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**SENATE BILL 5238**

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**State of Washington 67th Legislature 2021 Regular Session**

**By** Senators Hasegawa, Nguyen, Saldaña, Wellman, and Wilson, C.

AN ACT Relating to creating a Washington state creative economy work group; adding new sections to chapter 43.330 RCW; making appropriations; and providing an expiration date.

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

NEW SECTION. **Sec.**  The definitions in this section apply throughout this section and sections 2 through 4 of this act unless the context clearly requires otherwise.

(1) "Contracted nonprofit" means the organization under contract with the department to lead the work group.

(2) "Department" means the department of commerce.

(3) "Director" means the director of the department of commerce.

(4) "Work group" means the Washington state creative economy work group created in section 2 of this act.

NEW SECTION. **Sec.**  (1) A work group to create a strategic plan for the Washington state creative economy is established, with members as provided in this subsection.

(a) The director of the contracted nonprofit, or his or her designee, shall serve as the chair of the work group. The director of the contracted nonprofit, or his or her designee, serving as work group chair must:

(i) Hold significant experience working in the professional arts as an artist, producer, director, or other creator;

(ii) Hold significant experience on the business side of the professional arts, with experience in business development and drafting business plans and multidisciplinary planning documents; and

(iii) Be physically based in the state of Washington;

(b) A representative from the department;

(c) A representative from the Washington state association of counties;

(d) A representative from the association of Washington cities;

(e) A representative from the banking industry with experience in matters involving the federal small business administration;

(f) Five representatives from the Washington state arts community including, but not limited to, the following sectors:

(i) Film, television, and video production;

(ii) Recorded audio and music production;

(iii) Animation production;

(iv) Video game development;

(v) Live theater, orchestra, ballet, and opera;

(vi) Live music performance;

(vii) Visual arts, including sculpture, painting, graphic design, and photography;

(viii) Production facilities, such as film and television studios; and

(ix) Live music or performing arts venues;

(g) A representative from a certified public accounting firm or other company with experience in financial modeling and in the creative arts;

(h) A representative selected by the Washington state commission on African American affairs, the Washington state commission on Hispanic affairs, the governor's office of Indian affairs, and the Washington state commission on Asian Pacific American affairs to represent the entities on the work group;

(i) A representative of a federally recognized Indian tribe with a reservation located east of the crest of the Cascade mountains;

(j) A representative of a federally recognized Indian tribe with a reservation located west of the crest of the Cascade mountains; and

(k) Other state agency representatives or stakeholder group representatives, at the discretion of the work group, for the purpose of participating in specific topic discussions.

(2) Work group members should be selected to ensure representation of the range of demographic diversity across the state of Washington.

(3) The work group must:

(a) Collect and analyze data on the current state of the Washington state creative economy; and

(b) Within two years, develop a strategic plan to improve the Washington state creative economy that can be rolled out in incremental phases to reach identified economic, social justice, and business development goals. The goal of the strategic plan must be to ensure that the state of Washington is competitive with respect to attracting creative economy business, retaining talent within the state, and developing marketable content that can be exported for national and international consumption and monetization. The strategic plan must address support for the creative community within historically marginalized communities, as well as the creative economy at large, and take into account the diverse interests, strengths, and needs of Washington's population on both sides of the Cascade mountains.

(4) In developing the strategic plan for the Washington state creative economy, the work group must:

(a) Identify existing studies of aspects affecting the creative economy, including studies relating to tax issues, legislation, finance, population and demographics, and employment;

(b) Conduct a comparative analysis with other jurisdictions that have successfully developed creative economy plans and programs, including the states of Georgia and New Mexico, and the provinces of British Columbia and Ontario, Canada;

(c) Conduct in-depth interviews to identify best practices for structuring a strategic plan for the state of Washington;

(d) Evaluate existing banking models for financing creative economy projects in the private sector and develop a financial model to promote investment in Washington's creative economy;

(e) Evaluate existing state and county tax incentives and make recommendations for improvements to support the creative economy;

(f) Identify the role that counties and cities play with respect to the strategic plan, and identify specific counties and cities that may need or want a stronger creative economy;

(g) Identify opportunities for synergies with new business models and the integration of new technologies; and

(h) Identify the role that state education programs in the creative arts play in the creative economy and with respect to advancing the strategic plan.

(5) The work group must report its findings and recommendations to the appropriate committees of the legislature by December 1, 2022.

(6) This section expires December 1, 2023.

NEW SECTION. **Sec.**  (1) From amounts appropriated to the department for the work group created in section 2 of this act and from other moneys available to it, the department may incur expenditures for any purpose specifically authorized by this chapter including:

(a) Entering into a contract with a nonprofit organization existing on the effective date of this section whose sole purpose is to focus on creative arts to develop a strategic plan for the Washington state creative economy; and

(b) Paying for administrative expenses of the work group.

(2) All nonstate moneys received by the department under section 2 of this act or otherwise provided to the department for purposes of matching funding must be deposited in the private local account created in subsection (3) of this section and are held in trust for uses authorized solely by this section and section 2 of this act.

(3) The department must create a private local account to receive nonstate funds and state funds, other than general fund state funds, contributed to the department for purposes of this section and section 2 of this act.

NEW SECTION. **Sec.**  (1) The sum of $250,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2022, from the general fund to the department of commerce for the purposes of this act.

(2) The sum of $250,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2023, from the general fund to the department of commerce for the purposes of this act.

NEW SECTION. **Sec.**  Sections 1 through 3 of this act are each added to chapter 43.330 RCW.

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