

RURAL FAST TRACK PROGRAM AMENDMENTS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ralph Okerlund

House Sponsor: Christine F. Watkins

Cosponsor: Daniel R. Liljenquist

LONG TITLE

General Description:

This bill amends provisions of the Industrial Assistance Fund regarding the Rural Fast Track Program.

Highlighted Provisions:

This bill:

- ▶ provides that one of the purposes of the Rural Fast Track Program is to use the Business Expansion and Retention Initiative to further promote business and economic development in rural Utah; and
- ▶ provides for the Office of Rural Development to administer the Initiative.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63M-1-904, as last amended by Laws of Utah 2010, Chapter 278

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

Section 1. Section **63M-1-904** is amended to read:

63M-1-904. Rural Fast Track Program -- Creation -- Funding -- Qualifications for program participation -- Awards -- Reports.

30 (1) (a) There is created the Rural Fast Track Program, hereafter referred to in this
31 section as "the program."

32 (b) The program is a funded component of the economically disadvantaged rural areas
33 designation in Subsection 63M-1-903(1)(a).

34 (2) (a) The purpose of the program is to:

35 (i) provide an efficient way for small companies in rural Utah to receive incentives for
36 creating high paying jobs in the rural areas of the state; and

37 (ii) use the Business Expansion and Retention Initiative to further promote business
38 and economic development in rural Utah.

39 (b) The Office of Rural Development shall administer the Business Expansion and
40 Retention Initiative for the rural areas of the state.

41 (3) (a) Twenty percent of the money in the Industrial Assistance Account at the
42 beginning of each fiscal year shall be used to fund the program.

43 (b) The 20% referred to in Subsection (3)(a) is not in addition to but is a part of the up
44 to 50% designation for economically disadvantaged rural areas referred to in Subsection
45 63M-1-903(1)(a).

46 (c) If any of the 20% allocation referred to in Subsection (3)(a) has not been used in the
47 program by the end of the third quarter of each fiscal year, that money may be used for any
48 other loan, grant, or assistance program offered through the Industrial Assistance Account
49 during the fiscal year.

50 (4) (a) To qualify for participation in the program a company shall:

51 (i) complete and file with the office an application for participation in the program,
52 signed by an officer of the company;

53 (ii) be located and conduct its business operations in a county in the state that has:

54 (A) a population of less than 30,000; and

55 (B) an average household income of less than \$60,000 as reflected in the most recently
56 available data collected and reported by the United States Census Bureau;

57 (iii) have been in business in the state for at least two years; and

58 (iv) have at least two employees.

59 (b) (i) Office staff shall verify an applicant's qualifications under Subsection (4)(a).

60 (ii) The application must be approved by the administrator in order for a company to
61 receive an incentive or other assistance under this section.

62 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
63 administrator may make rules governing:

64 (i) the content of the application form referred to in Subsection (4)(a)(i);

65 (ii) who qualifies as an employee under Subsection (4)(a)(iv); and

66 (iii) the verification procedure referred to in Subsection (4)(b).

67 (5) (a) The administrator shall make incentive cash awards to small companies under
68 this section based on the following criteria:

69 (i) \$1,000 for each new incremental job that pays over 110% of the county's average
70 annual wage;

71 (ii) \$1,250 for each incremental job that pays over 115% of the county's average annual
72 wage; and

73 (iii) \$1,500 for each incremental job that pays over 125% of the county's average
74 annual wage.

75 (b) The administrator shall make a cash award under Subsection (5)(a) when a new
76 incremental job has been in place for at least 12 months.

77 (c) The creation of a new incremental job by a company is based on the number of
78 employees at the company during the previous 24 months.

79 (d) (i) A small company may also apply for grants, loans, or other financial assistance
80 under the program to help develop its business in rural Utah and may receive up to \$50,000
81 under the program if approved by the administrator.

82 (ii) The board must approve a distribution that exceeds the \$50,000 cap under
83 Subsection (5)(d)(i).

84 (6) The administrator shall make a quarterly report to the board of the awards made by
85 the administrator under this section and an annual report to the Legislative Workforce Services

86 and Community and Economic Development Interim Committee as to the awards and their
87 impact on economic development in the state's rural areas.