

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0699.01 Esther van Mourik x4215

HOUSE BILL 15-1177

HOUSE SPONSORSHIP

Willett and Becker K., Becker J.

SENATE SPONSORSHIP

Donovan,

House Committees

Business Affairs and Labor
Appropriations

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF THE RURAL ECONOMIC DEVELOPMENT
102 INITIATIVE GRANT PROGRAM FOR HIGHLY DISTRESSED RURAL
103 COUNTIES, AND, IN CONNECTION THEREWITH, MAKING AN
104 APPROPRIATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill creates the rural economic development initiative grant program for the purpose of creating resiliency in and growing the economies of highly distressed rural counties. The bill specifies economic

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

factors to determine the distressed rural counties in the state and then requires the Colorado office of economic development to determine which of those distressed rural counties are highly distressed and eligible for the grants by reviewing and ranking those counties based on further economic indicators. Local governments and private employers in up to 30 highly distressed rural counties may apply for grants, on a reimbursement basis, that attract new jobs or encourage private capital investment. The program requires the applicants to provide matching funds and requires the applicants to meet certain performance criteria.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-48.5-124 as
3 follows:

4 **24-48.5-124. Rural economic development initiative - grants**
5 **- legislative declaration - definitions - repeal.** (1) THE GENERAL
6 ASSEMBLY FINDS AND DECLARES THAT:

7 (a) CERTAIN RURAL COUNTIES OF THE STATE ARE HAVING MORE
8 TROUBLE THAN OTHERS RECOVERING FROM THE RECENT RECESSION AND
9 ARE STILL DISTRESSED, AND AMONG THOSE THERE ARE COUNTIES THAT
10 ARE HIGHLY DISTRESSED;

11 (b) ADDITIONAL RESOURCES ARE NEEDED IN THOSE HIGHLY
12 DISTRESSED RURAL COUNTIES TO ASSIST IN IMPROVING AND
13 ACCELERATING THE ECONOMIC DEVELOPMENT THERE BY HELPING THOSE
14 COUNTIES AND PRIVATE EMPLOYERS UNDERTAKE PROJECTS TO CREATE
15 JOBS, DRIVE CAPITAL INVESTMENT, AND INCREASE WAGES TO HELP GROW
16 AND CREATE RESILIENCY AND DIVERSITY IN THE COMMUNITY;

17 (c) USING TIMELY DATA THAT IS MORE REFLECTIVE OF CURRENT
18 ECONOMIC DISTRESS TO DETERMINE THESE HIGHLY DISTRESSED AREAS IS
19 IMPERATIVE TO GET MONEY IN THE HANDS OF LOCAL GOVERNMENTS AND
20 PRIVATE EMPLOYERS WHO MOST NEED IT; AND

1 (d) BASED ON THE SUCCESS OF THE EARLIER RURAL ECONOMIC
2 DEVELOPMENT INITIATIVE AS DEMONSTRATED BY THE COLLABORATION
3 BETWEEN THE DEPARTMENT OF LOCAL AFFAIRS AND THE COLORADO
4 OFFICE OF ECONOMIC DEVELOPMENT, IT IS CLEAR THAT A CONTINUATION
5 OF THAT GRANT PROGRAM, WITH SOME MODIFICATIONS AS SPECIFIED IN
6 PARAGRAPH (c) OF SUBSECTION (3) OF THIS SECTION, IS A WISE USE OF
7 STATE MONEY.

8 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
9 REQUIRES:

10 (a) "DIRECTOR" MEANS THE DIRECTOR OF THE OFFICE.

11 (b) (I) "DISTRESSED RURAL COUNTY" MEANS A COUNTY WITH A
12 POPULATION OF LESS THAN ONE HUNDRED SEVENTY-FIVE THOUSAND THAT
13 MEETS TWO OF THREE OF THE FOLLOWING CRITERIA:

14 (A) A COUNTYWIDE ANNUAL PERCENT CHANGE IN EMPLOYMENT
15 LESS THAN THE STATEWIDE ANNUAL PERCENT CHANGE IN EMPLOYMENT;

16 (B) A COUNTYWIDE ANNUAL PERCENT CHANGE IN ASSESSED
17 VALUE OF ALL PROPERTY LESS THAN THE STATEWIDE ANNUAL AVERAGE
18 PERCENT CHANGE IN ASSESSED VALUE OF ALL PROPERTY; OR

19 (C) A COUNTYWIDE CONCENTRATION OF PUPILS ELIGIBLE FOR FREE
20 LUNCH PURSUANT TO THE FEDERAL "NATIONAL SCHOOL LUNCH ACT", 42
21 U.S.C. SEC. 1751 ET SEQ., GREATER THAN THE STATEWIDE AVERAGE
22 CONCENTRATION OF PUPILS ELIGIBLE FOR FREE LUNCH.

23 (II) THE OFFICE SHALL ANNUALLY REVIEW THE DETERMINATION OF
24 DISTRESSED RURAL COUNTIES BASED ON THE FACTORS SET FORTH IN
25 SUBPARAGRAPH (I) OF THIS PARAGRAPH (b) PURSUANT TO A TIMELINE
26 ESTABLISHED IN THE OFFICE'S GUIDELINES.

27 (III) THE OFFICE SHALL USE DATA FROM THE TWO MOST RECENTLY

1 AVAILABLE YEARS AND SHALL USE DATA SOURCES PROVIDED BY THE
2 ECONOMICS STAFF OF THE LEGISLATIVE COUNCIL TO DETERMINE WHETHER
3 A COUNTY MEETS THE FACTORS SET FORTH IN SUBPARAGRAPH (I) OF THIS
4 PARAGRAPH (b).

5 (c) "GUIDELINES" MEANS GUIDELINES DEVELOPED BY THE OFFICE
6 PURSUANT TO PARAGRAPH (a) OF SUBSECTION (5) OF THIS SECTION.

7 (d) "HIGHLY DISTRESSED RURAL COUNTIES" MEANS UP TO THIRTY
8 DISTRESSED RURAL COUNTIES RANKED AS SPECIFIED IN PARAGRAPH (b) OF
9 SUBSECTION (3) OF THIS SECTION.

10 (e) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
11 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

12 (f) "REDI PROGRAM" MEANS THE RURAL ECONOMIC DEVELOPMENT
13 INITIATIVE GRANT PROGRAM CREATED IN THIS SECTION.

14 (3) (a) THERE IS HEREBY CREATED IN THE COLORADO OFFICE OF
15 ECONOMIC DEVELOPMENT THE RURAL ECONOMIC DEVELOPMENT
16 INITIATIVE GRANT PROGRAM FOR THE PURPOSE OF GROWING AND
17 CREATING RESILIENCY IN HIGHLY DISTRESSED RURAL COUNTIES' LOCAL
18 ECONOMIES. THE OFFICE SHALL ADMINISTER THE REDI PROGRAM.

19 (b) (I) THE OFFICE SHALL LIMIT THE REDI PROGRAM TO UP TO
20 THIRTY HIGHLY DISTRESSED RURAL COUNTIES. THE OFFICE SHALL
21 DETERMINE THE THIRTY HIGHLY DISTRESSED RURAL COUNTIES BY
22 RANKING FROM LOWEST TO HIGHEST EACH DISTRESSED RURAL COUNTY BY
23 THE TOTAL SUM OF ANNUAL PERCENTAGE CHANGE IN EACH DISTRESSED
24 RURAL COUNTY FOR THE FOLLOWING ECONOMIC INDICATORS:

- 25 (A) POPULATION;
- 26 (B) EMPLOYMENT;
- 27 (C) WEEKLY WAGE; AND

1 (D) ESTABLISHMENTS.

2 (II) THE OFFICE SHALL USE DATA FROM THE TWO MOST RECENTLY
3 AVAILABLE YEARS AND SHALL USE DATA SOURCES PROVIDED BY THE
4 ECONOMICS STAFF OF THE LEGISLATIVE COUNCIL TO DETERMINE THE
5 AMOUNT OF ANNUAL PERCENTAGE CHANGE IN EACH DISTRESSED RURAL
6 COUNTY FOR THE ECONOMIC INDICATORS SET FORTH IN SUBPARAGRAPH (I)
7 OF THIS PARAGRAPH (b).

8 (III) THE OFFICE SHALL ANNUALLY REVIEW THE DETERMINATION
9 OF HIGHLY DISTRESSED RURAL COUNTIES BASED ON THE FACTORS SET
10 FORTH IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (b) PURSUANT TO A
11 TIMELINE ESTABLISHED IN THE OFFICE'S GUIDELINES.

12 (IV) THE OFFICE IS NOT REQUIRED TO ISSUE GRANTS IN EACH OF
13 THE HIGHLY DISTRESSED RURAL COUNTIES. SUCH DETERMINATION IS AT
14 THE DISCRETION OF THE OFFICE.

15 (c) THE OFFICE SHALL REVIEW THE EARLIER RURAL ECONOMIC
16 DEVELOPMENT INITIATIVE IN WHICH THE OFFICE COLLABORATED WITH THE
17 DEPARTMENT OF LOCAL AFFAIRS AND MAKE ADJUSTMENTS TO THE REDI
18 PROGRAM TO IMPROVE UPON THE WEAKNESSES OF THE EARLIER PROGRAM.

19 (4) (a) THE REDI PROGRAM PROVIDES GRANTS FOR PROJECTS THAT
20 ATTRACT NEW JOBS OR ENCOURAGE PRIVATE CAPITAL INVESTMENT IN ANY
21 OF THE HIGHLY DISTRESSED RURAL COUNTIES.

22 (b) THE OFFICE SHALL EVALUATE APPLICATIONS BASED ON
23 WHETHER THE PROJECT IN THE HIGHLY DISTRESSED RURAL COUNTY CAN
24 PROCEED IN A TIMELY MANNER AND DOES ONE OR MORE OF THE
25 FOLLOWING:

26 (I) CREATES DIVERSITY AND RESILIENCY IN THE ECONOMY;

27 (II) CREATES NEW JOBS THROUGH A NEW EMPLOYER OR THE

1 EXPANSION OF AN EXISTING EMPLOYER;

2 (III) BENEFITS A KEY INDUSTRY IN THE REGION BY ENCOURAGING

3 CAPITAL INVESTMENT;

4 (IV) INCREASES THE AVERAGE WAGES;

5 (V) ENCOURAGES GROWTH THAT BENEFITS MORE THAN ONE

6 COMMUNITY WITHIN THE HIGHLY DISTRESSED RURAL COUNTY THROUGH

7 COLLABORATION;

8 (VI) SHOWS COMPATIBILITY WITH RELEVANT COMMUNITIES AND

9 ECONOMIC DEVELOPMENT PLANS; OR

10 (VII) EVIDENCES STRONG SUPPORT FROM LOCAL GOVERNMENTS.

11 (c) IN EVALUATING APPLICATIONS FOR GRANTS IN A HIGHLY

12 DISTRESSED COUNTY, THE OFFICE SHALL CONSIDER WHETHER THE GRANT

13 WOULD CREATE ISSUES OF UNFAIR COMPETITION AMONG OTHER EXISTING

14 ESTABLISHMENTS IN THE HIGHLY DISTRESSED COUNTY.

15 (d) GRANTS MAY BE AWARDED TO:

16 (I) LOCAL GOVERNMENTS FOR INFRASTRUCTURE NEEDS OR

17 FACILITIES PROJECTS THAT ARE NEEDED TO ATTRACT NEW JOBS OR WILL

18 ENCOURAGE PRIVATE CAPITAL INVESTMENT;

19 (II) LOCAL GOVERNMENTS FOR TRAINING GRANTS FOR AFFECTED

20 WORKERS;

21 (III) PRIVATE EMPLOYERS TO SUPPORT BUSINESS EXPANSION

22 PROJECTS THAT INCLUDE PRIVATE CAPITAL INVESTMENT, FACILITY

23 IMPROVEMENTS, OR OPERATING CAPITAL THAT ARE NECESSARY TO CREATE

24 NEW JOBS; OR

25 (IV) PRIVATE EMPLOYERS FOR EMPLOYEE TRAINING PROGRAMS

26 FOR NEW EMPLOYEES.

27 (e) GRANT RECIPIENTS SHALL PROVIDE A DOLLAR MATCH IN AN

1 AMOUNT AS SPECIFIED IN THE OFFICE GUIDELINES.

2 (f) GRANTS ARE AWARDED FOR REIMBURSEMENT OF MONEYS
3 ALREADY SPENT BY THE LOCAL GOVERNMENT OR THE PRIVATE EMPLOYER
4 AND MAY BE AWARDED ONLY IF THE GRANT RECIPIENT MEETS
5 PERFORMANCE CRITERIA ESTABLISHED IN THE OFFICE'S GUIDELINES.
6 GRANTS MAY BE DENIED OR GRANT RECIPIENTS MAY BE REQUIRED TO PAY
7 BACK THE AWARD IF THE PERFORMANCE CRITERIA IS NOT MET.

8 (5) (a) ON OR BEFORE SEPTEMBER 1, 2015, THE OFFICE SHALL
9 ESTABLISH GUIDELINES FOR THE REDI PROGRAM THAT INCLUDE, BUT
10 NEED NOT BE LIMITED TO:

11 (I) THE PROCEDURES AND TIMELINES BY WHICH A LOCAL
12 GOVERNMENT OR PRIVATE EMPLOYER IN A HIGHLY DISTRESSED RURAL
13 COUNTY MAY APPLY FOR A GRANT;

14 (II) CRITERIA FOR DETERMINING THE GRANT AMOUNTS;

15 (III) CRITERIA FOR MATCH REQUIREMENTS FOR EACH TYPE OF
16 GRANT;

17 (IV) PERFORMANCE CRITERIA, SUCH AS JOB CREATION GOALS OR
18 CONSTRUCTION COMPLETION MILESTONES, FOR GRANT RECIPIENTS'
19 PROJECTS; AND

20 (V) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS.

21 (b) ON OR BEFORE NOVEMBER 1 OF EACH YEAR, THE DIRECTOR OF
22 THE OFFICE OR THE DIRECTOR'S DESIGNEE SHALL SUBMIT A REPORT TO THE
23 FINANCE COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES,
24 OR ANY SUCCESSOR COMMITTEES, SUMMARIZING THE USE OF ALL MONEYS
25 THAT WERE AWARDED AS GRANTS FROM THE REDI PROGRAM IN THE
26 PRECEDING FISCAL YEAR. AT A MINIMUM, THE REPORT SHALL SPECIFY THE
27 AMOUNT OF GRANT MONEYS DISTRIBUTED TO EACH GRANT RECIPIENT AND

1 A DESCRIPTION OF EACH GRANT RECIPIENT'S USE OF THE GRANT MONEYS.

2 (6) THE OFFICE MAY USE UP TO SEVEN PERCENT OF THE MONEYS
3 APPROPRIATED TO THE OFFICE FOR THE REDI PROGRAM FOR THE ACTUAL
4 COSTS INCURRED IN ADMINISTERING THE PROGRAM.

5 (7) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 2, 2019.

6 **SECTION 2. Appropriation.** For the 2015-16 state fiscal year,
7 \$3,000,000 is appropriated to the office of the governor for use by the
8 Colorado office of economic development. This appropriation is from the
9 general fund. To implement this act, the Colorado office of economic
10 development may use this appropriation for the rural economic
11 development initiative grant program.

12 **SECTION 3. Act subject to petition - effective date.** This act
13 takes effect at 12:01 a.m. on the day following the expiration of the
14 ninety-day period after final adjournment of the general assembly (August
15 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a
16 referendum petition is filed pursuant to section 1 (3) of article V of the
17 state constitution against this act or an item, section, or part of this act
18 within such period, then the act, item, section, or part will not take effect
19 unless approved by the people at the general election to be held in
20 November 2016 and, in such case, will take effect on the date of the
21 official declaration of the vote thereon by the governor.