

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1710

5 By: Representatives McClure, Andrews, Barker, Beaty Jr., C. Cooper, Cozart, C. Fite, L. Fite, Haak,
6 Hollowell, Richmond, Vaught, Joey Carr, Eaves, Evans, Rye, Unger
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For An Act To Be Entitled

8
9 AN ACT TO ESTABLISH THE RURAL ECONOMIC DEVELOPMENT
10 INITIATIVE; TO PRESCRIBE THE PURPOSE OF THE
11 INITIATIVE AND THE ROLE OF THE EIGHT PLANNING AND
12 ECONOMIC DEVELOPMENT DISTRICTS; AND FOR OTHER
13 PURPOSES.
14
15

Subtitle

16
17 TO ESTABLISH THE RURAL ECONOMIC
18 DEVELOPMENT INITIATIVE.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code Title 14, Chapter 166, is amended to add an
24 additional subchapter to read as follows:

25 Subchapter 3 – Rural Economic Development Initiative
26

27 14-166-301. Legislative findings and intent.

28 (a) The General Assembly finds that:

29 (1) Rural Arkansas is losing population, and it is becoming
30 increasingly difficult for these rural areas to compete economically in light
31 of this population loss;

32 (2) Many existing federal and state programs cannot adequately
33 address economic issues in rural areas due to programmatic restraints or
34 other factors;

35 (3) Federal and state programs that can be of assistance to
36 rural communities are often unknown or inaccessible;



1 (4) Per the 2020 Federal Decennial Census, approximately
2 seventy-one percent (71%) of Arkansas counties lost population between 2010
3 and 2020, with an average population loss of nine percent (9%) and six (6)
4 Arkansas counties losing over fifteen percent (15%) of their population;

5 (5) Municipalities, counties, and regions in decline are showing
6 signs of economic stress that, if not addressed, will result in declines in
7 education, medical care, and elder care, the development of food deserts, and
8 an overall decline in quality of life;

9 (6) Rural economic development projects are often limited to
10 isolated local efforts;

11 (7) Many rural communities lack the staff necessary to undertake
12 potential economic development activities even when the community is a
13 potential fit for a business or has resources to offer; and

14 (8) The state should proactively implement programs and policies
15 that further the advancement of the economy of rural Arkansas and allow for
16 the combination of efforts in imaginative ways so that all regions of the
17 state may prosper to the largest degree possible.

18 (b) It is the intent of this subchapter to create the Rural Economic
19 Development Initiative to make funds available to planning and development
20 districts to address the unique economic and workforce development needs of
21 rural areas of the state and to amplify the efforts of existing agencies and
22 individuals who are interested in rural economic development.

23
24 14-166-302. Definitions.

25 As used in this subchapter:

26 (1) "Federal agencies" means:

27 (A) Departments, offices, councils, or agencies of the
28 United States Government; or

29 (B) Public benefit corporations or authorities authorized
30 by federal law;

31 (2)(A) "Local governmental unit" means a county, city of the
32 first class, city of the second class, or an incorporated town.

33 (B) "Local governmental unit" includes an office or
34 department of a county, city of the first class, city of the second class, or
35 incorporated town;

36 (3) "Planning and development district" means a planning and

1 development district under §14-166-202;

2 (4) "Political subdivision" means a county, municipality, or any
 3 other unit of local government, including without limitation a public school
 4 district or community college;

5 (5) "Rural areas" means counties:

6 (A) That lost population between 2010 and 2020 as
 7 determined by the most recent federal decennial census; or

8 (B) Whose total population is less than fifty thousand
 9 (50,000) as determined by the most recent federal decennial census;

10 (6) "Rural economic development and revitalization" means
 11 activities designed to encourage population growth and economic health in a
 12 rural area, including without limitation:

13 (A) Workforce development;

14 (B) Job creation;

15 (C) Job retention; and

16 (D) Business expansion; and

17 (7) "State agencies" means:

18 (A) Departments, offices, councils, or agencies of state
 19 government; or

20 (B) Public benefit corporations or authorities authorized
 21 by Arkansas law.

22
 23 14-166-303. Rural Economic Development Initiative.

24 (a)(1) The Rural Economic Development Initiative is established to
 25 provide funds to planning and development districts for distribution to
 26 projects in rural areas to further rural economic development and
 27 revitalization.

28 (2)(A) If funding permits, a planning and development district
 29 may apply to the Arkansas Economic Development Commission for funds to be
 30 distributed to projects under this subchapter located within the planning and
 31 development district.

32 (B) The commission shall allocate funding available for
 33 the initiative so that the funds available to each of the eight (8) planning
 34 and development districts for the initiative is as equal as possible.

35 (3) The commission shall not disburse funds to a project under
 36 this subchapter unless the disbursement for the project is approved by the

1 Legislative Council.

2 (b)(1) Each planning and development district shall employ staff
3 necessary to support the initiative, including without limitation employing a
4 Rural Economic Development Specialist whose primary tasks shall be to:

5 (A) Lead a coordinated effort in each planning and
6 development district regarding the initiative;

7 (B) Promote and develop the initiative for the planning
8 and development district; and

9 (C) Assist in other efforts involving federal agencies and
10 state agencies that could benefit rural areas.

11 (2)(A) In addition to applying for projects under subsection (a)
12 of this section, a planning and development district may apply to the
13 commission for costs for necessary staff to support the initiative, including
14 without limitation the staff costs for a Rural Economic Development
15 Specialist.

16 (B) A request for costs for necessary staff under
17 subdivision (b)(2)(A) of this section may include without limitation the
18 overhead costs associated with the necessary staff, including without
19 limitation benefit expenses.

20 (C) Costs for necessary staff under subdivision (b)(2)(A)
21 of this section shall come from funds available for the initiative.

22 (c)(1) Under the initiative, a planning and development district may
23 apply to the commission for funding for one (1) or more projects within the
24 district that will further rural economic development and revitalization.

25 (2) Disbursement of initiative funds under this subchapter shall
26 be limited to projects within rural areas.

27 (3) No single project shall receive more than twenty-five
28 percent (25%) of the funds allocated to one (1) of the eight (8) planning and
29 development districts under subdivision (a)(2)(B) of this section.

30 (4) Applications should include an economic development or
31 workforce development component when possible.

32 (5) The projects for which funds may be granted under this
33 subchapter include without limitation:

34 (A) Economic development activities by a local
35 governmental unit or other political subdivision with committed industry
36 partners, including without limitation:

1 (i) Projects actively seeking to expand or develop
2 new facilities within a local governmental unit or other political
3 subdivision;

4 (ii) Retaining or hiring individuals from the
5 available labor force to contribute to the betterment of the community and
6 its surroundings; and

7 (iii) Projects that build upon and support the
8 existing assets of a local governmental unit or other political subdivision
9 as well as grow and nurture new industry segments;

10 (B) Projects for conducting industry-driven job skills
11 training or employment-related education with an emphasis on the use of
12 existing public institutions located in the region by providing job training
13 or employment-related education for a specific employer or industry sector to
14 fill immediate job openings or retain current jobs as documented by the
15 specific employer or industry sector; and

16 (C) Disbursements to a local governmental unit or other
17 political subdivision without a direct job creation or retention component if
18 a strongly compelling case can be made that a long-term economic impact can
19 be generated by the investment, including without limitation providing access
20 to a previously inaccessible parcel of land to make it desirable for economic
21 development purposes.

22 (d) Recipients of funds allocated for the initiative may use the funds
23 to match federal dollars for eligible projects.

24 (e) The commission may promulgate rules necessary to implement this
25 subchapter.

26
27 14-166-304. Report to Legislative Council.

28 (a) The Arkansas Economic Development Commission shall submit biannual
29 reports to the Legislative Council that include:

30 (1)(A) A description of the projects for which funds allocated
31 for the Rural Economic Development Initiative were used in the period since
32 the previous biannual report.

33 (B) The first report under this section shall include all
34 projects for which funds allocated for the initiative were used from the time
35 the funds were first available;

36 (2) Recommendations for legislative proposals to enhance rural

1 economic development and revitalization;

2 (3) Data pertaining to successful efforts towards rural economic
3 development and revitalization in rural areas; and

4 (4) Other information the planning and development district
5 believes to be relevant to the efforts of the initiative.

6 (b) The biannual reports under subsection (a) of this section shall be
7 filed on or before:

8 (1) June 30 of each year; and

9 (2) December 1 of each year.

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12 **APPROVED: 4/12/23**
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