

CERTIFICATION OF ENROLLMENT  
**SUBSTITUTE HOUSE BILL 1222**

56th Legislature  
1999 Regular Session

Passed by the House April 23, 1999  
Yeas 96 Nays 0

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**Speaker of the House of Representatives**

\_\_\_\_\_  
**Speaker of the House of Representatives**

Passed by the Senate April 21, 1999  
Yeas 37 Nays 0

\_\_\_\_\_  
**President of the Senate**

Approved

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

We, Dean R. Foster and Timothy A. Martin, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1222** as passed by the House of Representatives and the Senate on the dates hereon set forth.

\_\_\_\_\_  
**Chief Clerk**

\_\_\_\_\_  
**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 1222**

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AS AMENDED BY THE SENATE

Passed Legislature - 1999 Regular Session

**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 providing an expiration date.

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. The  
18 total amount of recommended state funding for projects on a biennial  
19 project list shall not exceed four million dollars. The department may

1 provide an additional alternate project list which shall not exceed  
2 five hundred thousand dollars.

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

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

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

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

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

1 The Washington state historical society shall establish a  
2 competitive process to solicit proposals for and prioritize heritage  
3 capital projects for potential funding in the state capital budget.  
4 The society shall adopt rules governing project eligibility and  
5 evaluation criteria. Application for funding of specific projects may  
6 be made to the society by local governments, public development  
7 authorities, nonprofit corporations, tribal governments, and other  
8 entities, as determined by the society. The society, with the advice  
9 of leaders in the heritage field, including but not limited to  
10 representatives from the office of the secretary of state, the eastern  
11 Washington state historical society, and the state office of  
12 archaeology and historic preservation, shall establish and submit a  
13 prioritized list of heritage capital projects to ~~((be recommended to~~  
14 ~~the governor and the legislature by September 1st of each even-numbered~~  
15 ~~year, beginning in 1996. The prioritized list shall be developed~~  
16 ~~through open and public meetings. The governor and the legislature~~  
17 ~~shall consider the prioritized list of heritage projects as a guide for~~  
18 ~~appropriating funds to heritage capital projects beginning with the~~  
19 ~~1997-99 biennium and thereafter))~~ the governor and the legislature in  
20 the society's biennial capital budget request. The list shall include  
21 a description of each project, the amount of recommended state funding,  
22 and documentation of nonstate funds to be used for the project. The  
23 total amount of recommended state funding for projects on a biennial  
24 project list shall not exceed four million dollars. The department may  
25 provide an additional alternate project list which shall not exceed  
26 five hundred thousand dollars. The prioritized list shall be developed  
27 through open and public meetings and the amount of state funding shall  
28 not exceed thirty-three percent of the total cost of the project. The  
29 nonstate portion of the total project cost may include cash, the value  
30 of real property when acquired solely for the purpose of the project,  
31 and in-kind contributions. 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. In contracts for  
34 grants authorized under this section, the society shall include  
35 provisions requiring that capital improvements be held by the grantee  
36 for a specified period of time appropriate to the amount of the grant  
37 and that facilities be used for the express purpose of the grant. If  
38 the grantee is found to be out of compliance with provisions of the  
39 contract, the grantee shall repay to the state general fund the

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

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

6 ~~((If the legislature provides an appropriation to))~~ (1) The  
7 department shall establish a competitive process to solicit proposals  
8 for and prioritize projects that assist nonprofit organizations in  
9 acquiring, constructing, or rehabilitating facilities used for the  
10 delivery of nonresidential social services~~((, the legislature may~~  
11 ~~direct the department of community, trade, and economic development~~  
12 ~~to)).~~

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

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

29 ~~((2))~~ (b) The department shall submit a prioritized list of  
30 recommended projects to the ~~((legislature by November 1st following the~~  
31 ~~effective date of the appropriation))~~ governor and the legislature in  
32 the department's biennial capital budget request beginning with the  
33 2001-2003 biennium and thereafter. For the 1999-2001 biennium, the  
34 department shall conduct a solicitation and ranking process, as  
35 described in (a) of this subsection, for projects to be funded by  
36 appropriations provided for this program in the 1999-2001 capital  
37 budget. The list shall include a description of each project, the  
38 amount of recommended state funding, and documentation of nonstate

1 funds to be used for the project. The total amount of recommended  
2 state funding for projects on a biennial project list shall not exceed  
3 four million dollars. The department may provide an additional  
4 alternate project list which shall not exceed five hundred thousand  
5 dollars. Except for the 1999-2001 biennium, the department shall not  
6 sign contracts or otherwise financially obligate funds under this  
7 section until the legislature has approved a specific list of projects.

8 ((+3)) (c) In contracts for grants authorized under this section  
9 the department shall include provisions which require that capital  
10 improvements shall be held by the grantee for a specified period of  
11 time appropriate to the amount of the grant and that facilities shall  
12 be used for the express purpose of the grant. If the grantee is found  
13 to be out of compliance with provisions of the contract, the grantee  
14 shall repay to the state general fund the principal amount of the grant  
15 plus interest calculated at the rate of interest on state of Washington  
16 general obligation bonds issued most closely to the date of  
17 authorization of the grant.

18 ((4) The department shall develop model contract provisions for  
19 compliance with subsection (3) of this section and shall distribute its  
20 recommendations to the appropriate legislative committees, the office  
21 of financial management, and to all state agencies which provide  
22 capital grants to nonstate entities.))

23 NEW SECTION. Sec. 4. Section 1 of this act, RCW 27.34.330, and  
24 43.63A.125 shall expire June 30, 2007.

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