

**HB 3532 STAFF MEASURE SUMMARY**

**Carrier:** Sen. Patterson

**Senate Committee On Labor and Business**

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**Action Date:** 05/04/23

**Action:** Do pass.

**Vote:** 3-0-1-1

**Yeas:** 3 - Jama, Patterson, Taylor

**Exc:** 1 - Hansell

**Abs:** 1 - Bonham

**Fiscal:** Fiscal impact issued

**Revenue:** No revenue impact

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**Meeting Dates:** 5/2, 5/4

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**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:**

- Current funds contained in the permanent Trust for Cultural Development Account
- Average amount raised annually by the Trust for Cultural Development and portion allocated to grant making and program services
- Relationship of measure to the Ways and Means process
- Estimates of future need for administrative spending
- Five percent cap would be maximum amount allowed under measure

**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.