

Rural Development Fund Act Summary

The Rural Development Fund Act was passed in December of 2012 to promote the sustainability of land-based industries and to support infrastructure that benefits rural communities.

- Created within the Department of Agriculture and Rural Development (MDARD).
- Five member board, including the MDARD Director.
- MDARD shall provide support to the board.
- Board responsibilities:
 - Develop criteria for evaluating project proposals:
 - Preference for projects in the region in which revenues are generated
 - Support for projects that address the expansion and sustainability of:
 - Land based industries (food and agriculture, forestry, mining, oil and gas production, and tourism)
 - Worker training related to land-based industries
 - Energy, transportation, communication, water and wastewater infrastructure that benefit rural communities and micropolitan statistical areas
 - Annually review criteria developed for evaluating project proposals.
 - Advise MDARD on the projects that should be funded.
- Funding:
 - Revenues deposited into the fund from the nonferrous metallic minerals extraction severance tax, from state or federal appropriations, or gifts, bequests or donations.
 - Money in the fund does not lapse to the general fund and shall remain in the fund.
 - May be expended on:
 - Grants, Loans, Loan Guarantees
 - Administrative expenses
 - Up to \$250,000 per year may be transferred to the nonferrous metallic mineral surveillance fund
 - Funding must be made available through a request for proposal process.
 - Applicants may include:
 - Individuals, Organizations, Businesses, Educational Institutions
 - County, city, village, township, school district or any authority composed of a county, city, village, township or school district
 - Federally recognized tribes
 - Funding may not be used for certain telecommunication projects or for construction of telecommunication facilities or wireless telecommunication facilities where broadband of 3 mbps downstream and 768 upstream is available.

Questions to Consider

- 1) Should funding be available statewide or limited to certain geographic areas?
- 2) Should the program focus on building a sustainable funding model?
- 3) What is desired impact of projects funded? (Near term jobs and investment or investment in key projects that will help provide benefits in later years)