

## **BILL ANALYSIS**

C.S.H.B. 2242  
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Culture, Recreation & Tourism  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Texas Legislature established the Texas cultural endowment fund in 1993 to provide a sustaining source of funding for the Texas Commission on the Arts. However, a lack of consistent legislative funding and contributions from private donors has limited the fund's growth. The fund does not provide for the majority of the agency's appropriation needs as intended.

C.S.H.B. 2242 abolishes the Texas cultural endowment fund, resulting in a one-time revenue gain to be transferred to the Texas Commission on the Art's operating fund, subject to donor restrictions, to ensure the money's use for the arts.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 2242 amends the Government Code to abolish the Texas cultural endowment fund on December 1, 2009. The bill requires the Texas Commission on the Arts, in consultation with interested stakeholders, to review, before December 1, 2009, donor restrictions on donations to the endowment fund to determine if the donations may be transferred to the Texas Commission on the Arts operating fund. The bill establishes that on December 1, 2009, the money in the endowment fund, including any interest or income earned before that date, that is not subject to donor restrictions prohibiting the transfer, is transferred to the operating fund. The bill establishes that on December 1, 2009, the money in the endowment fund, including any interest or income earned before that date, that is subject to donor restrictions prohibiting a transfer to the operating fund, is returned to the donor. The bill prohibits money transferred to the operating fund under the bill's provisions from being used to reduce or eliminate appropriations to the commission for the fiscal biennium beginning September 1, 2009. The bill makes conforming changes.

C.S.H.B. 2242 repeals Sections 444.026 and 444.028, Government Code, relating to the Texas cultural endowment fund and its investment and management.

### **EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

## **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 2242 requires the Texas Commission on the Arts, before December 1, 2009, to review donor restrictions on donations to the Texas cultural endowment fund in consultation with interested stake holders, whereas the original did not require such consultation. The substitute differs from the original by detailing the disposition of money in the fund. The substitute provides that the money in the endowment fund, including any interest or income earned before December 1, 2009, that is not subject to donor restrictions prohibiting the transfer, is transferred to the Texas Commission on the Arts operating fund on December 1, 2009, and that the money in the endowment fund, including any interest or income earned before December 1, 2009, that is subject to donor restrictions prohibiting a transfer to the operating fund, is returned to the donor on December 1, 2009, whereas the original provides that the money in the endowment fund is transferred to the operating fund or returned to the donor, as applicable, on December 1, 2009. The substitute adds a provision not in the original to prohibit money transferred to the operating fund from being used to reduce or eliminate appropriations to the commission for the fiscal biennium beginning September 1, 2009. The substitute differs from the original by changing the effective date from September 1, 2009, as in the original to on passage, or, if the bill does not receive the necessary vote, September 1, 2009.