

## **BILL ANALYSIS**

Senate Research Center

S.B. 1333  
By: Huffman  
Finance  
5/26/2023  
Enrolled

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

The State Preservation Board (SPB) was established in 1983 by the Texas 68th Legislature for the purpose of preserving, maintaining, and restoring the State Capitol, the General Land Office Building, and their contents and grounds for the benefit of the citizens of Texas.

S.B. 1333 establishes sustainable funding for the preservation of the Texas Capitol, Governor's Mansion, Texas State Cemetery, the Bob Bullock Texas State History Museum, and the other facilities managed by SPB. An endowment will help ensure long-term facilities preservation with the certainty of resources being available.

(Original Author's/Sponsor's Statement of Intent)

S.B. 1333 amends current law relating to the creation of the Texas state buildings preservation endowment fund, including the transfer to the fund of the unencumbered balances of certain other funds.

### **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 443.0102(b), Government Code, as follows:

(b) Provides that the Capitol fund created by Section 443.0101 (Capitol Fund) and the Texas state buildings preservation endowment fund (fund) created by Section 443.0103 are not subject to Subchapter F (State Funds Reform Act), Chapter 404. Provides that a provision of Chapter 443 (State Preservation Board) or other law that provides for the deposit of money or another thing of value into the Capitol fund or the Texas state buildings preservation endowment fund prevails over Subchapter F, Chapter 404. Makes a nonsubstantive change.

SECTION 2. Amends Section 443.0103, Government Code, as follows:

Sec. 443.0103. New heading: TEXAS STATE BUILDINGS PRESERVATION ENDOWMENT FUND. (a) Defines "fund" and "trust company."

(b) Provides that the fund is created as a fund outside the treasury. Provides that the purpose of the fund is to maintain, preserve, rehabilitate, and restore the state buildings and grounds over which the State Preservation Board (SPB) has jurisdiction. Deletes existing text providing that the capital renewal trust fund is created as a trust fund outside the treasury with the Comptroller of Public Accounts of the State of Texas (comptroller) and is required to be administered by SPB, as a trustee on behalf of the people of this state, to maintain and preserve the Capitol, the General Land Office Building, their contents, and their grounds.

(c) Provides that the fund consists of:

(1) money transferred or appropriated to the fund by the legislature, including money transferred to the fund from the former capital renewal trust fund, Governor's Mansion renewal trust fund, and State Cemetery preservation trust fund;

(2) gifts, grants, and donations contributed to the fund for a purpose for which money in the fund is authorized to be used under this section; and

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

Makes nonsubstantive changes.

(d) Requires the Texas Treasury Safekeeping Trust Company (trust company) to hold, manage, and invest the fund, and to determine the amount available for distribution from the fund each year in accordance with a distribution policy adopted by the comptroller. Requires that the distribution policy be designed to preserve the purchasing power of the assets of the fund, provide a stable and predictable series of annual distributions from the fund, and meet the liquidity needs of the fund as necessary. Requires that the expenses of managing the fund and its assets be paid from the fund. Prohibits money in the fund, except as otherwise provided by this section, from being used for any other purpose. Makes nonsubstantive changes.

(e) 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, 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. Requires SPB, at the request of the trust company, to provide the trust company with information the trust company determines is necessary to ensure that the trust company is able to achieve the objectives specified by Subsection (d).

(f) Authorizes SPB to annually request a distribution from the fund in an amount that is prohibited from exceeding the amount the trust company determines is available for distribution in the applicable year under Subsection (d). Authorizes money distributed from the fund to SPB to be used only for the purpose of maintaining, preserving, rehabilitating, and restoring the buildings and grounds over which SPB has jurisdiction. Requires SPB to allocate to projects at the Bob Bullock Texas State History Museum an amount equal to at least one-third of each annual distribution from the fund under this subsection, other than the portion of the distribution made using money transferred to the fund from the former capital renewal trust fund, Governor's Mansion renewal trust fund, and State Cemetery preservation trust fund. Authorizes SPB, with the written approval of the Legislative Budget Board (LBB), to use money received from an annual distribution under this subsection to acquire land in close proximity to the State Cemetery for expansion of the cemetery. Prohibits SPB from using money received from an annual distribution under this subsection to pay salaries, employee benefits, costs associated with employee benefits, or administration, operating, or program costs of SPB or the buildings and grounds over which SPB has jurisdiction.

(g) Authorizes SPB, subject to Subsection (h) and not more frequently than once each calendar year, to request an additional distribution from the fund in an amount that exceeds the amount the trust company determines is available for distribution from the fund in that year under Subsection (d). Authorizes an additional distribution under this subsection to be used for a purpose described by Subsection (f). Prohibits the trust company from making an additional distribution

under this subsection if the distribution would negatively affect the purchasing power of the assets of the fund as determined by the terms of the distribution policy adopted by the comptroller under Subsection (d).

(h) Authorizes SPB to receive an additional distribution from the fund under Subsection (g) only after SPB certifies to LBB that:

(1) SPB 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 SPB or the buildings and grounds over which SPB has jurisdiction;

(B) except as provided by Subsection (f), 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.

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

(j) Requires SPB 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 SPB submits the plan and a list of each project SPB anticipates will be funded using money in the fund for the period covered by the plan.

Deletes existing text authorizing money in the fund to be used only for the purpose of maintaining and preserving the Capitol, the General Land Office Building, their contents, and their grounds. Deletes existing text of Subsection (c) requiring that the interest received from investment of money in the fund be credited to the fund. Deletes existing text of Subsection (d) authorizing SPB to transfer money from any account of the Capitol fund to the capital renewal trust fund, other than money that was donated to SPB, derived from a security or other thing of value donated to SPB, or earned as interest or other income on a donation to SPB, if SPB determines that after the transfer there will be a sufficient amount of money in the applicable account of the Capitol fund to accomplish the purposes for which the account was created. Deletes existing text of Subsection (e) authorizing SPB to transfer money from the capital renewal trust fund to any account of the Capitol fund, provided that money transferred is required to only be used for the purposes outlined in Subsection (b).

SECTION 3. Repealer, effective September 1, 2024: Section 443.0295 (Governor's Mansion Renewal Trust Fund), Government Code.

Repealers, effective September 1, 2024: Section 2165.2565 (State Cemetery Preservation Trust Fund), as added by Chapter 72 (S.B. 574), Acts of the 84th Legislature, Regular Session, 2015, and Section 2165.2565 (State Cemetery Preservation Trust Fund), as added by Chapter 932 (H.B. 2206), Acts of the 84th Legislature, Regular Session, 2015.

SECTION 4. Provides that the Governor's Mansion renewal trust fund and the State Cemetery preservation trust fund, on September 1, 2024, are abolished and the unencumbered balances of those funds are transferred to the comptroller for deposit in the fund created under Section 443.0103, Government Code, as amended by this Act. Provides that money transferred under this

section is available for expenditure in the manner prescribed by Section 443.0103, Government Code, as amended by this Act, except that the requirement that one-third of the amount spent be used as required by Subsection (f) of that section does not apply to money transferred under this section.

SECTION 5. Provides that the unencumbered balance of the capital renewal trust fund, on September 1, 2024, is transferred to the comptroller for deposit in the fund created under Section 443.0103, Government Code, as amended by this Act. Provides that money transferred under this section is available for expenditure in the manner prescribed by Section 443.0103, Government Code, as amended by this Act, except that the requirement that one-third of the amount spent be used as required by Subsection (f) of that section does not apply to money transferred under this section.

SECTION 6. Effective date, except as otherwise provided by this Act: September 1, 2023.