

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**April 19, 2023**

**TO:** Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB1451** by Zaffirini (relating to the powers of the Texas Historical Commission over historic sites in this state.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1451, Committee Report 1st House, Substituted : an impact of \$0 through the biennium ending August 31, 2025.

**General Revenue-Related Funds, Five- Year Impact:**

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

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<i>Probable Revenue (Loss) from Historic Sites 5139</i>	<i>Probable Revenue Gain from Texas Historical Commission Retail Operations Fund (Outside the Treasury)</i>
2024	(\$327,000)	\$327,000
2025	(\$327,000)	\$327,000
2026	(\$327,000)	\$327,000
2027	(\$327,000)	\$327,000
2028	(\$327,000)	\$327,000

**Fiscal Analysis**

The bill would amend several provisions of the Government Code related the Texas Historical Commission (THC). The bill would increase the maximum historic courthouse project grant to \$10 million from the current \$6 million. The bill would also authorize THC to manage certain retail operations. Under the provisions of this bill, revenue from these retail operations, currently deposited to General Revenue-Dedicated Fund 5139, Historic Sites, would be deposited to a new Texas Historical Commission Retail Operations Fund that would be held as a trust fund outside the Treasury. Earnings and interest in the THC Retail Operations Fund would be retained in that fund and could be expended without appropriations for certain THC operations.

## Methodology

According to the Comptroller of Public Accounts (CPA), revenue generated by current THC retail operations is estimated to be \$327,000 per year from fiscal year 2024 through fiscal year 2028. The bill would result in a revenue loss in this amount to General Revenue-Dedicated Fund 5139, Historic Sites. The CPA assumes that the same amount of revenue would be deposited to the new THC Retail Operations Fund outside the Treasury beginning with the effective date of the bill, presumed to be September 1, 2023. The CPA does not project an increase in revenue related to any new retail operations authorized under this bill.

There would be effects on the Economic Stabilization Fund (ESF) balance limit and consequent effects for GR reserves and transfers to ESF. Because pertinent tax revenue is initially deposited to the General Revenue Fund, the reduction in tax revenue in the 2024-25 biennium would reduce the 2026-27 ESF balance limit by ten percent of the reduction in tax, reducing 2025 severance tax reserves for transfer to the ESF by the amount of the balance limit reduction, and increasing available GR in 2025 by the amount of reduction of the reserves, however that amount is not expected to be significant.

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

The increase of maximum grant award in the Historic Courthouse grant program authorized in this bill could decrease the number of full restoration grants to counties for this purpose should the THC increase these awards.

**Source Agencies:** 304 Comptroller of Public Accounts, 313 Department of Information Resources, 808 Historical Commission

**LBB Staff:** JMc, MOc, LCO, KCu, NV, SZ