

# HOUSE BILL REPORT

## HB 1647

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**As Passed House:**

February 2, 2022

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

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

**Sponsors:** Representatives Tharinger, Leavitt, Duerr, Springer, Berg, Callan, Goodman, Simmons, Wylie and Frame.

**Brief History:**

**Committee Activity:**

Capital Budget: 1/11/22, 1/25/22 [DP].

**Floor Activity:**

Passed House: 2/2/22, 93-3.

**Brief Summary of 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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### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** Do pass. Signed by 21 members: Representatives Tharinger, Chair; Callan, Vice Chair; Hackney, Vice Chair; Steele, Ranking Minority Member; Abbarno, Assistant Ranking Minority Member; McEntire, Assistant Ranking Minority Member; Bateman, Dye, Eslick, Gilday, Kloba, Leavitt, Maycumber, Mosbrucker, Peterson, Riccelli, Rule, Santos, Sells, Shewmake and Volz.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Kraft.

**Staff:** Kelci Karl-Robinson (786-7116).

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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 part of the legislation nor does it constitute a statement of legislative intent.*

**Background:**

The Building for the Arts (BFA) program 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 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 non-state funding sources must be submitted to the Governor and Legislature biennially. The total amount of recommended state funding on the ranked list must not exceed \$12 million, except lists submitted during the 2019-21 and 2021-23 biennia may not exceed \$16 million. The total amount of state capital funding available for BFA projects is determined by the capital budget. The state match of an individual BFA project must not exceed 20 percent of the total cost, except the match must not exceed 33.33 percent during the 2019-21 biennium. The non-state 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 Bill:**

The maximum amount of state funding for the Building for the Arts program is increased to \$18 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.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) The goal of the legislation is to allow other communities to participate in the Building for the Arts program by changing the match and increasing the amount available to the program. The budget writers will determine the amount actually funded. Grant funding allows museum organizations to develop more meaningful educational and exhibition programs and serve underserved communities. A multi-use performing arts center currently

under construction will provide high-quality production and theater education to the Spokane region and surrounding rural communities. The number one impediment for grant applicants is the state match. The changes to the match and funding level made in the capital budget are not permanent, which is the reason for the legislation. A permanent facility will increase the number of theater shows and workshops and support other art forms. A result of increasing the state match is the leveraging of other funding opportunities.

(Opposed) None.

**Persons Testifying:** Representative Steve Tharinger, prime sponsor; Wes Jessup, Northwest Museum of Arts and Culture; Joanna Sikes, Museum of Northwest Art; Marnie Rorholm, Spokane Valley Summer Theatre; Bob McKenzie Sullivan, Tenino Young-At-Heart Theatre; David Foster; and Charlie Brown, Seattle Repertory Theatre.

**Persons Signed In To Testify But Not Testifying:** None.