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# 191605

Ordinance

## Amend Arts Education and Access Income Tax Code to update net revenue distribution (amend Code Chapter 5.73)

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. In November 2012, Portland voters passed ballot measure 26-146, establishing the Arts Education and Access Income Tax to restore arts and music education in schools and to fund arts access through an income tax of 35 dollars per year.
2. The Arts Education and Access Income Tax has raised more than \$100 million over the last ten years, ensuring that:
  - A. Every elementary school in Portland's six school districts (Centennial, David Douglas, Parkrose, Portland Public, Reynolds, and Riverdale) now has at least one visual art, music, drama, or dance teacher on staff—more than 100 teachers in total.
  - B. Every Portlander has access to high quality arts experiences. Over \$25 million has been awarded as grants to arts organizations and artistic projects over the last ten years, with a special focus on expanding arts access for communities of color, veterans, artists, audiences with disabilities, and underserved neighborhoods, promoting inclusivity and diversity in the arts.
3. The City of Portland is committed to sustaining its vital investments in arts organizations to support arts access, regardless of who is selected to provide grants administration services on the City's behalf.
4. To ensure the continued disbursement of funds to arts organizations in support of arts access, the ordinance directs the Revenue Division to distribute any remaining funds after distribution to the school districts and the City per Subsections 5.73.030 C. to the City Arts Program or its designee, rather than to the Regional Arts & Culture Council, as set

### Introduced by

[Mayor Ted Wheeler;](#)

[Commissioner Dan Ryan](#)

### Bureau

[Management and Finance](#)

### Contact

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### Requested Agenda Type

Consent

### Date and Time Information

**Requested Council Date**

January 31, 2024

Changes City Code

forth in Exhibit A.

5. The ordinance also amends Chapter 5.73 to conform with Charter amendments that become effective January 1, 2025, as set forth in Exhibit B.


NOW, THEREFORE, the Council directs:


A. Portland City Code Chapter 5.73 is amended as set forth in Exhibit A.

B. Portland City Code Chapter 5.73 is amended as set forth in Exhibit B.

The effective date of the amendments in Exhibit B to this ordinance is January 1, 2025.

## Documents and Exhibits

 [Exhibit A \(https://www.portland.gov/sites/default/files/council-documents/2024/chapter-5.73-ordinance-exhibit-a.pdf\)](https://www.portland.gov/sites/default/files/council-documents/2024/chapter-5.73-ordinance-exhibit-a.pdf) 70.84 KB

 [Exhibit B \(https://www.portland.gov/sites/default/files/council-documents/2024/exhibit-b.pdf\)](https://www.portland.gov/sites/default/files/council-documents/2024/exhibit-b.pdf) 54.98 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council  
January 31, 2024

Auditor of the City of Portland  
Simone Rede

## Impact Statement

### Purpose of Proposed Legislation and Background Information

Portland's Arts Education & Access Fund (AEAF, commonly referred to as the "Arts Tax") was established by voters in 2012 to restore arts education in Portland's six public school districts, and to expand access to arts and culture for Portland residents. The AEAF is funded through an Income Tax of \$35 for each Portland resident age 18 and older that earns income above the federal poverty level and has \$1,000 or more income.

Portland's six school districts (Centennial, David Douglas, Parkrose, Portland Public, Reynolds and Riverdale) receive AEAF disbursements to pay for one K-5 arts teacher (certified to teach dance, music, theatre, and/or visual art) for every 500 students. The Regional Arts & Culture Council (RACC) currently receives disbursements to award grants to non-profit arts organizations in Portland. In FY21-22, school districts received \$6.8 million for arts teachers and RACC received almost \$3.4 million.

The purpose of the proposed legislation is to amend Arts Education and Access Income Tax Code related to net revenue distribution (amend Code Chapter 5.73). As such, this amendment would replace the Regional Arts & Culture Council as the designee for any remaining funds after distribution to the school districts and the City per Subsections 5.73.030 C. Instead, the remaining funds will be distributed to the City Arts Program or its designee.

Finally, by way of this code amendment, the city will ensure taxpayer funds are better distributed, tracked, and reported. Given the public's high expectations of these public funds, it is imperative that the City Arts Program play a stronger role in coordinating these efforts.

## Financial and Budgetary Impacts

If approved by Portland City Council, the proposed code amendments would remove the Regional Arts & Culture Council as the designee for remaining funds after distribution to the school districts and the City per Subsections 5.73.030 A. and B. will be distributed to the City Arts Program or its designee(s)

The funds will be spent as follows:

- Up to 95 percent of the remaining funds will be distributed as grants to support non-profit Portland arts organizations that demonstrate artistic excellence, provide service to the community, show administrative and fiscal competence and provide a wide range of high-quality arts programs to the public. The City Arts Program or its designee will make the determination as to which arts organizations will be supported. In the event that the City Arts Program or its designee distributes less than 95 percent of the funds to non-profit Portland arts organizations, the remaining funds will be distributed for the purpose of providing grants and programs as described in Subsection 2. below.
- A minimum of 5 percent of the remaining funds will be distributed for grants and programs to non-profit arts organizations, other nonprofits and schools that will give access to high-quality arts experiences to kindergarten through 12th grade students (K-12) and for grants and programs that will make arts and culture experiences available to Portland residents, with particular emphasis on programs directed to communities who are underserved by local arts providers.
- These funds are in addition to existing and ongoing financial support for the City Arts Program.

## Community Impacts and Community Involvement

Thanks to the Arts Education and Access Fund, every elementary school in Portland's six school districts now has at least one art, music, drama, or dance teacher on staff— approximately 100 teacher's total. The City Arts Program intends to use AEAF proceeds for projects that expand arts access for communities of color, veterans, and artists and audiences with different abilities. The City Arts Program prioritizes underserved Portland residents when distributing AEAF funds.

## 100% Renewable Goal

Not applicable.

## Budget Office Financial Impact Analysis

Concerning the Portland Arts Tax (the Arts Education & Access Fund), effective Jan. 1, 2025, the proposed code amendments would remove the Regional Arts & Culture Council as the designee for remaining funds after distribution to the school districts and the City. Instead, the funds will be distributed to the City Arts Program or its designee(s) to be utilized as follows. Up to 95% of the remaining funds will be distributed as grants to support non-profit Portland arts organizations. The City Arts Program or its designee will make the determination as to which arts organizations will be supported. A minimum of 5% of the remaining funds will be distributed for grants and programs to non-profit arts organizations, other nonprofits and schools that will give access to high-quality arts experiences to kindergarten through 12th grade students (K-12) and for grants and programs that will make arts and culture experiences available to Portland residents, with particular emphasis on programs directed to communities who are underserved by local arts providers. These funds are in addition to existing and ongoing financial support for the City Arts Program.

## Agenda Items

**69 Consent Agenda in [January 24, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/1/24)**  
(<https://www.portland.gov/council/agenda/2024/1/24>)

Passed to second reading

Passed to second reading January 31, 2024 at 9:30 a.m.

**93 Consent Agenda in [January 31, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/1/31)**  
(<https://www.portland.gov/council/agenda/2024/1/31>)

Passed

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Mayor Ted Wheeler Yea