

Enrolled
House Bill 2345

Sponsored by Representatives BONHAM, LIVELY; Representatives BYNUM, EVANS, HAYDEN, KROPF, LEIF, LEVY, MARSH, MORGAN, PRUSAK, Senator KNOPP (Presession filed.)

CHAPTER

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 2021 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 acknowledged urban growth boundaries of all cities with populations of 30,000 or more.

(6) “Rural capacity builder” means a person that assists communities in rural areas:

- (a) To determine local priorities for community and economic development;
- (b) To develop tools, processes and partnerships to address local needs; or
- (c) By providing grant writing services.

(7) “Rural county” means a county of this state with a population of 12,000 or less.

(8) “Rural grant services” means assistance to communities in rural areas in:

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

(b) Applying for grants.

(9) “Rural jurisdictions” means:

(a) Rural counties; and

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

SECTION 2. (1) The Oregon Business Development Department shall distribute moneys in the Oregon Rural Capacity Fund established under section 6 of this 2021 Act to provide resources to Oregon’s Economic Development Districts for the purposes of assisting rural

jurisdictions to learn about, successfully apply for and administer grants and other forms of funding available from any public or private source. The rural jurisdictions shall use such resources solely to attain the staffing and financial and technical capacity necessary to carry out proactive strategies for workforce, infrastructure, economic and community development in the rural jurisdictions.

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

- (a) Outreach to the rural jurisdictions about grants and other forms of funding;
- (b) Employment of grant writers or grant administrators to directly assist the rural jurisdictions in applying for grants and other forms of funding;
- (c) Direct assistance in administering grants awarded to the rural jurisdictions; and
- (d) Working with state agencies to coordinate investments in water and sewer systems, roads and other elements of basic infrastructure needed in cities in rural areas.

SECTION 3. The Oregon Business Development Department shall:

- (1) Develop the policy guiding the implementation of sections 1 to 6 of this 2021 Act.
- (2) Communicate the policy and the purposes set forth in section 2 of this 2021 Act to underserved rural jurisdictions.
- (3) Determine the amount of moneys available for distribution to Oregon's Economic Development Districts under section 2 of this 2021 Act.
- (4) Consult and coordinate with the district association on the distribution of moneys under section 2 of this 2021 Act. When consulting with the district association on the use of moneys, the department and the district association shall consider:
 - (a) Which rural jurisdictions are most in need of the assistance provided under sections 1 to 6 of this 2021 Act; and
 - (b) The geographical balance of the distributions and assistance.
- (5) Work with the district association to determine the number and location of the grant writers and rural capacity builders to be hired with the moneys distributed.
- (6) Make the distributions under section 2 of this 2021 Act in accordance with the policy and priorities developed under this section from moneys in the Oregon Rural Capacity Fund established under section 6 of this 2021 Act.
- (7) Oversee the rural grant services provided under sections 1 to 6 of this 2021 Act.
- (8) Periodically consult with the League of Oregon Cities, the Association of Oregon Counties, the Oregon School Boards Association and the Special Districts Association of Oregon on the implementation of sections 1 to 6 of this 2021 Act.

SECTION 4. (1) This section applies to a member district that receives moneys pursuant to section 2 of this 2021 Act.

(2)(a) The member district shall expend the moneys solely to provide grant writing, grant administration, rural grant and rural capacity building services to rural jurisdictions for the purposes set forth in section 2 of this 2021 Act.

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

(c) The member district may not use moneys received pursuant to section 2 of this 2021 Act to apply for grants for purposes unrelated to the purposes set forth in section 2 of this 2021 Act.

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

(e) The member district shall manage, document and submit quarterly reports to the department about the assistance the member district provides to rural jurisdictions under this section. The reports shall contain at a minimum all applicable information required under section 5 (2) of this 2021 Act.

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

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

SECTION 5. (1) Not later than September 15 of each year, the Oregon Business Development Department shall provide a brief report, in the manner required under ORS 192.245, to the interim committees of the Legislative Assembly related to economic development, that describes the activities that Oregon's Economic Development Districts engaged in for the previous 12-month period under sections 1 to 6 of this 2021 Act and the results of those activities.

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

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

(b) The rural jurisdictions that received such assistance;

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

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

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

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

(g) The multiplier effects of grants and other forms of funding received by the rural jurisdictions with assistance funded by the district association;

(h) The expected effect of grants and other forms of funding received by the rural jurisdictions with assistance funded by the district association on the timing of the commencement and completion of projects;

(i) The number of jobs created by rural jurisdictions that received assistance under sections 1 to 6 of this 2021 Act;

(j) The return on investment of moneys distributed to member districts under section 2 of this 2021 Act; and

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

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

(2) Moneys in the fund consist of:

(a) Amounts appropriated or otherwise transferred or credited to the fund by the Legislative Assembly;

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

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

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

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

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

(b) The department may retain an amount equal to five percent of moneys appropriated or otherwise transferred or credited to the fund to pay for the administrative and operational expenses of department under sections 1 to 6 of this 2021 Act.

(c) The department shall distribute the balance of the moneys in accordance with section 2 of this 2021 Act.

SECTION 7. There is appropriated to the Oregon Business Development Department, for the biennium beginning July 1, 2021, out of the General Fund, the amount of \$500,000, for deposit in the Oregon Rural Capacity Fund established under section 6 of this 2021 Act.

SECTION 8. (1) Sections 1 to 6 of this 2021 Act become operative on January 1, 2022.

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

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

(B) Oregon's Economic Development Districts.

(b) Notwithstanding the date specified in subsection (1) of this section, a person may take any action before the date specified in subsection (1) of this section that is necessary for the person to exercise, on and after the date specified in subsection (1) of this section, all of the duties, functions and powers respectively conferred on the person by sections 1 to 6 of this 2021 Act.

SECTION 9. This 2021 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect on its passage.

Passed by House June 24, 2021

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate June 26, 2021

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Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2021

Approved:

.....M.,....., 2021

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2021

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Shemia Fagan, Secretary of State