

# Washington Museum Association Conference 2015

## Money for Museums

*Session presenter, Susan Roher, Washington State Historical Society*

### House Bill 1386 Preservation Fund

In 2005, the Washington State Legislature passed House Bill 1386,<sup>1</sup> which increased the local document recording fee from \$2 to \$5. The fee is collected by each county auditor, who by law must record and file deeds and certain other documents related to real estate transactions. Every time a document is recorded a \$5 recording fee is collected. One dollar of the fee be **placed in the county general fund and used by the county commission for document preservation and/or historical programming or preservation in the county.**

The HB 1386 money is of significant interest to the heritage community of each county. It offers a means for museums and heritage organizations to obtain funding for programming and promotion, both ongoing needs at museums statewide. The amount of the fund varies by county and depends on the number of documents recorded during the year. The more documents recorded in a county, the bigger the fund will be.

Many counties have created mechanisms by which these funds are distributed. Various titles as historic or heritage grants, they are administered in different ways.

In Pierce County the Historic Preservation Commission oversees the funding and provides detailed guidelines for funding historic preservation projects, with other history project as eligible for funding with far fewer requirements. In Thurston County, the Historic Commission, a citizens group appointed by the County Commissioners, selects heritage projects of \$5000 and less for funding.

Examples:

**Clark County:** In 2006, the county commission created the Historical Promotion Grants Program “to promote historical preservation and historical programs and education,” awarding more than \$140,000 in grants for six projects ranging from museum exhibits, to collections acquisition, to downtown historic preservation. Since that time amounts granted have ranged from a low of \$60,000.00 to a high of \$78,586.00, 2011 and 2014 respectively. The 2014 amount reflects budgeting for seven projects.

**King County:** The state’s biggest county also earns the most from the document recording fee. The county budget stipulates that funds raised through the recording fee not be used to supplant existing funding sources; the auditor determined that the allocation and expenditure of revenues earned by the surcharge, “to ensure that those revenues are used to support historic preservation and heritage programs consistent with the intent of [the legislation]. The funding and support for historic preservation and heritage programs prior to the enactment of House Bill 1386, to ensure that the filing fee surcharge is used to complement rather than replace existing resources dedicated to those programs.”

**Thurston County:** In 2006, the county collected \$180,000 and dedicated is entirely to a historical document digitization and indexing initiative. The digitization phase, was completed that year,

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<sup>1</sup> RCW 36.22.170

includes more than a million documents dating from 1852 to the present. As of 2014, \$29,000.00 was awarded in increments of \$5000 or less.

**Pierce County:** The county collected \$300,000 in 2006 and used it for historic document preservation through the Imaging System Fund, which contains major allocations to preserve the oldest records in the Auditor's Office, image the "property cards" and other documents in the Assessor's office, and provide funding for an electronic document management system in the Assessor-Treasurer's office. Currently there is a Historic Preservation Grant Program that funds: Stabilization, restoration, or rehabilitation of buildings or structures listed or are in the process of being listed in a local historic register; preservation or enhancement of photographs, documents, and or other materials in Pierce County museums historical societies, and libraries; historic markers to promote county heritage; Pierce County history research; public events and public programs that promote public awareness of history and/or the cultural heritage of a community within Pierce County at large. Grants for a maximum of \$7500.00 are available.

**Spokane County:** Anticipated revenues of \$381,000 in 2007. Half applied to document preservation; other half not known how applied. At this time, one organization per year receives funding up to \$7500.00 for historic preservation activities.

**Snohomish County** is currently accepting applications from public and nonprofit agencies for projects that develop and promote heritage preservation in the county. By providing matching funds on a competitive basis, the Community Heritage Program supports projects that promote the public's access to county history. Funding is available for professional development, public education and programs, capital improvements or collections management.

So where is each county's money?

To find it, you must look under revenues (income) and expenditures (outflow) in the counties' financial records. Revenue is collected by the county auditor and should appear as a separate revenue stream in that budget. Expenditures should be in the county general fund, but may not be listed separately or in a way that is easy to locate. Search your county budget (many of them are online).

If you cannot find the funds, ask the county budget office to track them down for you. Here's the rub: many of them won't know what you're talking about, so it's important to be very specific and detailed in your questioning. In Thurston County, for example, the revenues are listed under the Auditor's Office in the maintenance and operation (M&O) fund. But, there is one line for "Auditor Document Preservation Surcharge" and another line for "Document Preservation." And in many counties, the document preservation charges are lumped together under "document preservation" or even something like "miscellaneous fees and charges." It will take persistence and knowledge to get the answers you seek.

Once you locate the revenues, analyze how they are being expended—or whether a specific program exists to guide their use. The intent of the legislation was to provide funds for heritage organizations.

**It is incumbent on each county's heritage and historic preservation groups to communicate among themselves and then with county officials who allocate and administer these funds.** Write letters to the County Auditor and County Budget Office to determine the recent balance in the revenue collections and what plans are in place for dispersing the funds collected under the Preservation Funds from House Bill 1386.

## Lodging Tax or LTAC Funds

Lodging tax or hotel-motel tax is a consumer tax on lodging assessed for periods less than 30 consecutive days for hotels, motels, rooming houses, private campgrounds, RV Parks and commercial camping sites.

Lodging taxes must be used for activities, operations, and expenditures designed to increase tourism, specifically:

Tourism Marketing includes:

- advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists
- developing strategies to expand tourism
- operating tourism promotion agencies
- funding the marketing or operation of special events and festivals designed to attract tourists
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- Operations and capital expenditures of tourism-related facilities owned or operated by municipal facilities district- each community is different, what makes sense as a tourism facility in one community is not true in another
- Operations of tourism-related facilities owned or operated by nonprofit organizations  
*NOTE: as of July 2013 **capital expenditures** for tourism-related facilities owned by nonprofit organizations are no longer permitted expenditures of lodging tax funds.*

Who Can Apply:

- Convention and visitors bureaus
- Destination marketing organizations
- Nonprofits including main street organizations, lodging associations and Chambers of Commerce
- Municipalities

All applications must include estimates of how funding the activity will result in increases to people staying overnight, travelling 50 miles or more, or coming from another state or country. To ensure this data is collected, jurisdictions should require this information on their lodging tax application forms.

There is no requirement that priority for funding be given to applicants expected to generate the most travelers, and lodging tax revenue may still be awarded to recipients who generate few of these types of travelers.

The legislative body "may only choose recipients from the list of candidates and recommended amounts provided by the local lodging tax advisory committee." However, a city or county does not have to fund the full list as recommended by the LTAC and can choose to make awards in the recommended amounts to all, some, or none of the candidates on this list. The selected recipients must be awarded the amounts recommended by the LTAC.

Reporting Requirements - *this is new!*

All recipients of lodging tax revenue, regardless of what the revenue is to be used for, must submit a report to the municipality describing the actual number of travelers generated.

Municipalities should, as part of their contract with recipients, require that the report be provided immediately after the event or activity.

The municipality must make the report available to the public, the local legislative body, the local LTAC members, and the Joint Legislative Audit and Review Committee (JLARC).

Municipal reporting to JLARC will begin in 2014. The deadline for filing is March 15th.

JLARC has developed a [web-based submission and reporting tool](#) for use in reporting expenditures and tourism numbers that requires a user account and log-in routine.

JLARC will *not* be providing advice on how to estimate tourism impacts. Good faith estimates of actuals can be reported provided applicants and users of funds indicate how those estimates will be developed. All information (including descriptions of how actual impacts were estimated) will be available for public review.

JLARC can be contacted for technical issues associated with the reporting portal by emailing [jlarc@leg.wa.gov](mailto:jlarc@leg.wa.gov)

## Other Public Sources of Funding

### Washington Trust for Historic Preservation



The Washington Trust accepts applications and gives grants through the Valerie Sivinski Washington Preserves Fund. The Washington Trust also administers two grant programs through the Department of Archeology and Historic Preservation: the Historic County Courthouse Rehabilitation Grant Program and the Heritage Barn Preservation Initiative.

For more information on these programs visit <http://preservewa.org/>

### Humanities Washington



Humanities Washington grant funds are available to assist local organizations in creating opportunities for their community to come together to discuss important issues using the humanities.

#### *Humanities Washington Offers Three Types of Grants*

##### Opportunity Grants:

Available year-round to small or rural organizations for public presentations. *Opportunity Grants* do not require a funding match and organizations may request up to \$1,000.

##### Spark Grants:

Awarded once per year through a competitive grant process for projects that are based in dialogue and discussion. *Spark Grants* require a funding match and organizations may request up to \$7,500.

##### Washington Stories Fund:

Awarded once per year to projects that highlight the little-known stories of a person or group whose contributions add to the cultural richness and health of Washington State. One grant of \$5,000 is awarded through a competitive process and projects require a funding match.

For more information on these programs visit <http://www.humanities.org/>

## Washington State Historical Society



### Heritage Capital Project Grants:

In 1995 the Legislature & Governor, citing a “rich heritage in historical sites and artifacts” with unrealized educational potential, established the Heritage Capital Projects Fund to support the preservation of Washington’s heritage. Since 1997 over 200 HCPF grants have supported new construction & rehabilitation of tribal cultural centers, historic structures & objects, museums, ships, planes and railroads, and interpretative centers & landscapes. Grant applications are accepted biennially in May, with the next grant cycle set of 2014.

For more information and to be added to the heritage capital projects mailing list, please visit [www.washingtonhistory.org/heritageservices/grants.aspx](http://www.washingtonhistory.org/heritageservices/grants.aspx) or contact administrator, Janet Rogerson, [Janet.rogerson@wshs.wa.gov](mailto:Janet.rogerson@wshs.wa.gov) 253/798-5909

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