

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 337 Management of Historic Pensacola Properties

**SPONSOR(S):** Ford

**TIED BILLS:** **IDEN./SIM. BILLS:** SB 1014

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Schools & Learning Council		Thomas	Cobb
2) Policy & Budget Council			
3) _____			
4) _____			
5) _____			

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**SUMMARY ANALYSIS**

Under current law, the Department of State must contract with the University of West Florida for the management of various state-owned properties managed by the Historic Pensacola Preservation Board of Trustees prior to July 1, 2001. The contract requires the university to use all proceeds derived from the management of the properties for the purpose of advancing historic preservation.

HB 337 provides for the University of West Florida to directly contract with the Board of Trustees of the Internal Improvement Trust Fund for management of various state-owned historic properties in Pensacola. HB 337 provides that, upon agreement by all parties to the existing management contracts, the contracts will be rescinded upon execution of a contract between the Board of Trustees of the Internal Improvement Trust Fund and the University of West Florida for the management of those properties.

HB 337 transfers the authority of the Department of State to transfer ownership and responsibility of any artifacts, documents, equipment, and other forms of tangible personal property to the University of West Florida to the Board of Trustees of the Internal Improvement Trust Fund.

Currently, the University of West Florida may exchange, sell, or otherwise transfer any artifact, document, equipment, and other form of tangible personal property if its direct-support organization recommends such exchange, sale, or transfer and if it is determined that the object is no longer appropriate for the purpose of advancing historic preservation. HB 337 limits this authority by requiring prior authorization from the Department of State before disposal of any tangible personal property that has intrinsic historical or archaeological value relating to the history, government, or culture of the state.

The fiscal impact of the bill appears to be insignificant. (See Fiscal Comments)

The effective date of this act is July 1, 2008.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

The bill does not appear to implicate any of the House Principles.

#### B. EFFECT OF PROPOSED CHANGES:

##### **Background**

##### *Historic Preservation in West Florida*

The State of Florida through the Trustees of the Internal Improvement Trust Funds owns 24 parcels of property in downtown Pensacola including 17 historic buildings dating from 1805 to 1950. The properties were managed by the state-funded Historic Pensacola Preservation Board under the Department of State until 2001 when the Board was dissolved by the Legislature.<sup>1</sup>

Under current law, the Department of State must contract with the University of West Florida for the management of the various state-owned properties managed by the Historic Pensacola Preservation Board of Trustees prior to July 1, 2001.<sup>2</sup> The contract requires the university to use all proceeds derived from the management of the properties for the purpose of advancing historic preservation. The Department of State may transfer ownership and responsibility to any artifact, documents, equipment, and other forms of tangible personal property to the University of West Florida to assist the university in the transition of the management of the state-owned properties.

The University of West Florida is the governing body for the management and the maintenance of these state-owned properties. The University of West Florida may contract with the direct support organization authorized by s. 267.1732, F.S., to assist the university in carrying out its historic preservation and historic preservation education responsibilities. Current law<sup>3</sup> requires the University of West Florida to authorize a direct-support organization to assist the university in carrying out its dual historic preservation and historic preservation education purposes and responsibilities for the City of Pensacola, Escambia County and West Florida. The sole purpose for the direct-support organization is to support the historic preservation efforts and the historic preservation education programs and initiatives of the university.

The University of West Florida may exchange, sell or otherwise transfer any artifact document, equipment and other form of tangible personal property if its direct-support organization recommends such exchange, sale, or transfer and if it is determined that the object is no longer appropriate for the purpose of advancing historic preservation.<sup>4</sup>

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<sup>1</sup> Department of State Analysis of House Bill 337

<sup>2</sup> s. 267.173, F.S.

<sup>3</sup> s. 267.1732, F.S.

<sup>4</sup> Id.

The University of West Florida and its direct support organization are permitted to participate in the University Major Gifts Program.

#### University Major Gifts Program

The University Major Gifts Program provides the opportunity for each state university to receive and match private donations for the establishment of permanent endowments. The donations and the state matching funds are then invested, with the proceeds to be used to enhance university libraries and instruction and research programs. The donations, state matching funds, and proceeds from the University Major Gifts Program may not be used for the construction, renovation or maintenance of facilities or to support intercollegiate athletics.<sup>5</sup>

#### Alec P. Courtelis University Facility Enhancement Challenge Grant Program

The purpose of the Alec P. Courtelis University Facility Enhancement Challenge Grant Program is to assist universities in building high priority instructional and research-related capital facilities, including common areas connecting such facilities.<sup>6</sup> The foundations that serve the universities solicit gifts from private sources to provide matching funds for capital facilities. Private sources of funds may not include any federal, state, or local government funds that a university may receive. The Board of Governors must establish a method for validating the receipt and the deposit of private matching funds for participating universities. The Legislature may appropriate the state's matching funds in one or more fiscal years for the planning, construction, and equipping of an eligible facility.

#### Effect of Proposed Changes

HB 337 provides that, upon agreement by all parties to the existing management contracts, the contracts will be rescinded upon execution of a contract between the Board of Trustees of the Internal Improvement Trust Fund and the University of West Florida for the management of those properties. The University of West Florida is authorized to contract with the direct support organization authorized by s.267.1732 for such management. Any such contract must provide that proceeds derived from the management of the properties must be used for purposes of advancing historic preservation, research, and education.

HB 337 transfers the authority of the Department of State to transfer ownership and responsibility of any artifacts, documents, equipment, and other forms of tangible personal property to the University of West Florida to the Board of Trustees of the Internal Improvement Trust Fund.

Currently, the University of West Florida may exchange, sell, or otherwise transfer any artifact, document, equipment, and other form of tangible personal property if its direct-support organization recommends such exchange, sale, or transfer and if it is determined that the object is no longer appropriate for the purpose of advancing historic preservation.<sup>7</sup> HB 337 limits this authority by requiring prior authorization from the Department of State before disposal of any tangible personal property that has intrinsic historical or archaeological value relating to the history, government, or culture of the state.

HB 337 provides that the university and its direct-support organization are eligible to match state funds in the Alec P. Courtelis University Facility Enhancement Challenge Grant Program.<sup>8</sup> The historic

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<sup>5</sup> s. 1011.94, F.S.

<sup>6</sup> s. 1013.79, F.S.

<sup>7</sup> s. 267.173, F.S.

<sup>8</sup> Id.

Pensacola properties appear to be currently eligible for the Alec P. Courtelis Grant Program, so adding the reference appears to be only clarifying in nature.

C. SECTION DIRECTORY:

Section 1. Amends s. 267.173, F.S.; providing for the University of West Florida to directly contract for management of certain state-owned properties in Pensacola; requiring agreement of all parties to existing contracts and execution of contract with the Board of Trustees of the Internal Improvement Trust Fund; deleting a requirement to contract with the Department of State for certain historic properties in Pensacola; deleting language related to the transfer of properties and contract requirements with the Department of State; permitting the University of West Florida to contract with its direct-support organization for management of historic properties; providing eligibility for certain grants.

Section 2. Provides an effective date of July 1, 2008

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

These historic properties currently receive approximately \$189,000 in Plant Operation and Maintenance funding through the university budget. Also, the historic Pensacola properties are already eligible for the Alec P. Courtelis University Facility Enhancement Challenge Grant Program, so adding the reference appears to be only clarifying in nature.

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require a city or county to expend funds or to take any action requiring the expenditure of funds.

The bill does not appear to reduce the authority that municipalities or counties have to raise revenues in the aggregate.

This bill does not appear to reduce the percentage of state tax shared with counties or municipalities.

2. Other:

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

On line 51, the bill provides that proceeds derived from the management of these state-owned properties must be used for the purpose of advancing historic preservation, research, and education. Currently, these funds may be used only for the purpose of advancing historic preservation. As the university is a research and educational institution, the addition of "research and education" to the purposes for which funds derived from the historic properties may be used could be construed to permit a much broader use of those funds. In contrast, on lines 80-81, the university and the direct-support organization are granted contracting authority to perform acts that assist the university in carrying out its historic preservation and "historic preservation education" responsibilities. Further clarification of legislative intent regarding the use of proceeds derived from management of the historic properties may be needed to provide consistency.

D. STATEMENT OF THE SPONSOR

Waived by the sponsor due to time constraints.

**IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES**