

CHAPTER 171

ARTS ENDOWMENT ACCOUNT

Original House Bill No. 304

AN ACT to create W.S. 9-2-905 through 9-2-911; to amend W.S. 9-2-903 by creating a new subsection (b) relating to the arts; establishing a Wyoming arts endowment account to enable individual arts, cultural and historical organizations to create their own endowment funds; requiring that arts and cultural organizations match the state endowment money provided; providing eligibility requirements, spending restrictions and other conditions; granting rulemaking authority; providing an appropriation for an arts endowment fund; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 9-2-905 through 9-2-911 are created to read:

9-2-905. Definitions.

(a) As used in this article:

(i) "Approved request" means the amount approved by the Wyoming arts council from the state account for distribution to a qualifying organization;

(ii) "Council" means the Wyoming arts council;

(iii) "Endowment fund" means any arts endowment fund created under this article by a qualifying organization;

(iv) "Qualifying organization" means any Wyoming nonprofit arts, cultural or historical organization that qualifies under this article to create an endowment fund, receive state monies into the endowment fund, match state monies deposited into the endowment fund and expend interest earned on the endowment fund;

(v) "State account" means the Wyoming arts endowment account created under W.S. 9-2-906.

9-2-906. Wyoming arts endowment account. The Wyoming arts endowment account is created within the trust and agency fund. The state account shall be administered by the council in accordance with applicable law. The state account shall contain all monies appropriated to it by the legislature. The purpose of the state account is to provide for the cultural enrichment and benefit of citizens throughout the state of Wyoming by providing monies to qualifying arts or cultural organizations to enable them to create their own arts endowment funds and to provide for administrative expenses of the council in implementing W.S. 9-2-905 through 9-2-911.

9-2-907. Arts organization endowment fund.

(a) Any Wyoming nonprofit arts, cultural or historical organization may create an endowment fund into which there may be deposited monies from the state account. The principal of each endowment fund may not be expended by the qualifying organization and shall be held in perpetuity solely by the qualifying organization or by the council on behalf of the qualifying organization. Only interest income earned on the amount in each endowment fund may be expended by the qualifying organization.

(b) If a qualifying organization receives monies from the state account, these monies shall be administered in accordance with generally accepted accounting principles.

9-2-908. Eligibility requirements of qualifying arts organizations; allocation limitations; matching requirements.

(a) Any qualifying organization may apply to receive monies from the state account to be deposited in the qualifying organization's endowment fund:

(i) If it has received a grant from the council during one (1) of the three (3) years immediately before making application for state fund monies under this subsection; or

(ii) Upon approval by the council if it has not received a grant from the council within the past three (3) years;

(iii) If it has met eligibility requirements established by the council under W.S. 9-2-903(b)(vi).

(b) The council may allocate monies from the state account subject to the following limitations:

(i) The maximum amount that may be allocated to each qualifying organization from the state account shall be determined by the council by calculating the average cash income of the qualifying organization during the past three (3) fiscal years as contained in the qualifying organization's financial reports on file with the council. The council shall notify each qualifying organization of the maximum amount of monies from the state account for which it qualifies;

(ii) The minimum amount that may be allocated to each qualifying organization from the state account is two thousand five hundred dollars (\$2,500.00);

(iii) If the maximum amount for which the organization qualifies is less than two thousand five hundred dollars (\$2,500.00), the organization may still apply for two thousand five hundred dollars (\$2,500.00).

(c) After the council determines that a qualifying organization is eligible to receive monies from the state account and before any money is allocated to the qualifying organization from the state account, the qualifying organization shall match the amount qualified for by monies raised and designated exclusively for that purpose. State monies, in-kind contributions, and preexisting endowment gifts may not be used to match monies from the state account.

(d) Endowment match monies shall be based on a sliding scale as follows:

(i) Any amount requested not exceeding one hundred thousand dollars (\$100,000.00) shall be matched one dollar (\$1.00) of matching monies for each one dollar (\$1.00) from the state account;

(ii) Any additional amount requested that makes the aggregate amount requested exceed one hundred thousand dollars (\$100,000.00) but not exceed five hundred thousand dollars (\$500,000.00) shall be matched two dollars (\$2.00) of matching monies for each one dollar (\$1.00) from the state account; and

(iii) Any additional amount requested that makes the aggregate amount requested exceed five hundred thousand dollars (\$500,000.00) shall be matched three dollars (\$3.00) of matching monies for each one dollar (\$1.00) from the state account.

(e) Monies from the state account shall be distributed subject to the following requirements:

(i) Qualifying organizations shall raise a cash amount equal to the approved request within three (3) years after applying for monies from the state account by a date determined by the council. For purposes of partial distribution of an approved amount, the council shall review the amount of matching funds received by a qualifying organization on an annual basis;

(ii) Monies from the state account shall be released to the qualifying organization only upon verification to the council that the matching monies have been received on or before the date determined under paragraph (i) of this subsection. Partial distribution of an approved amount shall be made on an annual basis in an amount equal to the matching monies received by a qualifying organization upon verification to the council. Verification of matching funds shall be made by a certified public accountant;

(iii) Monies from the state account shall be granted to each qualifying organization on the basis of the matching funds it has raised by the date determined under paragraph (i) of this subsection.

9-2-909. Unallocated monies. Monies in the state account that are unallocated shall be available to organizations that raise one hundred percent (100%) of their required match by the date determined under W.S. 9-2-908(e).

9-2-910. Spending restrictions; return of endowment.

(a) A qualifying organization, once it has received its endowment monies from the state account, may not expend any of those monies or the required matching monies in its endowment fund, but may expend only the interest income earned on the monies in its endowment fund.

(b) If the council determines that a qualifying organization has expended any amount of the endowment monies received from the state account or any amount of the required matching monies, the qualifying organization shall return the amount it received from the state account. The council

shall reallocate any such returned monies to qualifying organizations in the manner as provided in W.S. 9-2-909.

(c) Upon dissolution of the qualifying organization, the unexpended principal in the endowment fund of the qualifying organization provided from the state account shall revert to the state account.

9-2-911. Federal match. The creation of the state account and the use of its monies to enable qualifying organizations to create their own endowment funds may be construed as a state match for any arts funding from the federal government that may be provided.

Section 2. W.S. 9-2-903 by creating a new subsection (b) is amended to read:

9-2-903. Duties.

(b) The council shall:

(i) Allocate monies from the state account to the endowment fund created by a qualifying organization under W.S. 9-2-907;

(ii) Determine the eligibility of each qualifying organization to receive monies from the state account into the endowment fund of the qualifying organization and be the final arbiter of eligibility;

(iii) Determine the matching amount each qualifying organization must raise in order to qualify to receive monies from the state account;

(iv) Establish a date by which each qualifying organization must provide its matching fund;

(v) Verify that matching funds have been provided by each qualifying organization by the date determined in W.S. 9-2-208(e); and

(vi) In accordance with Wyoming Administrative Procedure Act, establish criteria by rule not otherwise prescribed in this article for determining the eligibility of qualifying organizations to receive monies from the state account.

Section 3. There is appropriated from the budget reserve account to the Wyoming arts endowment account within the trust and agency fund five hundred thousand dollars (\$500,000.00).

Section 4. This act is effective July 1, 1991.

Approved February 28, 1991.