

A-Engrossed
House Bill 3110

Ordered by the House April 3
Including House Amendments dated April 3

Sponsored by Representative BONHAM

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Creates Oregon Rural Service Center within Oregon Business Development Department to assist rural counties, and cities and special districts located in rural areas, to apply for and manage public and private funding opportunities for purposes of workforce and economic development. Authorizes department to enter into agreement with Association of Oregon Counties and League of Oregon Cities to operate center. Requires department to submit annual report to interim legislative committees related to economic development setting forth findings related to operation of center by association and league, if applicable, and metrics related to assistance given by center to counties, cities and special districts.]

Requires Oregon Business Development Department to distribute moneys in Oregon Rural Capacity Fund to Oregon's Economic Development Districts for purpose of assisting rural jurisdictions to apply for and administer grants and other forms of funding available from any source. Requires rural jurisdictions to use funding solely to attain staffing and capacity necessary for workforce, infrastructure, economic and community development.

Directs department to develop policy for assistance program and determine amount of moneys for distribution to districts. Requires districts to file quarterly reports with department about assistance given to rural jurisdictions. Requires department to submit annual reports about assistance program to interim committees of Legislative Assembly related to economic development. Establishes Oregon Rural Capacity Fund and continuously appropriates net moneys in fund to department for distribution to districts.

Appropriates moneys to [Oregon Business Development] department for purposes related to operation of [Oregon Rural Service Center] program for assistance to rural jurisdictions.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to a rural service center for economic development; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. As used in sections 1 to 6 of this 2019 Act, unless the context clearly requires another meaning:

(1) "City" means a city, town or other community located in this state with a population of 2,500 or less.

(2) "District association" means Oregon's Economic Development Districts, an organization consisting of member districts designated by the United States Economic Development Administration.

(3) "Grant administrator" means a person that provides fiscal administration, grant compliance, grant reporting and other similar administrative services required by grant-awarding entities.

(4) "Member district" means a district that is a member of Oregon's Economic Development Districts.

(5) "Rural area" means an area located in this state that is entirely outside the acknowledged Portland Metropolitan Area Regional Urban Growth Boundary and the acknowl-

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **edged urban growth boundaries of all cities with populations of 30,000 or more.**

2 **(6) "Rural capacity builder" means a person that assists communities in rural areas:**

3 **(a) To determine local priorities for community and economic development;**

4 **(b) To develop tools, processes and partnerships to address local needs; or**

5 **(c) By providing grant writing services.**

6 **(7) "Rural county" means a county of this state with a population of 12,000 or less.**

7 **(8) "Rural grant services" means assistance to communities in rural areas in:**

8 **(a) Identifying funding opportunities to meet community and economic development**
9 **needs; and**

10 **(b) Applying for grants.**

11 **(9) "Rural jurisdictions" means:**

12 **(a) Rural counties; and**

13 **(b) Federally recognized Indian tribes, cities, school districts and special districts located**
14 **in rural areas.**

15 **SECTION 2. (1) The Oregon Business Development Department shall distribute moneys**
16 **in the Oregon Rural Capacity Fund established under section 6 of this 2019 Act to provide**
17 **resources to Oregon's Economic Development Districts for the purposes of assisting rural**
18 **jurisdictions to learn about, successfully apply for and administer grants and other forms**
19 **of funding available from any public or private source. The rural jurisdictions shall use such**
20 **resources solely to attain the staffing and financial and technical capacity necessary to carry**
21 **out proactive strategies for workforce, infrastructure, economic and community develop-**
22 **ment in the rural jurisdictions.**

23 **(2) The district association shall assist, or provide for assistance to, rural jurisdictions**
24 **by means that include, but are not limited to:**

25 **(a) Outreach to the rural jurisdictions about grants and other forms of funding;**

26 **(b) Employment of grant writers or grant administrators to directly assist the rural ju-**
27 **risdictions in applying for grants and other forms of funding;**

28 **(c) Direct assistance in administering grants awarded to the rural jurisdictions; and**

29 **(d) Working with state agencies to coordinate investments in water and sewer systems,**
30 **roads and other elements of basic infrastructure needed in cities in rural areas.**

31 **SECTION 3. The Oregon Business Development Department shall:**

32 **(1) Develop the policy guiding the implementation of sections 1 to 6 of this 2019 Act.**

33 **(2) Communicate the policy and the purposes set forth in section 2 of this 2019 Act to**
34 **underserved rural jurisdictions.**

35 **(3) Determine the amount of moneys available for distribution to Oregon's Economic**
36 **Development Districts under section 2 of this 2019 Act.**

37 **(4) Consult and coordinate with the district association on the distribution of moneys**
38 **under section 2 of this 2019 Act. When consulting with the district association on the use**
39 **of moneys, the department and the district association shall consider:**

40 **(a) Which rural jurisdictions are most in need of the assistance provided under sections**
41 **1 to 6 of this 2019 Act; and**

42 **(b) The geographical balance of the distributions and assistance.**

43 **(5) Work with the district association to determine the number and location of the grant**
44 **writers and rural capacity builders to be hired with the moneys distributed.**

45 **(6) Make the distributions under section 2 of this 2019 Act in accordance with the policy**

1 and priorities developed under this section from moneys in the Oregon Rural Capacity Fund
2 established under section 6 of this 2019 Act.

3 (7) Oversee the rural grant services provided under sections 1 to 6 of this 2019 Act.

4 (8) Periodically consult with the League of Oregon Cities, the Association of Oregon
5 Counties, the Oregon School Boards Association and the Special Districts Association of
6 Oregon on the implementation of sections 1 to 6 of this 2019 Act.

7 **SECTION 4.** (1) This section applies to a member district that receives moneys pursuant
8 to section 2 of this 2019 Act.

9 (2)(a) The member district shall expend the moneys solely to provide grant writing, grant
10 administration, rural grant and rural capacity building services to rural jurisdictions for the
11 purposes set forth in section 2 of this 2019 Act.

12 (b) The moneys received by the member district, and the activities of the member district
13 in expending the moneys, shall supplement and may not supplant the resources and activities
14 of the member district.

15 (c) The member district may not use moneys received pursuant to section 2 of this 2019
16 Act to apply for grants for purposes unrelated to the purposes set forth in section 2 of this
17 2019 Act.

18 (d) For purposes of a member district's assistance to rural jurisdictions under this sec-
19 tion, the Oregon Business Development Department may enter into an agreement with a
20 regional solutions advisory committee appointed pursuant to ORS 284.754 for a region in
21 which the member district is located in order to coordinate the activities of the member
22 district, including the use of the moneys distributed to the member district, and the regional
23 solutions team for the region.

24 (e) The member district shall manage, document and submit quarterly reports to the
25 department about the assistance the member district provides to rural jurisdictions under
26 this section. The reports shall contain at a minimum all applicable information required un-
27 der section 5 (2) of this 2019 Act.

28 (3)(a) The member district may hire an individual under this section as an employee or
29 an independent contractor.

30 (b) The member district may assign individuals hired under this section to provide the
31 services described in subsection (2)(a) of this section to more than one rural jurisdiction.

32 **SECTION 5.** (1) Not later than September 15 of each year, the Oregon Business Devel-
33 opment Department shall provide a brief report, in the manner required under ORS 192.245,
34 to the interim committees of the Legislative Assembly related to economic development, that
35 describes the activities that Oregon's Economic Development Districts engaged in for the
36 previous 12-month period under sections 1 to 6 of this 2019 Act and the results of those ac-
37 tivities.

38 (2) At a minimum, the report required under this section shall identify:

39 (a) The rural jurisdictions that requested assistance funded by the district association;

40 (b) The rural jurisdictions that received such assistance;

41 (c) The populations served by the rural jurisdictions that requested assistance funded by
42 the district association;

43 (d) The populations served by the rural jurisdictions that received such assistance;

44 (e) The number of funding opportunities, and the dollar amount of private and public
45 funds, separately stated, that the rural jurisdictions applied for with assistance funded by the

1 district association;

2 (f) The number of funding opportunities from which the rural jurisdictions received
3 funding with such assistance, and the dollar amount of private and public funding so re-
4 ceived, separately stated;

5 (g) The multiplier effects of grants and other forms of funding received by the rural ju-
6 risdictions with assistance funded by the district association;

7 (h) The expected effect of grants and other forms of funding received by the rural juris-
8 dictions with assistance funded by the district association on the timing of the commence-
9 ment and completion of projects;

10 (i) The number of jobs created by rural jurisdictions that received assistance under
11 sections 1 to 6 of this 2019 Act;

12 (j) The return on investment of moneys distributed to member districts under section 2
13 of this 2019 Act; and

14 (k) Any other information the department considers important to include in the report.

15 **SECTION 6.** (1) The Oregon Rural Capacity Fund is established in the State Treasury,
16 separate and distinct from the General Fund. Interest earned by the Oregon Rural Capacity
17 Fund shall be credited to the fund.

18 (2) Moneys in the fund consist of:

19 (a) Amounts appropriated or otherwise transferred or credited to the fund by the Legis-
20 lative Assembly;

21 (b) Moneys from the federal government, state agencies or local governments transferred
22 or otherwise credited to the fund;

23 (c) Amounts donated or otherwise given to the fund;

24 (d) Earnings received on moneys in the fund; and

25 (e) Other amounts from any source transferred or otherwise credited to the fund.

26 (3)(a) Moneys in the fund are continuously appropriated to the Oregon Business Devel-
27 opment Department for the purpose of making the expenditures set forth in this subsection.

28 (b) The department may retain an amount equal to five percent of moneys appropriated
29 or otherwise transferred or credited to the fund to pay the for the administrative and oper-
30 ational expenses of department under sections 1 to 6 of this 2019 Act.

31 (c) The department shall distribute the balance of the moneys in accordance with section
32 2 of this 2019 Act.

33 **SECTION 7.** There is appropriated to the Oregon Business Development Department, for
34 the biennium beginning July 1, 2019, out of the General Fund, the amount of \$918,750, to be
35 expended in accordance with sections 1 to 6 of this 2019 Act.

36 **SECTION 8.** (1) Sections 1 to 6 of this 2019 Act become operative on January 1, 2020.

37 (2)(a) As used in this subsection, "person" means each of:

38 (A) The Director of the Oregon Business Development Department; and

39 (B) Oregon's Economic Development Districts.

40 (b) Notwithstanding the date specified in subsection (1) of this section, a person may take
41 any action before the date specified in subsection (1) of this section that is necessary for the
42 person to exercise, on and after the date specified in subsection (1) of this section, all of the
43 duties, functions and powers respectively conferred on the person by sections 1 to 6 of this
44 2019 Act.

45 **SECTION 9.** This 2019 Act being necessary for the immediate preservation of the public

1 **peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect**
2 **on its passage.**

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