

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 11, 2019

TO: Honorable John Cyrier, Chair, House Committee on Culture, Recreation & Tourism

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
 Legislative Budget Board

IN RE: HB1422 by Paddie (Relating to the continuation and functions of the Texas Historical Commission.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1422, As Introduced: a negative impact of (\$6,967,400) through the biennium ending August 31, 2021.

Provisions of the bill related to the sale and deaccession of curatorial collection items could result in an indeterminate increase of revenue to a new dedicated account in the General Revenue Fund.

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
2020	(\$3,483,700)
2021	(\$3,483,700)
2022	(\$3,483,700)
2023	(\$3,483,700)
2024	(\$3,483,700)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from State Parks Acct 64	Probable Savings from State Parks Acct 64	Probable Revenue Gain from General Revenue Fund 1	Probable (Cost) from General Revenue Fund 1
2020	(\$1,543,000)	\$5,026,700	\$1,543,000	(\$5,026,700)
2021	(\$1,543,000)	\$5,026,700	\$1,543,000	(\$5,026,700)
2022	(\$1,543,000)	\$5,026,700	\$1,543,000	(\$5,026,700)
2023	(\$1,543,000)	\$5,026,700	\$1,543,000	(\$5,026,700)
2024	(\$1,543,000)	\$5,026,700	\$1,543,000	(\$5,026,700)

Fiscal Analysis

The bill would continue the Texas Historical Commission (THC) for 12 years, through September 1, 2031. The bill would amend requirements regarding the training of the agency's commission members. The bill would establish the Heritage Trails program in statute and require THC to adopt rules regarding the program. The bill would abolish the Texas Courthouse Preservation Program Advisory Committee and the advisory board associated with the Preservation Trust Fund Account.

The bill would transfer eight historic sites from the Texas Parks and Wildlife Department (TPWD) to THC on September 1, 2019: Battleship Texas, Fanthorp Inn, Fort Leaton, Lipantitlan, Monument Hill and Kreische Brewery, Port Isabel Lighthouse, San Jacinto Battleground, and Washington-on-the-Brazos.

The bill would authorize agencies with curatorial collections and an officially adopted deaccession policy to sell deaccessioned items through the State Surplus Property program administered by the Texas Facilities Commission (TFC). Proceeds from the sale of deaccessioned items would be deposited to the credit of a new dedicated account in the General Revenue Fund. Proceeds from a sale would be authorized to be appropriated only to the respective agency from which the deaccessioned item originated and only for the care and preservation of the respective agency's qualifying curatorial collection.

This legislation 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 within or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Methodology

Based on the analysis of TPWD, the operation of the eight historic sites to be transferred to THC is estimated to cost \$5,026,700 in each fiscal year out of the General Revenue-Dedicated State Parks Account No. 64 and requires 73 full-time-equivalent (FTE) positions. Included within the TPWD's cost from the State Parks Account is \$3,669,491 in each fiscal year from Sporting Goods Sales Tax (SGST) allocations. Under Section 151.801 of the Tax Code, as currently written, a maximum of 94 percent of SGST revenues may be allocated to TPWD and a maximum of 6 percent of the SGST revenues may be allocated to THC. The bill does not amend this allocation to provide a corresponding transfer of SGST revenue to the General Revenue Fund for appropriation to THC. This analysis assumes that the THC would require an appropriation out of the General Revenue Fund to operate the eight affected sites.

Additionally, TPWD and Comptroller of Public Accounts estimates that the affected eight historic sites generate approximately \$1,543,000 in each fiscal year, which are currently deposited to the State Parks Account. This analysis assumes that, upon transfer of the historic sites, these revenues would be deposited to the General Revenue Fund for a revenue gain of \$1,543,000 in each fiscal year and a corresponding revenue loss to the State Parks Account.

Based on the analysis of the Comptroller, provisions of the bill related to the sale and deaccession of historic property by state agencies could result in an increase of revenue, to be deposited into a new dedicated account in General Revenue, but the amount of increased revenue cannot be estimated.

TFC estimates there would be a cost associated with provisions of the bill pertaining to the sale of deaccessioned items through the State Surplus Property program. This analysis assumes the cost

could be absorbed within existing resources.

Technology

This analysis does not assume a technology impact.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 303 Facilities Commission, 304 Comptroller of Public Accounts, 356 Texas Ethics Commission, 802 Parks and Wildlife Department, 808 Historical Commission

LBB Staff: WP, SZ, NV, LCO, TBo, JMO