

February 4, 1999

BILL ANALYSIS

TO: Members, Committee on Economic Development, Housing and Trade

FROM: Kenny Pittman, Research Analyst (786-7392)

RE: **HB 1213 - Establishing a grant program to support local international marketing efforts.**

BACKGROUND:

The Department of Community, Trade, and Economic Development is the primary state agency charged with assisting local governments in their community and economic development efforts. The department works with a variety of public and nonprofit organizations in their job creation, expansion, or retention efforts. These organizations include local governments, local chambers of commerce, private industry councils, port districts, labor groups, institutions of higher education, community action agencies, and other

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- Establishes, within the Department of Community, Trade, and Economic Development, a grant program to support the development of local international marketing efforts in distressed areas.
- Provides grants to local Economic Development Councils to be used to assist businesses located in distressed areas market their products and services on an international basis.
- Appropriates \$500,000 for local international marketing grants in fiscal year 1999.

appropriate private, public, or nonprofit community and economic development groups.

In recent years, the department has focused its economic development efforts in statutorily defined distressed areas. A distressed area is characterized as a county or area within a county with a high unemployment rate, a county with a low median household income, or a county that has experienced sudden or severe or long-term and severe loss of employment or erosion of its economic base due to decline of its dominant industries.

SUMMARY:

An international marketing grant program is created within the Department of Community, Trade, and Economic Development. The purpose of the program is to provide grants to local economic development councils that are used to develop international marketing efforts in distressed areas.

The department may award grants to assist in the development of marketing efforts that help

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business located in distressed areas market their products and services on an international basis. An application for grant assistance must (1) Be submitted by a local economic development council, (2) Contain evidence of active participation between the public and private sector, (3) Contain a description of how the proposed project will assist businesses in the marketing of their products and services on an international basis, and (4) Contain other information requested by the department.

In making awards, the department must (1) Consider the degree of other funds, including in-kind match, committed to the project, (2) Consider the degree of community and business support for the project, and (3) Consider the coordination of the project with existing state and local economic development efforts in the county. No more than 25 percent of the appropriated funds may be awarded to any one county.

Appropriation: \$500,000 from the general fund to the Department of Community, Trade, and Economic Development.

Fiscal Note: Requested January 29, 1999.

Effective Date: Ninety days after adjournment of session in which bill is passed.

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