

BILL ANALYSIS

Senate Research Center

S.B. 1332
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Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Historical Commission's mission is to protect and preserve the state's historic and prehistoric resources for the use, education, enjoyment, and economic benefit of present and future generations.

S.B. 1332 establishes sustainable funding to preserve historic sites across the State of Texas. An endowment will allow the Texas Historical Commission 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. Long-term funding would allow the Texas Historical Commission to create a sustainable maintenance cycle, and greater certainty around the restoration of historic courthouses across Texas.

As proposed, S.B. 1332 amends current law relating to the provision of funding to the Texas Historical Commission for state historic sites.

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 Section 442.0083(e), Government Code, as follows:

(e) Prohibits a grant for a historic courthouse project from exceeding the greater of \$10 million, rather than \$6 million, or two percent of the amount appropriated for implementing the historic courthouse preservation program during the state fiscal biennium.

SECTION 2. Amends Subchapter A, Chapter 442, Government Code, by adding Section 442.0151, as follows:

Sec. 442.0151. HISTORIC INFRASTRUCTURE SUSTAINABILITY TRUST FUND.

(a) Provides that the historic infrastructure sustainability trust fund (fund) is created as a trust fund outside the treasury held by the Texas Treasury Safekeeping Trust Company (trust company) and administered by the Comptroller of Public Accounts of the State of Texas (comptroller) as trustee on behalf of the people of this state to generate earnings on money in the fund for the purpose of maintaining, preserving, rehabilitating, and restoring historic sites throughout the state. Defines "trust company" and "commission."

(b) Provides that the fund consists of:

(1) money appropriated or transferred to the fund at the direction of the legislature;

(2) gifts, grants, and donations received by the Texas Historical Commission (THC) for a purpose for which money in the fund may be used under this section; and

(3) the returns received from investment of money in the fund.

(b) Requires the trust company to hold, manage, and invest the fund. Requires the trust company to determine the amount available for distribution from the fund determined 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 liquidity needs of the fund as appropriate. Requires that the expenses of managing the fund and its assets be paid from the fund. Prohibits money in the fund, except as provided by this section, from being used for any other purpose.

(c) Authorizes the trust company, in managing the assets of the fund, 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 in light of the purposes, terms, distribution requirements, liquidity requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment. Provides that THC will provide the trust company with a cash flow forecast at least annually, and more frequently as appropriate, for purposes of distribution and liquidity requirements.

(d) Authorizes THC to request an annual fund distribution not to exceed the amount the trust company determines available for distribution as provided under Subsection (b). Authorizes the amount distributed to only be used for the purpose of maintaining, preserving, rehabilitating, and restoring state historic sites under the control of THC and for the historic courthouse preservation program under Section 442.0081 (Historic Courthouse Preservation and Maintenance Programs; Grant and Loans). Requires THC to spend at least one-third of the funds distributed on the historic courthouse preservation program. Prohibits money in the fund from being used to pay salaries, employee benefits, costs associated with employee benefits, or administration, operating, or program costs of THC.

(e) Authorizes THC, subject to Subsection (f), not more frequently than once per calendar year, to request an additional distribution from the fund in excess of the amount the trust company determines is available for distribution under the terms of Subsection (b), to be used for the purposes described in Subsection (d). Prohibits the amount requested pursuant to this subsection from exceeding the amount distributed to THC pursuant to the comptroller's policy in the preceding calendar year.

(f) Authorizes THC to approve a distribution of the fund authorized under Subsection (e) after THC certifies to the Legislative Budget Board (LBB) that:

(1) THC has reviewed and approved the use of the money;

(2) all purchases made with the money will conform to any applicable provision of law governing state procurement and contracting; and

(3) the money will not be used to:

(A) pay salaries, employee benefits, costs associated with employee benefits, or administration, operating or program costs of THC or the buildings or grounds subject to its authority;

(B) acquire new historic sites or real property; or

(C) purchase capital equipment that is not related to the rehabilitation or restoration of a building or grounds.

(g) Provides that all expenditures by THC under this section are subject to audit by the state auditor.

(h) Requires THC to include in the strategic plan submitted under Section 2056.002 (Strategic Plans) a report on each project funded using money in the fund during the two-year period preceding the date on which THC submits the plan and a list of each project THC anticipates will be funded using money in the fund for the period covered by the plan.

SECTION 3. Amends Section 442.073, Government Code, by amending Subsection (d) and adding Subsection (e), as follows:

(d) Creates an exception under Subsection (e).

(e) Authorizes THC to make an expenditure from the account for a historic site that is not described by Section 442.072(a) (relating to providing that certain historical sites and parks are under THC's jurisdiction). Requires THC to provide notice of an expenditure described by this subsection to LBB not later than the 30th day after the date THC makes the expenditure. Authorizes LBB to establish the procedure by which THC provides notice to LBB under this subsection.

SECTION 4. Effective date: September 1, 2023.