

INTERIM STUDY PROPOSAL 2019-050

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019

# A Bill

HOUSE BILL 1981

4 By: Representative K. Ferguson

5  
6 Filed with: House Committee on Agriculture, Forestry, and Economic Development  
7 pursuant to A.C.A. §10-3-217.

## For An Act To Be Entitled

8 AN ACT TO CREATE THE MULTICOUNTY ECONOMIC DEVELOPMENT  
9 GRANT PROGRAM ACT; TO CREATE THE MULTICOUNTY ECONOMIC  
10 DEVELOPMENT GRANT PROGRAM FUND; AND FOR OTHER  
11 PURPOSES.  
12  
13  
14  
15

## Subtitle

16 TO CREATE THE MULTICOUNTY ECONOMIC  
17 DEVELOPMENT GRANT PROGRAM ACT; AND TO  
18 CREATE THE MULTICOUNTY ECONOMIC  
19 DEVELOPMENT GRANT PROGRAM FUND.  
20  
21  
22

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

24  
25 SECTION 1. Arkansas Code Title 19, Chapter 5, Subchapter 12, is  
26 amended to add an additional section to read as follows:

27 19-5-1264. Multicounty Economic Development Grant Program Fund.

28 (a) There is created on the books of the Treasurer of State, the  
29 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous  
30 fund to be known as the "Multicounty Economic Development Grant Program  
31 Fund".

32 (b) The fund shall consist of:

- 33 (1) Grants made by any person or federal government agency;  
34 (2) Any remaining fund balances carried forward from year to  
35 year; and  
36 (3) Any other funds authorized or provided by law.

1           (c) The fund shall be used by the Rural Services Division of the  
2 Arkansas Economic Development Commission to fund grants under the Multicounty  
3 Economic Development Grant Program Act, § 15-4-3901 et seq.

4           (d) Moneys remaining in the fund at the end of each fiscal year shall  
5 carry forward and be made available for the purposes stated in this section  
6 in the next fiscal year.

7  
8           SECTION 2. Arkansas Code Title 15, Chapter 4, is amended to add an  
9 additional subchapter to read as follows:

10           Subchapter 39 – Multicounty Economic Development Grant Program Act  
11  
12           15-4-3901. Title.

13           This subchapter shall be known and may be cited as the "Multicounty  
14 Economic Development Grant Program Act".

15  
16           15-4-3902. Creation – Administration.

17           (a) The Multicounty Economic Development Grant Program is created  
18 within the Rural Services Division of the Arkansas Economic Development  
19 Commission to provide financial assistance in the form of grants to fund  
20 economic development projects in various areas of the state.

21           (b) The division shall:

22                   (1) Administer the program;

23                   (2) Create an application form to be submitted by eligible  
24 businesses seeking grants from the program;

25                   (3) Devise an application process that:

26                                   (A) Defines the grant eligibility criteria; and

27                                   (B) Establishes requirements for application  
28 submittal and procedures for application review;

29                   (4) Define a process by which grants may be awarded; and

30                   (5) Execute standard legal grant agreements and other  
31 documentation governing the disbursement and use of grants.

32  
33           15-4-3903. Eligibility – Application requirements and process –  
34 Selection process.

35           (a)(1) To be eligible for a grant under this subchapter, an applicant  
36 shall demonstrate that the proposed economic development project would result

1 in a positive economic return on investment for the state and the planning  
2 and development district designated under § 14-166-202 for the area in which  
3 the proposed economic development project would be located.

4 (2) Administrative costs for project management may be covered  
5 by a grant under the Multicounty Economic Development Grant Program.

6 (b) To request a grant under this subchapter, an applicant shall  
7 complete and submit the application form prescribed by the Rural Services  
8 Division of the Arkansas Economic Development Commission under § 15-4-3902 to  
9 the board of directors of the planning and development district designated  
10 under § 14-166-202 in which the proposed economic development project is  
11 located.

12 (c) Each planning and development district shall:

13 (1) Review each application for a grant for a proposed economic  
14 development project within the planning and development district submitted  
15 under this subchapter on a competitive, open-selection basis in accordance  
16 with rules adopted by the division under § 15-4-3906;

17 (2) Not consider an incomplete or noncompliant application and  
18 shall return an incomplete or noncompliant application without further  
19 review;

20 (3) Evaluate and prioritize each proposed economic development  
21 project based on the economic return on investment of the project for the  
22 state and the counties within the planning and development district;

23 (4) Score each application;

24 (5) Determine the top three (3) of the proposed economic  
25 development projects to recommend for funding based on the criteria and  
26 requirements established under this subchapter and the rules adopted by the  
27 division; and

28 (6) Submit the selected applications to the division for review  
29 and approval.

30 (d) The division shall:

31 (1) Review the applications submitted by the planning and  
32 development districts in accordance with rules adopted by the division under  
33 § 15-4-3906;

34 (2)(A) Determine whether each application meets the requirements  
35 of this subchapter and the rules adopted by the division.

36 (B) An application that does not meet the requirements of

1 this subchapter and the rules adopted by the division shall be rejected;

2 (3) Evaluate and prioritize each proposed economic development  
3 project based on the economic return on investment of the proposed economic  
4 development project for the state and the counties within the planning and  
5 development district;

6 (4) Score each application;

7 (5) Award a grant to fund up to one (1) economic development  
8 project in each planning and development district during each award period;  
9 and

10 (6) Notify the planning and development districts of the grants  
11 awarded under this section.

12  
13 15-4-3904. Funding.

14 (a) Grants awarded under this subchapter are limited by the amount of  
15 funds allocated to the Multicounty Economic Development Grant Program Fund.

16 (b) The funds available for grants under this subchapter each award  
17 period shall be distributed evenly among the grants awarded to the planning  
18 and development districts.

19  
20 15-4-3905. Project administration – Reports.

21 (a) Each planning and development district shall oversee each economic  
22 development project located in the planning and development district that is  
23 awarded a grant under this subchapter to ensure that each economic  
24 development project is completed in accordance with any legal grant  
25 agreements governing the disbursement and use of the grant.

26 (b) Upon the completion of an economic development project that was  
27 funded, in whole or in part, by a grant under this subchapter, each planning  
28 and development district shall submit a report to the Rural Services Division  
29 of the Arkansas Economic Development Commission containing:

30 (1) A description of the economic development project that has  
31 been completed and how the grant funds for the economic development project  
32 were used;

33 (2) The amount of funding the economic development project was  
34 awarded;

1           (3) The benefits realized by completion of the economic  
2 development project with reference to the relevant criteria established under  
3 this subchapter and in the rules adopted by the division; and

4           (4) Any other funding received by the planning and development  
5 district or a local government for the economic development project.

6  
7           15-4-3906. Rules.

8           The Rural Services Division of the Arkansas Economic Development  
9 Commission shall adopt rules to implement and administer this subchapter.

10  
11           SECTION 3. DO NOT CODIFY. Rules.

12           (a) When adopting the initial rules required under this act, the Rural  
13 Services Division of the Arkansas Economic Development Commission shall file  
14 the final rules with the Secretary of State for adoption under § 25-15-  
15 204(f):

16                   (1) On or before January 1, 2020; or

17                   (2) If approval under § 10-3-309 has not occurred by January 1,  
18 2020, as soon as practicable after approval under § 10-3-309.

19           (b) The division shall file the proposed rules with the Legislative  
20 Council under § 10-3-309(c) sufficiently in advance of January 1, 2020, so  
21 that the Legislative Council may consider the rules for approval before  
22 January 1, 2020.

23  
24  
25 Referred requested by the Arkansas House of Representatives

26 Prepared by: JLL/VJF