

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 26, 2007

TO: Honorable Harvey Hilderbran, Chair, House Committee on Culture, Recreation, & Tourism

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3386 by Chisum (Relating to the creation of the Texas State Music History Museum.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3386, As Introduced: a negative impact of (\$171,790) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$86,645)
2009	(\$85,145)
2010	(\$72,645)
2011	(\$72,645)
2012	(\$72,645)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2005
2008	(\$86,645)	1.0
2009	(\$85,145)	1.0
2010	(\$72,645)	1.0
2011	(\$72,645)	1.0
2012	(\$72,645)	1.0

Fiscal Analysis

The bill creates the Texas State Music History Museum.

Methodology

The bill requires the Music, Film, Television, and Multimedia Office within the Office of the Governor to establish a request for proposal process and develop criteria to select contractors for the construction and operation of the museum. The bill specifies that proposals must not require money appropriated by the state.

The bill requires the music office to hire a museum operator to manage the operation of the museum and permits the museum operator to hire any necessary personnel. Further, the bill allows the music

office to change the museum operator after a period of time specified by the music office. One FTE at \$64,145 per fiscal year (salary and benefits) would be hired by the Governor's Office to act as museum operator. In addition, start-up costs for the advisory board and advisory council and travel costs for the operator are estimated at \$21,000 per fiscal year and \$1,500 in fiscal year 2008 for a personal computer. This results in a cost of \$171,790 to general revenue for the 2008-09 biennium.

The bill permits the museum operator to develop and produce films and musical recordings and retain royalties or receive revenue from the production, distribution, exhibition, or sale of those films and recordings. The bill authorizes the museum operator to license and sell music from the museum's website, host live musical performances and establish a museum membership program. The bill permits the museum operator to operate a gift shop, food services, and ATMs as well as providing parking and tour services. The bill requires that all money and securities received by the museum be held outside the treasury in the Texas State Music History Museum fund, managed by the Comptroller of Public Accounts.

The bill requires that to the extent possible, costs of operating the museum are to be paid from revenues generated by the museum. In addition, the bill authorizes the legislature to appropriate money to the Texas State Music History Museum fund to operate the museum.

The bill requires the state auditor, based on a risk assessment, to review the annual report on the fund, and report any findings or recommendations to the museum and the legislative audit committee. No significant fiscal impact is anticipated as these activities will be absorbed in the State Auditor's Office existing budget.

This analysis assumes that the museum operator will contract for the construction and operation of the Texas State Music History Museum, and the contractor will incur the costs for construction and operation and would be reimbursed from receipts deposited to the Texas State Music History Museum fund. It is further assumed that the contract would stipulate that the state would own the museum facility.

Note: The bill would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. Therefore the fund, account, or revenue dedication included in the bill would be subject to funds consolidation review by the current Legislature.

Technology

The technology impact is estimated at \$1,500 for fiscal year 2008 for one personal computer..

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 808 Historical Commission, 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 308 State Auditor's Office, 601 Department of Transportation, 809 Preservation Board, 813 Commission on the Arts

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