



General Overview

Renewal of the Cultural Trust tax credit, stable funding for the Trust's statewide partners and new investments in culture were among the Cultural Advocacy Coalition's top priorities this session. We are pleased to report favorable outcomes in each of these areas.

The Seventy Seventh Legislative Assembly concluded Sine Die on Monday, July 8, 2013, after five months and eight days of deliberations. A modest increase in the May revenue forecast was welcome news, giving the legislature the latitude it needed to fill holes in critical budgets and balance the state's two year budget prior to concluding their work. The "Grand Bargain" to reform PERS, raise additional revenues and perhaps address small business taxation never came to fruition, though attempts to achieve it did extend the end of session by several days.

For the cultural arts community in Oregon, the 2013 Legislative Session was an important one. Budget constraints and an uncertain revenue future due to federal sequestration meant that legislators responsible for budgeting had to hedge their bets by producing a slim budget.

Budget Successes for the Cultural Community in Oregon

Partner and Project Funding

Against this backdrop Cultural Advocates had a number of budget related issues that needed resolution. Adequate funding had to be acquired for our key partners through the Oregon Business Development Department Budget – HB 5028 and the State Parks and Recreation Department Budget – HB 5034. The Trust's partners not only received stable funding but in some cases received an increase over and above the amount anticipated.

The legislature invested in cultural economic development projects through the use of lottery bonds within HB 5028, establishing an appropriate new precedent for funding future cultural projects which benefit a region's economy. Our thanks go out to Sen. Betsy Johnson, Rep. Greg Smith, Rep. John Huffman, Rep. Jason Conger, Sen. Tim Knopp and Sen. Chuck Thompson for their leadership in this issue.

Cultural Trust Tax Credit

Our top priority in the State's budget was the continuation of the Cultural Trust Tax Credit. Sunsets were added to all tax credits six years ago, to give the legislature the opportunity to evaluate the effectiveness and return on investment of each tax credit. The Cultural Trust Tax Credit was one of a dozen tax credits subject to a sunset this session and renewal of the credit required an affirmative vote by the legislature.

In addition to fighting for renewal of the Cultural Trust tax credit, we also worked hard to keep the tax credit at its current level. Going into session there was considerable discussion around reducing the fiscal impacts of tax credits by instituting an income/means test or changing the dollar amount of the credit that could be claimed. Both of these would have reduced the amount of funds coming into the Cultural Trust. Though Rep. Peter Buckley and Sen. Rickard Devlin made sure that the Cultural Trust tax credit was funded in the Ways and Means Co-chair's budget, challenges to the tax credit's structure and budgetary impact persisted throughout the session.

Ultimately, thanks to strong outreach from cultural advocates, establishing credible statewide support for renewal and key legislative champions we were successful not only in getting the tax credit extended to 2020, but also in preventing any reduction in the tax credit's effectiveness. In short, with the help of advocates and legislative champions including Rep. Peter Buckley, Rep. Jules Bailey, Rep. Cliff Bentz, Rep. Michael Dembrow, Rep. Bill Kennemer, Sen. Lee Beyer and Sen. Jackie Dingfelder we successfully achieved full renewal of the Cultural Trust tax credit.

Policy Challenges

In addition to budgetary issues, there were threats, again this session, to the requirement that 1% of capital construction projects be set aside for public art. The first challenge, HB 2942 sought to repeal the requirement altogether. It was killed in committee early on. The second was a suite of bills (HB 2312, 2339, SB 270 and SB 278) that sought to establish Portland State University and the University of Oregon as independent public universities with provisions which were similar to those that govern OHSU. The way the original bills were written, the requirement that 1% for art requirement was at risk. It appeared that the bills would not move forward, and in fact most were successfully killed in committee, but at the very end of session a deal was struck to move one of the bills (SB 270) forward in exchange for moving a bill that reorganized the Higher Education Coordinating Council. The legislation maintained the percent for art requirement, but removed all reference to the role of the Oregon Arts Commission in administering the program. Representative Peter Buckley was instrumental in making sure that language was inserted into the Program Adjustment bill to require the University of Oregon and Portland State University to participate in the percent for art program through the Oregon Arts Commission.



Thanks to a very active community!

Through the course of the session, Oregon's cultural advocates communicated with their own legislators, performed in the Capitol, and lobbied legislators through public testimony in the committee process; sharing the critical role that arts and culture play in the lives of Oregonians. Concerts in the Capitol Rotunda provided a personal experience with the arts and advocacy day provided important exposure to our legislative priorities through the hard work of cultural advocates from all over the state. We were successful in achieving our legislative priorities in partnership with cultural advocates across the state, and with many thanks, we are pleased to report that 2013 was a productive legislative session for culture in Oregon.

HB 5028 Relating to the financial administration of the Oregon Business Development Department; appropriating money.

HOUSE VOTE: Ayes, 56; Nays, 1 – Thatcher; Excused, 2 – Bailey, Weidner; Excused for Business of the House, 1 – Olson.

SENATE VOTE: Ayes, 24; nays, 4 – Baertschiger, Edwards, Ferrioli, George; Excused, 2 – Boquist, Close.

7-12 Governor signed.

HB 5034 Relating to the financial administration of the State Parks and Recreation Department; appropriating money.

HOUSE VOTE: Ayes, 31; Nays, 27 – Barton, Bentz, Berger, Cameron, Conger, Davis, Esquivel, Freeman, Gilliam, Hicks, Huffman, Jenson, Johnson, Kennemer, Krieger, McKeown, McLane, Olson, Parrish, Richardson, Smith, Sprenger, Thatcher, Thompson, Weidner, Whisnant, Whitsett; Excused, 2 – Hanna, Unger.

SENATE VOTE: Ayes, 28; excused, 2 – Boquist, Close.

7-25 Governor signed.

HB 3367 Extended the date of the cultural trust tax credit to 2020 (among a large number of other provisions).

HOUSE VOTE: Ayes 50; Nays, 9 – Freeman, Hanna, Kennemer, Richardson, Thatcher, Thompson, Weidner, Whitsett, Witt; Excused, 1 – Boone.

SENATE VOTE: Ayes, 22; nays, 8 – Boquist, Ferrioli, George, Girod, Hansell, Kruse, Olsen, Whitsett.

8-14 Governor signed.

HB 2942 By Representative ESQUIVEL – Repeals requirement to use one percent of contract price for constructing or altering state building for acquiring art. **7-8 In committee upon adjournment.**

HB 2312 By Representative READ – Established Portland State University as an independent public university, governed by the university board of directors. **7-8 In committee upon adjournment.**

HB 2339 By Representative GREENLICK; Representative HARKER – Establishes Portland State University and Oregon Health and Science University as independent public universities, governed by board of directors of those universities. **7-8 In committee upon adjournment.**

SB 278 By Senator BEYER – Established Portland State University as an independent public university, governed by the university board of directors. **7-8 In committee upon adjournment.**

SB 270 Established Portland State University and University of Oregon as independent public universities governed by the boards of directors of those universities. The bill was amended to require that independent public universities must dedicate 1% of building projects to art and that those expenditures must be evaluated by the Oregon Arts Commission.

SENATE VOTE: Ayes, 25; Nays, 4 – Boquist, Girod, Kruse, Prozanski; Excused, 1 – Starr.

HOUSE VOTE: Ayes, 44; Nays, 15 – Bentz, Berger, Clem, Gelser, Gilliam, Gomberg, Greenlick, Holvey, Krieger, Parrish, Smith, Sprenger, Thatcher, Thompson, Witt; Excused, 1 – Weidner.

8-14 Governor Signed.