



LEGISLATIVE BUDGET BOARD

Sporting Goods Sales Tax

**PRESENTED TO THE SENATE COMMITTEE ON FINANCE
LEGISLATIVE BUDGET BOARD STAFF**

FEBRUARY 2018

Statement of Interim Charge

Sporting Goods Sales Tax: Identify state and local park needs and determine whether the Sporting Goods Sales Tax is meeting those needs.

Methods of Financing Parks: Sporting Goods Sales Tax

Sporting Goods Sales Tax (SGST) is not a separate tax, but is the portion of state tax revenue estimated to be generated from the sale, storage, or use of sporting goods by the Comptroller of Public Accounts. SGST is revenue within the General Revenue Fund. Under current law, the Texas Parks and Wildlife Department (TPWD) is eligible to receive up to 94 percent of the total amount available and the Historical Commission is eligible to receive up to six percent.

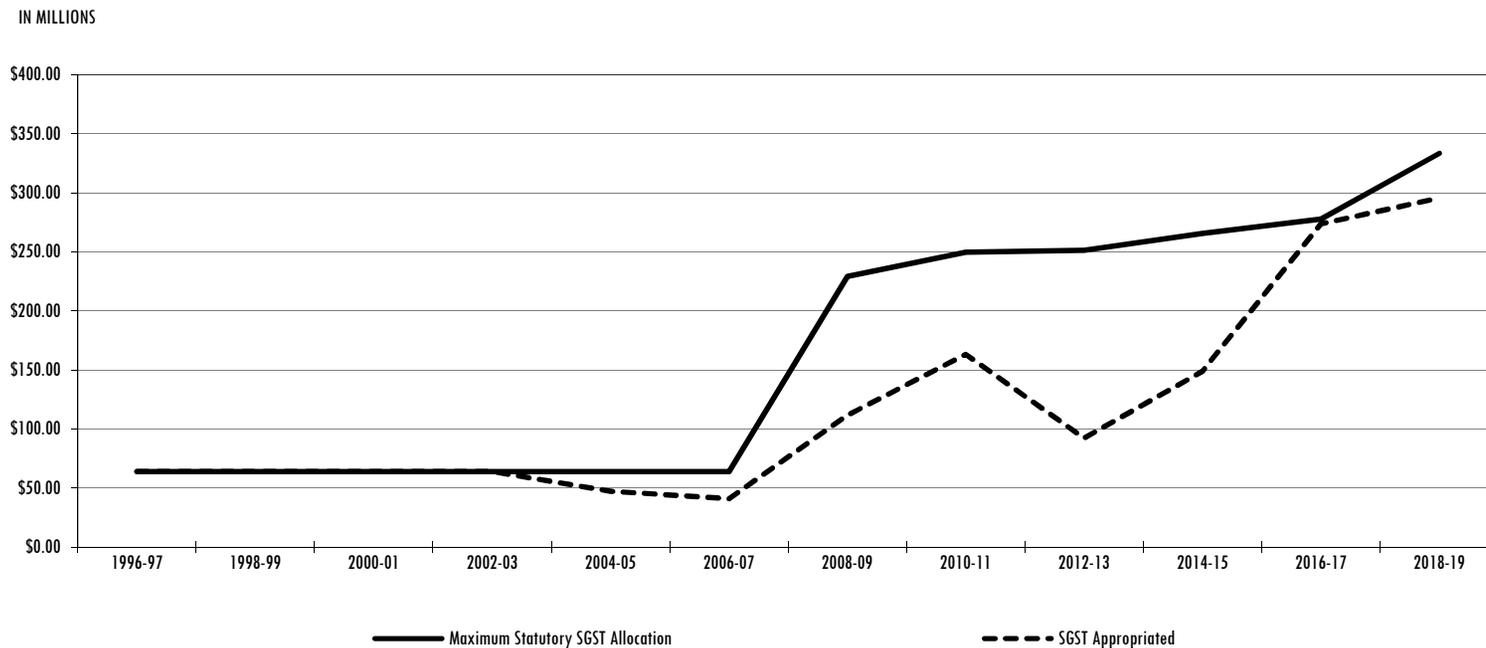
In the TPWD budget, SGST may be transferred up to the maximum amount estimated in the Biennial Revenue Estimate between the four General Revenue-Dedicated accounts as determined by the Legislature during the appropriations process.

Account	Allowable Uses	2018-19 Allocations (Millions)*	Percentage of TPWD Allocation
State Parks Account No. 64	State Parks operations and support.	\$188.1	67.7%
Texas Recreation and Parks Account No. 467	Grants to city or county with population under 500,000 for local parks or other recreation opportunities.	\$20.6	7.4%
Large County and Municipality Recreation and Parks Account No. 5150	Grants to cities or counties with populations over 500,000 for local parks or other recreation opportunities.	\$11.6	4.2%
Conservation and Capital Account No. 5004	Acquisition and development, maintenance, and operation of state parks.	\$57.3	20.6%
TOTAL		\$277.6	100.0%

*Note: 2018-19 allocations include estimated amounts for employee benefits and debt service

SGST Appropriations Since the 1996-97 Biennium

The Eighty-fifth Legislature appropriated the 88.6 percent of SGST available in the 2018-19 biennium. In addition to amounts in TPWD and THC bill patterns (\$223.2 million), SGST appropriations also include estimated amounts for debt service on bonds for state parks-related projects and for payroll benefits (\$72.4 million).



General Revenue-Dedicated Accounts Receiving SGST Transfers

State Parks Account No. 64

Uses: The operation and maintenance of state parks, including facilities and services at parks, park employee salaries, capital improvements, and administration of the state park system. This account provides funding for state parks peace officers, which are distinct from game wardens.

Revenue Sources (Fiscal Year 2017 Amounts):

- SGST transfer, which is tracked as a separate item of appropriation (TPWD direct appropriation of \$60.1 million excluding benefits and debt service);
- State park entrance fees and passes (\$56.2 million);
- Grants, gifts, and donations (\$1.2 million);
- Oil and gas royalties on state parks properties (\$1.5 million);
- Federal Receipts (\$1.9 million);
- Publication Sales (\$1.0 million); and
- A transfer of up to 15 percent of boat registration and titling fees from the General Revenue-Dedicated Game, Fish, and Water Safety Account No. 9 (\$2.9 million).

General Revenue-Dedicated Accounts

Conservation and Capital Account No. 5004

Uses: The Conservation and Capital Account No. 5004 (GR-D) can be used for the acquisition and development, maintenance, or operation of state parks, fisheries, and wildlife projects.

Revenue Source: The only active revenue source for the account in the 2018-19 biennium is SGST transfers, totaling \$57.3 million.

Texas Recreation and Parks Account No. 467

Uses: To provide assistance grants and direct state matching grants to local governments with populations under 500,000 to acquire and develop parks, recreation opportunities, open spaces, or programs.

Revenue Source: The only active revenue source for the account in the 2018-19 biennium is SGST transfers, totaling \$18.0 million (\$20.6 million including benefits).

General Revenue-Dedicated Accounts

Large County and Municipality Recreation and Parks Account No. 5150

Uses: To provide assistance grants and direct state matching grants to local governments with populations of 500,000 or more to acquire and develop parks, recreation opportunities, open spaces, or programs.

Revenue Source: The only active revenue source for the account in the 2018-19 biennium is SGST transfers, totaling \$9.7 million (\$11.6 million including benefits).

Recent Significant Enacted Legislation

The Eighty-fourth Legislature, Regular Session, 2015, enacted two bills amending the allocation process of SGST revenue, increasing flexibility for the Legislature and making all SGST revenue available for appropriation to effectively meet identified priorities. The provisions of HB 158 and SB 1366 made the following changes:

- In addition to the allowable uses of the four receiving accounts, statute requires that transfers of SGST revenue be used to (1) acquire, operate, maintain, or make capital improvements to parks; (2) for grants to local units of government and other entities; and (3) for state contributions for employee benefits; and
- Granted the Legislature greater discretion over the distribution of SGST to the four TPWD accounts that receive SGST transfers by eliminating statutory maximum allocation percentages to each of the four General Revenue-Dedicated accounts.



LEGISLATIVE BUDGET BOARD

Contact the LBB

Legislative Budget Board

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