

**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.**

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/bills summaries>.)

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 factors to determine the distressed rural counties in the state and then requires the Colorado office of economic development to determine

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.*

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
21 EMPLOYERS WHO MOST NEED IT; AND

22 (d) BASED ON THE SUCCESS OF THE EARLIER RURAL ECONOMIC

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

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

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

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

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

16 (A) A COUNTYWIDE ANNUAL PERCENT CHANGE IN EMPLOYMENT
17 LESS THAN THE STATEWIDE ANNUAL PERCENT CHANGE IN EMPLOYMENT;

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

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

25 (II) THE DEPARTMENT SHALL ANNUALLY REVIEW THE
26 DETERMINATION OF DISTRESSED RURAL COUNTIES BASED ON THE FACTORS
27 SET FORTH IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (c) PURSUANT TO A

1 TIMELINE ESTABLISHED IN POLICIES AND PROCEDURES.

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

7 (d) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF
8 THE DEPARTMENT OF LOCAL AFFAIRS.

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

12 (f) "POLICIES AND PROCEDURES" MEANS THOSE POLICIES AND
13 PROCEDURES ADOPTED AS REQUIRED IN PARAGRAPH (a) OF SUBSECTION (5)
14 OF THIS SECTION BY THE ENERGY IMPACT ADVISORY COMMITTEE CREATED
15 IN SECTION 34-63-102 (5) (b) (I), C.R.S.

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

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

24 (b) (I) THE DEPARTMENT SHALL LIMIT THE REDI PROGRAM TO UP
25 TO THIRTY HIGHLY DISTRESSED RURAL COUNTIES. THE DEPARTMENT
26 SHALL DETERMINE THE THIRTY HIGHLY DISTRESSED RURAL COUNTIES BY
27 RANKING FROM LOWEST TO HIGHEST EACH DISTRESSED RURAL COUNTY BY

1 THE TOTAL SUM OF ANNUAL PERCENTAGE CHANGE IN EACH DISTRESSED
2 RURAL COUNTY FOR THE FOLLOWING ECONOMIC INDICATORS:

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

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

13 (III) THE DEPARTMENT SHALL ANNUALLY REVIEW THE
14 DETERMINATION OF HIGHLY DISTRESSED RURAL COUNTIES BASED ON THE
15 FACTORS SET FORTH IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (b)
16 PURSUANT TO A TIMELINE ESTABLISHED IN POLICIES AND PROCEDURES.

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

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

25 (4) (a) THE REDI PROGRAM PROVIDES GRANTS FOR PROJECTS THAT
26 RETAIN JOBS, ATTRACT NEW JOBS, OR ENCOURAGE PRIVATE CAPITAL
27 INVESTMENT IN ANY OF THE HIGHLY DISTRESSED RURAL COUNTIES.

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

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

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

8 (III) BENEFITS A KEY INDUSTRY IN THE REGION BY ENCOURAGING
9 CAPITAL INVESTMENT;

10 (IV) INCREASES THE AVERAGE WAGES;

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

14 (VI) SHOWS COMPATIBILITY WITH RELEVANT COMMUNITIES AND
15 ECONOMIC DEVELOPMENT PLANS;

16 (VII) EVIDENCES STRONG SUPPORT FROM LOCAL GOVERNMENTS;
17 OR

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

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

25 (d) GRANTS MAY BE AWARDED TO LOCAL GOVERNMENTS FOR:

26 (I) INFRASTRUCTURE NEEDS OR FACILITIES PROJECTS THAT ARE
27 NEEDED TO RETAIN OR ATTRACT NEW JOBS OR WILL ENCOURAGE PRIVATE

1 CAPITAL INVESTMENT;

2 (II) PARTNERING WITH, AS ADMINISTRATOR FOR GRANTS TO,
3 NOT-FOR-PROFIT ECONOMIC DEVELOPMENT ENTITIES FOR WORKFORCE,
4 COMMUNITY, OR ECONOMIC DEVELOPMENT ACTIVITIES SUCH AS WORKERS
5 OR GRANTS FOR CAPACITY BUILDING;

6 (III) PARTNERING WITH, AS ADMINISTRATOR FOR GRANTS TO,
7 PRIVATE EMPLOYERS TO SUPPORT BUSINESS EXPANSION PROJECTS THAT
8 INCLUDE PRIVATE CAPITAL INVESTMENT, FACILITY IMPROVEMENTS, OR
9 OPERATING CAPITAL THAT ARE NECESSARY TO RETAIN JOBS OR CREATE
10 NEW JOBS; OR

11 (IV) PARTNERING WITH, AS ADMINISTRATOR FOR GRANTS TO,
12 PRIVATE EMPLOYERS FOR EMPLOYEE TRAINING PROGRAMS FOR RETAINED
13 OR NEW EMPLOYEES.

14 (e) GRANT RECIPIENTS SHALL PROVIDE A DOLLAR MATCH IN AN
15 AMOUNT AS SPECIFIED IN POLICIES AND PROCEDURES.

16 (f) GRANTS ARE AWARDED FOR REIMBURSEMENT OF MONEYS
17 ALREADY SPENT. GRANTS MAY BE AWARDED ONLY IF THE GRANT
18 RECIPIENT MEETS PERFORMANCE CRITERIA ESTABLISHED IN POLICIES AND
19 PROCEDURES. GRANTS MAY BE DENIED OR GRANT RECIPIENTS MAY BE
20 REQUIRED TO PAY BACK THE AWARD IF THE PERFORMANCE CRITERIA IS
21 NOT MET.

22 (5) (a) ON OR BEFORE SEPTEMBER 1, 2015, THE ENERGY IMPACT
23 ADVISORY COMMITTEE MUST ADOPT POLICIES AND PROCEDURES FOR THE
24 REDI PROGRAM THAT INCLUDE, BUT NEED NOT BE LIMITED TO:

25 (I) THE PROCEDURES AND TIMELINES BY WHICH A LOCAL
26 GOVERNMENT IN A HIGHLY DISTRESSED RURAL COUNTY MAY APPLY FOR
27 A GRANT;

- 1 (II) CRITERIA FOR DETERMINING THE GRANT AMOUNTS;
- 2 (III) CRITERIA FOR MATCH REQUIREMENTS FOR EACH TYPE OF
- 3 GRANT;
- 4 (IV) PERFORMANCE CRITERIA, SUCH AS JOB CREATION GOALS OR
- 5 CONSTRUCTION COMPLETION MILESTONES, FOR GRANT RECIPIENTS'
- 6 PROJECTS; AND
- 7 (V) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS.

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

16 (6) ANY APPROPRIATION IN AN ANNUAL GENERAL APPROPRIATION
17 ACT FOR RURAL ECONOMIC DEVELOPMENT INITIATIVE GRANTS MUST BE
18 ADMINISTERED CONSISTENT WITH THE PROVISIONS OF THIS SECTION. THE
19 ENTIRE AMOUNT OF SUCH APPROPRIATION MUST BE USED FOR REDI
20 PROGRAM GRANTS AND NO AMOUNT OF SUCH APPROPRIATION MAY BE
21 USED BY THE DEPARTMENT FOR THE ADMINISTRATION OF THE REDI
22 PROGRAM.

23 (7) NO LATER THAN AUGUST 1, 2015, THE DEPARTMENT SHALL
24 FORMALLY ANNOUNCE, ON ITS WEB SITE AND BY LETTER TO THE STATE'S
25 LOCAL GOVERNMENTS, AN INITIATIVE FROM THE LOCAL GOVERNMENT
26 MINERAL IMPACT FUND CREATED IN SECTION 34-63-102 (5), C.R.S., OF AN
27 AMOUNT NOT TO EXCEED TWO MILLION TWO HUNDRED FIFTY THOUSAND

1 DOLLARS FOR A PERIOD NOT TO EXCEED THREE FISCAL YEARS FOR GRANT
2 FUNDING TO LOCAL GOVERNMENTS THROUGH THE REDI PROGRAM
3 COMMENCING WITH THE 2015-16 FISCAL YEAR.

4 (8) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2018.

5 **SECTION 2.** In Colorado Revised Statutes, 34-63-102, **amend**
6 (5.4) (b) (I) introductory portion as follows:

7 **34-63-102. Creation of mineral leasing fund - distribution -**
8 **advisory committee - local government permanent fund created -**
9 **definitions - repeal.** (5.4) Except as otherwise provided in subsection
10 (5.5) of this section, on and after July 1, 2008, all moneys other than
11 bonus payments, as defined in paragraph (b) of subsection (5.3) of this
12 section, credited to the mineral leasing fund created in subparagraph (II)
13 of paragraph (a) of subsection (1) of this section shall be distributed on
14 a quarterly basis for quarters beginning on July 1, October 1, January 1,
15 and April 1 of each state fiscal year as follows:

16 (b) (I) For each quarter commencing during the 2008-09 fiscal
17 year or during any succeeding fiscal year, forty percent of the moneys
18 shall be credited to the local government mineral impact fund. Fifty
19 percent of the moneys so credited shall be distributed by the executive
20 director of the department of local affairs in accordance with the purposes
21 and priorities described in subsection (1) of this section, and FOR THE
22 REDI PROGRAM AS SET FORTH IN SECTION 24-32-117, C.R.S. In
23 distributing the moneys, the executive director shall give priority to those
24 communities most directly and substantially impacted by production of
25 energy resources on federal mineral lands and to grant applications that:

26 **SECTION 3. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.