

HB 1506 -- RURAL DEVELOPMENT GRANTS

SPONSOR: Franklin

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Emerging Issues in Agriculture by a vote of 10 to 1.

This bill creates rural regional development grants. The total grants are not to exceed \$5 million on an annual basis.

After a rural regional development group is awarded the grant, the group must:

- (1) Track job creation and investment in a region using quantitative measures of progress toward preestablished goals;
- (2) Establish a process for enrolling commercial and industrial development sites in the region in the state-certified sites program or maintain a list of state-certified commercial and industrial development sites in the region;
- (3) Measure the skills of the region's workforce;
- (4) Provide an organizational chart demonstrating that private businesses and local governmental and educational officials are involved in the group; and
- (5) Provide documentation of the group's financial activities for the current year.

A development group must not qualify for a rural regional development grant if:

- (1) The group's region includes a county or portion of another state outside the state of Missouri; or
- (2) The group maintains an operating budget greater than \$250,000.

Grant applications must only be submitted by a regional planning commission for economic development authorities recognized by the commission as an economic development agency in the counties it represents.

Grants cannot exceed \$150,000 and no more than two grants can be awarded annually to any one of the 19 regions created by Chapter 251, RSMo.

Grants to groups in operation for two years or more must provide or raise a \$1 match for every \$3 of state funds provided by the grant,

including the value of in-kind services, supplies, or equipment. Grants to groups in operation for less than two years must provide or raise a \$1 match for every \$1 of state funds provided by the grant.

The Grant Recipient must annually report to the Governor; the Director of the Department of Economic Development; the Committee on Commerce, Consumer Protection and the Environment of the Senate; the Committee on Economic Development of the House of Representatives; and any successor committees the allocation of the grants and how the funding was used. The grants may be used for, but are not limited to, the following activities:

- (1) Workforce development activities, such as evaluation and education;
- (2) Entrepreneurship training for pre-venture and existing businesses;
- (3) Development of regional marketing techniques and activities;
- (4) International trade training for new-to-export businesses in the region;
- (5) In-depth market research and financial analysis for businesses in the region; and
- (6) Demographic and market opportunity research to assist regional planning commissions in developing their comprehensive economic development strategy.

PROPOSERS: Currently, much of the state's economic development spending is focused in the urban areas of Missouri. Supporters say that this bill would help fund economic development studies and projects in rural areas of the state.

Testifying for the bill were Representative Franklin; Cory ten Benschel, Lake Ozark Regional Economic Development Council; and Missouri Association of Councils of Government.

OPPOSERS: There was no opposition voiced to the committee.