

## **BILL ANALYSIS**

Senate Research Center  
85R11741 YDB-D

S.B. 1147  
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Business & Commerce  
3/24/2017  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 1147 creates the Texas State Music Museum to preserve, recognize, and celebrate the rich and varied heritage of Texas music and Texas musicians. S.B. 1147 requires the State Preservation Board (SPB) to establish a non-profit Texas Music Foundation that would be responsible for managing, operating, and funding the museum.

To honor and celebrate Texas' rich musical heritage, the state needs an official museum of Texas music. The museum would operate using a similar framework to the one created for the Bullock Museum of Texas History, but no state money would be appropriated to create the museum. Instead, a non-profit Texas Music Foundation would be established to manage and operate the museum subject to oversight by SPB. As the museum operator, the Texas Music Foundation would be able to sell music and other items, host live music performances and recordings, and accept donations for the museum. The foundation would also raise money for the museum by charging various fees (i.e., admission fees, facility rental fees, parking fees).

S.B. 1147 is supported by the governor and SPB, among others.

As proposed, S.B. 1147 amends current law relating to the establishment of the Texas State Music Museum and Texas Music Foundation and authorizes fees.

### **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 Subtitle D, Title 4, Government Code, by adding Chapter 446, as follows:

#### CHAPTER 446. TEXAS STATE MUSIC MUSEUM AND TEXAS MUSIC FOUNDATION

Sec. 446.001. DEFINITIONS. Defines "board," "Capitol Complex," "foundation," "museum," and "presiding officer."

Sec. 446.002. ESTABLISHMENT OF MUSEUM. (a) Provides that the Texas State Music Museum is established to educate and engage visitors in the rich and varied heritage of the music of this state, display objects and information relating to that rich and varied heritage, and honor musical artists and other persons who have contributed to that heritage.

(b) Requires that the museum provide exhibits, concerts, programs, and activities that support the musical education of the people of this state, including students.

(c) Requires that the cost of operating the museum be paid from revenue generated or collected by the museum and the foundation.

Sec. 446.003. ESTABLISHMENT OF FOUNDATION. Requires the State Preservation Board (SPB) to establish and maintain the Texas Music Foundation (foundation) as a

Texas nonprofit corporation, exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code. Provides that the foundation is a nonpolitical legal entity dedicated solely to supporting the mission and goals of the museum.

Sec. 446.004. FOUNDATION DIRECTORS. (a) Provides that the foundation is governed by 13 directors, appointed by the governor, as chairman of SPB, in consultation with the other SPB members.

(b) Provides that the executive director of SPB and a person designated by the governor's office serve as ex officio directors of the foundation, without voting privileges.

(c) Provides that each director serves at the will of the governor.

(d) Requires the governor to designate a director to serve as the presiding officer of the foundation.

(e) Provides that a director serves without compensation but is entitled to reimbursement for reasonable and necessary expenses incurred in the performance of duties as director.

(f) Prohibits a person who is required to register as a lobbyist under Chapter 305 (Registration of Lobbyists), from serving as a director.

Sec. 446.005. BOARD OVERSIGHT AND DESIGNATION OF MUSEUM SPACE. (a) Provides that the museum is under the jurisdiction of SPB.

(b) Requires SPB, with the assistance of the Texas Facilities Commission (TFC), to designate sufficient space in a building in the Capitol Complex to house the museum. Provides that the building is not subject to Section 2165.005 (Naming of State Buildings).

(c) Requires SPB to name the building.

Sec. 446.006. AGREEMENT BETWEEN BOARD AND FOUNDATION. Requires SPB to enter into an agreement with the foundation for the management, operation, and financial support of the museum. Requires that the agreement include certain information.

Sec. 446.007. FOUNDATION PERSONNEL. (a) Requires the foundation to employ personnel necessary to operate the museum.

(b) Provides that a foundation employee is not a state employee. Authorizes the foundation to set the salaries of foundation employees, subject to SPB oversight.

Sec. 446.008. FOUNDATION POWERS AND DUTIES. (a) Requires the foundation to manage and operate the museum.

(b) Authorizes any authority granted to the museum to be exercised by the foundation, except as otherwise directed by SPB.

(c) Requires the foundation to raise money to finance and support the museum.

(d) Authorizes the foundation, with the approval of SPB, to conduct concerts, programs, and fund-raising activities in the Capitol Complex outside the fence line of the Capitol grounds.

Sec. 446.009. FUNDING AND FEES. (a) Authorizes the foundation to solicit and accept gifts, grants, sponsorships, and donations from individuals and public or private

foundations and organizations to further the foundation's mission, including a gift, grant, sponsorship, or donation made in the name of the museum.

(b) Authorizes money raised by the foundation to be used to acquire personal property for or engage in construction activities related to the museum.

(c) Authorizes the foundation to set and collect fees in amounts necessary to provide for the operation of the museum, including fees for admission to exhibits, theaters, concerts, programs, and activities; parking and transportation; and facility rental.

(d) Authorizes the foundation to sell at the museum items manufactured or publications printed under contract with the museum.

(e) Authorizes the foundation to establish a museum membership program.

Sec. 446.010. TEXAS STATE MUSIC MUSEUM FUND. (a) Requires money and securities received by the foundation and museum to be held in trust outside the state treasury by the Texas comptroller of public accounts (comptroller) in a special fund to be known as the Texas State Music Museum fund (fund).

(b) Authorizes the foundation to spend money in the fund for any lawful purpose connected with the museum.

(c) Provides that Subtitle D (State Purchasing and General Services), Title 10 (General Government), does not apply to a purchase or lease made with money from the fund.

Sec. 446.011. FACILITIES. (a) Authorizes the foundation to operate in the museum a theater or other venue for hosting a musical concert or performance, a gift shop, unmanned teller machines, food services, and other services and facilities convenient or necessary for visitors to the museum.

(b) Provides that Chapter 355 (Vending Facilities Operated by Blind Persons), Labor Code, does not apply to vending facilities operated by or approved for operation in the museum.

Sec. 446.012. NAMING OF MUSEUM AREAS. Authorizes the foundation, with the approval of SPB, to name areas in the museum, including rooms and exhibition halls, in honor of donors or benefactors, or other persons who have contributed to the musical heritage of this state.

Sec. 446.013. INTELLECTUAL PROPERTY RIGHTS. Authorizes the foundation to secure museum-related intellectual property rights for this state.

Sec. 446.014. AUDIT. Provides that, the museum is subject to audit by the state auditor as provided by Chapter 321 (State Auditor).

Sec. 446.015. PARKING AND TRANSPORTATION. Authorizes the foundation to provide at the museum parking for visitors and, in cooperation with other public and private authorities, may participate in providing transportation for visitors between other musical and cultural sites.

Sec. 446.016. PRIVATE EVENTS. Authorizes the foundation to rent all or part of the museum's facilities for private events and provide for the sale, gift, possession, and consumption of alcoholic beverages at a private event held in the facilities.

Sec. 446.017. MARKETING AND PUBLIC RELATIONS. Authorizes the foundation to engage in marketing and public relations to publicize the museum and the museum's mission.

Sec. 446.018. INSURANCE. Authorizes the foundation to purchase insurance policies to insure the museum's contents and other personal property against any insurable risk, including insurance covering historical artifacts, art, or other items on loan to the museum.

Sec. 446.019. CONTRACTS. Authorizes the foundation to contract with public or private entities to the extent necessary or convenient for the operation of the museum's exhibits, concerts, programs, activities, and facilities, including contracts for the acquisition by purchase or loan of items for exhibition.

Sec. 446.020. AGREEMENT FOR UTILITIES AND OTHER SERVICES. Authorizes the foundation to enter into an agreement with TFC to reimburse TFC for the costs of providing utilities and other necessary services for the museum.

Sec. 446.021. ANNUAL REPORT. Requires that not later than the 60th day after the last day of each state fiscal year, the foundation to submit to SPB an electronic report itemizing all income and expenditures of the foundation and describing all activities of the foundation and museum during the preceding state fiscal year.

Sec. 446.022. OPEN MEETINGS AND PUBLIC INFORMATION EXEMPTION. Provides that the foundation is not subject to Chapter 551 (Open Meetings), or Chapter 552 (Public Information).

Sec. 446.023. TAX EXEMPTION; FILING REQUIREMENT. (a) Provides that all income, property, and other assets of the foundation are exempt from taxation by this state and political subdivisions of this state.

(b) Requires the foundation to comply with all filing requirements of the secretary of state and the Internal Revenue Service.

Sec. 446.024. PROHIBITED ACTIVITIES. Prohibits the foundation from donating funds to a political campaign or endorsing a political candidate, lobbying or otherwise attempting to influence a member of the legislature, or directly or indirectly attempting to influence legislation.

SECTION 2. Requires SPB, as soon as practicable after the effective date of this Act, to establish the foundation under Chapter 446, Government Code, as added by this Act, and requires the governor to appoint directors to the foundation as provided by Section 446.004, Government Code, as added by this Act.

SECTION 3. Effective date: upon passage or by September 1, 2017.