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**SENATE BILL 5238**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Senator Hasegawa

1 AN ACT Relating to creating a Washington state creative economy  
2 work group; adding new sections to chapter 43.330 RCW; making  
3 appropriations; and providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The definitions in this section apply  
6 throughout this section and sections 2 through 4 of this act unless  
7 the context clearly requires otherwise.

8 (1) "Contracted nonprofit" means the organization under contract  
9 with the department to lead the work group.

10 (2) "Department" means the department of commerce.

11 (3) "Director" means the director of the department of commerce.

12 (4) "Work group" means the Washington state creative economy work  
13 group created in section 2 of this act.

14 NEW SECTION. **Sec. 2.** (1) A work group to create a strategic  
15 plan for the Washington state creative economy is established, with  
16 members as provided in this subsection.

17 (a) The director of the contracted nonprofit, or his or her  
18 designee, shall serve as the chair of the work group. The director of  
19 the contracted nonprofit, or his or her designee, serving as work  
20 group chair must:

- 1 (i) Hold significant experience working in the professional arts  
2 as an artist, producer, director, or other creator;
- 3 (ii) Hold significant experience on the business side of the  
4 professional arts, with experience in business development and  
5 drafting business plans and multidisciplinary planning documents; and  
6 (iii) Be physically based in the state of Washington;
- 7 (b) A representative from the department;
- 8 (c) A representative from the Washington state association of  
9 counties;
- 10 (d) A representative from the association of Washington cities;
- 11 (e) A representative from the banking industry with experience in  
12 matters involving the federal small business administration;
- 13 (f) Five representatives from the Washington state arts community  
14 including, but not limited to, the following sectors:
- 15 (i) Film, television, and video production;
- 16 (ii) Recorded audio and music production;
- 17 (iii) Animation production;
- 18 (iv) Video game development;
- 19 (v) Live theater, orchestra, ballet, and opera;
- 20 (vi) Live music performance;
- 21 (vii) Visual arts, including sculpture, painting, graphic design,  
22 and photography;
- 23 (viii) Production facilities, such as film and television  
24 studios; and
- 25 (ix) Live music or performing arts venues;
- 26 (g) A representative from a certified public accounting firm or  
27 other company with experience in financial modeling and in the  
28 creative arts;
- 29 (h) A representative selected by the Washington state commission  
30 on African American affairs, the Washington state commission on  
31 Hispanic affairs, the governor's office of Indian affairs, and the  
32 Washington state commission on Asian Pacific American affairs to  
33 represent the entities on the work group;
- 34 (i) A representative of a federally recognized Indian tribe with  
35 a reservation located east of the crest of the Cascade mountains;
- 36 (j) A representative of a federally recognized Indian tribe with  
37 a reservation located west of the crest of the Cascade mountains; and
- 38 (k) Other state agency representatives or stakeholder group  
39 representatives, at the discretion of the work group, for the purpose  
40 of participating in specific topic discussions.

1 (2) Work group members should be selected to ensure  
2 representation of the range of demographic diversity across the state  
3 of Washington.

4 (3) The work group must:

5 (a) Collect and analyze data on the current state of the  
6 Washington state creative economy; and

7 (b) Within two years, develop a strategic plan to improve the  
8 Washington state creative economy that can be rolled out in  
9 incremental phases to reach identified economic, social justice, and  
10 business development goals. The goal of the strategic plan must be to  
11 ensure that the state of Washington is competitive with respect to  
12 attracting creative economy business, retaining talent within the  
13 state, and developing marketable content that can be exported for  
14 national and international consumption and monetization. The  
15 strategic plan must address support for the creative community within  
16 historically marginalized communities, as well as the creative  
17 economy at large, and take into account the diverse interests,  
18 strengths, and needs of Washington's population on both sides of the  
19 Cascade mountains.

20 (4) In developing the strategic plan for the Washington state  
21 creative economy, the work group must:

22 (a) Identify existing studies of aspects affecting the creative  
23 economy, including studies relating to tax issues, legislation,  
24 finance, population and demographics, and employment;

25 (b) Conduct a comparative analysis with other jurisdictions that  
26 have successfully developed creative economy plans and programs,  
27 including the states of Georgia and New Mexico, and the provinces of  
28 British Columbia and Ontario, Canada;

29 (c) Conduct in-depth interviews to identify best practices for  
30 structuring a strategic plan for the state of Washington;

31 (d) Evaluate existing banking models for financing creative  
32 economy projects in the private sector and develop a financial model  
33 to promote investment in Washington's creative economy;

34 (e) Evaluate existing state and county tax incentives and make  
35 recommendations for improvements to support the creative economy;

36 (f) Identify the role that counties and cities play with respect  
37 to the strategic plan, and identify specific counties and cities that  
38 may need or want a stronger creative economy;

39 (g) Identify opportunities for synergies with new business models  
40 and the integration of new technologies; and

1 (h) Identify the role that state education programs in the  
2 creative arts play in the creative economy and with respect to  
3 advancing the strategic plan.

4 (5) The work group must report its findings and recommendations  
5 to the appropriate committees of the legislature by December 1, 2022.

6 (6) This section expires December 1, 2023.

7 NEW SECTION. **Sec. 3.** (1) From amounts appropriated to the  
8 department for the work group created in section 2 of this act and  
9 from other moneys available to it, the department may incur  
10 expenditures for any purpose specifically authorized by this chapter  
11 including:

12 (a) Entering into a contract with a nonprofit organization  
13 existing on the effective date of this section whose sole purpose is  
14 to focus on creative arts to develop a strategic plan for the  
15 Washington state creative economy; and

16 (b) Paying for administrative expenses of the work group.

17 (2) All nonstate moneys received by the department under section  
18 2 of this act or otherwise provided to the department for purposes of  
19 matching funding must be deposited in the private local account  
20 created in subsection (3) of this section and are held in trust for  
21 uses authorized solely by this section and section 2 of this act.

22 (3) The department must create a private local account to receive  
23 nonstate funds and state funds, other than general fund state funds,  
24 contributed to the department for purposes of this section and  
25 section 2 of this act.

26 NEW SECTION. **Sec. 4.** (1) The sum of \$250,000, or as much  
27 thereof as may be necessary, is appropriated for the fiscal year  
28 ending June 30, 2022, from the general fund to the department of  
29 commerce for the purposes of this act.

30 (2) The sum of \$250,000, or as much thereof as may be necessary,  
31 is appropriated for the fiscal year ending June 30, 2023, from the  
32 general fund to the department of commerce for the purposes of this  
33 act.

34 NEW SECTION. **Sec. 5.** Sections 1 through 3 of this act are each  
35 added to chapter 43.330 RCW.

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