposited to a General Revenue-Dedicated Account. As a result, the repeal of the limitation on the allocation for the Texas Historical Commission is not anticipated to result in an additional cost to the General Revenue Fund.

The bill would also amend portions of the Parks and Wildlife Code relating to the allocation of SGST revenues with TPWD. In the 2016-17 biennium, the Comptroller of Public Accounts estimates amounts available to TPWD from this source to total \$261.1 million. Under current law, TPWD can receive up to 94 percent of all SGST allocated as follows for 2016-17:

- 1) 74 percent to the State Parks Account No. 64 (\$193.2 million);
- 2) 15 percent to the Texas Recreation and Parks Account No. 467 (\$39.2 million);
- 3) 10 percent to the Large County and Municipality Recreation and Parks Account No. 5150 (\$26.1 million); and
- 4) 1 percent to the Conservation and Capital Account No. 5004 (\$2.6 million).

The bill would remove the current statutory allocations to the above General Revenue-Dedicated accounts and would instead limit the revenue transferred to each account to an amount not to exceed total SGST revenue available. The distribution between the accounts would be subject to appropriations.

The bill would maximize the Legislature's discretion in determining how to allocate revenue among agency accounts to align with Legislative priorities. The overall amount of Sporting Goods Sales Tax available to be appropriated each fiscal year would continue to be determined by the amount estimated in the Comptroller's Biennial Revenue Estimate.

Local Government Impact

The fiscal implications of the bill to local units of government cannot be determined at this time because the amount of SGST available for local parks grants would be subject to appropriations.

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

LBB Staff: UP, KK, MWI, TB, SD, TBo