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## ***Detailed Fiscal Analysis***

### **Rules for the Job Ready Site annual competitive process**

The Job Ready Site Program awards grants to local governments, authorities, and economic development corporations for projects primarily intended for commercial, industrial, or manufacturing use. Grants are used for costs such as acquisition, construction, renovation, planning, demolition, and remediation.

The program uses two processes for the approval of grant awards; these are the annual competitive process and the discretionary process. In the annual competitive process, grant applications are reviewed by district public works integrating committees and recommended (or not recommended) to the Department of Development for funding. Under the discretionary process, applicants for grants apply directly to the Director of Development under a process established by the Director's guidelines. This process is used largely when issues of project timing make the annual competitive process unsuitable.

Under current law, the Director of Development establishes guidelines for the operation of the Job Ready Site Program's annual competitive process. The bill requires the Director of Development to adopt administrative rules for the process and requires that the rules shall not have the effect of excluding grant applications from any county of the state. The discretionary process is still administered under guidelines set by the Director.

There is no anticipated fiscal effect on the Job Ready Site Development Fund or other state funds of requiring the Department to institute new rules for the program.

### **Industrial Site Improvement Fund**

The Industrial Site Improvement Fund (Fund 5AR) is in the State Special Revenue Fund Group and is currently supported by a transfer of \$5 million made from the Liquor Control Fund in Sub. H.B. 427 of the 125th General Assembly. It is used by the Department of Development to give grants to eligible counties for the purpose of acquiring commercial or industrial land or buildings and making improvements to commercial or industrial areas. These can include facility expansions and renovations, environmental remediation, and infrastructure improvements. Grants made from the fund cannot equal more than 75% of the total cost of a given project.

Sub. S.B. 24 increases the amount that a single eligible county may receive in a grant from the Industrial Site Improvement Fund from \$500,000 to \$750,000. In FY 2006, the Department issued eight grants from the fund for a total of \$2,500,000, with an average grant amount of \$312,000. Based on the Governor's proposed appropriation of \$4,500,000 to this fund for each of FYs 2008 and 2009 as presented in H.B. 119 of the 127th General Assembly, the \$250,000 increase in the maximum grant amount allows for six grants to counties at the maximum amount. Using the FY 2006 average grant amount of \$312,000, however, the proposed funding for the FY 2008-2009 biennium could support

grants to as many as 14 counties. Depending on the final appropriations to the Industrial Site Improvement Fund, the total number of grants and thus the total expenditures of the fund could increase, or the number of grants could be reduced in order to allow individual counties to receive the maximum possible grant amount.

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