

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 6, 2011

TO: Honorable Ryan Guillen, Chair, House Committee on Culture, Recreation & Tourism

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB3725 by Guillen (Relating to the preservation and maintenance of the Alamo by the Texas Historical Commission.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3725, As Introduced: an impact of \$0 through the biennium ending August 31, 2013.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from New General Revenue Dedicated	Probable Savings/ (Cost) from New General Revenue Dedicated	Probable Revenue Gain from Appropriated Receipts	Probable Savings/ (Cost) from Appropriated Receipts
	666		666	
2012	\$8,000,000	(\$2,546,691)	\$743,087	(\$236,552)
2013	\$12,000,000	(\$3,801,737)	\$1,114,630	(\$353,127)
2014	\$12,000,000	(\$3,637,035)	\$1,114,630	(\$337,829)
2015	\$12,000,000	(\$3,637,035)	\$1,114,630	(\$337,829)
2016	\$12,000,000	(\$3,637,035)	\$1,114,630	(\$337,829)

Fiscal Year	Change in Number of State Employees from FY 2011
2012	3.7
2013	5.5
2014	5.5
2015	5.5
2016	5.5

Fiscal Analysis

The bill would amend the Government Code relating to the preservation and maintenance of the

Alamo by the Texas Historical Commission (THC). The bill would require THC to employ staff necessary to preserve and maintain the Alamo and contract for professional services of qualified consultants. The bill would require THC to prepare an annual budget and workplan for maintenance of the Alamo and other buildings on Alamo property, their contents, and grounds.

The bill would place the Alamo under the jurisdiction of THC and THC would be responsible for the preservation, maintenance, restoration and protection of the Alamo and its contents. The bill would transfer any power or duty related to the Alamo formerly vested in any other state agency or entity to THC. The bill would exempt THC from compliance of state purchasing laws relating to requests for proposals in carrying out its duties related to the Alamo.

The bill would require the State Preservation Board to assist THC with its duties relating to the Alamo upon request by the THC.

The bill would require THC to enter into an agreement with a nonprofit corporation for the management, operation, and financial support of the Alamo. The bill would specify minimum requirements for the agreement.

The bill would create an Alamo account in the general revenue fund which would consist of transfers made to the account, fees and revenue from operation of the Alamo, grants and donations, and income earned on investments of money in the account. Appropriations to THC for the Alamo would be deposited to the account. THC would be authorized to use the account on expenses related to the Alamo and to acquire historical items appropriate to the Alamo. The bill would exempt the account from application of Government Code, Section 403.095. The bill would authorize the Commission to accept a grant or donation for any program or purpose of the Alamo.

The bill would authorize the Daughters of the Republic of Texas (DRT) to charge an admission fee to the Alamo. The bill would prohibit DRT from exercising any custody or control over the Alamo, its grounds or its contents and prohibit its organizational presence at the Alamo or its grounds unless an agreement between DRT and THC is entered relating to the management, operation, and financial support of the Alamo.

The bill would repeal Article 6394, Revised Civil Statutes of 1911, and Chapter 7, Acts of the 29th Legislature, Regular Session 1905, relating to the care and custody of the Alamo by DRT.

On January 1, 2012, all powers and duties of DRT relating to the Alamo would be transferred to THC, including unobligated and unexpended funds granted to DRT designated for administration of the Alamo; all equipment and property acquired with state money by DRT and used for administration of or related to the Alamo; and all files and other records of DRT regarding the Alamo.

Methodology

Costs of the THC to operate and maintain the Alamo are estimated to be \$6,938,107 over the 2012-13 biennium. It is assumed that the THC would operate the site in a similar arrangement as the National Museum of the Pacific War (NMPW), a site that is operated by the THC and a nonprofit organization. For the NMPW, during the 2010-11 biennium, it is anticipated that 78 percent of costs for the site would be managed by the nonprofit organization and the remaining 22 percent would include management and program functions provided by THC.

Costs for functions provided by THC at the Alamo would include addition of and salaries and benefits (\$340,108 each full fiscal year) for 5.5 full-time equivalent positions. The positions would provide management, curation, program development, project design and clerical support for the agency operation and preservation of the Alamo. Additional costs are anticipated to range from \$540,000 to \$720,000 for each full fiscal year for professional fees and services, equipment purchases, collections conservation, maintenance, travel, consumable supplies and other operating expenses. It is anticipated that the remaining costs of \$2,063,171 in fiscal year 2012 and \$3,094,756 each fiscal year thereafter would include the operating expenses of the nonprofit organization which enters into an agreement with THC to operate the Alamo.

In addition, there are indeterminate costs for restoration of the Alamo. The agency has indicated that evaluations of the Alamo would need to be conducted to determine the costs.

This analysis also assumes collections of admissions fees at the Alamo at \$8,000,000 in fiscal year 2012 and \$12,000,000 each fiscal year thereafter to be deposited to the new Alamo account. The estimate is based on reported visitation by DRT on the Alamo's website of 2,500,000 visitors each year. It is assumed that 80 percent of visitors would pay the admissions charge, based on paid visitation figures at NMPW, and an average fee of \$6 per visitor. The average fee is based on the average fees charged by THC for the agency's historic sites, excluding Landmark Inn which offers overnight visits.

This analysis also assumes additional revenue of \$743,087 in fiscal year 2012 and \$1,114,630 each fiscal year thereafter from appropriated receipts generated from sales at gift shops.

This analysis assumes costs would be paid proportionally by revenue and the proration of costs and revenue in fiscal year 2012 due to transition of the Alamo to THC on January 1, 2012, providing for 8 months of operation under THC in that fiscal year.

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 with or outside of 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 fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 808 Historical Commission, 809 Preservation Board

LBB Staff: JOB, KM, LCO, MS