

BILL ANALYSIS

H.B. 3051
By: Bonnen
Culture, Recreation & Tourism
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Texas Historical Commission is in need of a sustainable funding mechanism to preserve historic sites across Texas, including historic courthouses. By establishing one, the commission will be in a better position to plan for its long-term needs, and future legislatures will be freed from having to consider dozens of potential historic site projects each biennium. Moreover, this would allow for a sustainable maintenance cycle and greater certainty around the restoration of historic courthouses across Texas. Recognizing the fact that preserving Texas history is of paramount importance, H.B. 3051 seeks to ensure the commission is set up for success in the 21st century by creating the historic infrastructure sustainability trust fund.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

H.B. 3051 amends the Government Code to create the historic infrastructure sustainability trust fund as a trust fund outside the treasury held, managed, and invested by the Texas Treasury Safekeeping Trust Company and administered by the comptroller of public accounts as trustee on behalf of the people of Texas to generate earnings on money in the fund for the purpose of maintaining, preserving, rehabilitating, and restoring historic sites throughout Texas. The bill does the following with respect to the fund:

- sets out the fund's composition as follows:
 - money appropriated or transferred to the fund at the direction of the legislature;
 - gifts, grants, and donations received by the commission for a purpose for which money in the fund may be used under this section; and
 - the returns received from investment of money in the fund;
- requires the trust company to determine the amount available for distribution from the fund in accordance with a distribution policy that is adopted by the comptroller and designed to preserve the purchasing power of the fund's assets, provide a stable and predictable stream of annual distributions, and meet the fund's liquidity needs as appropriate; and
- requires the expenses of managing the fund and its assets to be paid from the fund and, except as otherwise provided by the bill, prohibits money in the fund from being used for any other purpose.

H.B. 3051 authorizes the trust company, in managing the fund's assets and through procedures and subject to restrictions the trust company considers appropriate, to acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain for the purposes, terms, requirements, and circumstances of the fund while considering the investment of all assets of the fund rather than a single investment. The bill requires the Texas Historical Commission to provide the trust company a cash flow forecast, at least annually and more frequently as appropriate, for purposes of such distribution and liquidity requirements.

H.B. 3051 authorizes the commission to request an annual fund distribution not to exceed the amount the trust company determines available for distribution. The amount distributed may only be used for the historic courthouse preservation program and for maintaining, preserving, rehabilitating, and restoring state historic sites under the commission's control and for the historic courthouse preservation program. The bill requires the commission to spend at least one-third of the distributed funds on the historic courthouse preservation program and prohibits money in the fund from being used to pay salaries, employee benefits, costs associated with employee benefits, or the commission's administration, operating, or program costs. The bill authorizes the commission, not more frequently than once per calendar year, to request an additional fund distribution for those authorized purposes but caps the amount of this additional distribution at the amount distributed to the commission the preceding calendar year pursuant to the comptroller's policy.

H.B. 3051 conditions the commission's authority to approve an additional distribution on the commission first certifying the following to the Legislative Budget Board (LBB):

- the commission has reviewed and approved the use of the money;
- all purchases made with the money will conform to any applicable laws governing state procurement and contracting; and
- the money will not be used for any of the following purposes:
 - paying salaries; employee benefits; costs associated with employee benefits; or administration, operating or program costs of the commission or the buildings or grounds subject to its authority;
 - acquiring new historic sites or real property; or
 - purchasing capital equipment that is not related to the rehabilitation or restoration of a building or grounds.

H.B. 3051 subjects all expenditures by the commission from the fund to audit by the state auditor. The bill requires the commission to include in its strategic plan of operations a report on each project funded with money from the fund during the two-year period preceding the plan's submission date and a list of each project the commission anticipates will be funded using that money for the period covered by the plan.

H.B. 3051 authorizes the commission to make an expenditure from the historic site account for a historic site not included on the list of sites under the commission's jurisdiction. The bill requires the commission, not later than the 30th day after making such an expenditure, to provide notice of the expenditure to the LBB and authorizes the LBB to establish the procedure by which the commission provides the notice.

H.B. 3051 raises from \$6 million to \$10 million the cap on the amount of a grant from the historic courthouse preservation fund for a historic courthouse project, which applies only if that cap is greater than two percent of the amount appropriated for implementing the historic courthouse preservation program during the given state fiscal biennium.

EFFECTIVE DATE

September 1, 2023.