

# SENATE BILL REPORT

## HB 2352

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As Reported by Senate Committee On:  
Ways & Means, February 28, 2020

**Title:** An act relating to the building for the arts program.

**Brief Description:** Concerning the building for the arts program.

**Sponsors:** Representatives Tharinger, Fitzgibbon, Leavitt, Harris and Wylie.

**Brief History:** Passed House: 2/18/20, 97-0.

**Committee Activity:** Ways & Means: 2/26/20, 2/28/20 [DPA, w/oRec, DNP].

### Brief Summary of Amended Bill

- Increases the maximum state match and the maximum amount of recommended state funding for the prioritized list of projects for the Building for the Arts Program.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass as amended.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Brown, Assistant Ranking Member, Operating; Becker, Billig, Carlyle, Conway, Darneille, Dhingra, Hasegawa, Hunt, Keiser, Muzzall, Pedersen, Van De Wege, Wagoner and Warnick.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Mullet, Capital Budget Cabinet; Braun, Ranking Member; Schoesler and Wilson, L..

**Minority Report:** Do not pass.

Signed by Senators Honeyford, Assistant Ranking Member, Capital; Rivers.

**Staff:** Corban Nemeth (786-7736)

**Background:** The Building for the Arts Program (BFA) provides competitive grants to nonprofit organizations to acquire, construct, or rehabilitate performing arts, art museums, and cultural facilities. The Department of Commerce (Commerce) administers the BFA

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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.*

application process. Primary duties of Commerce include project selection—with a citizen advisory committee, and managing the contracts for grants that are awarded. A ranked list of qualified projects, including descriptions, amount of state funds requested, and nonstate funding sources must be submitted to the Governor and Legislature biennially. In statute, the total amount of recommended state funding must not exceed \$12 million. The total amount of state capital funding available for BFA projects is determined by the capital budget. In the 2019-21 Capital Budget, \$12 million was appropriated for 14 projects. In addition to the cap on total funding, the state match for an individual project must not exceed 20 percent of the total cost. The nonstate portion of the project cost may include cash, the value of property, and in-kind contributions.

Commerce must include provisions in the contracts that require the capital improvements be held by the grantee for a specified period of time and that the facilities be used for the express purpose of the grant. If a grantee is found out of compliance, they must repay to the state general fund the principal amount of the grant, plus interest.

**Summary of Amended Bill:** The maximum amount of state funding for the BFA is increased from \$12 million to \$16 million for the prioritized list of performing arts, art museum projects, and cultural organization projects submitted by the Department of Commerce each biennium. The maximum state match for each individual project is increased from 20 percent to 33.33 percent of the total cost.

**EFFECT OF WAYS & MEANS COMMITTEE AMENDMENT(S):**

- Changes the proposed cap on total state funding for BFA projects from \$18 million to \$16 million.

**Appropriation:** None

**Fiscal Note:** Available

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

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony on House Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: We are seeing fewer rural and suburban projects apply for and get approved for this grant program. We think the primary reason is that the required match of the project is cost prohibitive, leading to fewer smaller projects. A 33.33 percent match requirement is consistent with the Heritage grant program. The total cap on recommended projects has not changed in over 20 years, and increasing it would allow for more projects to be funded.

**Persons Testifying:** PRO: David Foster.

**Persons Signed In To Testify But Not Testifying:** No one.