

**Texans for the Arts  
2008/2009 Legislative Agenda  
April 30, 2008**

**Executive Summary**

Texans for the Arts will advocate for the development and implementation of statewide public policy that supports a strong and vibrant arts and cultural industry.

Our legislative priorities for the 81<sup>st</sup> legislative session are:

1. Promote the passage of increased appropriations for arts funding with a minimum goal of \$1 state support per capita, to be distributed on an equitable basis across the state.
2. Protect existing authorized funding level and uses of municipal hotel occupancy tax for the development, support and promotion of the arts.

Texans for the Arts will support other legislative actions that have a direct impact on the state's arts industry. Our organization has identified the following secondary priorities for our advocacy efforts:

1. Support the Texas Commission on the Arts efforts to increase General Fund appropriations to invest in the arts and cultural industries in Texas.
2. Monitor legislative action that impacts the nonprofit sector, such as tax exemptions, regulatory efforts, etc.

**Legislative Agenda Priorities**

**Priority 1: Increased Appropriations for State Arts Funding**

**Proposal**

Increase state arts appropriation to provide for a minimum of \$1 per capita state investment in the arts in Texas.

***Background***

*Texas ranks 48<sup>th</sup> in state appropriations for the arts per citizen; it spends 26 cents per capita on the arts (the national average is \$1.10 per capita). For comparison, Hawaii ranks first, with \$5.28 per capita, and Florida ranks 34<sup>th</sup> with just under \$1 per capita. (2006, RAND)*

**Action**

Texans for the Arts will work with legislative leaders to develop a funding mechanism that would increase state appropriations for the arts in Texas to a minimum of \$1 per

capita, with the distribution of these new funds to provide equitable opportunities across the state.

### **Impact**

Increased state funding to further stimulate the economic benefits of the creative industries in Texas and to continue to culturally enrich its citizens and visitors.

## **Priority 2: Municipal Hotel Occupancy Tax Use for the Arts**

### **Proposal**

To protect the current provisions of the Texas Tax Code regarding the authorized use of municipal hotel occupancy tax for the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms.

### **Background**

Since the adoption of the “Lalor Law” in 1977, Chapter 351 of the Texas Tax Code has specifically permitted the use of the municipal hotel occupancy tax for the encouragement, promotion, improvement and application of the arts. The allocation of these funds is decided by municipal governments who are best suited to determine the appropriate uses of the local tax.

According to a study conducted by the Texas Commission on the Arts in 2004, changes to the tax law since the Lalor Law was passed in 1977 have significantly restricted the ability of municipalities to spend the HOT revenue they collect. Further restrictions to the existing provisions will be detrimental to the arts industry of the state.

### **Action**

To support all efforts during the 81st Legislative Session to maintain the local government’s ability to utilize the Hotel Occupancy Tax for the promotion of the arts in Texas.

### **Impact**

Local governments can continue to allocate municipal hotel occupancy tax to promote and encourage the arts and further Texas’ economic creative industries and it’s national reputation as a lively cultural tourism destination.