

**Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 20-0648.01 Nicole Myers x4326

SENATE BILL 20-002

SENATE SPONSORSHIP

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HOUSE SPONSORSHIP

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Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE RURAL ECONOMIC DEVELOPMENT**
102 **INITIATIVE GRANT PROGRAM.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill creates the rural economic development initiative (REDI) grant program in the department of local affairs (department) to provide grants for projects that create new jobs through a new employer or the expansion of an existing employer and for projects that create diversity and resiliency in the local economies of rural communities. The department is required to administer the REDI grant program in

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

HOUSE
2nd Reading Unamended
June 8, 2020

SENATE
3rd Reading Unamended
January 29, 2020

SENATE
Amended 2nd Reading
January 28, 2020

collaboration with the Colorado office of economic development.

Entities eligible to receive REDI grant program money include local governments and organizations or individuals working in partnership with a local government, where the local government serves as the grant administrator, including intergovernmental agencies, councils of government, housing authorities, beginning farmers, the Southern Ute Indian Tribe, the Ute Mountain Ute Tribe, nonprofit economic development organizations, and private employers.

The bill specifies criteria that the department is required to consider when evaluating grant applications and requires the department to prioritize applications that would create new jobs. The bill specifies the types of projects for which REDI grants may be awarded to eligible recipients and requires grant recipients to provide matching funds.

If the department determines that a rural community needs resources or assistance because it has been impacted by a significant economic event or an anticipated event that has been announced, the department may use all or a portion of the money appropriated for the purposes of the REDI grant program for the purposes of the "Rural Economic Advancement of Colorado Towns (REACT) Act".

The executive director of the department is required to adopt policies and procedures for the administration of the REDI grant program and is also required to produce a report summarizing the use of all money that was awarded as grants from the REDI grant program in the preceding fiscal year.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-32-128 as
3 follows:

4 **24-32-128. Rural economic development initiative grant**
5 **program - creation - report - definitions.** (1) AS USED IN THIS SECTION,
6 UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 (a) "BEGINNING FARMER" MEANS A FARMER, RANCHER, OR
8 OPERATOR OF NONINDUSTRIAL PRIVATE FORESTLAND WHO IS IN THE FIRST
9 TEN YEARS OF OPERATION, OR A PERSON INTENDING OR ASPIRING TO BEGIN
10 SUCH AN OPERATION.

11 (b) "COLORADO OFFICE OF ECONOMIC DEVELOPMENT" MEANS THE

1 COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION
2 24-48.5-101.

3 (c) "DEPARTMENT" MEANS THE DEPARTMENT OF LOCAL AFFAIRS.

4 (d) "ELIGIBLE RECIPIENT" MEANS AN ENTITY THAT IS ELIGIBLE TO
5 RECEIVE A GRANT THROUGH THE GRANT PROGRAM AND INCLUDES LOCAL
6 GOVERNMENTS IN A RURAL COMMUNITY AND ORGANIZATIONS OR
7 INDIVIDUALS WORKING IN PARTNERSHIP WITH A LOCAL GOVERNMENT IN
8 A RURAL COMMUNITY, WHERE THE LOCAL GOVERNMENT SERVES AS THE
9 GRANT ADMINISTRATOR, INCLUDING INTERGOVERNMENTAL AGENCIES,
10 COUNCILS OF GOVERNMENT, HOUSING AUTHORITIES, BEGINNING FARMERS,
11 THE SOUTHERN UTE INDIAN TRIBE, THE UTE MOUNTAIN UTE TRIBE,
12 NONPROFIT ECONOMIC DEVELOPMENT ORGANIZATIONS, AND PRIVATE
13 EMPLOYERS.

14 (e) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF
15 THE DEPARTMENT OF LOCAL AFFAIRS.

16 (f) "REDI PROGRAM" MEANS THE RURAL ECONOMIC DEVELOPMENT
17 INITIATIVE GRANT PROGRAM CREATED IN THIS SECTION.

18 (g) "RURAL COMMUNITY" MEANS A COUNTY WITH A POPULATION
19 OF FEWER THAN FIFTY THOUSAND RESIDENTS OR A MUNICIPALITY WITH A
20 POPULATION OF FEWER THAN TWENTY-FIVE THOUSAND RESIDENTS IF THE
21 MUNICIPALITY IS NOT CONTIGUOUS TO A MUNICIPALITY WITH A
22 POPULATION OF TWENTY-FIVE THOUSAND OR MORE.

23 (2) THERE IS HEREBY CREATED IN THE DEPARTMENT THE RURAL
24 ECONOMIC DEVELOPMENT INITIATIVE GRANT PROGRAM. THE DEPARTMENT
25 SHALL ADMINISTER THE REDI PROGRAM IN CONSULTATION WITH THE
26 COLORADO OFFICE OF ECONOMIC DEVELOPMENT.

27 (3) (a) THE PURPOSE OF THE REDI PROGRAM IS TO PROVIDE

1 GRANTS TO ELIGIBLE RECIPIENTS FOR PROJECTS THAT:

2 (I) CREATE NEW JOBS IN A RURAL COMMUNITY THROUGH A NEW
3 EMPLOYER OR THE EXPANSION OF AN EXISTING EMPLOYER; OR

4 (II) CREATE DIVERSITY AND RESILIENCY IN A RURAL COMMUNITY'S
5 LOCAL ECONOMY.

6 (b) (I) THE DEPARTMENT SHALL EVALUATE GRANT APPLICATIONS
7 BASED ON WHETHER THE PROJECT IN THE RURAL COMMUNITY SATISFIES
8 THE CRITERIA SPECIFIED IN SUBSECTION (3)(a) OF THIS SECTION, CAN
9 PROCEED IN A TIMELY MANNER, AND DOES ONE OR MORE OF THE
10 FOLLOWING:

11 (A) BENEFITS A KEY INDUSTRY IN THE REGION BY ENCOURAGING
12 CAPITAL INVESTMENT;

13

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14 (B) ENCOURAGES GROWTH THAT BENEFITS MORE THAN ONE RURAL
15 COMMUNITY THROUGH COLLABORATION;

16 (C) SHOWS COMPATIBILITY WITH RELEVANT COMMUNITIES AND
17 EXISTING ECONOMIC DEVELOPMENT PLANS;

18 (D) EVIDENCES STRONG SUPPORT FROM LOCAL GOVERNMENTS; OR

19 (E) EVIDENCES STRONG SUPPORT FROM LOCAL WORKFORCE
20 AGENCIES OR LOCAL WORKFORCE BOARDS IF THE GRANT BEING SOUGHT IS
21 FOR WORKFORCE DEVELOPMENT.

22 (II) IN EVALUATING APPLICATIONS FOR GRANTS, THE DEPARTMENT
23 SHALL PRIORITIZE PROJECTS THAT WOULD CREATE NEW JOBS THROUGH A
24 NEW EMPLOYER OR THE EXPANSION OF AN EXISTING EMPLOYER. IN
25 ADDITION, THE DEPARTMENT SHALL CONSIDER WHETHER THE GRANT
26 WOULD CREATE ISSUES OF UNFAIR COMPETITION AMONG OTHER EXISTING
27 ESTABLISHMENTS IN THE RURAL COMMUNITY.

1 (c) THE DEPARTMENT MAY AWARD GRANTS MULTIPLE TIMES A
2 YEAR IF DEEMED APPROPRIATE BY THE DEPARTMENT.

3 (d) GRANT RECIPIENTS SHALL PROVIDE A DOLLAR MATCH IN AN
4 AMOUNT AS SPECIFIED IN THE POLICIES AND PROCEDURES ADOPTED
5 PURSUANT TO SUBSECTION (5) OF THIS SECTION.

6 (4) NOTWITHSTANDING THE REQUIREMENTS OF SUBSECTION (3) OF
7 THIS SECTION, IF THE DEPARTMENT DETERMINES THAT A RURAL
8 COMMUNITY NEEDS RESOURCES OR ASSISTANCE BECAUSE IT HAS BEEN
9 IMPACTED BY A SIGNIFICANT ECONOMIC EVENT OR AN ANTICIPATED EVENT
10 THAT HAS BEEN ANNOUNCED, THE DEPARTMENT MAY USE ALL OR A
11 PORTION OF THE MONEY APPROPRIATED FOR THE PURPOSES OF THIS
12 SECTION IN ANY FISCAL YEAR FOR THE PURPOSES OF THE "RURAL
13 ECONOMIC ADVANCEMENT OF COLORADO TOWNS (REACT) ACT",
14 CREATED IN PART 36 OF THIS ARTICLE 32.

15 (5) (a) ON OR BEFORE SEPTEMBER 1, 2020, THE EXECUTIVE
16 DIRECTOR OR HIS OR HER DESIGNEE SHALL ADOPT POLICIES AND
17 PROCEDURES FOR THE REDI PROGRAM THAT INCLUDE, BUT ARE NOT
18 LIMITED TO:

19 (I) PROCEDURES AND TIMELINES BY WHICH AN ELIGIBLE RECIPIENT
20 MAY APPLY FOR A GRANT;

21 (II) CRITERIA FOR DETERMINING THE GRANT AMOUNTS;

22 (III) CRITERIA FOR MATCH REQUIREMENTS FOR GRANTS;

23 (IV) PERFORMANCE CRITERIA, SUCH AS JOB CREATION GOALS OR
24 CONSTRUCTION COMPLETION MILESTONES, FOR GRANT RECIPIENTS'
25 PROJECTS; AND

26 (V) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS.

27 (b) ON OR BEFORE NOVEMBER 1 OF EACH YEAR, THE EXECUTIVE

1 DIRECTOR OR HIS OR HER DESIGNEE SHALL PUBLISH A REPORT
2 SUMMARIZING THE USE OF ALL MONEY THAT WAS AWARDED AS GRANTS
3 FROM THE REDI PROGRAM OR USED FOR THE PURPOSES OF THE REACT
4 PROGRAM IN ACCORDANCE WITH SUBSECTION (4) OF THIS SECTION IN THE
5 PRECEDING FISCAL YEAR. AT A MINIMUM, THE REPORT SHALL SPECIFY THE
6 AMOUNT OF GRANT MONEY DISTRIBUTED TO EACH GRANT RECIPIENT AND
7 A DESCRIPTION OF EACH GRANT RECIPIENT'S USE OF THE GRANT MONEY.
8 THE EXECUTIVE DIRECTOR OR HIS OR HER DESIGNEE SHALL ENSURE THAT
9 THE REPORT IS POSTED ON THE DEPARTMENT'S WEBSITE.

10 (6) (a) ANY APPROPRIATION IN AN ANNUAL GENERAL
11 APPROPRIATION ACT FOR REDI PROGRAM GRANTS MUST BE ADMINISTERED
12 IN ACCORDANCE WITH THIS SECTION. EXCEPT AS PROVIDED IN SUBSECTION
13 (4) OF THIS SECTION, THE ENTIRE AMOUNT OF SUCH APPROPRIATION MUST
14 BE USED FOR REDI PROGRAM GRANTS.

15 (b) ANY MONEY NOT EXPENDED OR ENCUMBERED FROM ANY
16 APPROPRIATION AT THE END OF ANY FISCAL YEAR SHALL REMAIN
17 AVAILABLE FOR EXPENDITURE BY THE DEPARTMENT FOR THE PURPOSES OF
18 THIS SECTION IN THE NEXT FISCAL YEAR WITHOUT FURTHER
19 APPROPRIATION.

20 **SECTION 2. Act subject to petition - effective date.** This act
21 takes effect at 12:01 a.m. on the day following the expiration of the
22 ninety-day period after final adjournment of the general assembly (August
23 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a
24 referendum petition is filed pursuant to section 1 (3) of article V of the
25 state constitution against this act or an item, section, or part of this act
26 within such period, then the act, item, section, or part will not take effect
27 unless approved by the people at the general election to be held in

- 1 November 2020 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.