By:  Huffman S.B. No. 1332

(In the Senate - Filed March 1, 2023; March 16, 2023, read first time and referred to Committee on Finance; March 31, 2023, reported adversely, with favorable Committee Substitute by the following vote: Yeas 17, Nays 0; March 31, 2023, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Huffman              X

Hinojosa             X

Bettencourt          X

Campbell             X

Creighton            X

Flores               X

Hall                 X

Hancock              X

Hughes               X

Kolkhorst            X

Nichols              X

Paxton               X

Perry                X

Schwertner           X

West                 X

Whitmire             X

Zaffirini            X

COMMITTEE SUBSTITUTE FOR S.B. No. 1332 By:  Huffman

A BILL TO BE ENTITLED

AN ACT

relating to the provision of funding to the Texas Historical Commission for state historic sites.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 442.0083(e), Government Code, is amended to read as follows:

(e)  A grant for a historic courthouse project may not exceed the greater of $10 million [~~$6 million~~] or two percent of the amount appropriated for implementing the historic courthouse preservation program during the state fiscal biennium.

SECTION 2.  Subchapter A, Chapter 442, Government Code, is amended by adding Section 442.0151 to read as follows:

Sec. 442.0151.  HISTORIC INFRASTRUCTURE SUSTAINABILITY TRUST FUND. (a) In this section, "trust company" means the Texas Treasury Safekeeping Trust Company.

(b)  The historic infrastructure sustainability trust fund is created as a trust fund outside the treasury held by the trust company and administered by the 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.

(c)  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 commission for a purpose for which money in the fund may be used under this section; and

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

(d)  The trust company shall hold, manage, and invest the fund, and shall determine the amount available for distribution from the fund each year in accordance with a distribution policy adopted by the comptroller. The distribution policy must 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. The expenses of managing the fund and its assets shall be paid from the fund. Except as otherwise provided by this section, money in the fund may not be used for any other purpose.

(e)  In managing the assets of the fund, through procedures and subject to restrictions the trust company considers appropriate, the trust company may 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. At the request of the trust company, the commission shall 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)  The commission annually may request a distribution from the fund in an amount that may not exceed the amount the trust company determines is available for distribution in the applicable year under Subsection (d). Money distributed from the fund to the commission may be used only for the purpose of maintaining, preserving, rehabilitating, and restoring state historic sites under the control of the commission and for the historic courthouse preservation program under Section 442.0081. The commission shall allocate at least one-third of each annual distribution from the fund under this subsection for the historic courthouse preservation program. The commission may not use 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 the commission.

(g)  Subject to Subsection (h) and not more frequently than once each calendar year, the commission may 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). An additional distribution under this subsection may be used for a purpose described by Subsection (f). The trust company may not make 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)  The commission may receive an additional distribution from the fund under Subsection (g) only after the commission certifies to the Legislative Budget Board that:

(1)  the commission 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 the commission or the state historic sites under the control of the commission;

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

(C)  purchase capital equipment that is not related to the rehabilitation or restoration of a historic site under the control of the commission or the historic courthouse preservation program under Section 442.0081.

(i)  All expenditures by the commission under this section are subject to audit by the state auditor.

(j)  The commission shall include in the strategic plan submitted under Section 2056.002 a report on each project funded using money in the fund during the two-year period preceding the date on which the commission submits the plan and a list of each project the commission anticipates will be funded using money in the fund for the period covered by the plan.

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

(d)  Except as provided by Subsection (e), money [~~Money~~] in the account may be used only to administer, operate, preserve, repair, expand, or otherwise maintain a historic site or to acquire a historical item appropriate to a historic site.

(e)  The commission may make an expenditure from the account for a historic site that is not described by Section 442.072(a). The commission shall provide notice of an expenditure described by this subsection to the Legislative Budget Board not later than the 30th day after the date the commission makes the expenditure. The Legislative Budget Board may establish the procedure by which the commission provides notice to the board under this subsection.

SECTION 4.  This Act takes effect September 1, 2023.

\* \* \* \* \*