

BILL ANALYSIS

Senate Research Center

S.B. 1333
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Finance
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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.

As proposed, S.B. 1333 amends current law relating to the creation of the Texas state buildings preservation endowment fund.

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:

Sec. 443.0102(b). Provides that the Texas state buildings preservation endowment fund created by Section 443.0103, rather than the Capitol fund created by Section 443.0101 (Capitol Fund), is not subject to Subchapter F (State Funds Reform Act), Chapter 404.

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

Sec. 443.0103. New heading: TEXAS STATE BUILDINGS PRESERVATION ENDOWMENT FUND. (a) Provides that the Texas state buildings preservation endowment fund (fund) is created as a fund outside the treasury to maintain, preserve, rehabilitate, and restore the buildings and grounds over which the State Preservation Board (SPB) has authority. Provides that the fund is composed of:

- (1) money transferred or appropriated to the fund by the legislature;
- (2) money transferred to the fund from former capital renewal trust fund, Governor's Mansion renewal trust fund and the State Cemetery preservation trust fund;
- (3) 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
- (4) the returns received from investment of money in the fund.

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. Deletes existing text providing that the fund consists of money transferred to the fund at the direction of the legislature or in accordance with this section.

(b) Defines "trust company" and "board." Requires the Texas Treasury Safekeeping Trust Company (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 SPB 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 SPB 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 be used only for the purpose of maintaining, preserving, rehabilitating, and restoring the buildings and grounds over which SPB has authority. Requires SPB to spend at least one-third of the funds distributed on projects at the Bob Bullock Texas State History Museum, with the exception of funds transferred from the former capital renewal trust fund, Governor's Mansion renewal trust fund and the State Cemetery preservation trust fund. Authorizes distributed funds to be used 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). 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 SPB or the buildings and grounds over which SPB has authority.

(e) Authorizes SPB, 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 SPB pursuant to the comptroller's policy in the preceding calendar year.

(f) Authorizes SPB to approve a distribution of the fund authorized under Subsection (e) after it 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 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 SPB under this section are subject to audit by the state auditor.

(h) 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 the 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 requiring that the interest received from investment of money in the fund be credited to the fund. Deletes existing text 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 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 be used only for the purposes outlined in Subsection (b).

SECTION 3. 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 these transferred funds are considered available for expenditure under Subsection (e), Section 443.0103, Government Code, and are not subject to the one-third museum expenditure requirement in Subsection (d) of that section.

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 these transferred funds are considered available for expenditure under Subsection (e), Section 443.0103, Government Code, and are not subject to the one-third museum expenditure requirement in Subsection (d) of that section.

SECTION 5. 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 6. Effective date: September 1, 2023.