



WASHINGTON MUSEUM ASSOCIATION

MONEY FOR MUSEUMS - HOUSE BILL 1386 WHITE PAPER (Background and How to Get Started)

HOUSE BILL 1386, CODIFIED AS RCW 36.22.170

In 2005, the Washington State Legislature passed House Bill 1386, 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. ***“Section (1)(a) of RCW 36.22.170, requires that “One dollar of the surcharge shall be deposited in the county general fund to be used at the discretion of the county commissioners to promote historical preservation or historical programs, which may include preservation of historic documents.”***”

Background

New legislation, commonly referred to as “HB 1386,” was introduced by Senator Craig Pridemore and **Representative** in 2005. This legislative action created a new revenue source of significant interest to the heritage community of each county, but it is still lacking an award process and promotion in many areas. The legislation offers museums and heritage organizations a means to obtain funding for historical preservation, historical programming and/or preservation of historic documents, photos and materials, all of which are ongoing needs at our museums statewide.

The caveat is that the legislation is very brief and very general in its direction. It allows the funds *to be used at the discretion of the county commissioners* with little guidance or clarification regarding its application. This has led to a wide interpretation by counties around the state for its use, or conversely, no interpretation or implementation at all.

Clark County took the lead in creating a grant program as a mechanism by which these funds are distributed. As more programs are put in place the heritage community becomes better informed. However, there are counties who are choosing to not take action on this matter, or who have interpreted the legislation in a manner that applies it only to county preservation issues or programs.

Progress in developing policies, guidelines and distribution programs (usually grants) is being tracked by the Washington Museums Association (WMA) and the Washington Trust for Historic Preservation, among others. Known activity has been briefly annotated in the “WMA Chart - 1386 County Funds Status.” This resource includes the contacts for County Auditors, Commissioners and County Councilmembers (users should verify and update this information as needed). It also identifies a WMA point person in the counties where someone has volunteered to be a liaison with the WMA Board representative tracking this activity. The Chart is periodically updated and is included with the HB 1386 Toolkit on the WMA website.

It should be noted that this revenue source is from recording fees at the county level and a majority of those fees originate with property sales. Therefore, the economic downturn of the housing market and construction industry will have an impact on the total fees received. Fees collected in one year are usually applied to the following year’s annual budget.

How to Proceed

So where is each county's money? To find out 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. It could be listed under recording fees, miscellaneous fees, or other headings. Expenditures should be in the county general fund, but may not be listed separately or in a way that is easy to locate. Many of the county budgets are now online and may be searchable. There should also be a copy available public review in the Auditors and/or the Budget Directors Offices, especially at this time of year when new budgets are being developed for the following year.

If you cannot find the funds, ask the county budget office to help you locate the category, section, page, etc. and ask for an explanation of the coding so you can find it again later on your own. Keep in mind that asking for HB 1386 monies may bring blank stares so it's important to be clear on the source and to be very specific and detailed in your questioning. Take the House Bill and RCW (Revised Code of Washington) language as drafted with you as a starting point reference.

Look first in the General Fund; check in the maintenance and operation (M&O) fund, ask about subheadings, and ask if the funds were appropriated according to the breakout in the bill language at the top of page one. In one county budget under general fund there is one line for "*Auditor Document Preservation Surcharge*" and another line for "*Document Preservation.*" Expenditures may be lumped together under one title or another or there may be no reference to document preservation at all. You may also need to check for "*miscellaneous fees*" headings as well. It will take persistence and knowledge to get the answers you seek.

Once you locate the revenues, analyze if they are or have been distributed, how they are being expended, or whether a specific program or process 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. Remember - fall is budget development time for jurisdictions operating on a calendar year and funds for 2009 allocations will soon be determined. It's a good time to attend budget meetings to learn how the budget process works and to add your voice in setting budget priorities for your organizations as well as your communities.

WMA HB 1386 Tool Kit Contents online: <http://www.washingtonstatemuseums.org/>
HB 1386 White Paper on background, what to look for and how to get started (this paper)

- RCW 36.22.170 codifying HB 1386 defining "Surcharge for preservation of historical documents; Distribution of revenue to county and state treasurer; Creation of account"
 - Talking With Elected Officials – Any Level: Tips on how to actively participate in the legislative process at any level and in a variety of ways with resources and key points to remember
 - Letter Template for County Budget Office of Charter Counties
 - Letter Template for County Auditors of Charter Counties
 - Letter Template for County Auditors of Code Counties
- Letters will ask for the following information from the appropriate agencies:
- Total amounts collected for 2005, 2006, 2007, and to date in 2008
 - Budget information for the monies in 2005, 2006, 2007, and 2008
 - Current balance of unbudgeted monies collected for HB 1386
- Kittitas County Proposed Grant Program for fund awards: A synopsis of the proposal presented to the Kittitas County Commissioners by ten Kittitas County heritage organizations.
 - WMA Tracking Chart on HB 1386 County Funds Status: Chart includes contacts for County Auditors, Commissioners and County Councilmembers and identifies a point person in those counties where inquiries are being made and/or activity has been initiated. This volunteer is a liaison with WMA and will assist individuals in those counties.