

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

HOUSE BILL 1981

By: Representative K. Ferguson

For An Act To Be Entitled

AN ACT TO CREATE THE MULTICOUNTY ECONOMIC DEVELOPMENT GRANT PROGRAM ACT; TO CREATE THE MULTICOUNTY ECONOMIC DEVELOPMENT GRANT PROGRAM FUND; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE MULTICOUNTY ECONOMIC DEVELOPMENT GRANT PROGRAM ACT; AND TO CREATE THE MULTICOUNTY ECONOMIC DEVELOPMENT GRANT PROGRAM FUND.

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

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

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

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

(b) The fund shall consist of:

(1) Grants made by any person or federal government agency;

(2) Any remaining fund balances carried forward from year to year; and

(3) Any other funds authorized or provided by law.

(c) The fund shall be used by the Rural Services Division of the Arkansas Economic Development Commission to fund grants under the Multicounty



Economic Development Grant Program Act, § 15-4-3901 et seq.

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

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

Subchapter 39 – Multicounty Economic Development Grant Program Act

15-4-3901. Title.

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

15-4-3902. Creation – Administration.

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

(b) The division shall:

(1) Administer the program;

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

(3) Devise an application process that:

(A) Defines the grant eligibility criteria; and

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

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

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

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

(a)(1) To be eligible for a grant under this subchapter, an applicant shall demonstrate that the proposed economic development project would result in a positive economic return on investment for the state and the planning and development district designated under § 14-166-202 for the area in which

the proposed economic development project would be located.

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

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

(c) Each planning and development district shall:

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

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

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

(4) Score each application;

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

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

(d) The division shall:

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

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

(B) An application that does not meet the requirements of this subchapter and the rules adopted by the division shall be rejected;

(3) Evaluate and prioritize each proposed economic development

project based on the economic return on investment of the proposed economic development project for the state and the counties within the planning and development district;

(4) Score each application;

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

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

15-4-3904. Funding.

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

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

15-4-3905. Project administration – Reports.

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

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

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

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

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

(4) Any other funding received by the planning and development

district or a local government for the economic development project.

15-4-3906. Rules.

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

SECTION 3. DO NOT CODIFY. Rules.

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

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

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

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