

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

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SENATE BILL 738*

Short Title: Emergency Arts Council Funding. (Public)

Sponsors: Senators Peterson, deViere, and Garrett (Primary Sponsors).

Referred to: Rules and Operations of the Senate

May 18, 2020

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FUNDING FOR NONPROFIT ARTS ORGANIZATIONS
NEGATIVELY IMPACTED BY THE COVID-19 PANDEMIC.

The General Assembly of North Carolina enacts:

SECTION 1. Findings. – The General Assembly finds that the COVID-19 emergency has resulted in serious and substantial impacts on nonprofit community arts organizations across the State. These organizations find innovative ways to serve their local communities and build local economies, but nearly all lack the financial reserves to withstand the impacts of the pandemic on their operations, events, and other programming. The General Assembly further finds that financial assistance to these organizations is necessary in order for these organizations to continue their many good works for the citizens of this State.

SECTION 2.(a) Transfer of Funds from Reserves to Relief Fund. – The State Controller shall transfer the sum of three million dollars (\$3,000,000) for the 2019-2020 fiscal year from the Coronavirus Relief Reserve established in Section 2.1 of S.L. 2020-4 to the Coronavirus Relief Fund established in Section 2.2 of S.L. 2020-4.

SECTION 2.(b) Appropriation of Funds from Relief Fund. – There is appropriated from the Fund to the Department of Natural and Cultural Resources the sum of three million dollars (\$3,000,000) in nonrecurring funds for the 2019-2020 fiscal year to be allocated and used as provided in Section 2 of this act. The funds appropriated in this section shall not revert at the end of the 2019-2020 fiscal year but shall remain available to expend until December 30, 2020.

SECTION 3. Allocation of Funds. – The funds appropriated by Section 2 of this act shall be allocated to the North Carolina Arts Council (Council) to be distributed to nonprofit arts organizations negatively impacted by the COVID-19 emergency to maintain continuity of operations. These funds may only be used for purposes consistent with the April 22, 2020, "Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments" provided by the United States Department of the Treasury or with any subsequent act of Congress. The Department and the Council shall develop criteria for the disbursement of grants.

SECTION 4. Report. – The Council shall report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division by August 1, 2020, on its distribution of the funds appropriated by this act and by February 1, 2020, on the use of funds by recipients.

SECTION 5. Conflict with Federal Law. – If an allocation made under this act is found to be disallowed by federal law, the disallowed allocation is repealed, and the Department shall transfer the disallowed allocation to the Office of State Budget and Management (OSBM) and OSBM shall transfer the amount of the disallowed allocation to the Reserve established in Section 2.1 of S.L. 2020-4. If the funds have been allocated to a nonprofit corporation, and the



1 use of funds by the nonprofit corporation is disallowed by federal law, the nonprofit corporation
2 shall return the amount of funds allocated to the nonprofit corporation to OSBM to transfer the
3 funds into the Coronavirus Relief Reserve. Amounts transferred into the Coronavirus Relief
4 Reserve pursuant to this section are receipts that do not constitute an "appropriation made by
5 law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

6 **SECTION 6.** This act is effective when it becomes law.