

STATE PARK FUNDING, 2012–13 BIENNIUM

AN ISSUE BRIEF FROM LEGISLATIVE BUDGET BOARD STAFF

ID: 528

JANUARY 2013

The Texas Parks and Wildlife Department operates 91 state parks that provide outdoor recreational opportunities for Texas citizens and visitors. Funding for state parks is provided by park user fees and charges and the General Revenue Fund.

KEY FACTS

- ◆ State parks are not self-supporting and appropriations from General Revenue Funds provide 67 percent of biennial 2012–13 appropriations.
- ◆ Under current statute, the Legislature may choose to appropriate additional receipts from the Sporting Goods Sales Tax (SGST) to support park operations.

BUDGETARY IMPACT

Appropriations total \$143.0 million for park operations in the 2012–13 biennium, with \$51.4 million of this amount from the SGST allocation.

STATUTORY REFERENCES

Texas Tax Code, Sec. 151.801(e)2 defines sporting goods to be included in the Comptroller's estimate.

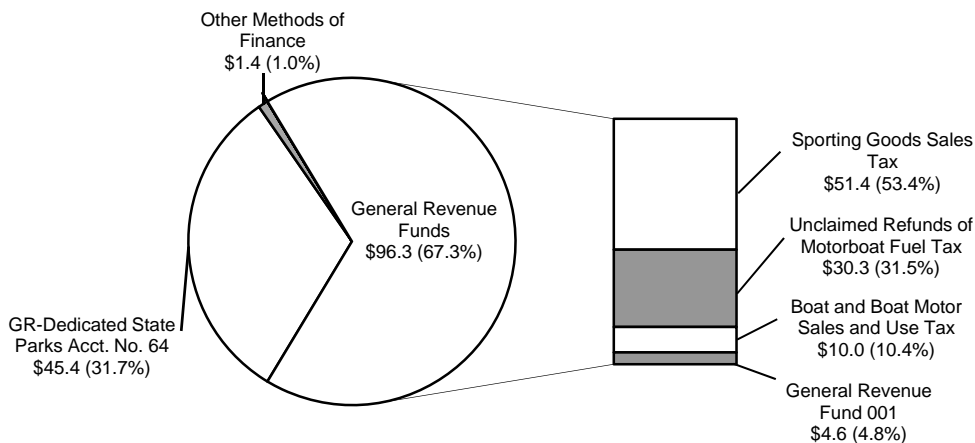
Texas Tax Code, Sec. 151.801(c-1) makes amounts deposited to the General Revenue–Dedicated State Parks Account from SGST sources subject to the appropriations process, but not to exceed 74 percent of available receipts.

Texas state parks are not self-supporting and require an appropriation of General Revenue Funds. This funding is necessary to maintain park operations for an approximately 91 state parks, historic sites, and state natural areas for the benefit of the public. State park appropriations for the 2012–13 biennium total \$143.0 million, including 1,260 full-time-equivalent positions. A combination primarily of General Revenue Funds and revenue from paid park visits and other sources deposited to the General Revenue–Dedicated State Parks Account No. 64 (State Parks Account) fund park operations. For the 2012–13 biennium General Revenue Funds represent approximately 67 percent of state parks appropriations (Fig. 1). General Revenue–Dedicated Funds, generated primarily by state park fees, represent 32 percent of the 2012–13 biennial appropriations.

FIG. 1
APPROPRIATIONS FOR STATE PARK FUNDING
2012–13 BIENNIUM

IN MILLIONS

TOTAL = \$143.0 MILLION



Totals may not add due to rounding.
SOURCE: Legislative Budget Board.

SPORTING GOODS SALES TAX ALLOCATION

Since fiscal year 1994, the state statutorily allocates a portion of the sales tax revenue generated by sporting goods to fund state park operations. Unlike taxes on specific items, the Comptroller of Public Accounts (CPA) estimates sales tax revenue on the definition of sporting goods in the Texas Tax Code, Section 151.801(e)(2), and a national survey of the sporting goods market. The CPA estimate of SGST was \$251.3 million in the 2012–13 biennium. Sales of bicycles and related supplies, hunting and firearms equipment, exercise equipment and fishing tackle account for two-thirds of this amount.

The Texas Parks and Wildlife Code, Section 11.035(b)(5) sets the statutory maximum of SGST deposits to the State Parks Account at 74 percent of all SGST allocated to the Texas Parks and Wildlife Department (TPWD) in any one biennium. For the 2012–13 biennium, TPWD could have received \$174.9 million from this source to the State Parks Account. However, due to the statewide budget shortfall the Eighty-second Legislature authorized \$80.8 million to be deposited to TPWD accounts. This amount includes the \$51.4 million shown in Fig. 1. Other SGST allocated to the State Parks Account fund coastal erosion projects (\$22.4 million); and park-related debt service, information resources, and indirect administration (\$7.0 million). SGST amounts not deposited during the 2012–13 biennium, or \$94.1 million in General Revenue Funds, fund other items in the General Appropriations Act (GAA).

OTHER TYPES OF GENERAL REVENUE FUNDS APPROPRIATED

As shown in Fig. 1, SGST is only one type of General Revenue Funds appropriated for the park system. Statute allocates 75 percent of revenue associated with Unclaimed Refunds of Motorboat Fuel Taxes to TPWD [Tax Code, Section 162.502(b)(2)]. Previously, the Legislature has appropriated less than this statutory allocation. Since the 2000–01 biennium, the Legislature appropriates receipts from Boat and Boat Motor Sales and Use Tax (BBMSUT) for operations of state parks. The BBMSUT receipts allocation has no statutory basis, but is provided through the GAA in the agency’s method-of-financing table. Finally, as shown in Fig. 1, the Eighty-second Legislature appropriated \$4.6 million in General Revenue Funds for the park system.

REVENUE SHORTFALLS IN FISCAL YEAR 2012

TPWD experienced a revenue shortfall in fiscal year 2012 for the State Parks Account, primarily due to drought and wildfires affecting park visitation statewide. In Fig. 1, of the \$45.4 million appropriated from the State Parks Account, \$4.6 million each fiscal year is subject to actual receipts. Of this amount, \$3 million per fiscal year in Rider 27 receipts is contingent on CPA’s certifying amounts above the Biennial Revenue Estimate (BRE). The balance of \$1.6 million per fiscal year is subject to actual donations via the motor vehicle registration system.

Anticipating a revenue shortfall, the agency began its public campaign for donations and increased visitation in December 2011. At that time, TPWD estimated the fiscal year 2012 shortfall could be as great as the entire appropriation subject to collections, \$4.6 million. However, by September 2012, the CPA had certified only \$0.6 million of the \$3 million in Rider 27 receipts for fiscal year 2012, with an additional request for \$0.9 million still pending. This reflects a \$1.5 million shortfall from this source. Also, revenue from donations made through the motor vehicle registration system in fiscal year 2012 was \$0.5 million, which was \$1.1 million less than the \$1.6 million estimate. Together, the agency collected \$2.6 million less in revenue during fiscal year 2012 than anticipated. Whether revenue trends will continue into fiscal year 2013 to affect the \$4.6 million in contingent revenue appropriated for that year is still to be determined.

RECENT LEGISLATION TO IMPROVE STATE PARK CONTRIBUTIONS

Legislation passed during the 2011 session provides the agency with new methods of obtaining contributions for the state park system. House Bill 1300 authorizes TPWD to conduct joint promotional campaigns with companies designated as corporate sponsors. It also allows companies the use of the agency’s brand in exchange for paying the agency licensing fees. The agency is now seeking proposals from the private sector to hold fund-raising campaigns. House Bill 1301 authorizes a system in which motorists can donate \$5 or more with their vehicle registrations to TPWD. The resulting revenue gain for the 2012–13 biennium will be less than the original projection of \$3.2 million. This difference is attributed to the system beginning mid-way through the first year, rather than at the beginning of the biennium.

USEFUL REFERENCES

For more information on state park funding for the 2012–13 biennium and the Sporting Goods Sales Tax allocation, see the following documents available on the Legislative Budget Board’s website:

- Fiscal Size Up, 2012–13 Biennium (pages 412–14, 417):
http://www.lbb.state.tx.us/Fiscal_SizeUp/Fiscal_SizeUp.pdf
- Sporting Goods Sales Tax Allocation, 2008:
http://www.lbb.state.tx.us/Other_Pubs/Sporting%20Good%20Sales%20Tax%20Allocation.pdf

CONTACT

Tina Beck Email: Issuebrief@lbb.state.tx.us