

SUBJECT: Eligibility of municipalities for courthouse preservation program

COMMITTEE: Culture, Recreation and Tourism — committee substitute recommended

VOTE: 7 ayes — Guillen, Dukes, Aycock, Kuempel, Larson, Nevárez, Smith
0 nays

WITNESSES: For — Guillermo Ramirez, City of Hidalgo; (*Registered, but did not testify*): Gustavo Sanchez and Joe Vera, City of Hidalgo
Against — none
On — Sharon Fleming, Texas Historical Commission

BACKGROUND: Government Code, secs. 442.0081, 442.0082, and 442.0083 relate to the designation of a historically significant courthouse and the administration of historic courthouse preservation and maintenance programs by the Historical Commission. A single grant may not exceed the greater of \$6 million or 2 percent of the amount appropriated for the historic courthouse preservation program.

DIGEST: CSHB 3674 would include in the definition of “historic courthouse” a municipally owned structure that previously functioned as the official county courthouse. The bill also would make conforming changes to the Government Code to reflect this changed definition, specifying that a historic courthouse eligible for preservation funding could be owned by either a county or a municipality.

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, 2013.

SUPPORTERS SAY: The Texas Historic Courthouse Preservation Program has a record of success throughout the state, generating nearly 10,000 jobs, \$367 million in gross state product, and a combined \$43.5 million in local and state taxes since its inception in 1999. The program stimulates local economies and serves local communities by generating jobs, providing a site for

community events, increasing local property values, attracting tourism and film projects, and giving local citizens tangible connection to the past. Allowing municipalities to apply for this funding would level the playing field for local government entities seeking to preserve historic buildings that once served as courthouses.

Roughly five buildings would become eligible for funding from this program, all of which previously served as county courthouses and are more than 100 years old. The historical value of these municipally owned courthouses is the same as courthouses owned by counties, and they should receive the same opportunities for protection and preservation.

Allowing municipally owned courthouses access to the courthouse preservation program would not burden the fund's resources. Very few courthouses would be added to the list of eligible buildings, and the estimated cost of renovating some of these buildings would be much lower than the average cost to renovate a county-owned courthouse. For example, the City of Hidalgo has already raised \$1 million from the local community to renovate its city-owned courthouse, but would seek \$1 million in needed funds from the courthouse preservation fund. This is less than the average request from the program of \$3 million to \$4 million.

Multiple buildings within a single county may already qualify for restoration and preservation funding because some counties own more than one historic courthouse. Previous legislation capped grants for a single county at \$6 million or 2 percent of the amount appropriated for the historic courthouse preservation program to ensure that counties did not receive more than their fair share.

**OPPONENTS
SAY:**

The bill would expand the number of courthouses eligible for help from the courthouse preservation program, which does not have the capacity to fund current projects, let alone new applications from municipally owned courthouses. In the 2012-13 biennium, counties requested \$130 million, and only \$20 million was appropriated by the Legislature. The fund's account has \$1.6 million remaining.

This bill also unfairly would allow counties to double-dip by receiving grant funding from the Historical Commission for two separate courthouses in a single county.

NOTES:

The committee substitute differs from the bill as filed by expanding the

definition of “historic courthouse” to include a courthouse that previously functioned as an official county courthouse and was owned by a municipality and making conforming changes.

The House committee substitute of SB 1 would appropriate \$10.9 million for the courthouse preservation program in fiscal 2014-2015. The Senate has identified \$20 million for the courthouse preservation fund as a priority if additional funding becomes available.