

**First Regular Session
Seventieth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

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 24-32-117 as
3 follows:

4 **24-32-117. 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 RETAIN
15 AND CREATE JOBS, DRIVE CAPITAL INVESTMENT, AND INCREASE WAGES TO
16 HELP GROW 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,
20 NOT-FOR-PROFIT ECONOMIC DEVELOPMENT ENTITIES, AND PRIVATE

1 EMPLOYERS WHO MOST NEED IT; AND

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

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

11 (a) "COLORADO OFFICE OF ECONOMIC DEVELOPMENT" MEANS THE
12 COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION
13 24-48.5-101.

14 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF LOCAL AFFAIRS.

15 (c) (I) "DISTRESSED RURAL COUNTY" MEANS A COUNTY WITH A
16 POPULATION OF LESS THAN ONE HUNDRED SEVENTY-FIVE THOUSAND THAT
17 MEETS TWO OF THREE OF THE FOLLOWING CRITERIA:

18 (A) A COUNTYWIDE ANNUAL PERCENT CHANGE IN EMPLOYMENT
19 LESS THAN THE STATEWIDE ANNUAL PERCENT CHANGE IN EMPLOYMENT;

20 (B) A COUNTYWIDE ANNUAL PERCENT CHANGE IN ASSESSED
21 VALUE OF ALL PROPERTY LESS THAN THE STATEWIDE ANNUAL AVERAGE
22 PERCENT CHANGE IN ASSESSED VALUE OF ALL PROPERTY; OR

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

27 (II) THE OFFICE SHALL ANNUALLY REVIEW THE DETERMINATION

1 OF DISTRESSED RURAL COUNTIES BASED ON THE FACTORS SET FORTH IN
2 SUBPARAGRAPH (I) OF THIS PARAGRAPH (c) PURSUANT TO A TIMELINE
3 ESTABLISHED IN THE OFFICE'S GUIDELINES.

4 (III) THE OFFICE SHALL USE DATA FROM THE TWO MOST RECENTLY
5 AVAILABLE YEARS AND SHALL USE DATA SOURCES PROVIDED BY THE
6 ECONOMICS STAFF OF THE LEGISLATIVE COUNCIL TO DETERMINE WHETHER
7 A COUNTY MEETS THE FACTORS SET FORTH IN SUBPARAGRAPH (I) OF THIS
8 PARAGRAPH (c).

9 (d) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF
10 THE DEPARTMENT OF LOCAL AFFAIRS.

11 (e) "GUIDELINES" MEANS GUIDELINES DEVELOPED BY THE OFFICE
12 PURSUANT TO PARAGRAPH (a) OF SUBSECTION (5) OF THIS SECTION.

13 (f) "HIGHLY DISTRESSED RURAL COUNTIES" MEANS UP TO THIRTY
14 DISTRESSED RURAL COUNTIES RANKED AS SPECIFIED IN PARAGRAPH (b) OF
15 SUBSECTION (3) OF THIS SECTION.

16
17 (g) "REDI PROGRAM" MEANS THE RURAL ECONOMIC
18 DEVELOPMENT INITIATIVE GRANT PROGRAM CREATED IN THIS SECTION.

19 (3) (a) THERE IS HEREBY CREATED IN THE DEPARTMENT OF LOCAL
20 AFFAIRS THE RURAL ECONOMIC DEVELOPMENT INITIATIVE GRANT
21 PROGRAM FOR THE PURPOSE OF GROWING AND CREATING RESILIENCY IN
22 HIGHLY DISTRESSED RURAL COUNTIES' LOCAL ECONOMIES. THE
23 DEPARTMENT SHALL ADMINISTER THE REDI PROGRAM IN COLLABORATION
24 WITH THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT.

25 (b) (I) THE DEPARTMENT SHALL LIMIT THE REDI PROGRAM TO UP
26 TO THIRTY HIGHLY DISTRESSED RURAL COUNTIES. THE DEPARTMENT
27 SHALL DETERMINE THE THIRTY HIGHLY DISTRESSED RURAL COUNTIES BY

1 RANKING FROM LOWEST TO HIGHEST EACH DISTRESSED RURAL COUNTY BY
2 THE TOTAL SUM OF ANNUAL PERCENTAGE CHANGE IN EACH DISTRESSED
3 RURAL COUNTY FOR THE FOLLOWING ECONOMIC INDICATORS:

- 4 (A) POPULATION;
- 5 (B) EMPLOYMENT;
- 6 (C) WEEKLY WAGE; AND
- 7 (D) ESTABLISHMENTS.

8 (II) THE DEPARTMENT SHALL USE DATA FROM THE TWO MOST
9 RECENTLY AVAILABLE YEARS AND SHALL USE DATA SOURCES PROVIDED
10 BY THE ECONOMICS STAFF OF THE LEGISLATIVE COUNCIL TO DETERMINE
11 THE AMOUNT OF ANNUAL PERCENTAGE CHANGE IN EACH DISTRESSED
12 RURAL COUNTY FOR THE ECONOMIC INDICATORS SET FORTH IN
13 SUBPARAGRAPH (I) OF THIS PARAGRAPH (b).

14 (III) THE DEPARTMENT SHALL ANNUALLY REVIEW THE
15 DETERMINATION OF HIGHLY DISTRESSED RURAL COUNTIES BASED ON THE
16 FACTORS SET FORTH IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (b)
17 PURSUANT TO A TIMELINE ESTABLISHED IN RULES PROMULGATED BY THE
18 DEPARTMENT.

19 (IV) THE DEPARTMENT IS NOT REQUIRED TO ISSUE GRANTS IN
20 EACH OF THE HIGHLY DISTRESSED RURAL COUNTIES. SUCH
21 DETERMINATION IS AT THE DISCRETION OF THE DEPARTMENT.

22 (c) THE DEPARTMENT SHALL REVIEW THE EARLIER RURAL
23 ECONOMIC DEVELOPMENT INITIATIVE IN WHICH THE DEPARTMENT
24 COLLABORATED WITH THE COLORADO OFFICE OF ECONOMIC
25 DEVELOPMENT AND MAKE ADJUSTMENTS TO THE REDI PROGRAM TO
26 IMPROVE UPON THE WEAKNESSES OF THE EARLIER PROGRAM.

27 (4) (a) THE REDI PROGRAM PROVIDES GRANTS FOR PROJECTS

1 THAT RETAIN JOBS, ATTRACT NEW JOBS, OR ENCOURAGE PRIVATE CAPITAL
2 INVESTMENT IN ANY OF THE HIGHLY DISTRESSED RURAL COUNTIES.

3 (b) THE DEPARTMENT SHALL EVALUATE APPLICATIONS BASED ON
4 WHETHER THE PROJECT IN THE HIGHLY DISTRESSED RURAL COUNTY CAN
5 PROCEED IN A TIMELY MANNER AND DOES ONE OR MORE OF THE
6 FOLLOWING:

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

8 (II) CREATES NEW OR RETAINS EXISTING JOBS THROUGH A NEW
9 EMPLOYER OR THE EXPANSION OF AN EXISTING EMPLOYER;

10 (III) BENEFITS A KEY INDUSTRY IN THE REGION BY ENCOURAGING
11 CAPITAL INVESTMENT;

12 (IV) INCREASES THE AVERAGE WAGES;

13 (V) ENCOURAGES GROWTH THAT BENEFITS MORE THAN ONE
14 COMMUNITY WITHIN THE HIGHLY DISTRESSED RURAL COUNTY THROUGH
15 COLLABORATION;

16 (VI) SHOWS COMPATIBILITY WITH RELEVANT COMMUNITIES AND
17 ECONOMIC DEVELOPMENT PLANS;

18 (VII) EVIDENCES STRONG SUPPORT FROM LOCAL GOVERNMENTS;
19 OR

20 (VIII) EVIDENCES STRONG SUPPORT FROM LOCAL WORKFORCE
21 AGENCIES OR LOCAL WORKFORCE BOARDS IF THE GRANT BEING SOUGHT
22 IS FOR WORKFORCE DEVELOPMENT.

23 (c) IN EVALUATING APPLICATIONS FOR GRANTS IN A HIGHLY
24 DISTRESSED COUNTY, THE DEPARTMENT SHALL CONSIDER WHETHER THE
25 GRANT WOULD CREATE ISSUES OF UNFAIR COMPETITION AMONG OTHER
26 EXISTING ESTABLISHMENTS IN THE HIGHLY DISTRESSED COUNTY.

27 (d) GRANTS MAY BE AWARDED TO:

1 (I) LOCAL GOVERNMENTS FOR INFRASTRUCTURE NEEDS OR
2 FACILITIES PROJECTS THAT ARE NEEDED TO RETAIN OR ATTRACT NEW JOBS
3 OR WILL ENCOURAGE PRIVATE CAPITAL INVESTMENT;

4 (II) LOCAL GOVERNMENTS OR NOT-FOR-PROFIT ECONOMIC
5 DEVELOPMENT ENTITIES FOR WORKFORCE, COMMUNITY, OR ECONOMIC
6 DEVELOPMENT ACTIVITIES SUCH AS TRAINING GRANTS FOR AFFECTED
7 WORKERS OR GRANTS FOR CAPACITY BUILDING;

8 (III) PRIVATE EMPLOYERS TO SUPPORT BUSINESS EXPANSION
9 PROJECTS THAT INCLUDE PRIVATE CAPITAL INVESTMENT, FACILITY
10 IMPROVEMENTS, OR OPERATING CAPITAL THAT ARE NECESSARY TO RETAIN
11 JOBS OR CREATE NEW JOBS; OR

12 (IV) PRIVATE EMPLOYERS FOR EMPLOYEE TRAINING PROGRAMS
13 FOR RETAINED OR NEW EMPLOYEES.

14 (e) GRANT RECIPIENTS SHALL PROVIDE A DOLLAR MATCH IN AN
15 AMOUNT AS SPECIFIED IN RULES PROMULGATED BY THE DEPARTMENT.

16 (f) GRANTS ARE AWARDED FOR REIMBURSEMENT OF MONEYS
17 ALREADY SPENT BY THE LOCAL GOVERNMENT, NOT-FOR-PROFIT ECONOMIC
18 DEVELOPMENT ENTITY, OR THE PRIVATE EMPLOYER AND MAY BE
19 AWARDED ONLY IF THE GRANT RECIPIENT MEETS PERFORMANCE CRITERIA
20 ESTABLISHED IN RULES PROMULGATED BY THE DEPARTMENT. GRANTS
21 MAY BE DENIED OR GRANT RECIPIENTS MAY BE REQUIRED TO PAY BACK
22 THE AWARD IF THE PERFORMANCE CRITERIA IS NOT MET.

23 (5) (a) ON OR BEFORE SEPTEMBER 1, 2015, THE DEPARTMENT
24 SHALL PROMULGATE RULES FOR THE REDI PROGRAM THAT INCLUDE, BUT
25 NEED NOT BE LIMITED TO:

26 (I) THE PROCEDURES AND TIMELINES BY WHICH A LOCAL
27 GOVERNMENT, NOT-FOR-PROFIT ECONOMIC DEVELOPMENT ENTITY, OR

1 PRIVATE EMPLOYER IN A HIGHLY DISTRESSED RURAL COUNTY MAY APPLY
2 FOR A GRANT;

3 (II) CRITERIA FOR DETERMINING THE GRANT AMOUNTS;

4 (III) CRITERIA FOR MATCH REQUIREMENTS FOR EACH TYPE OF
5 GRANT;

6 (IV) PERFORMANCE CRITERIA, SUCH AS JOB CREATION GOALS OR
7 CONSTRUCTION COMPLETION MILESTONES, FOR GRANT RECIPIENTS'
8 PROJECTS; AND

9 (V) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS.

10 (b) ON OR BEFORE NOVEMBER 1 OF EACH YEAR, THE EXECUTIVE
11 DIRECTOR OR HIS OR HER DESIGNEE SHALL SUBMIT A REPORT TO THE
12 FINANCE COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES,
13 OR ANY SUCCESSOR COMMITTEES, SUMMARIZING THE USE OF ALL MONEYS
14 THAT WERE AWARDED AS GRANTS FROM THE REDI PROGRAM IN THE
15 PRECEDING FISCAL YEAR. AT A MINIMUM, THE REPORT SHALL SPECIFY THE
16 AMOUNT OF GRANT MONEYS DISTRIBUTED TO EACH GRANT RECIPIENT AND
17 A DESCRIPTION OF EACH GRANT RECIPIENT'S USE OF THE GRANT MONEYS.

18 (6) THE DEPARTMENT MAY USE UP TO SEVEN PERCENT OF THE
19 MONEYS APPROPRIATED TO THE DEPARTMENT FOR THE REDI PROGRAM
20 FOR THE ACTUAL COSTS INCURRED IN ADMINISTERING THE PROGRAM.

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

22 **SECTION 2. Appropriation.** For the 2015-16 state fiscal year,
23 \$3,000,000 is appropriated to the department of local affairs. This
24 appropriation is from the general fund. To implement this act, the
25 department may use this appropriation for the rural economic
26 development initiative grant program.

27 **SECTION 3. Act subject to petition - effective date.** This act

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