

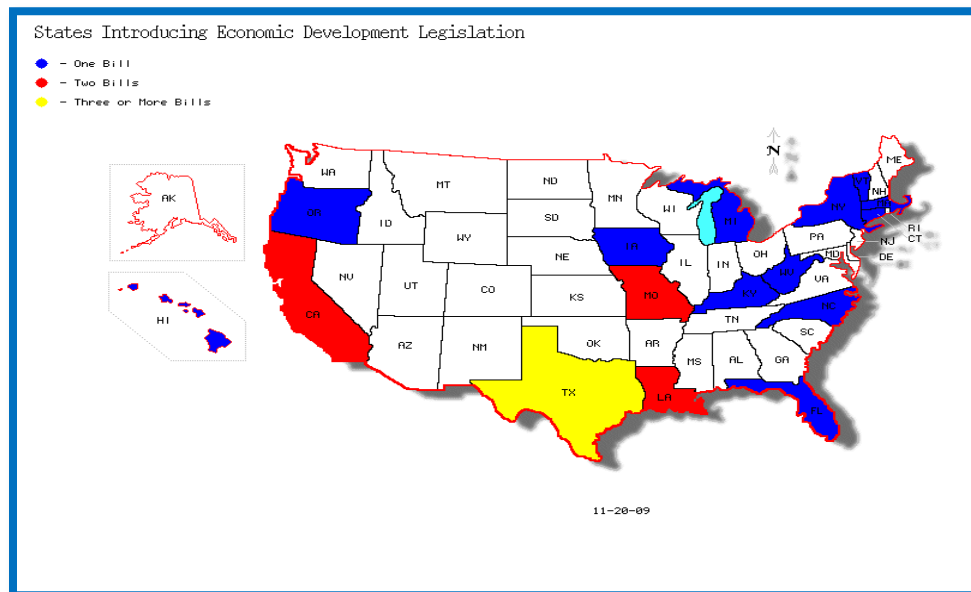
# 2009 State Legislative Guide: Economic Development

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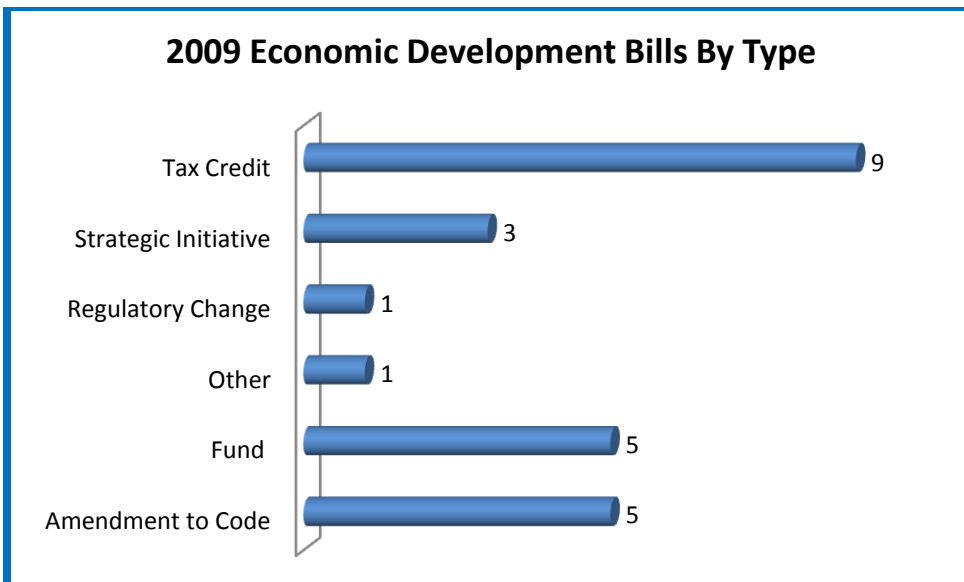
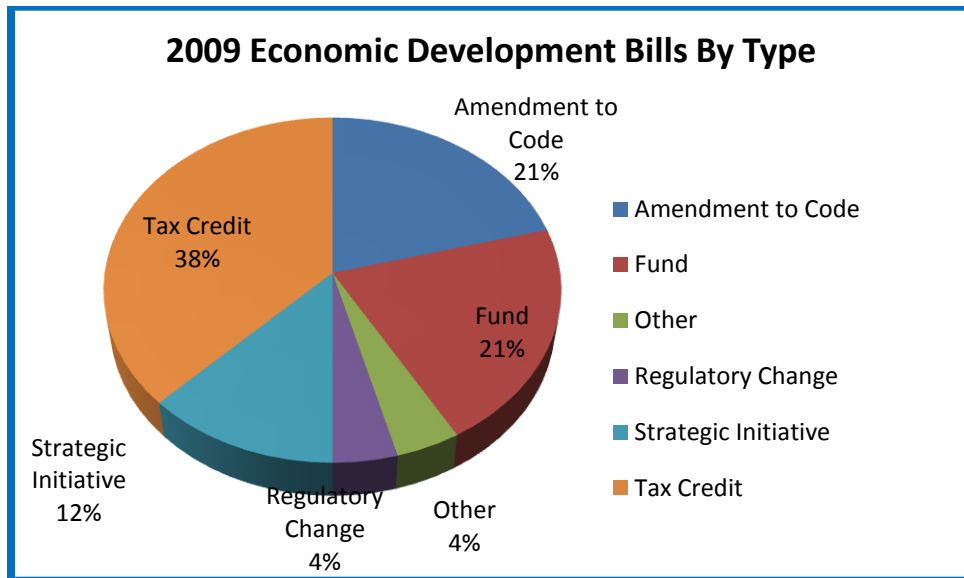
There were 24 economic development-focused bills tracked in 16 states for this guide in the 2009 legislative session. Economic development legislation, for the purposes of this guide, is a subject matter area that encapsulates community development to revitalize distressed communities by promoting job creation and providing incentives for investors to make investments in low-income communities, that are not housing or small business-related. Four of the bills were specifically targeted at economic development in rural communities: New York Assembly 977, Rural New York Smart Sites, Texas House Bill 1715 and its companion Senate Bill 684, Texas House Bill 1911, and Texas House Bill 2308.

The map shows the states that introduced economic development legislation in color: states in blue introduced one bill, states in red introduced two, and Texas introduced four bills, all of which failed to pass the legislature.

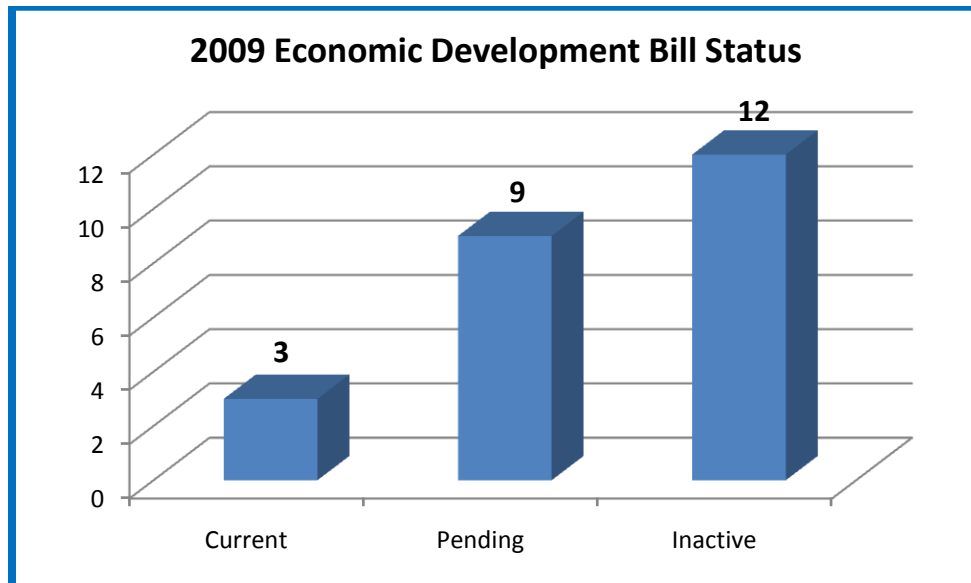
- One Bill: Connecticut, Florida, Hawaii, Iowa, Kentucky, Massachusetts, Michigan, North Carolina, New York, Oregon, Vermont, West Virginia
- Two Bills: California, Louisiana, Missouri
- Three or more Bills: Texas



More than one-third of the economic development legislation introduced this session would provide tax credits for certain investments, a total of nine bills. There were also five economic development bills that were amendments to their state codes, and another five that would create or fund existing grant and loan programs. Three bills were strategic initiatives, and there was one regulatory change and one bill categorized as other.



Three economic development bills introduced passed their legislatures this session: Florida House Bill 485, Louisiana House Bill 753, and Vermont House Bill 313, the Vermont Recovery and Reinvestment Act of 2009. The Florida bill is a New Markets Development tax credit bill modeled after the federal program, while Louisiana House Bill 753 amends the Louisiana New Markets Tax Credit statute. All three bills that passed were CDFI-specific, and mentioned CDFIs explicitly in the text of the legislation.



## Current Legislation

### **Florida: New Markets Development Program, H.B. 485/S.B. 1502**

#### **Focus: Economic Development**

#### **Type: Tax Credit**

House Bill 485 authorizes tax credits for investments in low-income communities. The program is designed to encourage private investment in low-income communities in the state, and is modeled after the federal New Markets Tax Credit Program. Investors who make qualified investments are eligible to receive tax credit allocations to offset corporate income or insurance premium tax liabilities. The program is designed to make the state more attractive to national investors who are deciding where to invest funds raised under the federal New Markets Tax Credits program by creating a state New Markets Development Program similar to the federal program. Potential investors can now receive a tax credit of up to 78 percent, as opposed to the 39 percent available under the federal program alone. Senate Bill 1502 contained many similar provisions to establish the New Markets Development Program; however that bill was tabled after House Bill 485 passed and was signed into law by Governor Charles Crist in May.

<http://www.myfloridahouse.gov/Sections/Bills/billsdetail.aspx?BillId=40369&SessionId=61>

### **Louisiana: An Act to Amend and Reenact the New Markets Tax Credit, H.B. 753**

#### **Focus: Economic Development**

#### **Type: Amendment to Code**

This bill amends the Louisiana New Markets Tax Credit statute. Existing law provides that with respect to the New Markets Tax Credit. Under the current law, no more than \$5 million of qualified low-income community investments may be issued by a single business for qualified equity investments issued after April 1, 2008, whether to one or more issuers of qualified equity investments.

House Bill 753 changes the date by which the investment must be issued from on or after April 1, 2008, to on or after April 1, 2008, and before Dec. 1, 2009. In addition, the bill increases the amount of qualified low-income community investments that can be issued by a single business from \$5 million to \$7.5 million. The bill also requires the Department of Economic Development to grant or deny a request for certification as an investment consistent with the target industries no more than 60 days after receipt of the request. If the request is not denied within 60 days, the request is deemed to be granted. The bill passed the legislature and was signed into law by Governor Bobby Jindal.

<http://www.legis.state.la.us/billdata/byinst.asp?sessionid=09rs&billtype=HB&billno=753>

**Vermont: Vermont Recovery and Reinvestment Act of 2009, H.B. 313**

**Focus: Economic Development**

**Type: Other**

House Bill 313 is Vermont's version of stimulus legislation. The bill seeks to:

- preserve and create jobs and promote economic recovery; assist those most impacted by the recession;
- provide opportunities for investments needed to increase economic efficiency, entrepreneurship, and business growth in traditional and emerging sectors; and
- provide oversight and guidance for the expenditure of ARRA funds to ensure that the benefits of the federal stimulus extend to the broadest geographic and demographic range of Vermont businesses and individuals.

The Vermont Office of Economic Stimulus and Recovery (VOESR) is created to provide support to applicants and recipients of federal stimulus funds to develop unified proposals, and priority shall be given to those programs that achieve multiple economic development goals simultaneously and demonstrate broad geographic benefits. Among the bill's other provisions is a section creating the Entrepreneurs' Seed Capital Fund dedicated to increasing the amount of investment capital provided to new or existing Vermont firms or to existing firms for expansion. The fund must invest at least 40 percent of its total capital in initial investment in firms that have annual gross sales of less than \$1 million in the 12 months preceding the date of the funding commitment.

The bill also contains a section directing a study of possible tools to promote the success of IDAs and the microbusiness development program. The study will evaluate innovative microenterprise development funding models to identify ways to fill existing gaps in start-up capital, a guarantee program or interest buy-down program that encourages private banks to make longer-term, lower-interest fixed rate loans to CDFIs, and a tax credit to businesses and individuals that donate funds to microenterprise development programs or IDA matched savings and financial education programs, under which the department of economic development would administer tax credits totaling 75 percent of the value of each donation. The Vermont stimulus legislation was signed into law on June 1, 2009.

<http://www.leg.state.vt.us/docs/2010/Acts/ACT054.pdf>

## Pending Legislation

### **California: Native American Business Revolving Loan and Guarantee Program Account, S.B. 358**

#### **Focus: Economic Development**

#### **Type: Loan Guarantee**

Senate Bill 358 creates the Native American Business Revolving Loan and Guarantee Program Account within the California Small Business Expansion Fund to provide business loans and loan guarantees to qualified Indian tribes. The fund will contain state, federal, or local government moneys, other public or private money, and tribal government contributions, which will be continuously appropriated. The bill would specify the maximum amount of a loan or loan guarantee granted under the program and would require a tribe applying for a loan to provide matching funds of one-half the amount of the loan requested.

Loans and loan guarantees must be for nongaming business and shall be used to start, acquire, or expand a business or to supply working capital to a business. Eligible applicants for a loan or loan guarantee under the program include a qualified Indian tribe with a business, or a qualified Indian tribe that intends to begin a business, located either on Native American lands of a federally recognized tribe that is also a qualified Indian tribe or on property within the state. All direct loans must have a federal guarantee, with a maximum loan guarantee of 90 percent of the loan amount, not to exceed \$900,000.

The bill also creates the Native American Business Finance Council, consisting of nine members to provide policy and program guidance regarding the development and operation of the program. Senate Bill 358 is still pending in the Senate Appropriations Committee.

[http://www.leginfo.ca.gov/pub/09-10/bill/sen/sb\\_0351-0400/sb\\_358\\_bill\\_20090413\\_amended\\_sen\\_v98.html](http://www.leginfo.ca.gov/pub/09-10/bill/sen/sb_0351-0400/sb_358_bill_20090413_amended_sen_v98.html)

### **California: An Act to Amend the Health and Safety Code Relating to Community Development, A.B. 1556**

#### **Focus: Economic Development**

#### **Type: Amendment to Code**

This bill changes the definition of qualified financial intermediary for the purposes of grant funding under the federal CDBG program. This bill would define the term qualified financial intermediary for purposes of this program. Qualified financial intermediary means a nonprofit organization certified by the department or a financial development corporation with direct lending experience to administer small business land and grant programs for one or more eligible city or county jurisdictions. The bill is still pending in the Assembly Committee on Housing and Community Development.

[http://www.leginfo.ca.gov/pub/09-10/bill/asm/ab\\_1551-1600/ab\\_1556\\_bill\\_20090506\\_amended\\_asm\\_v97.html](http://www.leginfo.ca.gov/pub/09-10/bill/asm/ab_1551-1600/ab_1556_bill_20090506_amended_asm_v97.html)

**California: California Urban Communities Collaborative Initiative Act of 2009,  
A.B. 177**

**Focus: Economic Development**

**Type: Strategic Initiative**

This bill would, through January 1, 2016, enact the California Urban Communities Collaborative Initiative Act of 2009. The bill would create the California Urban Communities Collaborative Initiative a voluntary initiative that includes various pilot projects intended to, among other things, facilitate collaboration among state and local government agencies, community-based organizations and the private sector, for the purpose of identifying, accessing, and coordinating delivery of public and private resources to at-risk urban communities within specified metropolitan areas. The goal is to stabilize the social structure, increase the living standards and the overall economic performance, and improve the health of designated project areas in at-risk communities.

As part of the initiative, the bill would establish an Inter-Agency Initiative Workgroup, partnership, and local committees for designated project areas and assign these entities specified duties with respect to coordinating and improving government efforts for at-risk urban communities, as defined. The bill would require the workgroup to report annually to the Governor and Legislature on its activities.

Upon funds becoming available, the partnership is to establish and operate a program to distribute matching grants to designated project areas that can be used as seed grants to leverage private sector and nonprofit contributions to support activities in the designated project areas. The bill is currently pending in the Assembly Committee on Jobs, Economic Development and the Economy.

[http://www.leginfo.ca.gov/pub/09-10/bill/asm/ab\\_0151-0200/ab\\_177\\_bill\\_20090423\\_amended\\_asm\\_v97.html](http://www.leginfo.ca.gov/pub/09-10/bill/asm/ab_0151-0200/ab_177_bill_20090423_amended_asm_v97.html)

**Iowa: An Act Relating to Creating a Grow Iowa Values Financial Assistance Program,  
H.F. 656**

**Focus: Economic Development**

**Type: Amendment to Code**

The bill makes organizational changes to the administration of the Grow Iowa Values Fund, legislation that passed 2008, and the programs funded with money appropriated to it. House File 656 creates the Grow Iowa Values Fund and specifies that the fund consists of moneys from the following sources:

- an annual \$50 million appropriation;
- interest, loan repayments, and grant recaptures of fund moneys;
- funds accruing to the department from the following repealed programs:
  - The community economic betterment program;
  - The entrepreneurial ventures assistance program;
  - The value-added agricultural products and processes;
  - The physical infrastructure assistance program;

- The loan and credit guarantee program established; and
- interest earned on money appropriated to the fund.

The bill is in the Iowa legislature pending the outcome of a study of its potential fiscal impact on the state.

<http://coolice.legis.state.ia.us/Cool->

[ICE/default.asp?Category=BillInfo&Service=Billbook&qa=83&menu=text&hbill=HF656](http://coolice.legis.state.ia.us/ICE/default.asp?Category=BillInfo&Service=Billbook&qa=83&menu=text&hbill=HF656)

### **Massachusetts: An Act to Create the Community Development Partnership Program, S.B. 1239**

#### **Focus: Economic Development**

#### **Type: Tax Credit**

This legislation would authorize annually, for the five-year period beginning January 1, 2008 and ending December 31, 2012, a tax credit for qualified community investment activity under this section an amount not to exceed \$5 million per year. The tax credit is capped at \$500,000 per taxable year for investors, with a total allocation authority of \$5 million per year. The credits are only granted for qualified community investments of \$5,000 or more.

A community partner (defined as a community development corporation) may receive a qualified investment for a certified community investment activity directly from a taxpayer or the administering department may make an allocation of a qualified investment from the Community Partnership Fund to the community partner. No community partner can receive more than \$200,000 worth of contributions in qualified investments in any one tax year.

Community Investment Activities are defined as those activities carried out in furtherance of community preservation and revitalization in an low- or moderate-income(LMI) community to improve the housing and economic conditions of the community, including without limitation, initiatives, projects, programs, and plans to:

- foster the preservation, rehabilitation and construction of housing affordable to low- or moderate-income households, including planning, outreach and design of affordable housing, home improvement, lead abatement, pre-purchase and post-purchase home buyer counseling and related activities;
- increase the business activity within the neighborhood including the provision of assistance to small business entities;
- increase the income and labor force participation of low- or moderate-income community residents, including provision of education and training programs;
- increase the financial assets of LMI households through financial literacy programs, IDAs, and other programs;
- undertake community-based planning activities that help low and moderate income communities develop strategies for community improvement; combat crime and increase public safety;
- increase, preserve, and maintain open space, including the purchase of land for open or conservation space; and

- undertake measures to involve youth in job training, education, or community development activities. Investments in real estate purchase or construction are not eligible.

The bill is pending in the Joint Committee on Revenue.

<http://www.mass.gov/legis/bills/senate/186/st01/st01239.htm>

**Michigan: Amending the Income Tax Act and the Michigan Business Tax Act, H.B. 4175, 4176, 4178**

**Focus: Economic Development**

**Type: Tax Credit**

These bills would provide tax incentives for certain investments made in low-income communities, and is modeled after the federal New Markets Tax Credit program. Generally, under the bills, taxpayers are eligible to claim a credit for investments made in community development entities (CDEs), which use these investments to make investments in qualified low-income communities. The tax credit would be available against the Income Tax (H.B. 4175), the Michigan Business Tax (H.B. 4176), and the insurance retaliatory tax (H.B. 4178) beginning with the 2009 tax year. The total amount of the credit, under all three taxes, is limited to \$20 million annually. The bills passed the House, and are currently pending in the Senate Finance Committee.

[http://www.legislature.mi.gov/\(S\(0mwzab55qfg5iimztxied255\)\)/mleg.aspx?page=getObject&objectName=2009-HB-4176](http://www.legislature.mi.gov/(S(0mwzab55qfg5iimztxied255))/mleg.aspx?page=getObject&objectName=2009-HB-4176)

**New York: Rural New York Smart Sites, A.B. 977**

**Focus: Rural Development**

**Type: Strategic Initiative**

Assembly Bill 977 creates Rural New York Smart Sites within the Rural Revitalization Program of the State Urban Development Corporation to stimulate new and existing business development in rural New York by establishing technology-based service facilities that offer trained workers, high speed bandwidth and state of the art technological services to the global business community. Each Smart site is to be community driven and directed by a local smart site team. Each smart site team shall have as members: local economic development staff, elected officials, public and private technology training partners, high-speed Internet service providers and representatives of the Department of Labor, small business development centers, local colleges and technology-based business partners. The bill is pending in the Assembly Committee on Corporations, Authorities and Commissions.

<http://assembly.state.ny.us/leg/?bn=977>

**North Carolina: An Act to Conform Certain North Carolina Tax Credits to the Federal New Markets Tax Credit, H.B. 1227**

**Focus: Economic Development**

**Type: Tax Credit**

House Bill 1227 expands the 40 percent tax credit for qualified rehabilitation expenditures to include expenditures made in an additionally distressed area if the tax credit is taken for income-generating property, or 40 percent of the rehabilitation expenses for non income-producing

property. Under current North Carolina law, a taxpayer who is allowed a tax credit for making qualified rehabilitation expenditures of at least \$3 million for rehabilitation of an eligible site is allowed a credit equal to a percentage of the expenditures that qualify for the federal credit.

The bill defines additionally distressed area as an area in a census tract with a poverty rate greater than 30 percent, a census tract with median family income of less than 60 percent of statewide median family income in a non-metropolitan area; or less than 60 percent of the greater of the statewide median family income or the metropolitan area median family income in a metropolitan area, or in a census tract with an unemployment rate of at least 1.5 times the national average. If the area has a poverty rate greater than 20 percent, it is an additionally distressed area if one of the following criteria applies:

- it is in a census tract with median family income of less than 70 percent of the statewide median income in a non-metropolitan area or less than 70 percent of the greater of the statewide median family income or the Metropolitan area median family income in a Metropolitan Area, or the tract has an unemployment rate at least 1.25 times the national average;
- it is a federally designated Empowerment Zone, Enterprise Community, or Renewal Community;
- it is designated as a HUB Zone by the US Small Business Administration;
- it is a brownfield site; or
- it is in a development tier one or two area, or an urban progress zone.

The bill is currently still pending in the House Committee on Finance, and will be taken up in the 2010 legislative session.

<http://www.ncleg.net/gascripts/BillLookUp/BillLookUp.pl?Session=2009&BillID=HB1227>

## Inactive Legislation

### **Connecticut: An Act Establishing a Connecticut Economic Recovery Program, S.B. 996**

#### **Focus: Economic Development**

#### **Type: Strategic Initiative**

Senate Bill 996 establishes a two-year Connecticut Economic Recovery Program. The program provides funding for strategic capital investment projects to maintain and create jobs, improve state infrastructure, and to enable the state to compete effectively in the future. The program's strategic components are: housing, clean water, clean energy and energy conservation, higher education, transportation, a municipal block grant, a regional block grant, and a pool for projects sponsored by nonprofit entities. The bill authorizes separate bonding levels for each of the components and, for some components, specifies projects to be funded: up to \$643.7 million in general obligation (GO) bonds and \$302.8 million in special tax obligation (STO) bonds for program projects. The program is effective from July 1, 2009 through June 30, 2011.

The bill also requires the state agencies providing project funding to prioritize projects based on their readiness to start construction, capacity to retain or create jobs, and geographic distribution. Project sponsors must award contracts within 90 days after a funding allocation and start construction within 60 days after awarding contracts, with the option for one 14-day extension. This bill died in the House Committee on Appropriations and Revenue Committee.

<http://www.cga.ct.gov/2009/BA/2009SB-00996-R000890-BA.htm>

### **Hawaii: An Act Relating to New Markets Tax Credits, H.B. 1340**

#### **Focus: Economic Development**

#### **Type: Tax Credit**

In this legislation, Hawaii introduces its own version of the federal New Markets Tax Credit Program. The bill, which mirrors the federal legislation, allows a taxpayer who holds a qualified equity investment to claim a credit against the taxpayer's net income tax liability. The amount of the credit is equal to the applicable percentage of the amount paid to the qualified community development entity for the investment at its original issue. The total amount of credits taken under this section shall not exceed an undisclosed amount per taxable year. The allocation of tax credits under this section may be made by the director of taxation to qualified community development entities on a first-come, first-served basis. The bill did not pass the legislature in this session.

<http://www.capitol.hawaii.gov/session2009/Bills/HB1340 .HTM>

### **Kentucky: Kentucky New Markets Development Program, H.B. 511**

#### **Focus: Economic Development**

#### **Type: Tax Credit**

House Bill 511 is Kentucky's state version of the federal New Markets Tax Credit program. Under this bill, a person or entity making a qualified equity investment earns a tax credit of 39 percent of the purchase price of the qualified equity investment made by the person or entity claiming the credit. Any tax credit that a taxpayer may not utilize during a particular year may be carried forward for use in any subsequent tax year and an insurance company claiming a tax credit

against the insurance premium tax is not required to pay additional retaliatory tax. The bill died in the House Appropriations & Revenue.

<http://www.lrc.ky.gov/record/09RS/HB511.htm>

**Louisiana: An Act Relative to Tax Credits Louisiana Community Development Financial Institution Act, H.B. 668**

**Focus: Economic Development**

**Type: Tax Credit**

This bill extends the Louisiana Community Development Financial Institution tax credit program until July 1, 2011. The original legislation increased the tax credit amount from \$5 million to \$10 million annually; however that provision was stricken from the legislation in amendments proposed by the House Committee on Ways and Means.

<http://www.legis.state.la.us/billdata/streamdocument.asp?did=656069>

**Missouri: Amending the Missouri New Markets Development Program, H.B. 240**

**Focus: Economic Development**

**Type: Amendment to Code**

House Bill 240 extends the date for which qualified equity investments can be made under the New Markets Tax Credit Program beyond Fiscal Year 2010 through FY 2012. This bill also increases the program's tax credit allocation authority from \$15 million to \$27.5 million per fiscal year. The bill died in the House Committee on Job Creation and Economic Development.

<http://www.house.mo.gov/content.aspx?info=/bills091/bills/hb240.htm>

**Missouri: Amending the Linked Deposit Loan Program, H.B. 1028**

**Focus: Economic Development**

**Type: Amendment to Code**

House Bill 1028 changes the laws regarding the Linked Deposit Loan Program. The bill expands the program to include eligible alternative energy consumers and eligible governmental entities.<sup>1</sup> The bill also revises the definition of eligible job enhancement business to limit the amount of the linked deposit to not exceed \$50,000 per job created or retained, plus the initial cost of the physical expansion, renovation, or capital outlay when an applicant can demonstrate the significant costs associated with the physical expansion, renovation, or modernization of a facility or equipment and allows businesses with less than 100 employees eligible to be considered small businesses under the law.

Finally, the bill specifies that the total amount of tax credits available for qualified investments in Missouri small businesses cannot exceed \$30 million; at least \$20 million of that amount must be for the manufacturing of alternative power generation equipment. Currently, the total amount of tax credits cannot exceed \$13 million. This bill was withdrawn during the session, and replaced with House Bill 978, which also died during the legislative session.

<http://www.house.mo.gov/billtracking/bills091/biltxt/intro/HB1028I.htm>

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<sup>1</sup> Eligible alternative energy consumer is defined as an individual who wishes to borrow moneys for the purchase, installation, or construction of facilities or equipment related to the production of fuel or power primarily for their own use from energy sources other than fossil fuels, including but not limited to solar, hydroelectric, wind, and qualified biomass.

**Oregon: Oregon New Markets Development Program, S.B. 878**

**Focus: Economic Development**

**Type: Tax Credit**

This bill creates the Oregon New Markets Development Program, designed to augment the federal New Markets Tax Credit program with additional credits for investors working in low-income communities. For the duration of a qualified community development entity's investment in, or loan to, a qualified active low-income community business the business should continue to satisfy the requirements for being a qualified active low-income community business throughout the entire period of the investment or loan. The maximum amount of qualified low-income community investments that may be made in a qualified active low-income community business and all of its affiliates is \$10 million, whether made by one or several qualified community development entities. The bill died in committee when the session ended.

<http://www.leg.state.or.us/cgi-bin/searchMeas.pl>

**Texas: An Act Relating to Required Community Investment by Certain Insurers, S.B. 148**

**Focus: Economic Development**

**Type: Regulatory Change**

Senate Bill 148 requires insurers to make safe and sound investments in low-income communities in order to maintain certification to operate in the state. Insurers that offer life, health, or accident insurance must invest a minimum of one percent of their annual direct written premiums, the gross amount of premiums paid by policyholders for issuance of policies of insurance insuring risks located in this state. All other insurers must invest one-half of one percent of their annual direct written premiums.

The amount that an insurer is required to invest will be reduced by \$1 for each \$1 that the insurer invests in economically targeted investments that are loans to or equity investments in community development corporations that promote small or microenterprise business opportunities for low-income or very low-income individuals or loans to or equity investments in small businesses or farms with gross annual revenues of less than \$1 million. Economically targeted investments may be made directly by insurers, through intermediaries, or through partnerships, consortia, or other entities organized by insurers or other financial institutions. The bill died in the Senate Commerce and Business Committee.

<http://www.legis.state.tx.us/BillLookup/History.aspx?LegSess=81R&Bill=SB148>

**Texas: An Act Relating to Tax Credits for Qualified Low-Income Community Investments, H.B. 1593**

**Type: Tax Credit**

**Focus: Economic Development**

This bill establishes a tax credit analogous to the New Markets Tax Credit program at the federal level. It provides tax credits for the maximum amount of investment that a qualified community development entity, on an aggregate basis with all of its affiliates, may allocate to a single qualified active low-income community business on a collective basis with all of its affiliates is \$15 million. A qualified community development entity is defined as an entity that has entered

into an allocation agreement with the CDFI Fund and does not include a qualified community development entity that entered into an allocation agreement solely as part of a Gulf Opportunity (GO) zone allocation. Under House Bill 1593, the tax credit authority may not exceed \$14 million per state fiscal year. It also allows the comptroller the authority to prescribe procedures by which the comptroller may allocate credits by rule.<sup>2</sup> The bill died in the House Ways and Means Committee.

<http://www.legis.state.tx.us/BillLookup/history.aspx?LegSess=81R&Bill=HB1593>

### **Texas: Texas Rural Development Fund, H.B. 1715**

#### **Focus: Economic Development**

#### **Subfocus: Rural Development**

#### **Type: Fund**

House Bill 1715 creates the Texas Rural Development Fund, which can be used for implementing and maintaining the following programs:

- Rural Entrepreneurship and Business Innovation program to assist in the development and expansion of businesses in rural areas, assist entrepreneurs in rural areas, and recruit out-of-state businesses to locate and transact business in rural areas;
- Rural Area Regional Planning and Implementation Matching Grant program to foster regional collaboration for community and economic development in rural areas;
- Rural Capacity and Leadership Enhancement Program to assist municipalities and unincorporated communities in rural areas to develop leadership capacity, improve the business practices of municipal government; increase awareness of the benefits of renewable energy, identify community assets that can be used to enhance community and economic development, and provide assistance for emergency services districts; and
- Rural Community Asset Study Matching grant program to assist communities in rural areas in identifying community assets.

It also creates the Texas Rural Youth Corps Program to encourage youth participation in civic improvement activities in rural areas. The program seeks to provide youth in rural areas with opportunities to acquire job skills while participating in community service activities; and create opportunities for youth that allow rural communities to enhance existing community resources and improve economic conditions. The bill died when the legislative session ended.

<http://www.legis.state.tx.us/BillLookup/History.aspx?LegSess=81R&Bill=HB1715>

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<sup>2</sup> The comptroller is allowed this authority, provided the procedures include the following two provisions detailed in the legislation: They must provide for allocating the credits on a pro rata basis based on the investment history of the issuer, and must provide that the maximum credit allocation an entity may receive is \$4 million if, before the date of the allocation, the issuer of the qualified equity investment or any affiliate of the issuer made a qualified equity investment in Texas under the federal New Market Tax Credit Program.

**Texas: Texas Rural Investment Fund, H.B. 1911****Focus: Economic Development****Subfocus: Rural Development****Type: Fund**

This bill would create the Texas Rural Investment Fund, to be administered by the Department of Agriculture, to provide grants or loans to public or private entities for projects in rural communities<sup>3</sup> that have strong local support, provide positive return on the state's investment, and stimulate one or more of the following:

- local entrepreneurship;
- job creation or retention;
- new capital investment;
- strategic economic development planning;
- individual economic and community development leadership training;
- housing development; or
- innovative workforce education.

The bill died in the House Agriculture and Livestock Committee.

<http://www.capitol.state.tx.us/Search/DocViewer.aspx?K2DocKey=odbc%3a%2f%2fTLO%2fTLO.dbo.vwCurrBillDocs%2f81%2fR%2fH%2fB%2f01911%2f1%2fB%40ToCurrBillDocs&QueryText=1911&HighlightType=1>

**Texas: Nonborder Colonia Fund, H.B. 2308****Focus: Economic Development****Subfocus: Rural Development****Type: Fund**

House Bill 2309 creates the Nonborder Colonia Fund to be administered by the Office of Rural Community Affairs (ORCA). The account is to be funded from amounts allocated to the state under the federal CDBG non-entitlement program of up to \$7.5 million each year that exceeds the amount provided to the state under that program. The funding is to be appropriated to ORCA only for the benefit of counties and municipalities eligible to receive CDBG money for housing initiatives for nonborder colonias located in those counties and municipalities, including infrastructure associated with new construction, rehabilitation, or improvements, and the improvement of the housing conditions in those colonias.

House Bill 2308 also authorizes any additional funds to also be made available to for-profit organizations provided that at least 45 percent of available funds, as determined on September 1 of each state fiscal year, in excess of the first \$2.6 million is made available to nonprofit organizations for certain purposes. The remaining portion of the funding is to be distributed to nonprofit organizations, for-profit organizations, and other eligible entities. The bill passed the House but died in the Senate.

<http://www.legis.state.tx.us/BillLookup/Text.aspx?LegSess=81R&Bill=HB2308#>

<sup>3</sup> Rural community means a municipality with a population of less than 50,000 people or a county with a population of less than 200,000 people.

**West Virginia: Targeted Minority Economic Development Fund, H.B. 2387**

**Focus: Economic Development**

**Type: Fund**

House Bill 2387 creates a Targeted Minority Economic Development Fund to address economic issues of minorities and minority communities. The fund would fund projects that:

- continue to support and expand small business incubator programs, including programs at institutions of higher education in the state targeting minority enterprises;
- encourage new and minority small business development;
- undertake initiatives to encourage minority business ownership similar to those efforts used to encourage greater rates of business ownership among women;
- assist community, faith-based and economic development corporations to provide effective technical and business advisory services to minority-owned and -operated enterprises;
- encourage industry, banks and other private businesses to target hiring of African-Americans and other minority persons;
- encourage governmental agencies and bodies and businesses to be more aggressive in establishing diversity-conscious practices as employers and for their operations;
- enlist traditional and nontraditional lending institutions to be more creative and favorable to lending in minority communities and to minority persons, especially for business enterprises;
- encourage small business start-up and expansion and provide funding to assist minority vendors to meet bid bonding requirements;
- encourage workforce investment boards to be accountable for educating poor and minority persons for higher paying jobs; and
- any other targeted project or activity intended to address economic conditions of minorities and minority communities.

The bill died in the House Energy, Industry and Labor, Economic Development and Small Business Committee.

[http://www.legis.state.wv.us/bill\\_status/bills\\_history.cfm?year=2009&sessiontype=rs&btype=bill](http://www.legis.state.wv.us/bill_status/bills_history.cfm?year=2009&sessiontype=rs&btype=bill)