

Postponed from May 1 general state calendar

SUBJECT: Removing statutory allocation percentages of sales tax revenue for parks

COMMITTEE: Appropriations — favorable, without amendment

VOTE: 19 ayes — Otto, Sylvester Turner, Ashby, Bell, G. Bonnen, Burkett, Capriglione, S. Davis, Gonzales, Howard, Hughes, Koop, Longoria, McClendon, Muñoz, Phelan, J. Rodriguez, VanDeaver, Walle

0 nays

8 absent — Dukes, Giddings, Márquez, Miles, R. Miller, Price, Raney, Sheffield

WITNESSES: For — (*Registered, but did not testify:* TJ Patterson, City of Fort Worth; Cyrus Reed, Lone Star Chapter Sierra Club; Joey Park, Texas Wildlife Association)

Against — None

On — Ursula Parks, Legislative Budget Board; Carter Smith, Texas Parks and Wildlife Department

BACKGROUND: The sporting goods sales tax (SGST) is a sales tax on sporting goods as defined in Tax Code, ch. 151. The Comptroller of Public Accounts estimates the amount of sales tax revenue collected from the sale of these items.

Under Tax Code, sec. 151.801, 94 percent of revenue from the sale or use of sporting goods is dedicated to funds within the Texas Parks and Wildlife Department (TPWD) for the operation and upkeep of state and local parks. The SGST revenue is allocated as follows:

- 74 percent to the State Parks Account for state park operations and staff;

- 15 percent to the Texas Recreation and Parks Account for local park grants to jurisdictions with populations under 500,000;
- 10 percent to the Large County and Municipality Recreation and Parks Account for local park grants to jurisdictions with populations of 500,000 or more; and
- 1 percent to the Conservation and Capital Account for conservation and capital projects.

DIGEST: HB 300 would remove the statutory allocation percentages to each fund in the Texas Parks and Wildlife Department receiving sporting goods sales tax (SGST) receipts and instead limit the revenue transferred to each account to an amount not to exceed total SGST revenue available.

The bill would take effect September 1, 2015.

SUPPORTERS SAY: HB 300 would give the Legislature discretion in how best to spend funds for state and local parks by removing the statutory allocation percentages to each Texas Parks and Wildlife Department (TPWD) fund receiving sporting goods sales tax (SGST) receipts. Funding state parks is a major priority this budget cycle, and SGST receipts available should be allocated to state and local parks. The TPWD allocation percentages limit the Legislature's flexibility to appropriate SGST receipts where they are needed most.

For example, the local parks accounts have a balance of about \$47.6 million, which could be better spent addressing deferred maintenance and health and safety concerns at state parks. By removing the statutory allocation percentages, this bill and the SGST contingency rider in the House-passed version of CSHB 1 would fund the entire TPWD request of \$14 million for local parks and appropriate the remaining \$33.6 million to meet the other needs of the state park system, including much-needed funds for deferred maintenance projects.

OPPONENTS SAY: Giving the Legislature discretion on how to spend SGST revenues on state and local parks could make funding for this purpose subject to the whim of any future legislature. A more prescriptive approach would be more

appropriate. For example, other legislation being considered this session would reapportion the statutory allocation percentages to give more funding to state parks to pay for deferred maintenance, while still dedicating money to address the needs of local parks.

NOTES: HB 300 was placed on the May 1 general state calendar and postponed for consideration until today at 10 a.m.