

BILL ANALYSIS

Senate Research Center
88R22416 SCP-F

C.S.S.B. 1451
By: Zaffirini
Natural Resources & Economic Development
4/18/2023
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Historical Commission (THC) preserves and promotes Texas' rich cultural and historical resources. This includes managing state-owned historic sites, administering grant programs to support the preservation of historic buildings and resources, and maintaining an inventory of Texas' historic properties. Current law, however, relating to THC requires updating. When a historic site becomes available, for example, THC can only acquire it by receiving it as a gift—even if the agency has the funding to obtain a new site. What's more, the legislature limits spending sporting goods sales tax dollars to specific sites listed in statute, which creates a funding problem when new historic sites become available. This bill will fix that issue and avoid the state missing out on historic sites that become available for purchase. THC also is unable to participate in e-commerce for merchandise to sell at state historic sites.

S.B. 1451 would authorize THC to acquire new historic sites, eliminate the list state historic sites and give jurisdiction over those sites to THC, and authorize THC to engage in e-commerce for merchandise. This would ensure that THC is efficient and could provide the tourism and public awareness about Texas' valuable and diverse legacy.

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

C.S.S.B. 1451 amends current law relating to the powers of the Texas Historical Commission over historic sites in this state.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Historical Commission is modified in SECTION 1 (Section 42.0053, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 422.0053, Government Code, as follows:

Sec. 422.0053. ELIGIBILITY CRITERIA FOR INCLUSION OF REAL PROPERTY IN STATE HISTORIC SITES SYSTEM. (a) Deletes existing text requiring the Texas Historical Commission (THC) by rule to adopt criteria for determining the eligibility of real property donated to THC for inclusion in the historic sites system.

(b) Authorizes THC to acquire by purchase or gift or in any other manner real property, rather than accept a donation of real property, that satisfies the criteria adopted under Subsection (a).

(b-1) Requires THC, before adding real property to the historic sites system under this section, to develop a funding plan for the restoration, interpretation, development, long-term operation, and preservation of the real property to be added to the historic sites system. Authorizes the plan to provide for an endowment fund, or other sources of funding, as appropriate. Prohibits THC from adding the real property to the historic sites system unless there are adequate financial resources available or assured for the restoration, interpretation, development, long-term operation, and preservation of the real property.

(c) Authorizes THC to:

- (1) renovate or restore real property acquired under Subsection (b), rather than donated real property, including improvements to the property; or
- (2) construct new improvements on the real property, rather than the donated real property, as necessary and prudent.

SECTION 2. Amends Section 422.0083(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 3. Amends the heading to Subchapter C, Chapter 442, Government Code, to read as follows:

SUBCHAPTER C. COMMISSION JURISDICTION OVER HISTORIC SITES

SECTION 4. Amends Section 442.071, Government Code, to redefine "historic site."

SECTION 5. Amends Section 442.072, Government Code, as follows:

Sec. 442.072. New heading: **COMMISSION JURISDICTION; AGREEMENTS FOR HISTORIC SITES**. Provides that certain historic sites in this state, rather than certain historic sites and parks, are under THC's jurisdiction.

(b) Redesignates existing Subsection (c) as Subsection (b). Deletes existing text providing that this subsection applies to a historic site that the state is required to operate in a particular manner or for a particular purposes, such as a site improved with federal money subject to federal restrictions on the purpose for which the improved site is authorized to be used for a site donated to the state subject to a reversion clause providing that the title reverts to the grantor when the site is not used for the purposes for which it was acquired. Deletes existing text providing that THC has all powers necessary to operate the site in the required manner or for the required purpose.

SECTION 6. Amends Subchapter D, Chapter 442, Government Code, by adding Sections 442.112 and 442.113, as follows:

Sec. 442.112. **STATE HISTORIC SITE RETAIL OPERATIONS**. (a) Authorizes THC to establish, manage, and operate gift and souvenir retail establishments and provide retail services through the Internet or another electronic method to support and promote state historic sites and related THC goals.

(b) Authorizes THC, to implement this section, to:

- (1) employ necessary personnel;
- (2) establish procurement standards and procedures in collaboration with the Comptroller of Public Accounts of the State of Texas (comptroller) and the Department of Information Resources to meet the business needs of THC's retail operations; and
- (3) contract with a nonprofit corporation to assist with THC's retail operations, accept money from the retail operations, and support state historic site operations and THC educational missions.

Sec. 442.113. TEXAS HISTORICAL COMMISSION RETAIL OPERATIONS FUND
(a) Provides that the THC retail operations fund (fund) is a special fund established outside the state treasury as a fund to be held and administered by the comptroller as directed by THC to provide support for THC retail operations under Section 442.112. Provides that the fund consists of revenue from THC retail operations and is prohibited from including appropriated money.

(b) Requires that interest and income from assets of the fund be credited to and deposited in the fund.

(c) Authorizes money in the fund to be spent without appropriation and to be used only to benefit state historic sites and to support THC's retail operations, including to pay personnel salaries, acquire capital improvements, contract for necessary services, and purchase inventory, advertising, fixtures, computer software, and other goods necessary to support the retail operations.

SECTION 7. Effective date: September 1, 2023.