
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 3011 Session of
1990

INTRODUCED BY RICHARDSON, NOVEMBER 14, 1990

REFERRED TO COMMITTEE ON STATE GOVERNMENT, NOVEMBER 14, 1990

AN ACT

1 Providing for cultural facilities; establishing the Cultural
2 Facilities Board and providing for its powers and duties;
3 providing for programs of loans and grants; establishing the
4 Cultural Facilities Loan and Grant Fund; and providing for
5 additional duties of the Department of Community Affairs and
6 the Commonwealth of Pennsylvania Council on the Arts.

7 The General Assembly finds and declares that:

8 (1) There are many cultural facilities throughout this
9 Commonwealth which require extensive renovation and repair.

10 (2) Several communities throughout this Commonwealth
11 would like to construct cultural facilities but lack adequate
12 funding to do so.

13 (3) There is a need to make the arts and humanities and
14 our rich historical legacy accessible to the residents of our
15 Commonwealth and to tourists.

16 (4) It is essential that the Commonwealth promote
17 cultural activities and one of the primary means to do that
18 is through the proper financing of the construction and
19 development of new cultural facilities and the restoration,
20 repair, rehabilitation and preservation of existing cultural

1 facilities.

2 (5) Cultural facilities provide regional meeting places
3 for the residents of this Commonwealth to share with one
4 another and residents from other states.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Cultural
9 Facilities Act.

10 Section 2. Definitions.

11 The following words and phrases when used in this act shall
12 have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Board." The Cultural Facilities Board.

15 "Council." The Commonwealth of Pennsylvania Council on the
16 Arts.

17 "Cultural facility." The building or physical location of a
18 nonprofit organization or governmental agency whose primary
19 purpose is the enlightenment and entertainment of the public
20 through the production, presentation, exhibition, advancement or
21 preservation of art, music, theater, dance, history, natural
22 history, history of science or technology and the disciplines of
23 the humanities.

24 "Department." The Department of Community Affairs of the
25 Commonwealth.

26 "Fund." The Cultural Facilities Loan and Grant Fund.

27 "Project." The costs associated with the acquisition,
28 construction, improvement, expansion, extension, repair or
29 rehabilitation of all or part of any cultural facility.

30 Section 3. Powers and duties of department.

1 The department shall:

2 (1) Review, in cooperation with the board, all grant and
3 loan applications and cultural facility development plans or
4 delegate the responsibility to the board to review all grant
5 applications and cultural facility development plans.

6 (2) Give technical assistance and advice to the board in
7 assessing the need for cultural facility projects in this
8 Commonwealth.

9 (3) Allocate to the board the necessary moneys for
10 grants, loans and day-to-day administrative responsibilities
11 in carrying out this act and the rules and regulations
12 promulgated under this act.

13 (4) Serve as the agency of the Commonwealth for the
14 receipt of moneys which are available for cultural facilities
15 or activities from the Federal Government or other public or
16 private agencies or persons.

17 Section 4. Cultural Facilities Board.

18 (a) Establishment and membership.--There is hereby
19 established the Cultural Facilities Board which shall consist of
20 11 members. The Cultural Advisor to the Governor, the Chairman
21 of the Commonwealth of Pennsylvania Council on the Arts and the
22 Chairman of the Pennsylvania Historical and Museum Commission
23 shall be ex officio members. The Speaker of the House of
24 Representatives, the President pro tempore of the Senate, the
25 Minority Leader of the House and the Minority Leader of the
26 Senate or their designees shall be members. Four members shall
27 be appointed by the Governor. These four members shall be
28 representatives of cultural institutions or organizations who
29 have had at least two years' experience as board or staff
30 members in the production, performance or management of

1 artistic, cultural or historical activities in this
2 Commonwealth.

3 (b) Chairman.--The board shall select a chairman from its
4 members every two years.

5 (c) Vacancies.--The Governor shall fill vacancies by
6 appointment in the same manner as the original appointment.
7 Members shall serve until their successors are appointed.
8 Vacancies may occur through resignation or removal.

9 (d) Executive director.--The board shall appoint an
10 executive director who shall attend to the administrative work
11 of the board. The executive director shall serve at the pleasure
12 of the board, which shall fix his compensation, subject to the
13 approval of the Executive Board in accordance with section 709
14 of the act of April 9, 1929 (P.L.177, No.175), known as The
15 Administrative Code of 1929. No member of the board or person
16 who has served as a member of the board within one year shall be
17 eligible for appointment as executive director.

18 (e) Attendance.--A member who fails to attend three
19 consecutive meetings shall forfeit his seat unless the chairman
20 of the board, upon request from the member, finds that the
21 member should be excused from a meeting for good cause. All
22 members of the board may designate a representative who will
23 attend the meetings of the board. The name of the designated
24 representative must be submitted to the board.

25 (f) Expenses.--Members shall receive reasonable travel,
26 hotel and other necessary expenses incurred in the performance
27 of their duties, in accordance with the rules of the Executive
28 Board.

29 Section 5. Powers and duties of board.

30 The board shall have and may exercise all powers necessary or

appropriate to carry out and effectuate the purposes of this act, including, but not limited to, the following:

(1) Conducting a survey prior to the issuance of any grants or loans under this act to assess the need for cultural facilities projects in this Commonwealth.

(2) Determining how these needs will be met before any grants or loans are issued.

(3) Establishing a grant and a loan application process.

(4) Consulting other State and Federal agencies that may be affected or involved in cultural facilities before a loan or grant is awarded.

(5) Awarding grants and making loans on a competitive basis for projects, based on the following criteria:

(i) Demonstration by the applicant of high-quality programming, administrative capabilities and long-term financial stability.

(ii) Submission of well-developed capital plans that indicate a significant level of local support.

(iii) Submission of plans for design review.

(iv) The ability to meet the eligibility standards for a project contained in section 6.

(v) Geographic considerations, including the amount of grant and loan moneys distributed in one area of this Commonwealth, the population, location, accessibility, need and attraction of the facility to the citizens of this Commonwealth and other states.

(6) Adopting rules and regulations for implementing and enforcing this act, including, but not limited to, grant and loan eligibility requirements and application procedures.

Section 6. Grant and loan programs.

1 (a) Eligibility.--To be eligible for a grant or a loan for a
2 cultural facility project, the board of directors or governing
3 body of the applying organization shall:

4 (1) Maintain existing or propose to operate new
5 facilities of sufficient State or regional significance. For
6 a facility to be of sufficient State or regional
7 significance, it shall have appropriate and requisite spaces,
8 technical capabilities and professional management to present
9 or produce programs, exhibitions and activities of artistic,
10 cultural or historic significance; ensure that high-quality
11 programs that serve broad and diverse regional audiences are
12 presented; have the necessary display or seating capacity,
13 staging, appurtenant production preparation spaces, auxiliary
14 facilities, sound lighting and other technical features;
15 management, marketing and maintenance support; convenient
16 parking, to attract a wide variety of performing groups and
17 to serve the citizens of this Commonwealth on a regional
18 basis.

19 (2) Have in place a marketing feasibility study.

20 (3) Have in place a cultural facility development plan.

21 (4) Demonstrate the ability to match the grant or loan
22 requested under this act in the following manner:

23 (i) generate \$1 of nonpublic funds for every \$1 of
24 grant or loan money sought; and

25 (ii) generate \$1 of non-State public funds for every
26 \$1 of grant or loan money sought.

27 (b) State assistance.--Moneys raised for project up to one
28 year prior to the effective date of this act may be eligible for
29 State assistance under the provisions of the matching grant and
30 loan program. Under no circumstances will funds generated prior

1 to that time qualify for a grant or a loan under this act.

2 (c) Limit on loans and grants.--No loan or grant amount
3 shall exceed \$300,000 or 25% of the available grant or loan
4 moneys each year. The board may establish a minimum grant
5 amount.

6 (d) Allocation of grants.--A grant may be allocated over a
7 three-year period but the cultural facility shall not receive
8 more than 50% of the grant award in the first year.

9 (e) Loan period.--Loans made by the board shall be for a
10 period of not more than five years, and any loan in the amount
11 of \$10,000 or less shall be for a period of not more than two
12 years. Loans shall be subject to the payment of interest at 2%
13 per annum and shall be subject to such security as the board
14 determines is necessary. The total amount of interest earned by
15 the investment or reinvestment of all or any part of the
16 principal of any loan shall be returned to the department and
17 transferred to the fund and shall not be credited as payment of
18 principal or interest on the loan. The minimum amount of any
19 loan shall be \$5,000.

20 (f) Financial disclosure.--Every application for a loan or a
21 grant under this act shall be accompanied by a notarized
22 financial statement of the cultural facility and a financial
23 plan to show the amount of assets and projected revenues for the
24 repayment of the loan, the availability of the matching funds as
25 required under this section, any other obligations of the
26 cultural facility and the operating expense over the period of
27 the grant or loan. In the case of a grant that is to be prorated
28 over three years, the applying organization must certify each
29 year that the matching grant moneys are available before the
30 agreed-upon portion of the grant will be distributed.

1 Section 7. Cultural Facilities Loan and Grant Fund.

2 (a) Creation.--There is hereby created a special fund in the
3 State Treasury to be known as the Cultural Facilities Loan and
4 Grant Fund to which shall be credited all appropriations made by
5 the General Assembly and the repayment of principal and interest
6 on loans made under this act.

7 (b) Procedure.--Upon approval of any loan or grant, the
8 department shall routinely requisition from the fund such
9 amounts as shall be allocated by the department for loans and
10 grants to cultural facilities. When the loans are repaid to the
11 department under the terms of the loan agreement entered into
12 with the board, the department shall pay such amounts into the
13 fund. This fund shall operate as a revolving fund whereby all
14 appropriations and payments made may be applied and reapplied to
15 the purposes of this act. All moneys in the fund are hereby
16 appropriated to the department on a continuing basis.

17 Section 8. Severability.

18 The provisions of this act are severable. If any provision of
19 this act or its application to any person or circumstance is
20 held invalid, the invalidity shall not affect other provisions
21 or applications of this act which can be given effect without
22 the invalid provision or application.

23 Section 9. Effective date.

24 This act shall take effect in 60 days.