

State of Arkansas
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A Bill

HOUSE BILL 1710

By: Representatives McClure, Andrews, Barker, Beaty Jr., C. Cooper, Cozart, C. Fite, L. Fite, Haak, Hollowell, Richmond, Vaught, Joey Carr, Eaves, Evans, Rye, Unger

For An Act To Be Entitled

AN ACT TO ESTABLISH THE RURAL ECONOMIC DEVELOPMENT INITIATIVE; TO PRESCRIBE THE PURPOSE OF THE INITIATIVE AND THE ROLE OF THE EIGHT PLANNING AND ECONOMIC DEVELOPMENT DISTRICTS; AND FOR OTHER PURPOSES.

Subtitle

TO ESTABLISH THE RURAL ECONOMIC DEVELOPMENT INITIATIVE.

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

SECTION 1. Arkansas Code Title 14, Chapter 166, is amended to add an additional subchapter to read as follows:

Subchapter 3 – Rural Economic Development Initiative

14-166-301. Legislative findings and intent.

(a) The General Assembly finds that:

(1) Rural Arkansas is losing population, and it is becoming increasingly difficult for these rural areas to compete economically in light of this population loss;

(2) Many existing federal and state programs cannot adequately address economic issues in rural areas due to programmatic restraints or other factors;

(3) Federal and state programs that can be of assistance to rural communities are often unknown or inaccessible;



(4) Per the 2020 Federal Decennial Census, approximately seventy-one percent (71%) of Arkansas counties lost population between 2010 and 2020, with an average population loss of nine percent (9%) and six (6) Arkansas counties losing over fifteen percent (15%) of their population;

(5) Municipalities, counties, and regions in decline are showing signs of economic stress that, if not addressed, will result in declines in education, medical care, and elder care, the development of food deserts, and an overall decline in quality of life;

(6) Rural economic development projects are often limited to isolated local efforts;

(7) Many rural communities lack the staff necessary to undertake potential economic development activities even when the community is a potential fit for a business or has resources to offer; and

(8) The state should proactively implement programs and policies that further the advancement of the economy of rural Arkansas and allow for the combination of efforts in imaginative ways so that all regions of the state may prosper to the largest degree possible.

(b) It is the intent of this subchapter to create the Rural Economic Development Initiative to make funds available to planning and development districts to address the unique economic and workforce development needs of rural areas of the state and to amplify the efforts of existing agencies and individuals who are interested in rural economic development.

14-166-302. Definitions.

As used in this subchapter:

(1) "Federal agencies" means:

(A) Departments, offices, councils, or agencies of the United States Government; or

(B) Public benefit corporations or authorities authorized by federal law;

(2)(A) "Local governmental unit" means a county, city of the first class, city of the second class, or an incorporated town.

(B) "Local governmental unit" includes an office or department of a county, city of the first class, city of the second class, or incorporated town;

(3) "Planning and development district" means a planning and

development district under §14-166-202;

(4) "Political subdivision" means a county, municipality, or any other unit of local government, including without limitation a public school district or community college;

(5) "Rural areas" means counties:

(A) That lost population between 2010 and 2020 as determined by the most recent federal decennial census; or

(B) Whose total population is less than fifty thousand (50,000) as determined by the most recent federal decennial census;

(6) "Rural economic development and revitalization" means activities designed to encourage population growth and economic health in a rural area, including without limitation:

(A) Workforce development;

(B) Job creation;

(C) Job retention; and

(D) Business expansion; and

(7) "State agencies" means:

(A) Departments, offices, councils, or agencies of state government; or

(B) Public benefit corporations or authorities authorized by Arkansas law.

14-166-303. Rural Economic Development Initiative.

(a)(1) The Rural Economic Development Initiative is established to provide funds to planning and development districts for distribution to projects in rural areas to further rural economic development and revitalization.

(2)(A) If funding permits, a planning and development district may apply to the Arkansas Economic Development Commission for funds to be distributed to projects under this subchapter located within the planning and development district.

(B) The commission shall allocate funding available for the initiative so that the funds available to each of the eight (8) planning and development districts for the initiative is as equal as possible.

(3) The commission shall not disburse funds to a project under this subchapter unless the disbursement for the project is approved by the

Legislative Council.

(b)(1) Each planning and development district shall employ staff necessary to support the initiative, including without limitation employing a Rural Economic Development Specialist whose primary tasks shall be to:

(A) Lead a coordinated effort in each planning and development district regarding the initiative;

(B) Promote and develop the initiative for the planning and development district; and

(C) Assist in other efforts involving federal agencies and state agencies that could benefit rural areas.

(2)(A) In addition to applying for projects under subsection (a) of this section, a planning and development district may apply to the commission for costs for necessary staff to support the initiative, including without limitation the staff costs for a Rural Economic Development Specialist.

(B) A request for costs for necessary staff under subdivision (b)(2)(A) of this section may include without limitation the overhead costs associated with the necessary staff, including without limitation benefit expenses.

(C) Costs for necessary staff under subdivision (b)(2)(A) of this section shall come from funds available for the initiative.

(c)(1) Under the initiative, a planning and development district may apply to the commission for funding for one (1) or more projects within the district that will further rural economic development and revitalization.

(2) Disbursement of initiative funds under this subchapter shall be limited to projects within rural areas.

(3) No single project shall receive more than twenty-five percent (25%) of the funds allocated to one (1) of the eight (8) planning and development districts under subdivision (a)(2)(B) of this section.

(4) Applications should include an economic development or workforce development component when possible.

(5) The projects for which funds may be granted under this subchapter include without limitation:

(A) Economic development activities by a local governmental unit or other political subdivision with committed industry partners, including without limitation:

(i) Projects actively seeking to expand or develop new facilities within a local governmental unit or other political subdivision;

(ii) Retaining or hiring individuals from the available labor force to contribute to the betterment of the community and its surroundings; and

(iii) Projects that build upon and support the existing assets of a local governmental unit or other political subdivision as well as grow and nurture new industry segments;

(B) Projects for conducting industry-driven job skills training or employment-related education with an emphasis on the use of existing public institutions located in the region by providing job training or employment-related education for a specific employer or industry sector to fill immediate job openings or retain current jobs as documented by the specific employer or industry sector; and

(C) Disbursements to a local governmental unit or other political subdivision without a direct job creation or retention component if a strongly compelling case can be made that a long-term economic impact can be generated by the investment, including without limitation providing access to a previously inaccessible parcel of land to make it desirable for economic development purposes.

(d) Recipients of funds allocated for the initiative may use the funds to match federal dollars for eligible projects.

(e) The commission may promulgate rules necessary to implement this subchapter.

14-166-304. Report to Legislative Council.

(a) The Arkansas Economic Development Commission shall submit biannual reports to the Legislative Council that include:

(1)(A) A description of the projects for which funds allocated for the Rural Economic Development Initiative were used in the period since the previous biannual report.

(B) The first report under this section shall include all projects for which funds allocated for the initiative were used from the time the funds were first available;

(2) Recommendations for legislative proposals to enhance rural

economic development and revitalization;

(3) Data pertaining to successful efforts towards rural economic development and revitalization in rural areas; and

(4) Other information the planning and development district believes to be relevant to the efforts of the initiative.

(b) The biannual reports under subsection (a) of this section shall be filed on or before:

(1) June 30 of each year; and

(2) December 1 of each year.

APPROVED: 4/12/23