

D R A F T

SUMMARY

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 department for purposes related to operation of 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 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.

1 (3) “Grant administrator” means a person that provides fiscal ad-
2 ministration, grant compliance, grant reporting and other similar ad-
3 ministrative services required by grant-awarding entities.

4 (4) “Member district” means a district that is a member of Oregon’s
5 Economic Development Districts.

6 (5) “Rural area” means an area located in this state that is entirely
7 outside the acknowledged Portland Metropolitan Area Regional Urban
8 Growth Boundary and the acknowledged urban growth boundaries of
9 all cities with populations of 30,000 or more.

10 (6) “Rural capacity builder” means a person that assists communi-
11 ties in rural areas:

12 (a) To determine local priorities for community and economic de-
13 velopment;

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

16 (c) By providing grant writing services.

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

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

21 (a) Identifying funding opportunities to meet community and eco-
22 nomic development needs; and

23 (b) Applying for grants.

24 (9) “Rural jurisdictions” means:

25 (a) Rural counties; and

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

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

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

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

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

11 (b) Employment of grant writers or grant administrators to directly
12 assist the rural jurisdictions in applying for grants and other forms
13 of funding;

14 (c) Direct assistance in administering grants awarded to the rural
15 jurisdictions; and

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

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

20 (1) Develop the policy guiding the implementation of sections 1 to
21 6 of this 2021 Act.

22 (2) Communicate the policy and the purposes set forth in section 2
23 of this 2021 Act to underserved rural jurisdictions.

24 (3) Determine the amount of moneys available for distribution to
25 Oregon's Economic Development Districts under section 2 of this 2021
26 Act.

27 (4) Consult and coordinate with the district association on the dis-
28 tribution of moneys under section 2 of this 2021 Act. When consulting
29 with the district association on the use of moneys, the department and
30 the district association shall consider:

31 (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

1 which the member district is located in order to coordinate the activ-
2 ities of the member district, including the use of the moneys distrib-
3 uted to the member district, and the regional solutions team for the
4 region.

5 (e) The member district shall manage, document and submit quar-
6 terly reports to the department about the assistance the member dis-
7 trict provides to rural jurisdictions under this section. The reports
8 shall contain at a minimum all applicable information required under
9 section 5 (2) of this 2021 Act.

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

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

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

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

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

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

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

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

31 (e) The number of funding opportunities, and the dollar amount of

1 private and public funds, separately stated, that the rural jurisdictions
2 applied for with assistance funded by the district association;

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

6 (g) The multiplier effects of grants and other forms of funding re-
7 ceived by the rural jurisdictions with assistance funded by the district
8 association;

9 (h) The expected effect of grants and other forms of funding re-
10 ceived by the rural jurisdictions with assistance funded by the district
11 association on the timing of the commencement and completion of
12 projects;

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

15 (j) The return on investment of moneys distributed to member dis-
16 tricts under section 2 of this 2021 Act; and

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

19 **SECTION 6.** (1) The Oregon Rural Capacity Fund is established in
20 the State Treasury, separate and distinct from the General Fund. In-
21 terest earned by the Oregon Rural Capacity Fund shall be credited to
22 the fund.

23 (2) Moneys in the fund consist of:

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

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

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

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

30 (e) Other amounts from any source transferred or otherwise cred-
31 ited to the fund.

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

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

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

10 **SECTION 7.** **There is appropriated to the Oregon Business Devel-**
11 **opment Department, for the biennium beginning July 1, 2021, out of**
12 **the General Fund, the amount of \$918,750, to be expended in accord-**
13 **ance with sections 1 to 6 of this 2021 Act.**

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

16 **(2)(a) As used in this subsection, “person” means each of:**

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

19 **(B) Oregon’s Economic Development Districts.**

20 **(b) Notwithstanding the date specified in subsection (1) of this sec-**
21 **tion, a person may take any action before the date specified in sub-**
22 **section (1) of this section that is necessary for the person to exercise,**
23 **on and after the date specified in subsection (1) of this section, all of**
24 **the duties, functions and powers respectively conferred on the person**
25 **by sections 1 to 6 of this 2021 Act.**

26 **SECTION 9.** **This 2021 Act being necessary for the immediate pres-**
27 **ervation of the public peace, health and safety, an emergency is de-**
28 **clared to exist, and this 2021 Act takes effect on its passage.**