

# SENATE BILL REPORT

## SHB 1183

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As Passed Senate - Amended, April 11, 2017

**Title:** An act relating to authorizing specified local governments, including federally recognized Indian tribes, to designate a portion of their territory as a creative district subject to certification by the Washington state arts commission.

**Brief Description:** Authorizing specified local governments, including municipalities and federally recognized Indian tribes, that typically have limited access to economic development resources, to designate a portion of their territory as a creative district subject to certification by the Washington state arts commission.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives McBride, Chapman, Haler, Ryu, Robinson, McDonald, Stambaugh, Frame, Senn, Riccelli, Dolan and Hudgins).

**Brief History:** Passed House: 3/07/17, 85-12.

**Committee Activity:** Agriculture, Water, Trade & Economic Development: 3/21/17, 3/23/17 [DPA-WM].

Ways & Means: 3/29/17 [DPA(AWTE)].

**Floor Activity:**

Passed Senate - Amended: 4/11/17, 43-6.

### Brief Summary of Bill (As Amended by Senate)

- Authorizes the Washington State Arts Commission to certify creative districts designated by local governments or federally recognized tribes as areas that promote cultural facilities, creative industries, or arts-related businesses.

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### SENATE COMMITTEE ON AGRICULTURE, WATER, TRADE & ECONOMIC DEVELOPMENT

**Majority Report:** Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Warnick, Chair; Hawkins, Vice Chair; Chase, Ranking Minority Member; Wellman, Assistant Ranking Minority Member; Brown, Honeyford, McCoy, Pearson, Short, Takko and Van De Wege.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** Greg Vogel (786-7413)

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## SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass as amended by Committee on Agriculture, Water, Trade & Economic Development.

Signed by Senators Braun, Chair; Brown, Vice Chair; Honeyford, Vice Chair, Capital Budget ; Ranker, Ranking Minority Member; Rolfes, Assistant Ranking Minority Member, Operating Budget; Frockt, Assistant Ranking Minority Member, Capital Budget; Bailey, Becker, Billig, Carlyle, Conway, Darneille, Fain, Hasegawa, Keiser, Miloscia, Padden, Pedersen, Rivers, Schoesler, Warnick and Zeiger.

**Staff:** Daniel Masterson (786-7454)

**Background:** The Washington State Arts Commission (Commission) was established to promote the conservation and development of the state's artistic resources that contribute to the quality of life and general welfare of the state's citizens. The Commission is composed of 19 members appointed by the Governor and 4 members of the Legislature.

The Commission has broad authority to sponsor and administer activities or programs related to the growth and development of the arts and humanities, and assist any private or public agency or person in such pursuits. The Commission administers the state's public arts collection and the Washington State Poet Laureate program.

**Summary of Amended Bill:** A local government may designate a creative district that includes an area containing a hub of cultural activities, creative industries, or arts-related businesses. The creative district must be:

- geographically contiguous;
- distinguished by artistic and cultural resources involving economic and cultural development;
- the site of a concentration of artistic or cultural activity; and
- engaged and contributing to the community arts and culture.

The Commission may require additional eligibility criteria at its discretion. A creative district also may include vacant property in proximity to the artistic activities that is suitable for similar development.

The Commission may create a process for review of applications submitted by local governments or federally recognized Indian tribes for certification of creative districts. Applications are subject to approval or rejection by the Commission and may include terms and conditions upon approval. If a local government or federally recognized Indian tribe fails to comply with the conditions of approval, the Commission may revoke the certification.

The Commission may appoint a coordinator to: administer the creative district certification program, review applications, develop policies and standards, and oversee compliance. The Commission may offer incentives to a certified creative district to encourage business,

facilitate connections to state economic development assistance, enhance the visibility of state-certified creative districts, and provide technical assistance and planning aid.

The certification program and the appointment of the coordinator are both subject to the availability of amounts appropriated for these specific purposes.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony on Substitute House Bill (Agriculture, Water, Trade & Economic Development):** *The committee recommended a different version of the bill than what was heard.* PRO: This is a bipartisan bill. The large metropolitan areas of the state have large arts districts that provide not only great cultural interest but also economic development. Data from 2014 showed that creative districts contributed over 150,000 jobs. This bill takes the same concept and embraces those towns and cities outside of the I-5 corridor. The bill does a lot of good things for these smaller towns and cities, including certification and grant provision, and has received support from them. It should be made clear that this bill is not a taxing bill and does not create taxing districts. Rather, the bill is an economic development tool.

OTHER: The first order of business following enactment of the bill would be to hire an economic development-oriented coordinator. The goal is to create a program with lots of input from local communities, making it a Washington-focused program. Data from the creative districts program from Colorado has shown that the districts have drawn tourism and jobs to the participating areas. The annual job growth rate across the state of Colorado is 2 percent, while the growth rate in creative districts is averaging 5 percent.

**Persons Testifying (Agriculture, Water, Trade & Economic Development):** PRO: Representative Joan McBride, Prime Sponsor; David Foster, Western State Arts Fed/ Humanities Washington.

OTHER: Karen Hanan, Director, WA State Arts Commission.

**Persons Signed In To Testify But Not Testifying (Agriculture, Water, Trade & Economic Development):** No one.

**Staff Summary of Public Testimony (Ways & Means):** No public hearing was held.

**Persons Testifying (Ways & Means):** N/A.

**Persons Signed In To Testify But Not Testifying (Ways & Means):** N/A.