

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 10, 2023

TO: Honorable Trent Ashby, Chair, House Committee on Culture, Recreation & Tourism

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3050 by Bonnen (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.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB3050, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2025. There would additionally be an indeterminate cost should the legislature appropriate funds to the Texas State Buildings Preservation Endowment Fund.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from Capital Renewal Trust Fund 0854	Probable Savings/(Cost) from Governor's Mansion Renewal Trust Fund 0804	Probable Savings/(Cost) from State Cemetery Preservation Trust Fund 0902	Probable Revenue Gain/(Loss) from Texas State Buildings Preservation Endowment Fund
2024	\$0	\$0	\$0	\$0
2025	(\$2,567,671)	(\$533,583)	(\$10,671,514)	\$13,772,768
2026	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0

Fiscal Analysis

The bill would amend sections of the Government Code related the State Preservation Board (SPB). The bill would create the Texas State Buildings Preservation Endowment Fund that would be held outside the Treasury, managed by the Texas Treasury Safekeeping Trust Company (TTSTC), and administered by the Comptroller of Public Accounts (CPA). The fund would be created for the purposes of maintaining, preserving, rehabilitating, and restoring the buildings and grounds over which SPB has authority. Under the provisions of the bill, the new fund would be composed of money transferred or appropriated to the fund by the legislature; money transferred to the fund from former Capital Renewal Trust Fund, Governor's Mansion Renewal Trust Fund, and State Cemetery Preservation Trust Fund; certain gifts, grants, and donations; and returns received from investment of money in the fund.

TTSTC would be required to hold, manage, and invest the fund and determine the amount available for distribution from the fund to SPB in accordance with a distribution policy adopted by the Comptroller. The expenses incurred from managing the fund and its assets would be paid from the fund.

The bill would direct 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 State Cemetery Preservation Trust Fund. Distributed funds could be used to acquire land in close proximity to the State Cemetery, with the written approval of the Legislative Budget Board (LBB). Money in the fund could 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 the SPB has authority.

Methodology

The Governor's Mansion Renewal Trust Fund and the State Cemetery Preservation Trust Fund would be abolished, and the unexpended balances would be transferred to the CPA for deposit into the new Texas State Buildings Preservation Endowment Fund outside the Treasury on September 1, 2024. The SPB reported in the agency's 2024-25 LAR, estimated beginning FY 2024 balances of \$0.5 million and \$10.7 million, respectively, for the Mansion Renewal Trust Fund and the Cemetery Preservation Trust Fund, which are assumed as the estimated transfers for purposes of this analysis.

The unexpended balances from the Capital Renewal Trust Fund would be transferred to the CPA for deposit into the new Texas State Buildings Preservation Endowment Fund outside the Treasury on September 1, 2024. The SPB reported in the agency's 2024-25 Legislative Appropriations Request (LAR), estimated beginning FY 2024 balances of \$2.6 million, which is assumed as the estimated transfer for purposes of this analysis. The combined transfers from the three affected funds to the new endowment fund is estimated to be \$13.8 million.

In addition, there would be an indeterminate cost if the Legislature were to appropriate funds to the endowment fund as well as future indeterminate gains to the endowment fund from returns on investments.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 809 Preservation Board

LBB Staff: JMc, SZ, LCO, KCu, KK, NV