

BILL ANALYSIS

Senate Research Center

S.B. 26
By: Kolkhorst
Finance
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 26 is the enabling legislation for S.J.R. 24, which permanently appropriates sporting goods sales tax (SGST) revenue to the Texas Parks and Wildlife Department (TPWD) and the Texas Historical Commission (THC).

S.B. 26 reenacts a dedicated account on behalf of THC in order to secure the funds that S.J.R. 24 will provide.

The bill also amends provisions in the Government Code, the Parks and Wildlife Code, and the Tax Code to establish mechanisms allowing for the receipt and allocation of the automatic SGST appropriations authorized in S.J.R. 24.

S.B. 26, as introduced, provides where and how the automatic appropriations will be directed within the current allowable uses outlined in the Tax Code.

In addition, the bill amends the Tax Code to clearly identify all allowable uses of SGST for TPWD, including state and local park purposes, debt service on bonds, and associated employee and retiree benefit costs.

Background:

In 2007, the 80th Legislature passed H.B. 12, which directed 94 percent of total SGST proceeds to TPWD and the remaining six percent to THC, subject to legislative appropriations.

In 2015, the 84th Legislature enacted two separate pieces of SGST legislation, one of which was intended to allow the full 94 percent of SGST to be credited to TPWD accounts regardless of appropriation levels. However, because of conflicting language in the two bills, the final interpretation was that TPWD SGST amounts were still limited to amounts appropriated by the legislature. (Original Author's/Sponsor's Statement of Intent)

S.B. 26 amends current law relating to the allocation to and use by the Parks and Wildlife Department and Texas Historical Commission of certain proceeds from the imposition of state sales and use taxes on sporting goods.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Reenacts Section 442.073, Government Code, and amends it, as follows:

Sec. 442.073. HISTORIC SITE ACCOUNT. (a) Provides that the historic site account is a dedicated, rather than a separate, account in the general revenue fund.

(b) Provides that the account consists of:

(1) credits made to the account, rather than to the Texas Historical Commission (THC), under Section 151.801 (Disposition of Proceeds), Tax Code; and

(2)–(5) makes no changes to these subdivisions.

(c)-(d) makes no changes to these subsections.

Deletes existing Subsection (e) providing that any money in the account not used in a fiscal year remains in the account and that that the account is exempt from the application of Section 403.095 (Use of Dedicated Revenue).

SECTION 2. Amends Section 11.035(b), Parks and Wildlife Code, as follows:

(b) Requires the Texas Parks and Wildlife Department (TPWD) to deposit to the credit of the state parks account all revenue, less allowable costs, received from the following sources:

(1)–(4) makes no changes to these subdivisions;

(5) credits made to TPWD under Section 151.801, Tax Code, in an amount not to exceed the amount of the tax proceeds allocated by the legislature to the account under Section 151.801(c-1), Tax Code, to be used only for the purposes provided by that section, rather than credits made to TPWD under Section 151.801, Tax Code, in an amount not to exceed the amount of the tax proceeds appropriated from the account for use during the then-current state fiscal biennium plus the amount necessary to fund the cost of state contributions for benefits of TPWD employees whose salaries or wages are paid from the account; and

(6) makes no changes to this subdivision.

SECTION 3. Amends Sections 11.043(b) and (d), Parks and Wildlife Code, as follows:

(b) Provides that the Texas parks and wildlife conservation and capital account consists of:

(1) credits made to TPWD under Section 151.801, Tax Code, in an amount not to exceed the amount of the tax proceeds allocated by the legislature to the account under Section 151.801(c-1), Tax Code, rather than credits made to TPWD under Section 151.801, Tax Code, in an amount not to exceed the amount of the tax proceeds appropriated from the account for use during the then-current state fiscal biennium plus the amount necessary to fund the cost of state contributions for benefits of TPWD employees whose salaries or wages are paid from the account; and

(2) and (3) makes no changes to these subdivisions.

(d) Adds a provision authorizing the money deposited to the credit of the account under Subsection (b)(1) to be used only for the purposes described by Section 151.801(c-1), Tax Code.

SECTION 4. Amends Section 24.002, Parks and Wildlife Code, as follows:

Sec. 24.002. TEXAS RECREATION AND PARKS ACCOUNT. (a) Creates this subsection from existing text. Authorizes money in the Texas recreation and parks account, except as provided by Subsection (b), to be used only for certain activities.

(b) Authorizes money deposited to the credit of the account under Section 24.003(a)(1) to be used only for the purposes described by Section 151.801(c-1), Tax Code.

SECTION 5. Amends Section 24.003(a), Parks and Wildlife Code, as follows:

(a) Requires TPWD to deposit to the credit of the Texas recreation and parks account:

(1) credits made to TPWD under Section 151.801, Tax Code, in an amount not to exceed the amount of the tax proceeds allocated by the legislature to the account under Section 151.801(c-1), Tax Code, rather than credits made to TPWD under Section 151.801, Tax Code, in an amount not to exceed the amount of the tax proceeds appropriated from the account for use during the then-current state fiscal biennium plus the amount necessary to fund the cost of state contributions for benefits of TPWD employees whose salaries or wages are paid from the account; and

(2) makes no changes to this subdivision.

SECTION 6. Amends Section 24.053(a), Parks and Wildlife Code, as follows:

(a) Requires TPWD to deposit to the credit of the large county and municipality recreation and parks account:

(1) credits made to TPWD under Section 151.801, Tax Code, in an amount not to exceed the amount of the tax proceeds allocated by the legislature to the account under Section 151.801(c-1), Tax Code, to be used only for the purposes provided by that section, rather than credits made to TPWD under Section 151.801, Tax Code, in an amount not to exceed the amount of the tax proceeds appropriated from the account for use during the then-current state fiscal biennium plus the amount necessary to fund the cost of state contributions for benefits of TPWD employees whose salaries or wages are paid from the account; and

(2) makes no changes to this subdivision.

SECTION 7. Amends Section 151.801(c), Tax Code, as follows:

(c) Requires the proceeds from the collection of the taxes imposed by this chapter (Limited Sales, Excise, and Use Tax) on the sale, storage, or use of sporting goods to be deposited as follows:

(1) an amount equal to 94 percent of the proceeds is required to be credited to TPWD for the purposes described by Subsection (c-1) and deposited to TPWD accounts as provided by that subsection, rather than an amount equal to 94 percent of the proceeds is required to be credited to TPWD and deposited as specified in the Parks and Wildlife Code; and

(2) an amount equal to 6 percent of the proceeds is required to be credited to THC and deposited to the credit of the historic site account under Section 442.073, Government Code, rather than an amount equal to six percent of the proceeds is required to be credited to THC and deposited as specified in Section 442.073, Government Code.

SECTION 8. Reenacts Section 151.801(c-1), Tax Code, as repealed by Chapter 82 (S.B. 1366), Acts of the 84th Legislature, Regular Session, 2015, and amended by Chapter 145 (H.B. 158), Acts of the 84th Legislature, Regular Session, 2015, and amends it, as follows:

(c-1) Deletes existing text authorizing money credited to TPWD accounts under Subsection (c) to be appropriated only in a certain manner. Requires the legislature to allocate the money credited to TPWD under Subsection (c) to TPWD accounts specified in the Parks and Wildlife Code in specific amounts provided in the General Appropriations Act, and provides that those amounts may be used only for the following purposes:

- (1) makes no changes to this subdivision;
- (2) makes a nonsubstantive change to this subdivision;
- (3) to pay debt service on park-related bonds;
- (4) creates this subdivision from existing text and authorizes those amounts to be used to fund the state contributions for benefits and benefit-related costs attributable to the salaries and wages of TPWD employees paid from sporting good sales tax receipts; and
- (5) to fund the portion of the state contributions for annuitant group coverages under the group benefits program operated by the Employees Retirement System of Texas under Chapter 1551 (Texas Employees Group Benefits Act), Insurance Code, attributable to sporting goods sales tax receipts. Makes nonsubstantive changes.

SECTION 9. Amends Section 151.801(d), Tax Code, to require the comptroller of public accounts of the State of Texas to determine the amounts to be deposited to the accounts, rather than the funds or accounts, under Subsection (c) according to available statistical data indicating the estimated or actual total receipts in this state from taxable sales of sporting goods, and according to the specific amounts provided in the General Appropriations Act in accordance with Subsection (c-1).

SECTION 10. (a) Provides that this Act is contingent upon approval by the voters of the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, relating to requiring the automatic appropriation of the net revenue received from the collection of state taxes imposed on the sale, storage, use, or other consumption in this state of certain sporting goods to TPWD and THC.

(b) Provides that if this Act takes effect as provided by Subsection (a) of this section:

- (1) Effective date, Section 442.073, Government Code, as reenacted and amended by this Act: January 1, 2020; and
- (2) Effective date, the other provisions of this Act: September 1, 2021.