

APR 06 2022

BUREAU OF
LEGISLATIVE RESEARCH

ARKANSAS DEPARTMENT OF PARKS, HERITAGE AND TOURISM

DIVISION OF HERITAGE

Arkansas Cultural Institutions Trust Fund Act Rules

Effective Date: Based on legislative approval

1.0 REGULATORY AUTHORITY AND PURPOSE

1.01 The Arkansas Department of Parks, Heritage and Tourism, enacted these rules pursuant to its authority as set forth in Ark. Code Ann. §13-8-301 et seq., Division of Arkansas Heritage, [Ark. Code Ann. § 25-3-101 et seq.](#) and §25-15-201 et seq., Ark. Code Ann. §25-15-203 (a)(1)(2).

1.02 The purpose of these rules in accordance with Arkansas Cultural Institutions Trust Fund Act, Act 777 of 2021, codified as Ark. Code Ann. § 13-8-301 et seq., is to (1) create an application process for the administration of a grant program for the Arkansas Cultural Institutions Trust Fund and to (2) otherwise effectuate the purposes of Act 777. The rule includes items such as who is eligible to apply for the grant, how applications are evaluated, documentation required by the applicant and the timeline for application and decision.

2.0 ORGANIZATION

2.01 The Arkansas Cultural Institutions Trust Fund Act shall be implemented and administered by the Division of Arkansas Heritage as set forth in Act 777 of 2021, codified as §13-8-301 et seq.

3.0 DEFINITIONS

3.01 "Arkansas cultural institution" means a 501(c)(3) nonprofit organization located in the State of Arkansas that is open to the public and that acquires, conserves, researches, communicates, or exhibits works of art, artifacts or works of cultural or historic significance, or related items significant to the heritage of Arkansas for the purposes of education, study, and enjoyment.

3.02 "Major capital improvement project" means permanent structural change or the restoration of some aspect of a building utilized by an Arkansas cultural institution.

4.0 APPLICATION PROCESS

4.01 Application for Grant Award

An Arkansas cultural institution as defined in Section 3.0, may apply for a grant from the Arkansas Cultural Institution Trust Fund. The guidelines and access to the online application will be available on the Division of Arkansas Heritage website under Division of Arkansas Heritage grants at <https://www.arkansasheritage.com/available-grants/division-of-arkansas-heritage-grants>.

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The application will request that the applicants provide detailed information regarding the project and applicants will be allowed to submit documents and pictures to support their applications.

4.02 Review of Applications by Arkansas Cultural Institutions Trust Fund Review Committee

The applications for grants from the fund will be reviewed by the Arkansas Cultural Institutions Trust Fund Review Committee.

The Arkansas Cultural Institutions Trust Fund Review Committee will be created by the Secretary of the Arkansas Department of Parks, Heritage, and Tourism in accordance with Ark. Code ~~A~~ann. § 13-8-303. The Arkansas Cultural Institutions Trust Fund Review Committee will include three members including (1) the director of the Division of Arkansas Heritage; (2) the director of the Division of Arkansas Tourism; and (3) a director of an accredited museum within the Division of Arkansas Heritage.

4.03 Factors Considered by Review Committee

In evaluating applications, the Arkansas Cultural Institutions Trust Fund Review Committee will evaluate the application and will consider the following factors:

- 1) The estimated economic and tourism impact of the project;
- 2) Availability of other project funding sources; and
- 3) Overall cost of the project

In evaluating the application, the total project cost should be a minimum of \$7 million. Arkansas Cultural Institutions Trust Fund Review Committee (Committee) will consider the economic impact of the project including the impact upon the region where the cultural institution is located including, but not limited to, tax revenue generated by the project, number of visitors, jobs and business creation, impact on existing businesses as well as overall tourism impact. The Committee can consider other factors in addition to the above referenced factors. As part of the application process, applicants will be allowed to submit documents and pictures to support their application.

4.04 Criteria for Distribution of Funds

The criteria for the distribution of grant funds will include, without limitation, the following factors:

- 1) Estimated economic and tourism impact of the project;
- 2) Availability of other project funding sources; and
- 3) Overall project cost.

5.0 APPLICATION REVIEW

Each member of the Arkansas Cultural Institutions Trust Fund Committee will review the application. After individual review by each member, the Arkansas Cultural Institutions Trust Fund Committee shall meet to discuss award recommendations based on the amount of funding available.

6.0 COMMITTEE RECOMMENDATION

The recommendations of the Arkansas Cultural Institutions Trust Fund Committee shall be submitted to the Secretary of the Arkansas Department of Parks, Heritage, and Tourism for approval.

7.0 USE OF FUNDS AND ANNUAL REPORT

The Arkansas Cultural Institutions Trust Fund will be used for major capital improvement projects at Arkansas cultural institutions. The Division of Arkansas Heritage will submit an annual report to the Secretary of the Arkansas Department of Parks, Heritage, and Tourism by June 30 of each year. The report will include a summary of the grants awarded and amounts distributed by the Arkansas Cultural Institutions Trust Fund. Additionally, the report will include recommendations directed toward furthering the purposes of the Division of Arkansas Heritage, including preservation and promotion of Arkansas's natural and cultural heritage.

8.0 CREATION OF ARKANSAS CULTURAL INSTITUTIONS TRUST FUND

Under Ark. Code Ann. § 19-5-1155 (a), the funds for this grant program will be held in the Arkansas Cultural Institutions Trust Fund through the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State. The fund shall consist of grants, donations, or transfers made by any person or government agency or office and any other funds authorized or provided by law. Any remaining funds will carry over to the next fiscal year.

The Arkansas Cultural Institutions Trust Fund will be used for the purposes set out in § 13-8-305.



Arkansas Cultural Institutions Trust Fund Grant Program

This grant is being offered by the Arkansas Department of Parks, Heritage and Tourism. The Division of Arkansas Heritage is a division within the Arkansas Department of Parks, Heritage and Tourism. Since 1975, the Division of Arkansas Heritage has been charged with discovering, strengthening, protecting, and preserving Arkansas's natural and cultural heritage. To fulfill its mission, the Division of Arkansas Heritage coordinates the following natural and cultural heritage resource areas:

The Heritage Museums: Museums research, preserve, present, and interpret historic structures, objects, and natural and cultural assets. They serve as a partner in education with public and private schools throughout Arkansas. The department's four museums are the Delta Cultural Center, Historic Arkansas Museum, Mosaic Templars Cultural Center and Old State House Museum.

The Heritage Resource Agencies: The Arkansas Natural Heritage Commission identifies, protects, and promotes areas that best exemplify Arkansas's rich heritage of biological diversity. These areas might be habitat for rare or disappearing species, or natural communities such as a tallgrass prairie or a river and its dependent aquatic system. The Arkansas Arts Council and the Arkansas Historic Preservation Program are conduits for federal and state grant money, and they provide technical assistance for developing and conserving Arkansas's cultural resources. They preserve and promote Arkansas's cultural resources including Arkansas's fine and traditional arts and historic structures, landscapes, and archeological sites. The Arkansas State Archives collect and preserve the official records and historical materials for the state of Arkansas. These include state, county, and federal records, manuscript materials, newspapers, military records, family histories, an extensive Arkansas history and genealogy library, and a collection of Arkansas art and artifacts.

Guidelines for the Arkansas Cultural Institutions Trust Fund Grant Program

Grant Program Goals

The Arkansas Department of Parks, Heritage, and Tourism through the Division of Arkansas Heritage has set these goals for the Arkansas Cultural Institutions Trust Fund Grant Program:

- Further the purposes of the Division of Arkansas Heritage, including preservation and promotion of Arkansas's natural and cultural heritage
- Increase the ability of cultural institutions to preserve, promote and educate related to these items that are significant to the heritage of Arkansas

Who May Apply

The following are the types of museums and organizations that are eligible to apply:

- Nonprofit organizations located in the State of Arkansas that are open to the public or if the applicant is in the process of opening a new or modified facility, the applicant plans to be open to the public on a weekly basis. These organizations must acquire, conserve, research, communicate, or exhibit works of art, artifacts or works of cultural or historic significance, or related items significant to the heritage of Arkansas for the purposes of education, study, and enjoyment.

Examples of these types of nonprofit organizations are listed below.

- History Museums
- Military Museums
- Natural History Museums
- Art Museums
- Other museums that meet the criteria provided above

Evaluation Criteria

The criteria for the distribution of grant funds, includes, without limitation, the following factors:

1. Estimated economic and tourism impact of the project;
2. Availability of other project funding sources; and
3. Overall project cost

General Conditions

There are two general conditions for eligibility in the Arkansas Cultural Institutions Trust Fund Grant Program:

1. The Arkansas cultural institution is a nonprofit organization that acquires, conserves, researches, communicates, or exhibits works of art, artifacts or works of cultural or historic significance, or

related items significant to the heritage of Arkansas for the purposes of education, study, and enjoyment.

2. Grant awards are for major capital improvement projects that include construction of new or modified facility, permanent structural addition, change or the restoration of some aspect of a building utilized by an Arkansas cultural institution.

Additional Requirements

To be considered for Arkansas Cultural Institutions Trust Fund Grant Program, the applicant must meet the following requirements:

- Applicant must be located in the State of Arkansas
- Applicant must have tax exempt status as a 501(c)(3) organization with the IRS as a nonprofit organization
- Applicant has a formal and appropriate program of documentation and care for collections
- Applicant must be open to the public on a weekly basis or if the applicant is in the process of opening a new or modified facility, the applicant plans to be open to the public on a weekly basis.
- Applicant must agree to submit periodic progress reports as outlined in the contract and a final report at the completion of the project. Time and format of the report will be determined by the Arkansas Cultural Institutions Trust Fund Review Committee.

Eligible Expenses

Arkansas Cultural Institutions Trust Fund Grants can only be used to underwrite an eligible institutions' major capital improvement expenses. The following expenses are examples of major capital improvement projects:

1. Roof replacement
2. Structural remodeling of existing facility or additions to existing facility
3. Installing new heating, ventilation, and air systems
4. Major capital improvements to improve the accessibility for the disabled

Application Timeline and Availability

- Grant opportunity will be posted on the Division of Arkansas Heritage website at least 60 days before submission deadline. Updates will be made on Division of Arkansas Heritage website once funding is available. The website will allow interested parties to sign up for email notification updates. The website is <https://www.arkansasheritage.com/available-grants/division-of-arkansas-heritage-grants>.
- Deadline for revisions or additional material will be no later than 15 days after submission.
- Submission deadline will be included with grant guidelines at <https://www.arkansasheritage.com/available-grants/division-of-arkansas-heritage-grants>.

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- Grant awards will be announced within 60 days of application submission deadline

Decision Process

Committee

The Arkansas Cultural Institutions Trust Fund Review Committee will include three members including (1) the director of the Division of Arkansas Heritage; (2) the director of the Division of Arkansas Tourism; and (3) a director of an accredited museum within the Division of Arkansas Heritage.

Recommendation

The recommendations of the Arkansas Cultural Institutions Trust Fund Committee will be submitted to the Secretary of the Department of Parks, Heritage, and Tourism for approval.

Factors Considered by Review Committee

In evaluating applications, the Arkansas Cultural Institutions Trust Fund Review Committee will evaluate the application and will consider the following factors:

1. The estimated economic and tourism impact of the project;
2. Availability of other project funding sources; and
3. Overall cost of the project.

In evaluating the application, the total project cost should be a minimum of \$7 million. Arkansas Cultural Institutions Trust Fund Review Committee (Committee) will consider the economic impact of the project including the impact upon the region where the Cultural Institution is located including, but not limited to, tax revenue generated by the project, number of visitors, jobs and businesses created, impact on existing businesses as well as overall tourism impact. The Committee can consider other factors in addition to the above referenced factors. As part of the application process, applicants will be allowed to submit documents and pictures to support their application.

Criteria for Distribution of Funds

The criteria for the distribution of grant funds, include, without limitation, the following factors:

1. Estimated economic and tourism impact of the project;
2. Availability of other project funding sources; and
3. Overall project cost.

To Apply

Applications will be submitted online. Guidelines and directions will be posted on the Division of Arkansas Heritage website at <https://www.arkansasheritage.com/available-grants/division-of-arkansas-heritage-grants>.

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Application for the Arkansas Cultural Institutions Trust Fund Grant Program

This application will be completed and submitted online. Instructions will be posted at <https://www.arkansasheritage.com/available-grants/division-of-arkansas-heritage-grants>.

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Applicants may attach documents and pictures to support application.

1. Name, address, county, and telephone number of applicant organization, website, email address and normal hours of operation.

2. Proposed Grant Period

The period during which grant funds will be spent and when the project will take place. Include a timeline for the proposed project. Grant funds shall be utilized within one year of receipt of funds. Awardee can request an extension of an additional year if the funds cannot be utilized during the one year time frame.

From _____

Month/Day/Year

To _____

Month/Day/Year

3. History of the Arkansas Cultural Institution

Provide a brief history of the Arkansas cultural institution, include information as to the date of establishment, the organization's mission statement, the focal point, and a brief overview of the contents of exhibits, collections, interpretation, and programming.

4. Description of Proposed Project

Provide specifics as to what is to be accomplished during the grant period. Include a list of numbered specific Work Elements. Work Elements should be organized to coincide with, and support Line Item Budget provided in below referenced item number seven (7) "Project Cost."

5. Describe the economic and tourism impact of the project.

6. Project Planning

Provide more information regarding the planning of the major capital improvement project. Applicant should attach photos, drawings, plans from architects, engineers, construction manager etc. If this is a renovation or rehabilitation project, include photos of areas requiring work.

7. Project Cost

Provide budget information regarding overall cost of the major capital improvement project.

- Include a detailed Line Item Budget.
- Organize headings to coincide with "Work Elements" section provided in above referenced number four (4) "Description of Proposed Project."
- Provide information regarding availability of other project funding sources, including other grant awards being pursued or received.

8. Target Audience

Identify the audience to be served by this project and explain how they will benefit. Include an estimate of the number of people to be served based on current museum visitor demographics if applicable.

9. Non-Profit Status

Provide evidence of non-profit status as a 501(c)(3) organization.

10. Board of Directors and Key Staff

List board of directors and key staff.

11. Project Director's name, address, email, and telephone number

Project Director

Address

Email Address _____

Telephone _____

12. Executive Director/President of Organization

Executive Director/President of Organization

Email Address _____

Telephone _____

Name of Organization

Date

Signature*

Title

(Print Name)

*Individual with legal authority to bind organization to the proposed project

State of Arkansas *As Engrossed: S3/15/21 H4/8/21*

93rd General Assembly

A Bill

Regular Session, 2021

SENATE BILL 402

By: Senators J. Dismang, K. Ingram, *T. Garner, C. Tucker*

By: Representative L. Johnson

For An Act To Be Entitled

AN ACT TO ESTABLISH THE ARKANSAS CULTURAL
INSTITUTIONS TRUST FUND ACT; AND FOR OTHER PURPOSES.

Subtitle

TO ESTABLISH THE ARKANSAS CULTURAL
INSTITUTIONS TRUST FUND ACT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 13, Chapter 8, is amended to add an
additional subchapter to read as follows:

Subchapter 3 – Arkansas Cultural Institutions Trust Fund Act.

13-8-301. Title.

This subchapter shall be known and made be cited as the "Arkansas
Cultural Institutions Trust Fund Act".

13-8-302. Definitions.

As used in this subchapter:

(1) "Arkansas cultural institution" means a 501(c)(3) nonprofit
organization located in the State of Arkansas that is open to the public and
that acquires, conserves, researches, communicates, or exhibits works of art,
artifacts or works of cultural or historic significance, or related items
significant to the heritage of Arkansas for the purposes of education, study,
and enjoyment; and

(2) "Major capital improvement project" means permanent



1 structural change or the restoration of some aspect of a building utilized by
2 an Arkansas cultural institution.

3
4 13-8-303. Rules.

5 The Division of Arkansas Heritage shall promulgate rules to implement
6 this subchapter that shall include criteria for the distribution of grant
7 funds, including without limitation the following factors:

- 8 (1) Estimated economic and tourism impact of the project;
9 (2) Availability of other project funding sources; and
10 (3) Overall project cost.

11
12 13-8-304. Application process and period – Arkansas Cultural
13 Institutions Trust Fund Review Committee.

14 (a) The Division of Arkansas Heritage shall accept applications for
15 grant funds for the Arkansas Cultural Institutions Trust Fund beginning
16 November 1, 2021.

17 (b) Applications for grants from the fund shall be reviewed by the
18 Arkansas Cultural Institutions Trust Fund Review Committee in accordance with
19 rules established under § 13-8-303.

20 (c) The committee shall:

21 (1) Be created by the Secretary of the Department of Parks,
22 Heritage, and Tourism in accordance with rules established under § 13-8-303;
23 and

24 (2) Include the:

- 25 (A) Director of the Division of Arkansas Heritage;
26 (B) Director of the Tourism Division; and
27 (C) Director of an accredited museum within the Division
28 of Arkansas Heritage.

29 (d) In accordance with rules under § 13-8-303, in evaluating
30 applications, the committee shall consider factors, including without
31 limitation the following:

- 32 (1) The estimated economic and tourism impact of the project;
33 (2) Availability of other project funding sources; and
34 (3) Overall project cost.

35 (e) After individual review, the committee shall meet to discuss award
36 recommendations based on the amount of funding available.

1 (f) The recommendations of the committee shall be submitted to the
2 secretary for approval.

3
4 13-8-305. Use of the Arkansas Cultural Institutions Trust Fund.

5 (a) The Arkansas Cultural Institutions Trust Fund shall be used for
6 major capital improvement projects at Arkansas cultural institutions.

7 (b)(1) The Division of Arkansas Heritage shall submit an annual report
8 to the Secretary of the Department of Parks, Heritage, and Tourism by June 30
9 of each year, summarizing the grants of money from the Arkansas Cultural
10 Institutions Trust Fund.

11 (2) The report required under subdivision (b)(1) of this section
12 shall include recommendations directed toward furthering the purposes of the
13 division, including without limitation preservation and promotion of
14 Arkansas's natural and cultural heritage.

15
16 SECTION 2. Arkansas Code Title 19, Chapter 5, Subchapter 11, is
17 amended to add an additional section to read as follows:

18 19-5-1155. Arkansas Cultural Institutions Trust Fund.

19 (a) There is created on the books of the Treasurer of State, the
20 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
21 be known as the "Arkansas Cultural Institutions Trust Fund".

22 (b) The fund shall consist of:

23 (1) Grants, donations, or transfers made by any person or
24 government agency or office;

25 (2) Any remaining balances in the fund carried forward from year
26 to year; and

27 (3) Any other funds authorized or provided by law.

28 (c) The fund shall be used for the purposes set out in § 13-8-305.

29
30 SECTION 3. DO NOT CODIFY. Rules.

31 (a) When adopting the initial rules to implement this act, the
32 Division of Arkansas Heritage shall file the final rule with the Secretary of
33 State for adoption under § 25-15-204(f):

34 (1) On or before November 1, 2021; or

35 (2) If approval under § 10-3-309 has not occurred by November 1,
36 2021, as soon as practicable after approval under § 10-3-309.

1 (b) The division shall file the proposed rules with the Legislative
2 Council under § 10-3-309(c) sufficiently in advance of November 1, 2021, so
3 that the Legislative Council may consider the rules for approval before
4 November 1, 2021.

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7 */s/J. Dismang*
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10 **APPROVED: 4/21/21**
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