

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 962

PRINTER NO. 1350

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

December 1, 2021

PRIME SPONSOR

Senator Langerholc

DESCRIPTION

Senate Bill 962 establishes the Rural Coworking and Innovation Center Grant Program.

This bill creates a competitive grant program to perform construction or renovation of a facility, to extend and improve utility and broadband service connections, and to purchase equipment, furniture, and security systems to create coworking centers in rural counties or rural municipalities. A coworking and innovation center is defined as a facility designed to provide individuals with the infrastructure and equipment to participate in an online workforce.

The Department of Community and Economic Development (department) shall establish guidelines for eligible entities that must include the following:

- Description of other funding sources;
- Eligible entities;
- Method and formula for determining award;
- Recipient reporting requirements; and
- Any additional information required by the department.

The department shall also establish operational guidelines for the effective use of facilities assisted under the program and require that the entity shall be responsible for the ongoing operation and maintenance of the facility.

The legislation allows for the department to prioritize applicants that have limited access to financial resources and to maximize economic development opportunities.

Senate Bill 962 requires that the grant awards not exceed \$500,000, funding may not be used for ongoing operations, and entities must provide 100% match in the form of funds, building or in-kind work. If the award is utilized for construction or renovation, the facility must be open for at least seven years. If the award is utilized for improving utilities, broadband, furniture or security systems, the facility must remain open for five years. Funds shall be returned if the timeframe criteria is not met.

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FISCAL IMPACT:

Senate Bill 962 establishes a grant program to be administered by the department for the development of coworking facilities in rural counties or rural municipalities.

The amount of funding for the program will be dependent on appropriations made by the General Assembly. The department estimates a cost of \$100,000 to \$200,000 to administer the program, dependent on the total amount of funding to be awarded through the program.