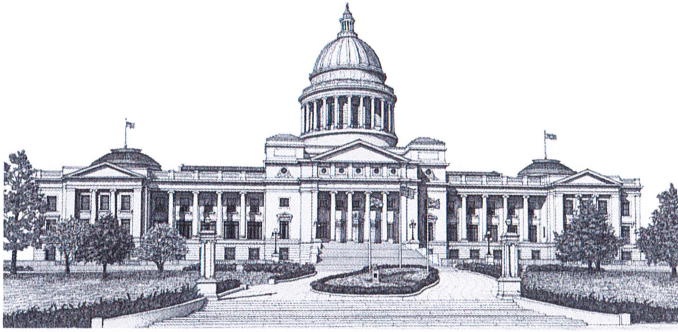


# ARKANSAS REGISTER

## Transmittal Sheet

Use only for FINAL and EMERGENCY RULES



Secretary of State

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### For Office

Use Only:

Effective Date \_\_\_\_\_ Code Number \_\_\_\_\_

Name of Agency Arkansas Economic Development Commission

Department Arkansas Department of Commerce

Contact Jake Windley, Director of Legislative Affairs & Policies E-mail jake.windley@arkansas.gov Phone 501-682-5355

Statutory Authority for Promulgating Rules Ark. Code Ann. 15-6-106

Rule Title: Rural Services Block Grant Program

### Intended Effective Date

(Check One)

☐ Emergency (ACA 25-15-204)

☒ 10 Days After Filing (ACA 25-15-204)

☐ Other \_\_\_\_\_  
(Must be more than 10 days after filing date.)

Legal Notice Published .....

Final Date for Public Comment .....

Reviewed by Legislative Council .....

Adopted by State Agency .....

Date

July 14-16, 2024

8/11/2024

9/20/2024

9/20/2024

Electronic Copy of Rule e-mailed from: (Required under ACA 25-15-218)

Jake Windley

jake.windley@arkansas.gov

9/23/2024

Contact Person

E-mail Address

Date

### CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted  
In Compliance with the Arkansas Administrative Act. (ACA 25-15-201 et. seq.)



Signature

501-682-5355

jake.windley@arkansas.gov

Phone Number

E-mail Address

Director of Legislative Affairs & Policies

Title

September 23rd, 2024

Date

## **Rural Services Block Grant Program**

### **Section 1: Introduction**

- (a) The Rural Services Division (the “Division”) of the Arkansas Economic Development Commission (the “AEDC”) is a state agency charged with assisting rural communities with a population of twenty thousand (20,000) or less.
- (b) The Rural Services Block Grant Program (the “RSBG”) is funded through the United States Department of Housing and Urban Development’s Small Cities Community Development Block Grant Program and is administered for the state by the Division.

### **Section 2: Definitions**

- (a) “Categorical grants” are defined as grants included in the Arkansas Community and Economic Development Program and the RSBGP.
- (b) “LMI” means low to moderate income.
- (c) “Match” is defined as a combination of donated land, materials, or cash comprising at least ten percent (10%) of the project cost estimate provided by the applicant.
- (d) “Rural area” is defined as all the territory of the State of Arkansas that is not within the outer boundary of any city or town having a population of twenty thousand (20,000) or more, according to the latest census, or within such a city or town’s neighboring, urbanized areas.

### **Section 3: Funding Eligibility**

- (a) The following entities are eligible for RSBGP funding:
  - (1) Cities and towns in an Arkansas rural area with less than three thousand (3,000) residents;
  - (2) Whose population is at least fifty-one percent (51%) LMI; and
  - (3) Cities not currently a party to one categorical grant and counties that are not currently a party to two categorical grants. Grants awarded through other AEDC programs do not contribute to this threshold.
- (b) The Division shall maintain a list of LMI percentages and forms and instructions for determining LMI eligibility for an area.

### **Section 4: Project Eligibility**

- (a) RSBGP grant funds will be awarded for the following project types:
  - (1) New construction or renovation of community centers or multipurpose-use buildings for the betterment of the community;
  - (2) New construction or renovation of fire stations; and
  - (3) The purchase of fire trucks, specialized equipment, and protective clothing worn by firefighters.
- (b) Projects for the renovation or rehabilitation of existing buildings require the following:
  - (1) An inspection of the building conducted by an accredited asbestos inspector or management planner according to the Asbestos Hazard Emergency Response Act, 15 U.S.C. § 2641 et seq., guidelines;
  - (2) A signed waiver releasing and holding harmless the Division, the AEDC, and their employees and agents of any liability arising from the removal or remediation of asbestos from a building whose renovation was fully or partially funded by this program; and

- (3) Adequate justification that the cost and time associated with renovating a building containing asbestos is more cost effective than renovating a building that does not contain asbestos or new construction.
- (c) Projects exceeding one hundred thousand dollars (\$100,000) are required to list an architect or architectural firm on the grant application.
- (d) Projects exceeding twenty-five thousand dollars (\$25,000) are required to list an engineer or engineering firm on the grant application.
- (e) Projects must comply with all applicable code requirements.

#### **Section 5: Grant Awards, Matching, and Administration**

- (a) Applicants with an eligible project may apply for a matching grant of up to one hundred thousand dollars (\$100,000).
- (b) The RSBGP requires a ten percent (10%) match of the grant award.
  - (1) The required match may include:
    - (A) Cash;
    - (B) In-kind labor;
    - (C) In-kind materials; or
    - (D) Land owned by the applicant.
  - (2) The match value must be documented by:
    - (A) Bank statements for cash;
    - (B) Cost estimates for in-kind labor and materials; and
    - (C) Appraisals for land based on a certified appraisal or a copy of the latest property assessment on file with the county clerk.
- (c) The grant recipient is responsible for its administration.
  - (1) The recipient must work with either the local Planning and Development District Office or a consultant trained and approved by the AEDC.
  - (2) Consulting fees may be included in the cost estimate but cannot be used to exceed the maximum grant award.
  - (3) Any consulting fees included in the cost estimate shall be a minimum of two thousand dollars (\$2,000), up to a maximum of ten percent (10%) of the grant award.

#### **Section 6: Public Hearing Required**

- (a) Applicants shall hold at least one public hearing to determine the project need prior to applying.
- (b) All public hearings shall:
  - (1) Be publicized in the appropriate local media at least seven (7) calendar days before they are to be held;
  - (2) Conducted no later than fourteen (14) calendar days before the application deadline.
- (c) Applicants shall include the following documentation with their application for each public hearing that occurred:
  - (1) Notice of the public hearing;
  - (2) Proof of the notice's publication; and
  - (3) The attendance roster and minutes from the public hearing.

#### **Section 7: Funding Application**

- (a) Applications shall be completed on forms provided by the Division.

(b) Applicants shall submit two copies of the application, including all supporting documentation, to the Division by the application deadline.

(1) The Director of the Division shall develop funding recommendations based on a review of all eligible applications.

(2) Funding recommendations shall receive final review and approval from the Executive Director of the AEDC.

(c) Applicants shall be notified of the final decision in writing. Applicants whose projects are not recommended for funding shall be notified of any deficiencies in their application.

(d) Approved applicants must sign a grant agreement with the AEDC before any purchases are made or work commenced. Failing to sign a grant agreement prior to commencing work may result in forfeiture of the grant award.

#### **Section 8: Grant Completion and Closeout.**

(a) The grant completion procedure shall follow the closeout process outlined in the Arkansas Community and Economic Development Grant Program's Administrative Procedures Manual.

(b) Before a RSBGP project can be certified as complete, the grantee and the AEDC must determine:

(1) That all grant activities have been completed; and

(2) That any noncompliance findings have been redressed or mitigated to the AEDC's satisfaction.

(c) Closeout documents requested by the AEDC must be provided within ninety (90) days of project completion.

(1) Grantees may request an extension of this deadline in writing. The request shall include the basis for an extension and any extenuating circumstances necessitating the request.

(2) A failure to provide requested documentation may result in sanctions and project closure.

(d) The project completion date is the issuance date of the final project monitoring letter by the Grants Management Division.

(e) Projects shall be closed upon the issuance of a closeout letter by the AEDC.

**FINANCIAL IMPACT STATEMENT**

**PLEASE ANSWER ALL QUESTIONS COMPLETELY.**

**DEPARTMENT** \_\_\_\_\_  
**BOARD/COMMISSION** \_\_\_\_\_  
**PERSON COMPLETING THIS STATEMENT** \_\_\_\_\_  
**TELEPHONE NO.** \_\_\_\_\_ **EMAIL** \_\_\_\_\_

To comply with Ark. Code Ann. § 25-15-204(e), please complete the Financial Impact Statement and email it with the questionnaire, summary, markup and clean copy of the rule, and other documents. Please attach additional pages, if necessary.

**TITLE OF THIS RULE** \_\_\_\_\_

1. Does this proposed, amended, or repealed rule have a financial impact?  
Yes                      No
  
2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule?  
Yes                      No
  
3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes                      No

If no, please explain:

(a) how the additional benefits of the more costly rule justify its additional cost;

(b) the reason for adoption of the more costly rule;

(c) whether the reason for adoption of the more costly rule is based on the interests of public health, safety, or welfare, and if so, how; and

(d) whether the reason for adoption of the more costly rule is within the scope of the agency's statutory authority, and if so, how.

4. If the purpose of this rule is to implement a *federal* rule or regulation, please state the following:  
(a) What is the cost to implement the federal rule or regulation?

**Current Fiscal Year**

General Revenue \_\_\_\_\_  
 Federal Funds \_\_\_\_\_  
 Cash Funds \_\_\_\_\_  
 Special Revenue \_\_\_\_\_  
 Other (Identify) \_\_\_\_\_

Total \_\_\_\_\_

**Next Fiscal Year**

General Revenue \_\_\_\_\_  
 Federal Funds \_\_\_\_\_  
 Cash Funds \_\_\_\_\_  
 Special Revenue \_\_\_\_\_  
 Other (Identify) \_\_\_\_\_

Total \_\_\_\_\_

(b) What is the additional cost of the state rule?

**Current Fiscal Year**

General Revenue \_\_\_\_\_  
 Federal Funds \_\_\_\_\_  
 Cash Funds \_\_\_\_\_  
 Special Revenue \_\_\_\_\_  
 Other (Identify) \_\_\_\_\_

Total \_\_\_\_\_

**Next Fiscal Year**

General Revenue \_\_\_\_\_  
 Federal Funds \_\_\_\_\_  
 Cash Funds \_\_\_\_\_  
 Special Revenue \_\_\_\_\_  
 Other (Identify) \_\_\_\_\_

Total \_\_\_\_\_

5. What is the total estimated cost by fiscal year to any private individual, private entity, or private business subject to the proposed, amended, or repealed rule? Please identify those subject to the rule, and explain how they are affected.

**Current Fiscal Year**

\$ \_\_\_\_\_

**Next Fiscal Year**

\$ \_\_\_\_\_

6. What is the total estimated cost by fiscal year to a state, county, or municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

**Current Fiscal Year**

\$ \_\_\_\_\_

**Next Fiscal Year**

\$ \_\_\_\_\_

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes      No

If yes, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
  - (a) justifies the agency's need for the proposed rule; and
  - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
  - (a) the rule is achieving the statutory objectives;
  - (b) the benefits of the rule continue to justify its costs; and
  - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.