

POLICIES AND PROCEDURES FOR PARC TAX FUNDING

Background.

In November, 2014, a majority of American Fork City voters approved a 1/10th of 1% increase in local sales and use tax as a means of enhancing funding for recreational and cultural facilities and cultural organizations within the City of American Fork. The American Fork City Council enacted the tax by ordinance on December 9, 2014 and the tax goes into effect April 1, 2015.

Purpose.

The funds from the tax known as the Parks, Arts, Recreation Culture Tax ("PARC Tax") are to be used for eligible cultural arts facilities and organizations and recreational facilities in the City of American Fork consistent with UTAH CODE ANN. § 59-12-1401 and as defined in UTAH CODE ANN. § 59-12-702.

Distribution and Use of Revenue.

The revenue from the PARC Tax shall be distributed in accordance with UTAH CODE ANN. §59-12-1403 for the purpose of funding eligible cultural arts facilities and organizations and recreational facilities in the City of American Fork, pursuant to UTAH CODE ANN. §59-12-1401 et. seq.

1.0 Policy.

The American Fork City Council shall distribute the entire amount of revenues and interest collected as a result of the PARC Tax in a manner consistent with UTAH CODE ANN. § 59-12-1403, which allows for:

- 1.1 Inter-local agreement provided for under § 59-12-1704;
- 1.2 Granting to one or more organizations or facilities defined in § 59-12-702.
- 1.3 Retaining an amount not to exceed 1.5% of the tax collected under this part for the cost of administering the PARC Tax.

2.0 Definitions.

- 2.1 Administrative Unit: a division of a private nonprofit organization or institution that would, if it were a separate entity, be a cultural organization; and consistently maintains books and records separate from those of its parent organization.
- 2.2 Application Form: The PARC Tax Fund Distribution application, including the documents provided to the entities and organizations requesting funds pursuant to this policy by the City of American Fork for PARC Tax distribution and any required attachments and supporting documents.
- 2.3 Cultural Facility: any publicly owned or operated museum, theater, art center, music hall, or other cultural or arts facility.
- 2.4 Cultural Organization: a private nonprofit organization or institution having its primary purpose the advancement and preservation of art, dance, history, music, natural history, or theater; and an administrative unit. Cultural organization does not

include any agency of the state; any political subdivision of the state; any educational institution whose annual revenues are directly derived more than 50% from state funds; or any radio or television broadcasting network or station, cable communications system, newspaper, or magazine.

2.5 Non-profit: an organization or corporation that is not organized, created, operated or maintained to generate a profit or distribute income to its members, directors, officers, or corporation. Certification by the Internal Revenue Service as an organization qualifying under 501(c)(3) of the Internal Revenue Code or registration with the State of Utah as a nonprofit corporation with an active status at the time of the application deadline is required for any private nonprofit organization to qualify for funds hereunder.

2.6 Publicly Owned: owned by a governmental agency.

3.0 General Guidelines.

3.1 PARC Tax funds come from sales tax revenues that are collected by the State of Utah and distributed to American Fork City. All funding shall be based on the actual sales and use tax receipts as received, recorded, and reconciled by the City.

3.2 PARC Tax funds are not an entitlement. Filling out an application does not guarantee that any funds will be awarded.

3.3 The American Fork City Council shall make all final determinations as to the amount of PARC Tax funds to be distributed to each entity or organization.

3.4 The fact that a particular project, facility or organization has previously received PARC Tax funds does not guarantee that it will receive subsequent funding unless so authorized in the original grant.

4.0 Cultural Arts Facilities Grants.

4.1 PARC Tax funds may be provided to a publicly owned and operated museum, theater, art center, music hall, or other cultural or arts facility.

4.2 All funded facilities expenses must be located in American Fork City or within the boundaries of an inter-local agreement with American Fork City.

4.3 Applying entities and organizations must provide for perpetual maintenance and be responsible for operational and financial accountability for all facilities for which funding is requested.

4.4 Cultural arts facilities grants may not be used to fund publicly owned or operated cultural programs.

5.0 Cultural Arts Organizations Grants.

5.1 PARC Tax funds may be provided to qualifying organizations described herein.

5.2 Private nonprofit cultural organizations requesting funding must be 501(c)(3) nonprofit entities or registered with the State of Utah as a nonprofit corporation with an active status at the time of the application deadline.

5.3 Qualifying organizations include the following:

5.3.1 A private nonprofit organization or institution having its primary purpose the advancement and preservation of:

5.3.1.1 Natural history, art, music, theater, dance, or cultural arts including literature, a motion picture, or storytelling.

6.0 Recreational Facilities Grants.

- 6.1 PARC Tax funds may be provided to a publicly owned and operated park, campground, marina, dock, golf course, playground, athletic field, gymnasium, swimming pool, trail system, cultural facility, or other facility used for recreational purposes.
- 6.2 All funded facilities expenses must be located in American Fork City or within the boundaries of an inter-local agreement with American Fork City.
- 6.3 Applying entities and organizations must provide for perpetual maintenance and be responsible for operational and financial accountability for all facilities for which funding is requested.
- 6.4 Recreational facilities grants may not be used to fund publicly owned or operated recreational programs.
- 6.5 Funds may be used to finance ongoing operating expenses of recreational facilities.

7.0 Application Process.

- 7.1 An interested person, organization, or entity may submit an official PARC Tax application provided by the City of American Fork.
- 7.2 All qualifying persons, organization, or entities may be required to make a brief presentation and discuss the merits of their proposals with American Fork City Council at a public meeting.
- 7.3 American Fork City Council shall make final determinations as to the amount of PARC Tax funds to be distributed to each entity or organization.
- 7.4 The names of entities or organizations and the amount of funds each is to receive shall be presented by the American Fork City Council at a public meeting.

8.0 Distribution of Funds.

- 8.1 Qualifying organizations may be required to enter into a contractual agreement with the City of American Fork prior to receiving funds. Said contract shall include:
 - 8.1.1 A detailed planned use schedule of expenditures;
 - 8.1.2 A beginning and end date for the project, if applicable;
 - 8.1.3 A provision allowing for the City of American Fork to verify all application information and use of funds information; and
 - 8.1.4 The consequences of the failure to use PARC Tax funds as approved.
- 8.2 Said contracts must be returned to the City prior to any distribution of PARC Tax funds to the entity or organization.

9.0 Reporting Requirements.

- 9.1 Each recipient of PARC Tax funds shall be required to submit a yearly evaluation report detailing how it expended the funds received.
- 9.2 Future funding may be withheld due to inadequate, incomplete, or failure to submit reports.

PERMISSIBLE CULTURAL ORGANIZATIONS

- 1. A private non-profit organization having its primary purpose the advancement and preservation of:**
 - a. Architecture**
 - i. Ex. Historical preservation, service, and education.
 - b. Arts education**
 - i. Ex. Performances for children, after school instruction, teacher and artist training.
 - c. Dance**
 - d. Folk arts**
 - i. Ex. Crafts, stories/Oral history, and traditional performing arts.
 - e. History**
 - i. Ex. Heritage preservation, museums, historical research, and living history programs.
 - f. Humanities**
 - i. Lectures or conferences promoting branches of learning embraced by philosophy, literature, languages, and art with the exception of theology, natural science, and social sciences.
 - g. Literature**
 - i. Excludes magazines and newspapers.
 - h. Media arts**
 - i. Excludes video, radio and TV broadcasting.
 - i. Music**
 - j. Natural History**
 - i. Primarily focused on public programs, as opposed to academic research.
 - k. Theater**
 - l. Visual arts**
 - i. Ex. Ceramics, gallery space, painting, drawing, photography, etc.

PERMISSIBLE CULTURAL FACILITIES

1. Publicly owned and operated cultural arts facility

- a. Ex. museum, theater, art center or music hall

PERMISSIBLE RECREATIONAL FACILITIES

1. Publicly owned and operated facility used for a recreational purpose

- a. Ex. Park, campground, marina, dock, golf course, playground, athletic field, gymnasium, swimming pool, trail system or cultural facility

* May be used to finance ongoing operating expenses of recreational facilities.