

BILL ANALYSIS

Senate Research Center
81R15558 MTB-D

H.B. 2242
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Administration
5/17/2009
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 1993, the Texas Legislature established the Texas Cultural Endowment Fund (endowment fund) outside the treasury to provide a permanent and sustaining source of financial support for the Texas Commission on the Arts (TCA) and to eliminate the need for future appropriations of general revenue funds. The fundraising goal was set at \$200 million by 2005, a level estimated as necessary to support annual agency appropriations of \$9.3 million. The endowment fund has not reached its target of \$200 million, ending fiscal year 2008, with a balance of \$9.8 million. As such, the endowment fund has not accomplished its purpose of providing a sustainable source of financial support for TCA.

H.B. 2242 dissolves the endowment fund and transfers the endowment fund balance to TCA's operating fund.

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. Amends Sections 444.025(a), (b), and (i), Government Code, as follows:

(a) Requires that money paid to the Texas Commission on the Arts (TCA) under this chapter be deposited in the TCA operating fund (operating fund). Deletes existing text requiring that money paid to TCA under this chapter, except as provided by Subsection (b), be deposited in the Texas cultural endowment fund (endowment fund).

(b) Deletes existing text authorizing a person to designate a donation as intended for the endowment fund or the operating fund. Deletes existing text requiring the donation, if the person designates that a donation is intended for a specific fund, to be deposited in the designated fund.

(i) Deletes existing text providing that money paid to TCA under this chapter, other than money required to be deposited in the endowment fund, is subject to Subchapter F (State Funds Reform Act), Chapter 404 (State Treasury Operations of Comptroller).

SECTION 2. Amends Section 444.032(c), Government Code, to require that all proceeds from the sale of compact discs under the Texas music project be deposited in the operating fund, rather than endowment fund, under Section 444.027 (Texas Commission on the Arts Operating Fund), rather than Section 444.026 (Texas Cultural Endowment Fund).

SECTION 3. Repealer: Section 444.026 (Texas Cultural Endowment Fund), Government Code.

Repealer: Section 444.028 (Endowment Fund Investment and Management), Government Code.

SECTION 4. (a) Requires TCA, in consultation with interested stakeholders, before December 1, 2009, to review donor restrictions on donations to the endowment fund to determine if the donations are authorized to be transferred to the operating fund.

(b) Provides that on December 1, 2009, the endowment fund is abolished and the money in the endowment fund is transferred to the operating fund or returned to the donor, as applicable.

(c) Prohibits money transferred under Subsection (b)(2) (relating to the money, including interest or income earned before December 1, 2009) from being used to reduce or eliminate appropriations made for the fiscal biennium beginning September 1, 2009, to TCA.

SECTION 5. Effective date: September 1, 2009.