

BILL ANALYSIS

S.B. 1333
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Culture, Recreation & Tourism
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The State Preservation Board (SPB) is tasked with preserving, maintaining, and restoring the Texas State Capitol, the Governor's Mansion, the Texas State Cemetery, the Bob Bullock Texas State History Museum, and other facilities managed under its jurisdiction. Despite repeated requests from SPB, the legislature has not appropriated adequate funding for these facilities. In order to help ensure long-term funding is available to help SPB carry out its mission, S.B. 1333 creates the Texas State Buildings Preservation Endowment 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

S.B. 1333 abolishes the capital renewal trust fund and, on September 1, 2024, the Governor's Mansion renewal trust fund and the State Cemetery preservation trust fund. The bill amends the Government Code to create instead the Texas State Buildings Preservation Endowment Fund as a fund outside the treasury held, managed, and invested by the Texas Treasury Safekeeping Trust Company to maintain, preserve, rehabilitate, and restore the state buildings and grounds over which the State Preservation Board (SPB) has jurisdiction. The bill provides for the transfer of the unencumbered balances of the former trust funds to the new endowment fund on September 1, 2024, and excepts the transfers from the one-third museum expenditure requirement in state law.

S.B. 1333 does the following with respect to the fund:

- sets out the fund's composition as follows:
 - money transferred or appropriated to the fund by the legislature, including money transferred to the fund from the former trust funds;
 - gifts, grants, and donations contributed to the fund for a purpose for which money in the fund may be used; and
 - any returns received from investment of money in the fund;
- exempts the fund from the State Funds Reform Act;
- requires the trust company to determine the amount available for distribution from the fund each year in accordance with a distribution policy adopted by the comptroller of public accounts, which must be designed to preserve the purchasing power of the fund's assets, provide a stable and predictable series of annual distributions, and meet liquidity needs of the fund as necessary; and

- prohibits money in the fund from being used for any purposes other than the expenses of managing the fund and its assets, except as required by the bill.

S.B. 1333 authorizes SPB to request annually a distribution from the fund in an amount capped at the amount the trust company determines is available for distribution in that year. The bill 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 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. The bill 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 of the distribution policy.

S.B. 1333 restricts the use of money distributed from the fund to SPB to maintaining, preserving, rehabilitating, and restoring the buildings and grounds over which SPB has jurisdiction. The bill 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, other than the portion of the distribution made using money transferred to the fund from the former funds. The bill authorizes SPB to use distributed funds to acquire land in close proximity to the State Cemetery for expansion of the cemetery with the written approval of the Legislative Budget Board (LBB). Money received from an annual fund distribution may not be used 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.

S.B. 1333 authorizes SPB, not more frequently than once each calendar year, to request an additional fund distribution in an amount that exceeds the amount the trust company determines is available for distribution from the fund in that year. The bill restricts the use of any additional distribution to the same purposes for which the regular annual distribution may be used. The bill prohibits the trust company from making an additional distribution if that distribution would negatively affect the purchasing power of the fund's assets as determined by the terms of the fund distribution policy. The bill conditions SPB's authority to receive an additional distribution on SPB first certifying the following to the LBB:

- SPB has reviewed and approved the use of the money;
- all purchases made with the money will conform to any applicable provision of law governing state procurement and contracting; and
- the money will not be used for any of the following:
 - paying 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;
 - 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.

S.B. 1333 subjects all expenditures by SPB from the fund to audit by the state auditor. The bill requires SPB to include in its strategic operations plan 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.

Effective September 1, 2024, S.B. 1333 repeals the following provisions of the Government Code:

- Section 443.0295;
- Section 2165.2565, as added by Chapter 72 (S.B. 574), Acts of the 84th Legislature, Regular Session, 2015; and

- Section 2165.2565, as added by Chapter 932 (H.B. 2206), Acts of the 84th Legislature, Regular Session, 2015.

EFFECTIVE DATE

Except as otherwise provided, September 1, 2023.