

# SENATE BILL REPORT

## SB 5300

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As Reported by Senate Committee On:  
Agriculture, Water, Trade & Economic Development, February 9, 2017  
Ways & Means, February 24, 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. [**Revised for 2nd Substitute:** Authorizing specified local governments to designate a portion of their territory as a creative district subject to certification by the Washington state arts commission.]

**Sponsors:** Senators Zeiger, Wellman, Fain, Billig, Walsh, Nelson and Hasegawa.

**Brief History:**

**Committee Activity:** Agriculture, Water, Trade & Economic Development: 2/02/17, 2/09/17 [DPS-WM].  
Ways & Means: 2/15/17, 2/24/17 [DP2S].

**Brief Summary of Second Substitute Bill**

- Allows a local government to designate a creative district under certain conditions.
- 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 business.

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

**Majority Report:** That Substitute Senate Bill No. 5300 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

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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.*

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.

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

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## SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Second Substitute Senate Bill No. 5300 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Braun, Chair; Brown, Vice Chair; Rossi, 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, Conway, Darneille, Fain, Hasegawa, Keiser, Miloscia, 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. The Commission is comprised of 19 members appointed by the Governor and four members of the Legislature, one from each major caucus in the House of Representatives and the Senate.

The Commission has authority to sponsor and administer activities or programs related to the growth and development of the arts and humanities and make recommendations for the cultural development of Washington State. The Commission administers the state's public arts collection and the Washington State Poet Laureate program.

**Summary of Bill (Second Substitute):** 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.

Establishment of the Arts Commission's certification process is subject to appropriations.

**EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Second Substitute):**

- Makes establishment of the Arts Commission's certification process subject to appropriations.

**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 First Substitute (Agriculture, Water, Trade & Economic Development):** PRO: This bill creates the ability for local communities to designate arts districts, and with that comes some small grant funding that would come out of the Arts Commission, which would allow these districts to have some incentive to grow and flourish. This bill is strongly endorsed by the commission and is modeled after a successful program implemented in Colorado in 2011, which has authorized 18 districts, showing annual job growth rates that have outpaced the state average in recent years.

**Persons Testifying (Agriculture, Water, Trade & Economic Development):** PRO: Senator Hans Zeiger, Prime Sponsor; Justin Raffa, Washington State Arts Commission; Doug Levy, Western States Arts Federation, Humanities WA, cities of Everett, Puyallup, Redmond; Michael Cade, Exec Dir., Thurston Co. Economic Development Council; Magda Cockerline, VP, Valley Arts United.

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

**Staff Summary of Public Testimony on First Substitute (Ways & Means):** *The committee recommended a different version of the bill than what was heard.* PRO: This bill allows local governments to be eligible for grant funding. This is not a taxing district. This is a tool for communities to use the arts as a catalyst for economic development. The state of Colorado has an example of a successful program.

OTHER: Colorado currently has 18 certified creative districts. Thirty new businesses were started in Pueblo, CO, within a year of certification. Job growth in Colorado's creative districts is averaging 5 percent, compared to 2 percent statewide.

**Persons Testifying (Ways & Means):** PRO: Senator Hans Zeiger, Prime Sponsor; Doug Levy, WA State Western Arts Federation & Humanities WA.

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

**Persons Signed In To Testify But Not Testifying (Ways & Means):** No one.