

## LEGISLATIVE BILL 780

Approved by the Governor August 06, 2020

Introduced by Stinner, 48.

A BILL FOR AN ACT relating to the Nebraska Arts Council; to amend sections 82-312, 82-313, and 82-332, Reissue Revised Statutes of Nebraska; to provide powers and duties relating to establishment and certification of creative districts and funding competitive grants; to change provisions relating to expenditures for administrative costs for cultural preservation activities; to harmonize provisions; to provide operative dates; to repeal the original sections; and to declare an emergency.  
Be it enacted by the people of the State of Nebraska,

Section 1. Section 82-312, Reissue Revised Statutes of Nebraska, is amended to read:

82-312 The duties of the council shall be:

(1) To stimulate and encourage throughout the state the study and presentation of the performing and fine arts and public interest and participation therein;

(2) To make such surveys as may be deemed advisable of public and private institutions within the state engaged in artistic and cultural activities, including, but not limited to, music, theatre, dance, painting, sculpture, architecture, and allied arts and crafts, and to make recommendations concerning appropriate methods to encourage participation in and appreciation of the arts to meet the legitimate needs and aspirations of persons in all parts of the state;

(3) To take such steps as may be necessary and appropriate to encourage public interest in the cultural heritage of our state and to expand the state's cultural resources; ~~and~~

(4) To encourage and assist freedom of artistic expression essential for the well-being of the arts; ~~and~~

(5) To recommend to the Legislature a plan to divide the state into creative districts and certify them based on geographically contiguous area, artistic or cultural activities or facilities, promotion and preservation of artistic or cultural sites or events, educational uses of artistic or cultural activities or sites, and unique or niche areas, activities, events, facilities, or sites.

Sec. 2. Section 82-313, Reissue Revised Statutes of Nebraska, is amended to read:

82-313 (1) The Nebraska Arts Council may:

(a) Hold ~~(1) hold~~ public and private hearings; ~~τ~~

(b) Enter ~~(2) enter~~ into contracts, within the limit of funds available therefor, with individuals, organizations, and institutions for services furthering the educational objectives of the council's programs; ~~τ~~

(c) Enter ~~(3) enter~~ into contracts, within the limit of funds available therefor, with local and regional associations for cooperative endeavors furthering the educational objectives of the council's programs; ~~τ~~

(d) Accept ~~(4) accept~~ gifts, contributions, and bequests of unrestricted funds from individuals, foundations, corporations, and other organizations or institutions for the purpose of furthering the educational objectives of the council's programs; ~~τ~~

(e) Distribute ~~(5) distribute~~ funds appropriated by the Legislature to any organization which has been designated as the state affiliate of the National Endowment for the Humanities for the period covered by the appropriation; ~~τ~~

(f) Make ~~(6) make~~ and sign any agreements and do and perform any acts that may be necessary to carry out the purposes of sections 82-309 to 82-316; ~~τ~~

(g) Enter ~~(7) enter~~ into contracts, make and sign any agreements, and perform any acts that may be necessary to stabilize funding for the arts and humanities and to carry out the intent of sections 82-330 to 82-333; ~~τ~~

(h) Prepare a plan that would permit, to the extent that funds are available, the establishment of a competitive grant program to award a grant to any creative district that is certified pursuant to the plan adopted by the Legislature under subdivision (5) of section 82-312 and that meets the criteria for the competitive grant, including eligibility criteria, application and appeal processes, conditions on receipt of a grant, and consequences of failure to meet the conditions; and

(i) Adopt ~~(8) adopt~~ and promulgate rules and regulations to carry out its powers and duties.

(2) The council may request from any department, division, board, bureau, commission, or agency of the state such assistance and data as will enable it properly to carry out its powers and duties.

Sec. 3. Section 82-332, Reissue Revised Statutes of Nebraska, is amended to read:

82-332 (1) The Nebraska Arts and Humanities Cash Fund is created. The fund shall consist of all funds credited from the Nebraska Cultural Preservation Endowment Fund pursuant to section 82-331. The Nebraska Arts Council shall administer and distribute the Nebraska Arts and Humanities Cash Fund. The

Nebraska Arts Council and may, through the end of fiscal year 2019-20, use up to thirty thousand dollars annually to defray costs directly related to the administration of sections 82-330 to 82-333. Beginning in fiscal year 2020-21 and each fiscal year thereafter, the Nebraska Arts Council may use from the Nebraska Arts and Humanities Cash Fund an amount equivalent to one-half of one percent of the balance of the Nebraska Cultural Preservation Endowment Fund to defray costs directly related to the administration of sections 82-330 to 82-333. The annual calculation of the administrative-costs limit shall be carried out in conjunction with the budget division of the Department of Administrative Services. The calculation shall be carried out no later than September 10 of each fiscal year and shall be based upon the balance of the Nebraska Cultural Preservation Endowment Fund as it existed on June 30 of the previous year. Expenditures designated as administrative costs shall not be subject to the private matching fund requirements set forth in subsection (2) of this section.

(2) All disbursements from the Nebraska Arts and Humanities Cash Fund that are to support arts and humanities projects, endowments, or programs shall be matched dollar-for-dollar by sources other than state funds. The match funds shall be new money generated for endowments established by the Nebraska Arts Council or Nebraska Humanities Council or qualified endowments of their constituent organizations, new money generated as a result of seed grants to recipients, or new money generated by the Nebraska Arts Council or Nebraska Humanities Council for arts or humanities education. Matching funds shall also include earnings generated by qualified private endowments formed in accordance with this section. For purposes of this section, new money means a contribution to a qualified endowment generated after July 1, 2011. Contributions not fully matched by state funds shall be carried forward to succeeding years and remain available to provide a dollar-for-dollar match for state funds. For an endowment to be a qualified endowment (a) the endowment must meet the standards set by the Nebraska Arts Council or Nebraska Humanities Council, (b) the endowment must be intended for long-term stabilization of the organization, and (c) the funds of the endowment must be endowed and only the earnings thereon expended. An organization is a constituent organization if it receives funding from the Nebraska Arts Council or Nebraska Humanities Council and is tax exempt under section 501 of the Internal Revenue Code. The match funds required by this section shall not include in-kind contributions. The budget division of the Department of Administrative Services shall approve allotment and disbursement of funds from the Nebraska Arts and Humanities Cash Fund that are governed by this subsection only to the extent the Nebraska Arts Council has provided documentation of the dollar-for-dollar match required by this section. Funds from the Nebraska Arts and Humanities Cash Fund may be used for the purpose of obtaining challenge grants from the National Endowment for the Humanities or the National Endowment for the Arts.

(3) Rules and regulations of the Nebraska Arts Council shall provide that the ultimate use of disbursements from the Nebraska Arts and Humanities Cash Fund authorized under subsection (2) of this section shall be in a ratio of seventy percent to projects, endowments, or programs designated by the Nebraska Arts Council and thirty percent to projects, endowments, or programs designated by the Nebraska Humanities Council.

(4) Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 4. Sections 1, 2, and 5 of this act become operative three calendar months after the adjournment of this legislative session. The other sections of this act become operative on their effective date.

Sec. 5. Original sections 82-312 and 82-313, Reissue Revised Statutes of Nebraska, are repealed.

Sec. 6. Original section 82-332, Reissue Revised Statutes of Nebraska, is repealed.

Sec. 7. Since an emergency exists, this act takes effect when passed and approved according to law.