

HB 3532 STAFF MEASURE SUMMARY

Carrier: Rep. Gomberg

House Committee On Economic Development and Small Business

Action Date: 04/04/23

Action: Do Pass.

Vote: 11-0-0-0

Yeas: 11 - Bynum, Diehl, Elmer, Javadi, Lively, Morgan, Nguyen D, Osborne, Pham H, Ruiz, Walters

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 3/30, 4/4

WHAT THE MEASURE DOES:

Removes administrative spending cap of \$400,000 from the Trust for Cultural Development Account. Establishes spending cap of up to five percent of value of permanent Trust for Cultural Development Account to Arts Program at Oregon Business Development Department for program administration.

ISSUES DISCUSSED:

- Modernizing program administration
- Current demands of cultural sector have outpaced the ability to effectively serve the field and donors
- Economic impact of arts and culture in Oregon through tourism, event attendance, and scholarly study
- Effect of COVID-19 Pandemic on cultural sector
- Types of arts, culture, and heritage programs that Trust for Cultural Development (Trust) supports through its grants
- Impact of increasing spending cap on Trust’s ability to address administrative capacity issues

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Created 21 years ago, the Trust for Cultural Development (Trust) encourages Oregonians to donate to fund cultural activities in the state with the Cultural Trust tax credit. An individual who donates to one or more of the 1,500 cultural nonprofits in the state and then makes a matching donation to the Trust, can then receive a credit equal to 100 percent of the amount contributed to the Trust, up to a maximum credit of \$500 per taxpayer or \$1,000 on jointly filed returns. Each year the Trust raises approximately \$5.5 million.

Currently, of the total revenues to the Trust for Cultural Development Account, up to 60 percent of the funds are dedicated to grant making and program services and 40 percent of the funds are allocated to the permanent Trust for Cultural Development Account. The Trust Board is required to distribute 60 percent of the funds, less up to \$400,000 for the operations of the trust, for cultural grants, support to counties and tribes through cultural participation grants to core partner agencies.

House Bill 3532 removes the annual administrative spending cap of \$400,000 from the Trust for Cultural Development Account, replacing it with a new cap of up to five percent of the value of the permanent Trust for Cultural Development Account to the Arts Program at Oregon Business Development Department for program administration.