**Public Sector Arts Funding Programs**

**Special tax districts** allow the dedication of a portion of a local sales or property tax to cultural programs (science and history museums, and botanical gardens in addition to the arts, are usually included in cultural programs benefiting from this tax). This mechanism can provide the greatest potential source of stable local public funding for cultural programs

**Allegheny County, PA**

**Tax:** 1% Sales Tax Collected by State Government

**Supported:** $62 million in grants in 2018

The Allegheny Regional Asset District (RAD) is a special purpose area-wide unit of local government which was authorized by an act of the Pennsylvania Legislature (Act 77 of 1993). The geography of the District is the same as Allegheny County.

For years, elected officials and community leaders searched for solutions to two vexing public problems:

* the needs to move away from real estate tax as the main source of funding municipal and county functions, and to provide a local tax relief program for low-income senior citizens.
* The need to preserve recreational and cultural institutions and libraries important to our families and our economy without burdening any one municipality or the county government. Most of these institutions faced a decrease or elimination of local support because of other demands on government budgets.

Act 77 provides for the enactment of a 1% county sales tax collected by the State Department of Revenue under the same rules as the state sales tax. The County Commissioners levied the tax and created the District in March of 1994. Every municipal government in Allegheny County voted to participate in the benefits of the new tax. The District itself does not have taxing power and the County government cannot increase the tax under existing law.

In the initial year of implementation (1995), the Act required the County government to use all of its money to eliminate the personal property tax, reduce real estate taxes and fund a low income senior citizen tax relief program. The City of Pittsburgh was required by the Act to eliminate the personal property tax, to reduce its amusement tax and to fund a senior citizen tax relief program.

**Denver**

**Tax:** 1 cent sales tax per $10

**Supported:** $62 million in grants in 2018

Revenue comes from a sales tax of 1 cent per $10 and goes to various cultural organizations as part of a three-tiered funding system. Larger recipients include the Denver Zoo, Denver Museum of Art and the Denver Center for the Performing Arts.

Beyond the stability such funding provides, it also helps with community access, Gabbard said. Steady and reliable funding allows arts groups and museums to offer free and reduced performances. Referring to the possible tax increase here, Gabbard said it “could be jet fuel to support free access.” In Denver, he added, “It was transformative.”

**Salt Lake City**

**Tax:** 1 cent sales tax per $10

**Supported:** $16.5 million in grants in 2019

The Salt Lake County Zoo, Arts & Parks (ZAP) Program was voted on and passed by Salt Lake County residents in 1996, awarding its first grants in 1997. Every 10 years, the ZAP Program is placed on the ballot for County residents to vote for the program's renewal. The percentage of supporting voters continues to increase with each renewal cycle due to the successful reach and impact of the ZAP Program and the organizations it funds.

For each purchase in Salt Lake County that includes sales tax, one (1) penny of every $10 spent goes to providing grants to over 200 nonprofit organizations in the community.

ZAP primarily offers three categories of grant funding to art, cultural and botanical organizations: Tier I, Tier II, and Zoological. Each application is reviewed by the corresponding ZAP Advisory Board using a specific set of scoring criteria.

**Minnesota**

**Tax:** 3/8 of 1 % increase in sales tax – 19.75% going to the arts heritage fund

**Supported:** $48 million in grants in 2018

The Arts and Cultural Heritage Fund receives 19.75 percent of the sales tax revenue resulting from the Legacy amendment to support arts, arts education and arts access, and to preserve Minnesota's history and cultural heritage. Based on current sales tax revenue, Minnesotans will invest more than $1.2 billion in arts and cultural heritage fund projects and programs over the 25 year life of the tax.

A portion of the dollars appropriated from the Arts and Cultural Heritage Fund are being made available through grant programs.

**St. Louis**

**Tax:** Property tax

**Generated:** $76.1 million for zoos and museums in 2017

The Metropolitan Zoological Park and Museum District touts itself as the “first and most successful regional cultural district” in the nation. Since voters approved the city-county property tax in 1971 to shore up the St. Louis zoo, art museum and science center, it has generated $175 billion. According to the Zoo Museum District, 99% of the net revenue has gone to programs and improvements at those organizations and venues.

Voters approved two additions to the district during the 1980s: the Missouri Botanical Garden and the Missouri History Museum. An eight-member governing board is divided evenly between city and county government appointees. The property tax funding the Zoo Museum District exists in perpetuity, meaning it doesn’t have to go before voters again.

**Genesee County, Michigan**

**Tax:** Property tax

**Generated:** $9.3 million each year for 10 years

The county collects the 10-year, 0.96-mill property tax, and the Flint Cultural Center Foundation receives and distributes an estimated $8.7 million generated by the tax each year.

This money will be used to provide annual dedicated funding through the Flint Cultural Center Foundation for the continuing support of arts, education and cultural enrichment for students, residents and visitors to cultural institutions. They include the Sloan Museum, the Longway Planetarium, The Whiting Auditorium and Flint Institute of Arts, the Flint School of Performing Arts, Flint Symphony Orchestra, Flint Youth Theatre, Flint Institute of Music, the Capitol Theatre and the Floyd J. McCree Theatre and Fine Arts Centre and the Berston Field House.

**BBB TAXES AND SIN TAXES**

**BBB taxes and sin taxes** include the most commonly used method to fund cultural programs over the last 25 years—**hotel-motel taxes**. Forty-two states (including Texas) have a “local option accommodation tax” enabling cities and counties to collect taxes on hotel-motel occupancy (known as bed tax) and in some cases also taxing meals, and alcoholic beverages (BBB—bed, board and booze). Sin taxes include cigarette and gambling tax revenues.

**Austin/San Antonio**

**Tax:** 15% of hotel tax revenue

**Supported:**$12.3 million in grants in 2018 in Austin and $7.2 million in San Antonio

These two Texas cities are located within a short drive of one another and both allocate 15% of local hotel room tax revenue to fund their arts agencies.

In San Antonio, the arts and culture department distributes grants, runs the public art program (presiding over projects designed and created as part of city-funded buildings), steers the local film commission, collaborates with artists and seeks to increase the size and scope of the creative community.

A 15-member arts commission appointed by council and the mayor leads the arts and culture division. The department has 20 full-time employees.

Austin’s cultural arts division is part of the city economic development

**Cleveland**

**Tax:** 30 cents per pack cigarette tax

**Supported:** $12.8 million in grants in 2018

Cuyahoga Arts & Culture, or CAC, was born in 2006 after Clevelanders — the city is located in Cuyahoga County — approved a cigarette tax of 30 cents per pack to fund the arts. The tax took effect the following year with an expiration date of 2017. Two years before it would have ended, voters passed a 10-year extension until 2027.

During that time, CAC has awarded 400 arts and culture groups grants worth a combined $182 million.

An elected CEO, known as the County Executive, appoints the five-member board overseeing CAC. The organization only makes grants and isn’t responsible for marketing, advocacy and other duties also carried out by ASC in Charlotte. Last year, the cigarette tax accounted for $13.8 million of CAC’s total revenue of $14.1 million. Of that amount, $12.8 million was used for grants. CAC has seven full-time employees.

A drawback of the cigarette tax: Fewer cigarettes are being sold, which is good for public health, but that means revenue has declined steadily, which, in Cuyahoga County’s case, is not good for arts funding. The tax peaked at $19.5 million in 2008.

**San Francisco**

**Tax:** 1.5% of hotel tax revenue

**Generated:** $33 million in fiscal 2020

San Francisco funds the arts using public money in multiple agencies and departments, led by the San Francisco Arts Commission, a city agency. In November 2018, 75% of voters approved a proposal to allocate 1.5% of existing hotel tax revenue to the arts. It had previously been halted due to concerns over possible legal challenges regarding the way it was structured.

The arts commission was established 80 years ago and currently has a $35 million annual budget and 40 employees. Of the $33 million more generated by the revived and revised hotel tax, $13.6 million, or 41%, will go to the arts commission. Arts education, grants to cultural groups, public policy advocacy and neighborhood arts programs are among the commission’s responsibilities. Another city division, Grants for the Arts, awarded close to $13 million in operating support and grants to San Francisco arts organizations in fiscal 2019.

A 15-member board appointed by the mayor oversees the arts commission. The board must include 11 members who are arts professionals and executives.

**Miami-Dade County, Florida**

**Tax:** 2% of hotel tax revenue

**Generated:** $1.5 million

A two percent bed tax was established in 1978 by state enabling legislation, local referendum and county ordinance. By ordinance, 20% of the annual proceeds from the bed tax are dedicated to the Dade County Cultural Affairs Council. Another 60% goes to the county-wide convention and visitors bureau, with the balance to the City of Miami for renovations to the Orange Bowl.

Funds are delivered to the Cultural Affairs Council to support a full-range of cultural activities. Bed tax revenues to the Council in 1995 will total $1.5 million, roughly 35% of their annual budget.

**Flagstaff, Arizona**

**Tax:** 2% BBB tax

**Generated:** $2.9 million

The 2% Bed Board & Booze tax (BBB) in Flagstaff, Arizona, approved by voters in 1988, produced revenues of $2,979,481 in FY 94–95 divided into four areas: 48% for tourism; 32% for beautification; 16.5% for economic development; and 3.5% to the general fund. The arts and sciences received $293,850 in FY 94–95 from all four categories. Since the City Council must still allocate these funds annually, the interests represented by the areas are often embroiled in considerable political in-fighting. The BBB tax was extended by voters in 1995 for 15 years with funding changed to: 33% to recreation; 30% to tourism; 9.5% for economic development; 20% for beautification; and 7.5% to the arts and sciences.

**Best Practices for Garnering Support:**

* For public referendum, don’t be on the November ballot.
* Run a short, powerful campaign – have a 30 day window and spend $5 per vote in that shortened time than have it drag out for two months or more
* Being able to provide free and reduced admission to kids and county residents – make sure you can honor what is promised
* Really leverage direct mail and social media/email campaigns. Where are your biggest constituencies at-have arts orgs give you zip codes to know where the constituency lives. Then can direct-message those pockets.
* Raise dollars to invest in the public campaign. It was a $600-$700K campaign in Genesee County