

HOUSE BILL REPORT

HB 2349

As Reported By House Committee On:

Capital Budget

Title: An act relating to capital projects for local nonprofit art and cultural organizations.

Brief Description: Funding capital projects for local nonprofit art and cultural organizations.

Sponsors: Representatives Ogden, Gardner, Romero, Butler, Chopp, Costa, Anderson, Kenney, Cooper, Constantine, Conway and Lantz.

Brief History:

Committee Activity:

Capital Budget: 1/27/98, 2/3/98 [DP].

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 11 members: Representatives Sehlin, Chairman; Honeyford, Vice Chairman; Ogden, Ranking Minority Member; Sullivan, Assistant Ranking Minority Member; Costa; Hankins; Koster; Lantz; Mitchell; D. Sommers and H. Sommers.

Staff: Susan Howson (786-7142).

Background: Building for the Arts, a program giving state grants for local art facility improvements, has been funded in the capital budget since 1991 through budget provisos. The state capital budget has provided over \$26 million for nonprofit art organization facilities located across the state. However, the Building for the Arts program nor the solicitation process for the program has been codified into statute.

Summary of Bill: The Department of Community, Trade and Economic Development (CTED) must establish a statewide competitive evaluation process to solicit and prioritize performing arts, art museum and cultural organization capital projects in consultation with a citizen advisory committee. The evaluation process used to develop the prioritized list must use objective criteria, consider local community support for projects and an examination of existing assets that applicants may apply to projects. The Legislature may consider the list when appropriating capital funds for the projects.

State grants may provide for no more than 15 percent of the cost of acquiring, constructing or rehabilitating art facilities. The remaining portions of the project capital cost shall be a match from nonstate sources that may include land value and cash contributions. CTED is authorized to set matching requirements for individual projects.

If project grantees are found to be out of compliance with contract provisions, grantees must repay the principal amount of the grant plus interest, where interest is calculated as the rate of interest on state of Washington general obligation bonds issued most closely to the date of grant authorization.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The Building for the Arts program has been funded in the capital budget through budget provisos since 1991. The program nor the solicitation process has been codified into statute. By institutionalizing the program, the number of projects and capital needs will be identified prior to the Legislature appropriating capital funds, giving more visibility to the specific projects that may be funded.

Testimony Against: The Legislature should look at the total budget to determine what is economically responsible for the state to spend on Building for the Arts projects without being influenced by specific project proponents. The money should be appropriated first based on policy considerations prior to the establishment of a specific list of projects.

Testified: Representative Val Ogden, prime sponsor; Representative Jim Honeyford (concerned with the list of projects prior to appropriation); and Dwight Gee, Corporate Council for the Arts.