

SUBJECT: Preserving Texas' historic courthouses

COMMITTEE: State, Federal, and International Relations — committee substitute recommended

VOTE: 6 ayes — Hunter, Berman, Elkins, Isett, C. Jones, Madden
3 nays — P. Moreno, Chavez, Juan Solis

WITNESSES: For — Elizabeth Ann Gates, Preservation Texas, Inc.; Conover Hunt, Harrison County Courthouse Centennial Campaign; Jeff Moseley; Tony Williams, City of Marshall
Against — None
On — John Nau III and Larry Oaks, Texas Historical Commission

BACKGROUND: In June 1998, Gov. Bush announced his Historic Courthouse Preservation Initiative, designed to focus attention on preserving Texas' historic courthouses. The governor created a working group of cities and public officials to make recommendations regarding a matching-grant program that communities could use to repair and restore historic courthouses throughout the state. The working group's report recommended that most of the money for the program be disbursed as grants, that the state provide long-term dedicated funding, and that a revolving loan fund be established to provide a continuing source of funding.

DIGEST: HB 1341 would create the Texas courthouse preservation program and the historic courthouse preservation fund account. It would outline requirements for the grant and loan program and the fund account and would give the Texas Historical Commission (THC) rulemaking authority to implement the bill's provisions.

The bill would define "historic courthouse" as a county courthouse at least 50 years old and "historic structure" as a structure included in the National Register of Historic Places, designated a Recorded Texas Historic Landmark or a State Archeological Landmark, determined by the THC to qualify for any of those designations, certified by the THC as worthy of preservation, or

designated as historic by the ordinance of a city of more than 1.5 million people.

HB 1341 would take effect September 1, 1999. The THC would have to adopt necessary rules by November 1, 1999.

Grants and loans. A county that owns a historic courthouse could apply to the THC for a grant or loan for a historic courthouse project. The bill would require the THC to give preference to a functioning county courthouse that is or is likely to become a historic structure and to a county that would provide or had provided at least 15 percent of the project's cost. The THC also would have to consider the following factors:

- ! the amount of money available for a grant or loan and the percentage of the costs that the county would contribute;
- ! the county's in-kind contributions subject to THC rules;
- ! the cost of preserving or restoring the courthouse;
- ! the architectural style and historic significance of the courthouse;
- ! the county's master preservation plan; and
- ! any other factors that the THC provided by rule.

Advisory committee. HB 1341 would require the THC to appoint a Texas Courthouse Preservation Program Advisory Committee after considering recommendations from the governor, the lieutenant governor, and the speaker. The committee would have to include members from different geographical areas of Texas, including an equal number of members from small, medium-sized, and large counties, and members from diverse professions with backgrounds in historic preservation. The THC could reimburse members' travel expenses and provide per-diem payments for other expenses from funds appropriated to the commission but not from funds in the historic courthouse preservation fund account.

Project requirements. To use courthouse preservation funds, a county would have to develop a master preservation plan for the project and use recognized preservation standards adopted by the THC. A county could use the money only for eligible preservation and restoration expenses as prescribed by the THC. Eligible expenses could include costs for:

- ! structural, mechanical, electrical, and plumbing systems;
- ! weather protection and emergency public safety issues not covered by insurance;
- ! environmental, accessibility, and other codes;
- ! replication of missing architectural features;
- ! removal of inappropriate additions or modifications; and
- ! restoration of courtroom or other significant public space in a functional and historically appropriate manner.

The THC would adopt rules for oversight of projects, including inspections and reports. The state auditor could audit a county's expenditures.

Funding. HB 1341 would create the historic courthouse preservation fund as an account in general revenue. The account would include transfers, payments on loans made under the program, grants and donations, interest income, and legislative appropriations. The THC could accept gifts, grants, or other donations for the historic courthouse preservation program or for specific projects.

A grant from the account could not exceed the greater of \$4 million or 2 percent of the biennial appropriation for the historic preservation program. The THC could set a limit on the loan amount for a historic courthouse project and would have all necessary power to enforce loan repayments and other agreements made under HB 1341. As a condition of funding, the commission could require a county to create a conservation easement in favor of the state as provided by chapter 183 of the Natural Resources Code, as well as other appropriate covenants in favor of the state.

Biennial appropriations to the THC for project administration and oversight could not exceed the greater of \$2 million or 1 percent of the biennial appropriation for the historic courthouse preservation program.

**SUPPORTERS
SAY:**

HB 1341 would promote historical and cultural preservation, local economic development, and environmental responsibility. Of 254 counties in Texas, 225 still have historic county courthouses at their social and civic center. More than 200 of the courthouses are still in active government use. Collectively, all 225 have been placed on the National Trust for Historic Preservation's list of the 11 most endangered places in the United States.

Courthouses were among the first permanent structures in many Texas counties. Most are fine examples of public architecture. Courthouses have been the visual and emotional center of communities for decades. They have been part of Texas history, including trials, elections, meetings, markets, festivals, and community celebrations.

Preservation and rehabilitation are fiscally responsible approaches to managing these facilities. The original designs of courthouses incorporated thick masonry walls for heat conservation, large open spaces to allow good air circulation, and tall windows and sky lights for natural light. These design features make the buildings economical to operate.

Heritage tourism has become one of the fastest-growing segments of the travel industry. Promoting restored historic courthouses as heritage tourism destinations could benefit local economies across the state. Cultural and heritage tourists generally spend more per day while traveling than other types of travelers spend. Heritage travelers take longer trips and spend more per trip than the average U.S. traveler.

Historic Texas courthouses have become popular locations for major films, television movies, and commercials. Courthouses featured in recent movies include Maverick County's in *Lone Star*, Fayette County's in *Michael*, Caldwell County's in *What's Eating Gilbert Grape*, Grimes County's in *Hope*, Harris County's in *Pointman*, and Wharton County's in *Powder*. These production projects instill community pride and help boost local economies.

Preservation also protects and extends a community's environmental investment in an existing building. Rehabilitation requires less energy and materials than new construction and reduces the need for expensive demolition and the impact on landfill space. Furthermore, both demolition and new construction can threaten the large, older trees that often dominate the public squares that surround county courthouses.

Private donations and local funding would be substantial part of any courthouse restoration effort. The THC would be required to give preference to counties that provide at least 15 percent of the project's costs, and the state contribution to any one county would be capped. Many counties have limited wealth and sparse populations and need state assistance to help ensure that these architectural treasures are not allowed to deteriorate. The local heritage

of Texas' counties also is the state's heritage that belongs to all Texans, and spending a little now to preserve our historic county courthouses for future generations is a worthy priority that would benefit the state as a whole.

**OPPONENTS
SAY:**

HB 1341 represents the wrong priorities for Texas. Instead of spending state dollars on buildings, the Legislature should appropriate money for people. It would be unacceptable to fund county courthouses when the needs of Texas' most vulnerable citizens remain unaddressed.

Before providing funding to restore historic courthouses, the Legislature should ensure funding to provide access to health care for more of Texas' uninsured children and should address the needs of legal immigrants penalized by federal cuts in service and the needs of senior citizens in convalescent homes.

Funding county courthouse restoration projects should not be the state's business. Instead, those projects should be funded by private donations and local funding, such as through bond programs as with any other local capital improvement. Many counties already have restored their courthouses through local and private means.

**OTHER
OPPONENTS
SAY:**

HB 1341 would restrict eligibility for the program to courthouses owned by a county and would give preference to functioning courthouses. Some counties have turned over their courthouses to nonprofit groups that use them as museums or for similar purposes. These courthouses with historically significant value would be excluded from eligibility.

The cost of restoring county courthouses could far exceed the cost of building new courthouses. While historical preservation is important, restoring buildings that are too far gone makes little economic sense.

NOTES:

The committee substitute would restrict program eligibility to courthouses owned by counties. Under the original bill, courthouses owned by nonprofit organizations also would have been eligible. The substitute also changed the composition of the Texas Courthouse Preservation Program Advisory Committee to reflect geographic and county diversity and eliminated landscaping as an eligible expense for grant or loan funding.

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A similar bill, SB 728 by Fraser, was reported favorably with amendments by the Senate Finance Committee on March 15.

An item in the Article 11 “wish list” in HB 1 by Junell, the general appropriations bill for fiscal 2000-01 passed by the House on April 14, would appropriate \$100 million to the THC for the Texas Courthouse Preservation Initiative, contingent upon enactment of HB 1341 or similar legislation.