

Effective 5/12/2015

63N-2-606 Refundable performance deposit -- Small Business Jobs Performance Guarantee Account.

- (1)
 - (a) A qualified community development entity that seeks to have an equity investment or long-term debt security certified as a qualified equity investment and as eligible for tax credits under Section 59-9-107 shall pay a deposit in the amount of .5% of the amount of the equity investment or long-term debt security requested in an application to be certified as a qualified equity investment to the office for deposit into the Small Business Jobs Performance Guarantee Account.
 - (b)
 - (i) There is created in the General Fund a restricted account known as the "Small Business Jobs Performance Guarantee Account" that consists of deposits made under Subsection (1)(a).
 - (ii) The Small Business Jobs Performance Guarantee Account does not earn interest.
 - (iii) At the end of a fiscal year, any amount in the Small Business Jobs Performance Guarantee Account that a qualified community development entity forfeits under this section is to be transferred to the General Fund.
 - (iv) The office shall work with the Division of Finance to ensure that money in the Small Business Jobs Performance Guarantee Account is properly accounted for at the end of each fiscal year.
 - (c) A qualified community development entity shall forfeit the deposit required under Subsection (1)(a) in its entirety if:
 - (i) the qualified community development entity and its subsidiary qualified community development entities fail to issue the total amount of qualified equity investments certified by the office and receive cash in the total amount certified under Section 63N-2-603; or
 - (ii) the qualified community development entity or any subsidiary qualified community development entity that issues a qualified equity investment certified under this part fails to make qualified low-income community investments in qualified active low-income community businesses in Utah equal to at least 85% of the purchase price of the qualified equity investment by the second credit allowance date of such qualified equity investment.
 - (d) The six-month cure period established under Section 63N-2-605 is not applicable to the forfeiture of a deposit under Subsection (1)(c).
- (2)
 - (a) A deposit required under Subsection (1) shall be paid to the office and held in the Small Business Jobs Performance Guarantee Account until such time as compliance with this Subsection (2) is established.
 - (b) A qualified community development entity may request a refund of the deposit from the office no sooner than 30 days after the qualified community development entity and all transferees under Subsection 63N-2-603(7) have invested 85% of the purchase price of the qualified equity investment authority certified by the office pursuant to Subsection 63N-2-603(3).
 - (c) The office has 30 days to comply with the request for a refund or give notice of noncompliance.

Renumbered and Amended by Chapter 283, 2015 General Session