

Effective 5/12/2015

Superseded 5/10/2016

63N-3-106 Loans, grants, and assistance -- Repayment -- Earned credits.

- (1)
 - (a) A company that qualifies under Section 63N-3-105 may receive loans, grants, or other financial assistance from the Industrial Assistance Account for expenses related to establishment, relocation, or development of industry in Utah.
 - (b) A company creating an economic impediment that qualifies under Section 63N-3-108 may in accordance with this part receive loans, grants, or other financial assistance from the restricted account for the expenses of the company creating an economic impediment related to:
 - (i) relocation to a rural area in Utah of the company creating an economic impediment; and
 - (ii) the siting of a replacement company.
 - (c) An entity offering an economic opportunity that qualifies under Section 63N-3-109 may:
 - (i) receive loans, grants, or other financial assistance from the restricted account for expenses related to the establishment, relocation, retention, or development of industry in the state; and
 - (ii) include infrastructure or other economic development precursor activities that act as a catalyst and stimulus for economic activity likely to lead to the maintenance or enlargement of the state's tax base.
- (2)
 - (a) Subject to Subsection (2)(b), the administrator has authority to determine the structure, amount, and nature of any loan, grant, or other financial assistance from the restricted account.
 - (b) Loans made under Subsection (2)(a) shall be structured so the intended repayment or return to the state, including cash or credit, equals at least the amount of the assistance together with an annual interest charge as negotiated by the administrator.
 - (c) Payments resulting from grants awarded from the restricted account shall be made only after the administrator has determined that the company has satisfied the conditions upon which the payment or earned credit was based.
- (3)
 - (a)
 - (i) Except as provided in Subsection (3)(b), the administrator may provide for a system of earned credits that may be used to support grant payments or in lieu of cash repayment of a restricted account loan obligation.
 - (ii) The value of the credits described in Subsection (3)(a)(i) shall be based on factors determined by the administrator, including:
 - (A) the number of Utah jobs created;
 - (B) the increased economic activity in Utah; or
 - (C) other events and activities that occur as a result of the restricted account assistance.
 - (b)
 - (i) The administrator shall provide for a system of credits to be used to support grant payments or in lieu of cash repayment of a restricted account loan when loans are made to a company creating an economic impediment.
 - (ii) The value of the credits described in Subsection (3)(b)(i) shall be based on factors determined by the administrator, including:
 - (A) the number of Utah jobs created;
 - (B) the increased economic activity in Utah; or

- (C) other events and activities that occur as a result of the restricted account assistance.
- (4)
- (a) A cash loan repayment or other cash recovery from a company receiving assistance under this section, including interest, shall be deposited into the restricted account.
 - (b) The administrator and the Division of Finance shall determine the manner of recognizing and accounting for the earned credits used in lieu of loan repayments or to support grant payments as provided in Subsection (3).
- (5)
- (a)
 - (i) At the end of each fiscal year, the Division of Finance shall set aside the balance of the General Fund revenue surplus as defined in Section 63J-1-312 after the transfers of General Fund revenue surplus described in Subsection (5)(b) to the Industrial Assistance Account in an amount equal to any credit that has accrued under this part.
 - (ii) The set aside under Subsection (5)(a)(i) shall be capped at \$50,000,000, at which time no subsequent contributions may be made and any interest accrued above the \$50,000,000 cap shall be deposited into the General Fund.
 - (b) The set aside required by Subsection (5)(a) shall be made after the transfer of surplus General Fund revenue surplus is made:
 - (i) to the Medicaid Growth Reduction and Budget Stabilization Restricted Account, as provided in Section 63J-1-315;
 - (ii) to the General Fund Budget Reserve Account, as provided in Section 63J-1-312; and
 - (iii) to the State Disaster Recovery Restricted Account, as provided in Section 63J-1-314.
 - (c) These credit amounts may not be used for purposes of the restricted account as provided in this part until appropriated by the Legislature.