By:  Huffman S.B. No. 1333

(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. 1333 By:  Huffman

A BILL TO BE ENTITLED

AN ACT

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.

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

SECTION 1.  Section 443.0102(b), Government Code, is amended to read as follows:

(b)  The Capitol fund created by Section 443.0101 and the Texas state buildings preservation endowment fund created by Section 443.0103 are [~~is~~] not subject to Subchapter F, Chapter 404. A provision of this chapter 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.

SECTION 2.  Section 443.0103, Government Code, is amended to read as follows:

Sec. 443.0103.  TEXAS STATE BUILDINGS PRESERVATION ENDOWMENT [~~CAPITAL RENEWAL TRUST~~] FUND. (a) In this section:

(1)  "Fund" means the Texas state buildings preservation endowment fund.

(2)  "Trust company" means the Texas Treasury Safekeeping Trust Company.

(b)  The Texas state buildings preservation endowment [~~capital renewal trust~~] fund is created as a [~~trust~~] fund outside the treasury. The purpose of the fund is to maintain, preserve, rehabilitate, and restore the state buildings and grounds over which the board has jurisdiction [~~with the comptroller and shall be administered by the board, 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)  The fund consists of:

(1)  money transferred or appropriated to the fund by[~~:~~

[~~(1)  at the direction of~~] 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; [~~or~~]

(2)  gifts, grants, and donations contributed to the fund for a purpose for which money in the fund may be used under [~~in accordance with~~] 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 [~~(b)  Money~~] in the fund may not be used [~~only~~] for any other [~~the~~] 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 board 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 board 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 board may be used only for the purpose of maintaining, [~~and~~] preserving, rehabilitating, and restoring the buildings [~~the Capitol, the General Land Office Building, their contents,~~] and [~~their~~] grounds over which the board has jurisdiction. The board shall 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. The board, with the written approval of the Legislative Budget Board, may 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. The board 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 board or the buildings and grounds over which the board has jurisdiction.

(g)  Subject to Subsection (h) and not more frequently than once each calendar year, the board 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 board may receive an additional distribution from the fund under Subsection (g) only after the board certifies to the Legislative Budget Board that:

(1)  the board 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 board or the buildings and grounds over which the board 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)  All expenditures by the board under this section are subject to audit by the state auditor.

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

[~~(c)  The interest received from investment of money in the fund shall be credited to the fund.~~

[~~(d)  The board may transfer money from any account of the Capitol fund to the capital renewal trust fund, other than money that was donated to the board, derived from a security or other thing of value donated to the board, or earned as interest or other income on a donation to the board, if the board 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.~~

[~~(e)  The board may transfer money from the capital renewal trust fund to any account of the Capitol fund, provided that money transferred shall only be used for the purposes outlined in Subsection (b).~~]

SECTION 3.  Effective September 1, 2024, the following provisions of the Government Code are repealed:

(1)  Section 443.0295;

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

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

SECTION 4.  On September 1, 2024, the Governor's Mansion renewal trust fund and the State Cemetery preservation trust fund are abolished and the unencumbered balances of those funds are transferred to the comptroller of public accounts for deposit in the Texas state buildings preservation endowment fund created under Section 443.0103, Government Code, as amended by this Act. 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.  On September 1, 2024, the unencumbered balance of the capital renewal trust fund is transferred to the comptroller of public accounts for deposit in the Texas state buildings preservation endowment fund created under Section 443.0103, Government Code, as amended by this Act. 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.  Except as otherwise provided by this Act, this Act takes effect September 1, 2023.

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