

DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT

AMENDMENTS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Scott K. Jenkins

House Sponsor: Gage Froerer

LONG TITLE

General Description:

This bill creates a State Small Business Credit Initiative Program Fund to be administered by the Division of Housing and Community Development.

Highlighted Provisions:

This bill:

- ▶ creates the State Small Business Credit Initiative Program Fund;
- ▶ provides for the fund to be administered by the director of the Division of Housing and Community Development within the Department of Community and Culture;
- ▶ provides that the director may make loans and loan guarantees from the fund for the Small Business Initiative created by the federal government to use federal money for programs that leverage private money to help finance small businesses and manufacturers that are creditworthy but not receiving the loans needed to expand and create jobs;
- ▶ provides for distribution of fund money; and
- ▶ provides for an annual accounting of fund money.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

- 30 **9-4-1601**, Utah Code Annotated 1953
- 31 **9-4-1602**, Utah Code Annotated 1953
- 32 **9-4-1603**, Utah Code Annotated 1953

34 *Be it enacted by the Legislature of the state of Utah:*

35 Section 1. Section **9-4-1601** is enacted to read:

36 **Part 16. State Small Business Credit Initiative Program Fund**

37 **9-4-1601. Creation and administration.**

38 (1) There is created an enterprise fund known as the "State Small Business Credit
39 Initiative Program Fund" administered by the director of the division or the director's designee.

40 (2) The division is the administrator of the fund.

41 (3) Revenues deposited into the fund shall consist of:

42 (a) grants, pay backs, bonuses, entitlements, and other money received from the federal
43 government to implement the State Small Business Credit Initiative; and

44 (b) transfers, grants, gifts, bequests, or any money made available from any source to
45 implement this part.

46 (4) (a) The state treasurer shall invest the money in the fund according to the
47 procedures and requirements of Title 51, Chapter 7, State Money Management Act.

48 (b) All interest or other earnings derived from the fund money shall be deposited in the
49 fund.

50 (5) The division may use fund money for administration of the fund, but not to exceed
51 4% of the annual receipts to the fund.

52 Section 2. Section **9-4-1602** is enacted to read:

53 **9-4-1602. Distribution of fund money.**

54 (1) (a) The director shall make loans and loan guarantees from the fund for the Small
55 Business Credit Initiative created under the federal government's Small Business Jobs Act of
56 2010, to use federal money for programs that leverage private lending to help finance small
57 businesses and manufacturers that are creditworthy but not receiving the loans needed to

58 expand and create jobs.

59 (b) In making loans and loan guarantees under this part, the director shall give due
60 consideration to small businesses in underserved communities throughout the state that have
61 been deeply impacted by recession and not seen a comparable resurgence in their economies.

62 (2) The director shall distribute any federal money in the fund according to the
63 procedures, conditions, and restrictions placed upon the use of the money by the federal
64 government.

65 (3) The director may, with the approval of the executive director of the department:

66 (a) enact rules to establish procedures for the loan and loan guarantee process by
67 following the procedures and requirements of Title 63G, Chapter 3, Utah Administrative
68 Rulemaking Act; and

69 (b) service or contract, under Title 63G, Chapter 6, Utah Procurement Code, for the
70 servicing of loans made by the fund.

71 Section 3. Section **9-4-1603** is enacted to read:

72 **9-4-1603. Annual accounting.**

73 (1) The director shall monitor the activities of recipients of the loans and loan
74 guarantees issued under this part on a yearly basis to ensure compliance with the terms and
75 conditions imposed on the recipient by the director under this part.

76 (2) An entity receiving a loan or loan guarantee under this part shall provide the
77 director with an annual accounting of how the money it received from the fund was spent.

78 (3) The director shall submit an annual report to the Workforce Services and
79 Community and Economic Development Interim Committee before December 1 of each year:

80 (a) accounting for expenditures made from the fund; and

81 (b) evaluating the effectiveness of the loan and loan guarantee program.