

- SUBJECT:** Creating the National Museum of the Pacific War museum fund
- COMMITTEE:** Culture, Recreation and Tourism — favorable, without amendment
- VOTE:** 7 ayes — Frullo, Faircloth, D. Bonnen, Fallon, Gervin-Hawkins, Krause, Martinez
- 0 nays
- WITNESSES:** For — Mike Hagee, Admiral Nimitz Foundation; (*Registered, but did not testify*: Matt Long and Angela Smith, Fredericksburg Tea Party; Doris Spraggins)
- Against — None
- On — (*Registered, but did not testify*: Corey Crawford, Texas Historical Commission)
- BACKGROUND:** HB 2025 by Hilderbran, enacted by the 79th Legislature in 2005, enabled the Texas Historical Commission to enter into an agreement with the Admiral Nimitz Foundation to manage or financially support the National Museum of the Pacific War.
- Government Code, sec. 442.054 established a separate account within the general revenue fund for the National Museum of the Pacific War consisting of transfers, operational revenue, certain grants and donations, and income earned on investments in the account.
- DIGEST:** HB 1492 would repeal Government Code, sec. 442.054 and create the National Museum of the Pacific War museum fund as a fund outside of the state treasury. Administration of the fund would be the responsibility of the Texas Historical Commission, but the commission could contract with the Admiral Nimitz Foundation for that purpose.
- The fund would consist of admissions revenue from operations of the museum, donations made to the Texas Historical Commission for the

museum, and interest and income from the assets of the fund. Money in the fund could be spent without appropriation and only to administer, operate, preserve, repair, expand, or otherwise maintain the museum.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2017.

**SUPPORTERS
SAY:**

HB 1492 would establish the National Museum of the Pacific War museum fund outside the state's treasury, providing more flexibility in how the Admiral Nimitz Foundation collects and spends its funds. The foundation currently may not comingle the admissions revenue that is sent to the general revenue fund with other revenue from the foundation. Requirements related to keeping these funds separate have prevented the foundation from offering online ticket sales or packaged ticket deals. Moving the museum's fund outside the state treasury would allow the foundation to maximize the museum's revenue potential and increase the number of visitors.

Creating a fund outside of the state treasury would reduce accounting inefficiencies that result from the museum's funds being included in general revenue. Currently, the funds must be deposited into a State of Texas account at a local bank and transferred to the state, where the admissions revenue is reconciled with the number of admissions tickets sold. It is then sent back to the local account, where it is transferred into another bank account used solely for operations. This bill would remove this duplicative process and allow the museum to keep all its money in one location, saving both the museum and the state time and money.

The Texas Historical Commission would retain oversight of the new fund, ensuring the money was used for its intended purpose. The bill would merely change where the funds were held; it would not reduce transparency or oversight.

While HB 1492 has a fiscal note, this is because money located in the general revenue fund would be moved to an outside account. The decrease

in revenue would correspond with a decrease in expenditures. The bill would not create any new costs and would not require additional money to be spent on the museum.

OPPONENTS
SAY:

No apparent opposition.

NOTES:

A companion bill, SB 694 by Buckingham, was reported favorably from the Senate Committee on Natural Resources and Economic Development on April 3.

According the Legislative Budget Board's fiscal note, HB 1492 would have a negative impact of \$2.7 million in general revenue related funds through fiscal 2018-19. A like amount would be deposited to a new fund outside of the treasury.