

HOUSE BILL ANALYSIS

HB 2467

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

Prime Sponsor: Representative Jim Honeyford

Background:

Building for the Arts

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.

Heritage Program

In the 1995 session, a competitive state grant program was established in statute for Washington heritage capital projects. The Washington State Historical Society (WSHS) is required to submit a prioritized list of heritage projects to the governor and legislature by September 1st of each even-numbered year, beginning in 1996, as a guide for appropriating funds. In the 1997-99 capital budget, the first appropriation was made under this program totaling \$4.1 million dollars for 26 heritage projects on the prioritized list submitted by WSHS.

Summary:

Building for the Arts

If the Legislature provides an appropriation for the program, the Department of Community, Trade and Economic Development (CTED) must establish a state-wide competitive evaluation process to solicit and prioritize performing arts, art museum and cultural organization capital projects. Nonprofit organizations and other entities, as determined by the department, may apply for funding. The prioritized list of capital projects, developed in consultation with a citizen advisory committee including a representative from the state arts commission, must include a description of the project, the amount of recommended state funding, and nonstate

funds to be used for the project. The evaluation and ranking process must also consider local community support for projects and an examination of existing assets that applicants may apply to projects. CTED must submit a prioritized list of recommended projects to the legislature by November 1 following the effective date of the appropriation for the program and must not sign contracts or financially obligate funds until the legislature has approved the list.

State grants may provide for no more than fifteen percent of the cost of acquiring, constructing or rehabilitating art facilities. The remaining portions of the project capital cost shall be from nonstate sources that may include land value and cash contributions.

CTED shall include provisions in the contracts for grants authorized that require that the grantee hold capital improvements for a specified period of time appropriate to the amount of the grant and that facilities be used for the express purpose of the grant. If the grantee is found to be out of compliance with the contract, the grantee shall repay to the state general fund 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 authorization of the grant.

Heritage Program

HB 2467 amends current law by requiring an appropriation be made by the legislature prior to the society establishing and submitting a prioritized list of heritage capital projects to the legislature. The prioritized list developed must include a description of the project, the amount of recommended state funding, and documentation of nonstate funds to be used for the project. The list must be submitted to the legislature by November 1 following the effective date of the appropriation for heritage capital projects.

The amount of state funding must not exceed 25% of the total project cost and the society must not sign contracts or financially obligate funds until the legislature has approved the list of projects.

Fiscal Note: None

Effective Date: Ninety days after adjournment of the legislative session in which the bill is enacted.

Agency Rule Making Impact: CTED and WSHS are required to adopt rules governing project eligibility and evaluation criteria.

Appropriation: None