
SUBSTITUTE HOUSE BILL 1222

State of Washington

56th Legislature

1999 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Ogden, Mitchell, Lantz, Murray, Constantine, Hankins and O'Brien)

Read first time 02/17/1999.

1 AN ACT Relating to capital projects for local nonprofit art,
2 cultural, heritage, and social service organizations; amending RCW
3 27.34.330 and 43.63A.125; adding a new section to chapter 43.63A RCW;
4 and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.63A RCW
7 to read as follows:

8 (1) A competitive grant program to assist nonprofit organizations
9 in acquiring, constructing, or rehabilitating performing arts, art
10 museums, and cultural facilities is created.

11 (2)(a) The department shall submit a list of recommended performing
12 arts, art museum projects, and cultural organization projects eligible
13 for funding to the governor and the legislature in the department's
14 biennial capital budget request beginning with the 2001-2003 biennium
15 and thereafter. The list, in priority order, shall include a
16 description of each project, the amount of recommended state funding,
17 and documentation of nonstate funds to be used for the project.

18 (b) The department shall establish a competitive process to
19 prioritize applications for state assistance as follows:

1 (i) The department shall conduct a state-wide solicitation of
2 project applications from nonprofit organizations, local governments,
3 and other entities, as determined by the department. The department
4 shall evaluate and rank applications in consultation with a citizen
5 advisory committee, including a representative from the state arts
6 commission, using objective criteria. The evaluation and ranking
7 process shall also consider local community support for projects and an
8 examination of existing assets that applicants may apply to projects.

9 (ii) The department may establish the amount of state grant
10 assistance for individual project applications but the amount shall not
11 exceed twenty percent of the estimated total capital cost or actual
12 cost of a project, whichever is less. The remaining portions of the
13 project capital cost shall be a match from nonstate sources. The
14 nonstate match may include cash, the value of real property when
15 acquired solely for the purpose of the project, and in-kind
16 contributions. The department is authorized to set matching
17 requirements for individual projects. State assistance may be used to
18 fund separate definable phases of a project if the project demonstrates
19 adequate progress and has secured the necessary match funding.

20 (iii) The department shall not sign contracts or otherwise
21 financially obligate funds under this section until the legislature has
22 approved a specific list of projects. In contracts for grants
23 authorized under this section, the department shall include provisions
24 requiring that capital improvements be held by the grantee for a
25 specified period of time appropriate to the amount of the grant and
26 that facilities be used for the express purpose of the grant. If the
27 grantee is found to be out of compliance with provisions of the
28 contract, the grantee shall repay to the state general fund the
29 principal amount of the grant plus interest calculated at the rate of
30 interest on state of Washington general obligation bonds issued most
31 closely to the date of authorization of the grant.

32 **Sec. 2.** RCW 27.34.330 and 1995 c 182 s 2 are each amended to read
33 as follows:

34 The Washington state historical society shall establish a
35 competitive process to solicit proposals for and prioritize heritage
36 capital projects for potential funding in the state capital budget.
37 The society shall adopt rules governing project eligibility and
38 evaluation criteria. Application for funding of specific projects may

1 be made to the society by local governments, public development
2 authorities, nonprofit corporations, tribal governments, and other
3 entities, as determined by the society. The society, with the advice
4 of leaders in the heritage field, including but not limited to
5 representatives from the office of the secretary of state, the eastern
6 Washington state historical society, and the state office of
7 archaeology and historic preservation, shall establish and submit a
8 prioritized list of heritage capital projects to ~~((be recommended to
9 the governor and the legislature by September 1st of each even-numbered
10 year, beginning in 1996. The prioritized list shall be developed
11 through open and public meetings. The governor and the legislature
12 shall consider the prioritized list of heritage projects as a guide for
13 appropriating funds to heritage capital projects beginning with the
14 1997-99 biennium and thereafter))~~ the governor and the legislature in
15 the society's biennial capital budget request. The list shall include
16 a description of each project, the amount of recommended state funding,
17 and documentation of nonstate funds to be used for the project. The
18 prioritized list shall be developed through open and public meetings
19 and the amount of state funding shall not exceed thirty-three percent
20 of the total cost of the project. The nonstate portion of the total
21 project cost may include cash, the value of real property when acquired
22 solely for the purpose of the project, and in-kind contributions. The
23 department shall not sign contracts or otherwise financially obligate
24 funds under this section until the legislature has approved a specific
25 list of projects. In contracts for grants authorized under this
26 section, the society shall include provisions requiring that capital
27 improvements be held by the grantee for a specified period of time
28 appropriate to the amount of the grant and that facilities be used for
29 the express purpose of the grant. If the grantee is found to be out of
30 compliance with provisions of the contract, the grantee shall repay to
31 the state general fund the principal amount of the grant plus interest
32 calculated at the rate of interest on state of Washington general
33 obligation bonds issued most closely to the date of authorization of
34 the grant.

35 **Sec. 3.** RCW 43.63A.125 and 1997 c 374 s 2 are each amended to read
36 as follows:

37 ~~((If the legislature provides an appropriation to))~~ (1) The
38 department shall establish a competitive process to solicit proposals

1 for and prioritize projects that assist nonprofit organizations in
2 acquiring, constructing, or rehabilitating facilities used for the
3 delivery of nonresidential social services~~((, the legislature may~~
4 ~~direct the department of community, trade, and economic development~~
5 ~~to)).~~

6 (2) The department shall establish a competitive process to
7 prioritize applications for the assistance as follows:

8 ~~((+1))~~ (a) The department shall conduct a state-wide solicitation
9 of project applications from local governments, nonprofit
10 organizations, and other entities, as determined by the department.
11 The department shall evaluate and rank applications in consultation
12 with a citizen advisory committee using objective criteria. At a
13 minimum, applicants must demonstrate that the requested assistance will
14 increase the efficiency or quality of the social services it provides
15 to citizens. The evaluation and ranking process shall also include an
16 examination of existing assets that applicants may apply to projects.
17 Grant assistance under this section shall not exceed twenty-five
18 percent of the total cost of the project. The nonstate portion of the
19 total project cost may include~~((, but is not limited to, land,~~
20 ~~facilities))~~ cash, the value of real property when acquired solely for
21 the purpose of the project, and in-kind contributions.

22 ~~((+2))~~ (b) The department shall submit a prioritized list of
23 recommended projects to the~~((legislature by November 1st following the~~
24 ~~effective date of the appropriation))~~ governor and the legislature in
25 the department's biennial capital budget request beginning with the
26 2001-2003 biennium and thereafter. For the 1999-2001 biennium, the
27 department may submit a prioritized list to the legislature for
28 approval within thirty days after the effective date of this section.
29 The list shall include a description of each project, the amount of
30 recommended state funding, and documentation of nonstate funds to be
31 used for the project. The department shall not sign contracts or
32 otherwise financially obligate funds under this section until the
33 legislature has approved a specific list of projects.

34 ~~((+3))~~ (c) In contracts for grants authorized under this section
35 the department shall include provisions which require that capital
36 improvements shall be held by the grantee for a specified period of
37 time appropriate to the amount of the grant and that facilities shall
38 be used for the express purpose of the grant. If the grantee is found
39 to be out of compliance with provisions of the contract, the grantee

1 shall repay to the state general fund the principal amount of the grant
2 plus interest calculated at the rate of interest on state of Washington
3 general obligation bonds issued most closely to the date of
4 authorization of the grant.

5 ~~((4) The department shall develop model contract provisions for
6 compliance with subsection (3) of this section and shall distribute its
7 recommendations to the appropriate legislative committees, the office
8 of financial management, and to all state agencies which provide
9 capital grants to nonstate entities.))~~

10 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
11 preservation of the public peace, health, or safety, or support of the
12 state government and its existing public institutions, and takes effect
13 immediately.

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