

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 27, 2007

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

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

IN RE: HB3863 by Hilderbran (Relating to the creation of the Texas music history museum.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill requires the Texas Commission on the Arts (commission) to establish a request for proposal process and develop criteria to select contractors for the construction and operation of the Texas music history museum. The bill specifies that proposals must not require money appropriated by the state.

The bill requires the commission to contract with 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 commission to change the museum operator after a period of time specified by the commission. The bill authorizes the commission to spend state funds to administer the contract with the museum operator and requires the commission to serve as presiding officer for the proposal advisory council established by the bill. It is anticipated that any associated costs for these activities could be absorbed by existing resources.

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 to the extent possible, costs of operating the museum are to be paid from revenues generated by the museum. The bill provides that the museum operator may share generated revenue with the state.

The bill requires that the commission contract with a museum operator to construct the museum owned by the state and operate the museum under a lease agreement, or operate the museum on private property owned or leased by the operator. The bill prohibits the commission from spending state money to construct the museum; therefore, no significant fiscal impact to the state is anticipated for the construction of the museum.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 808 Historical Commission, 813 Commission on the Arts

LBB Staff: JOB, SMi, WK, MS, NR