

- SUBJECT:** Statutorily dedicating sporting goods sales tax revenue to parks
- COMMITTEE:** Ways and Means — committee substitute recommended
- VOTE:** 10 ayes — D. Bonnen, Y. Davis, Bohac, Button, Darby, Martinez Fischer, Murphy, Springer, C. Turner, Wray
- 0 nays
- 1 absent — Parker
- WITNESSES:** For — George Bristol; (*Registered, but did not testify:* Lindsey Baker, City of Denton; Jeff Coyle, City of San Antonio; David Sinclair, Game Warden Peace Officers Association; Evelyn Merz, Lone Star Chapter Sierra Club; Cyrus Reed, Lone Star Chapter Sierra Club; Allen Beinke, San Antonio River Authority; Kaleb McLaurin, Texas and Southwestern Cattle Raisers Association; David Weinberg, Texas League of Conservation Voters; Shanna Igo, Texas Municipal League; Scott Swigert, Texas Recreation and Parks Society; Ron Hinkle, Texas Travel Industry Association; Joey Park, Texas Wildlife Association; Max Jones, The Greater Houston Partnership; Chloe Lieberknecht, The Nature Conservancy)
- Against — None
- On — Carter Smith, Texas Parks and Wildlife Department; (*Registered, but did not testify:* Brad Reynolds and Eric Stearns, Comptroller of Public Accounts)
- BACKGROUND:** Tax Code, sec. 151.801 provides that 94 percent of sales taxes collected on sporting goods are deposited to the credit of the Parks and Wildlife Department. The remaining 6 percent is credited to the Texas Historical Commission.
- DIGEST:** CSHB 158 would require that funds from the sales tax on sporting goods deposited in Parks and Wildlife Department accounts be appropriated only

for:

- acquiring, operating, maintaining, and making capital improvements to parks;
- assisting local parks; or
- funding state contributions for Parks and Wildlife Department employee benefits.

The bill would take effect September 1, 2015.

SUPPORTERS
SAY:

CSHB 158 would be an important step forward for budget transparency and would allow the Texas Parks and Wildlife Department to receive the entire amount raised by the sporting goods sales tax. Even though money raised by the sporting goods sales tax is required to be deposited to the Parks and Wildlife Department, those funds may be appropriated by the Legislature for purposes that have no relation to parks. In recent years the department has received substantially less than the 94 percent of sporting goods sales tax revenue it was supposed to receive. This bill would ensure that the taxes went to their intended purpose and that the Parks and Wildlife Department received sufficient funding to develop and maintain Texas' parks.

The bill would give the department a predictable revenue source with which to base planning for projects and development. Just within the past 10 years, appropriations for state and local parks from the sporting goods sales tax have varied from a low of \$21 million to a high of \$62 million. This variance prevents funds from being used as effectively as possible. For example, the Parks and Wildlife Department is not able to expand park operations that could impose costs in future years because the department's funding could be cut, which could jeopardize its initial investment.

The benefits from building and maintaining parks are many and varied. Texas' population has expanded greatly, and metropolitan areas are growing outward quickly. With that growth comes expanded needs for open spaces and the development of parks where Texans can enjoy the

outdoors.

The Parks and Wildlife Department has grant programs which provide assistance to local entities wishing to develop both urban and suburban parks. Some of these grant programs have driven more than \$16 of investment for every dollar provided by the state. Yet, because of the generally low and unpredictable funding the department receives, there are many strong grant proposals which have not received funding.

Although the Legislature would lose discretion over some funds, this is not necessarily a bad thing. Parks are important to the state, attracting tourism and providing spaces for Texans to enjoy nature. This bill would do nothing unique, as many funds are dedicated to particular purposes. Current law clearly intends for sporting goods sales tax revenue to fund parks, and this bill would accomplish that purpose.

**OPPONENTS
SAY:**

CSHB 158 would statutorily dedicate certain funds for parks and disallow those funds to be used for any other purpose. While funding parks and green spaces is important, the Legislature should not handicap its ability to address critical budget gaps in vital areas such as public education or health and human services in future biennia.

NOTES:

The Legislative Budget Board's fiscal note indicates that the bill would have a negative impact to general revenue related funds of about \$145 million through fiscal 2016-17.