

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1577

59th Legislature
2005 Regular Session

Passed by the House March 8, 2005
Yeas 79 Nays 19

Speaker of the House of Representatives

Passed by the Senate April 11, 2005
Yeas 46 Nays 3

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1577** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 1577

Passed Legislature - 2005 Regular Session

State of Washington 59th Legislature 2005 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Lantz, Hankins, Morrell, Jarrett, Moeller, Clibborn, Flannigan, Darneille, Dunshee and Kilmer)

READ FIRST TIME 02/25/05.

1 AN ACT Relating to capital projects for local nonprofit art,
2 cultural, heritage, youth, and social service organizations; amending
3 RCW 43.63A.125, 43.63A.750, 27.34.330, and 43.63A.135; and repealing
4 1999 c 295 s 4 (uncodified).

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

6 **Sec. 1.** RCW 43.63A.125 and 1999 c 295 s 3 are each amended to read
7 as follows:

8 (1) The department shall establish a competitive process to solicit
9 proposals for and prioritize projects that assist nonprofit
10 organizations in acquiring, constructing, or rehabilitating facilities
11 used for the delivery of nonresidential social services.

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

14 (a) The department shall conduct a statewide solicitation of
15 project applications from local governments, nonprofit organizations,
16 and other entities, as determined by the department. The department
17 shall evaluate and rank applications in consultation with a citizen
18 advisory committee using objective criteria. At a minimum, applicants
19 must demonstrate that the requested assistance will increase the

1 efficiency or quality of the social services it provides to citizens.
2 The evaluation and ranking process shall also include an examination of
3 existing assets that applicants may apply to projects. Grant
4 assistance under this section shall not exceed twenty-five percent of
5 the total cost of the project. The nonstate portion of the total
6 project cost may include cash, the value of real property when acquired
7 solely for the purpose of the project, and in-kind contributions.

8 (b) The department shall submit a prioritized list of recommended
9 projects to the governor and the legislature in the department's
10 biennial capital budget request beginning with the 2001-2003 biennium
11 and thereafter. For the 1999-2001 biennium, the department shall
12 conduct a solicitation and ranking process, as described in (a) of this
13 subsection, for projects to be funded by appropriations provided for
14 this program in the 1999-2001 capital budget. The list shall include
15 a description of each project, the amount of recommended state funding,
16 and documentation of nonstate funds to be used for the project. The
17 total amount of recommended state funding for projects on a biennial
18 project list shall not exceed four million dollars. The department may
19 provide an additional prioritized alternate project list which shall
20 not exceed (~~five hundred thousand~~) two million dollars. Except for
21 the 1999-2001 biennium, the department shall not sign contracts or
22 otherwise financially obligate funds under this section until the
23 legislature has approved a specific list of projects.

24 (c) In contracts for grants authorized under this section the
25 department shall include provisions which require that capital
26 improvements shall be held by the grantee for a specified period of
27 time appropriate to the amount of the grant and that facilities shall
28 be used for the express purpose of the grant. If the grantee is found
29 to be out of compliance with provisions of the contract, the grantee
30 shall repay to the state general fund the principal amount of the grant
31 plus interest calculated at the rate of interest on state of Washington
32 general obligation bonds issued most closely to the date of
33 authorization of the grant.

34 **Sec. 2.** RCW 43.63A.750 and 1999 c 295 s 1 are each amended to read
35 as follows:

36 (1) A competitive grant program to assist nonprofit organizations

1 in acquiring, constructing, or rehabilitating performing arts, art
2 museums, and cultural facilities is created.

3 (2)(a) The department shall submit a list of recommended performing
4 arts, art museum projects, and cultural organization projects eligible
5 for funding to the governor and the legislature in the department's
6 biennial capital budget request beginning with the 2001-2003 biennium
7 and thereafter. The list, in priority order, shall include a
8 description of each project, the amount of recommended state funding,
9 and documentation of nonstate funds to be used for the project. The
10 total amount of recommended state funding for projects on a biennial
11 project list shall not exceed four million dollars. The department may
12 provide an additional prioritized alternate project list which shall
13 not exceed (~~five hundred thousand~~) two million dollars.

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

16 (i) The department shall conduct a statewide solicitation of
17 project applications from nonprofit organizations, local governments,
18 and other entities, as determined by the department. The department
19 shall evaluate and rank applications in consultation with a citizen
20 advisory committee, including a representative from the state arts
21 commission, using objective criteria. The evaluation and ranking
22 process shall also consider local community support for projects and an
23 examination of existing assets that applicants may apply to projects.

24 (ii) The department may establish the amount of state grant
25 assistance for individual project applications but the amount shall not
26 exceed twenty percent of the estimated total capital cost or actual
27 cost of a project, whichever is less. The remaining portions of the
28 project capital cost shall be a match from nonstate sources. The
29 nonstate match may include cash, the value of real property when
30 acquired solely for the purpose of the project, and in-kind
31 contributions. The department is authorized to set matching
32 requirements for individual projects. State assistance may be used to
33 fund separate definable phases of a project if the project demonstrates
34 adequate progress and has secured the necessary match funding.

35 (iii) The department shall not sign contracts or otherwise
36 financially obligate funds under this section until the legislature has
37 approved a specific list of projects. In contracts for grants
38 authorized under this section, the department shall include provisions

1 requiring that capital improvements be held by the grantee for a
2 specified period of time appropriate to the amount of the grant and
3 that facilities be used for the express purpose of the grant. If the
4 grantee is found to be out of compliance with provisions of the
5 contract, the grantee shall repay to the state general fund the
6 principal amount of the grant plus interest calculated at the rate of
7 interest on state of Washington general obligation bonds issued most
8 closely to the date of authorization of the grant.

9 **Sec. 3.** RCW 27.34.330 and 1999 c 295 s 2 are each amended to read
10 as follows:

11 The Washington state historical society shall establish a
12 competitive process to solicit proposals for and prioritize heritage
13 capital projects for potential funding in the state capital budget.
14 The society shall adopt rules governing project eligibility and
15 evaluation criteria. Application for funding of specific projects may
16 be made to the society by local governments, public development
17 authorities, nonprofit corporations, tribal governments, and other
18 entities, as determined by the society. The society, with the advice
19 of leaders in the heritage field, including but not limited to
20 representatives from the office of the secretary of state, the eastern
21 Washington state historical society, and the state office of
22 archaeology and historic preservation, shall establish and submit a
23 prioritized list of heritage capital projects to the governor and the
24 legislature in the society's biennial capital budget request. The list
25 shall include a description of each project, the amount of recommended
26 state funding, and documentation of nonstate funds to be used for the
27 project. The total amount of recommended state funding for projects on
28 a biennial project list shall not exceed four million dollars. The
29 department may provide an additional prioritized alternate project list
30 which shall not exceed (~~(five hundred thousand)~~) two million dollars.
31 The prioritized list shall be developed through open and public
32 meetings and the amount of state funding shall not exceed thirty-three
33 percent of the total cost of the project. The nonstate portion of the
34 total project cost may include cash, the value of real property when
35 acquired solely for the purpose of the project, and in-kind
36 contributions. The department shall not sign contracts or otherwise
37 financially obligate funds under this section until the legislature has

1 approved a specific list of projects. In contracts for grants
2 authorized under this section, the society shall include provisions
3 requiring that capital improvements be held by the grantee for a
4 specified period of time appropriate to the amount of the grant and
5 that facilities be used for the express purpose of the grant. If the
6 grantee is found to be out of compliance with provisions of the
7 contract, the grantee shall repay to the state general fund the
8 principal amount of the grant plus interest calculated at the rate of
9 interest on state of Washington general obligation bonds issued most
10 closely to the date of authorization of the grant.

11 **Sec. 4.** RCW 43.63A.135 and 2003 1st sp.s. c 7 s 2 are each amended
12 to read as follows:

13 (1) The department of community, trade, and economic development
14 must establish a competitive process to solicit proposals for and
15 prioritize projects whose primary objective is to assist nonprofit
16 youth organizations in acquiring, constructing, or rehabilitating
17 facilities used for the delivery of nonresidential services, excluding
18 outdoor athletic fields.

19 (2) The department of community, trade, and economic development
20 must establish a competitive process to prioritize applications for the
21 assistance as follows:

22 (a) The department of community, trade, and economic development
23 must conduct a statewide solicitation of project applications from
24 local governments, nonprofit organizations, and other entities, as
25 determined by the department of community, trade, and economic
26 development. The department of community, trade, and economic
27 development must evaluate and rank applications in consultation with a
28 citizen advisory committee using objective criteria. Projects must
29 have a major recreational component, and must have either an
30 educational or social service component. At a minimum, applicants must
31 demonstrate that the requested assistance will increase the efficiency
32 or quality of the services it provides to youth. The evaluation and
33 ranking process must also include an examination of existing assets
34 that applicants may apply to projects. Grant assistance under this
35 section may not exceed twenty-five percent of the total cost of the
36 project. The nonstate portion of the total project cost may include

1 cash, the value of real property when acquired solely for the purpose
2 of the project, and in-kind contributions.

3 (b) The department of community, trade, and economic development
4 must submit a prioritized list of recommended projects to the governor
5 and the legislature in the department of community, trade, and economic
6 development's biennial capital budget request beginning with the 2005-
7 2007 biennium and thereafter. The list must include a description of
8 each project, the amount of recommended state funding, and
9 documentation of nonstate funds to be used for the project. The total
10 amount of recommended state funding for projects on a biennial project
11 list must not exceed two million dollars. The department of community,
12 trade, and economic development may provide an additional prioritized
13 alternate project list that must not exceed (~~five hundred thousand~~)
14 one million dollars. The department of community, trade, and economic
15 development may not sign contracts or otherwise financially obligate
16 funds under this section until the legislature has approved a specific
17 list of projects.

18 (c) In contracts for grants authorized under this section the
19 department of community, trade, and economic development must include
20 provisions that require that capital improvements be held by the
21 grantee for a specified period of time appropriate to the amount of the
22 grant and that facilities be used for the express purpose of the grant.
23 If the grantee is found to be out of compliance with provisions of the
24 contract, the grantee must repay to the state general fund the
25 principal amount of the grant plus interest calculated at the rate of
26 interest on state of Washington general obligation bonds issued most
27 closely to the date of authorization of the grant.

28 NEW SECTION. **Sec. 5.** 1999 c 295 s 4 (uncodified) is repealed.

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