

BUSINESS INCENTIVES AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jacob L. Anderegg

House Sponsor: Val L. Peterson

LONG TITLE

General Description:

This bill modifies provisions related to the Industrial Assistance Account.

Highlighted Provisions:

This bill:

- ▶ modifies a sunset provision that is unnecessary if this bill passes;
- ▶ modifies the application requirements and post-performance requirements for an entity to receive a grant from the Industrial Assistance Account related to hosting a high-tech sector conference; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63I-2-263, as last amended by Laws of Utah 2018, Chapters 38, 95, 382, and 469

63N-3-109, as last amended by Laws of Utah 2018, Chapter 428

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

Section 1. Section **63I-2-263** is amended to read:

63I-2-263. Repeal dates, Title 63A to Title 63N.

(1) On July 1, 2020:

- 30 (a) Subsection 63A-3-403(5)(a)(i) is repealed; and
- 31 (b) in Subsection 63A-3-403(5)(a)(ii), the language that states "appointed on or after
- 32 May 8, 2018," is repealed.
- 33 (2) Title 63C, Chapter 19, Higher Education Strategic Planning Commission is
- 34 repealed July 1, 2020.
- 35 (3) Section 63H-7a-303 is repealed on July 1, 2022.
- 36 (4) On July 1, 2019:
- 37 (a) in Subsection 63J-1-206(2)(c)(i), the language that states " Subsection(2)(c)(ii) and"
- 38 is repealed; and
- 39 (b) Subsection 63J-1-206(2)(c)(ii) is repealed.
- 40 (5) Section 63J-4-708 is repealed January 1, 2023.
- 41 [~~(6) Subsection 63N-3-109(2)(f)(i)(B) is repealed July 1, 2020.~~]
- 42 [~~(7)~~ (6) Section 63N-3-110 is repealed July 1, 2020.
- 43 Section 2. Section 63N-3-109 is amended to read:
- 44 **63N-3-109. Financial assistance to entities offering economic opportunities.**
- 45 (1) Subject to the duties and powers of the board under Section 63N-1-402, the
- 46 administrator may provide money from the Industrial Assistance Account to an entity offering
- 47 an economic opportunity if that entity:
- 48 (a) applies to the administrator in a form approved by the administrator; and
- 49 (b) meets the qualifications of Subsection (2).
- 50 (2) [~~The~~] As part of an application for receiving money under this section, an applicant
- 51 shall:
- 52 (a) demonstrate to the satisfaction of the administrator the nature of the economic
- 53 opportunity and the related benefit to the economic well-being of the state by providing
- 54 evidence documenting the logical and compelling linkage, either direct or indirect, between the
- 55 expenditure of money necessitated by the economic opportunity and the likelihood that the
- 56 state's tax base, regions of the state's tax base, or specific components of the state's tax base
- 57 will not be reduced but will be maintained or enlarged;

58 (b) demonstrate how the funding request will act in concert with other state, federal, or
59 local agencies to achieve the economic benefit;

60 (c) demonstrate how the funding request will act in concert with free market principles;

61 ~~[(d) in the case of an economic opportunity that includes the retention of jobs,~~
62 ~~demonstrate how the potential relocation of jobs outside the state is related to a merger,~~
63 ~~acquisition, consolidation, or similar business reason other than the applicant simply requesting~~
64 ~~state assistance to remain in the state;]~~

65 ~~[(e)]~~ (d) satisfy other criteria the administrator considers appropriate;

66 ~~[(f)]~~ (e) if the applicant meets the requirements of Subsection ~~[(2)(g)(i)(C)]~~ (2)(f)(i):

67 (i) demonstrate that the funding request will be used primarily to reimburse the
68 applicant for expenses related to a program of ~~[out-of-state advertising;]~~ marketing[;] and
69 branding for an annual conference for the high tech sector with at least 10,000 attendees that is
70 held on or after January 1, 2019; and

71 (ii) ~~[subject to Subsection (3)(c);]~~ demonstrate that the annual conference described in
72 Subsection (2)(f)(i) met post-performance requirements designated by the administrator
73 regarding:

74 ~~[(A) economic impact on the state;]~~

75 ~~[(B) new tax revenue to the state; and]~~

76 ~~[(C) attendance of out-of-state business prospects; and]~~

77 (A) business leads generated by the conference;

78 (B) total attendance at the conference;

79 (C) the number of out-of-state attendees at the conference;

80 (D) the number of out-of-state businesses represented at the conference; and

81 (E) documentation of marketing and advertising money spent outside of the state for
82 the conference; and

83 ~~[(g)]~~ (f) be either:

84 (i) an entity whose purpose is to exclusively or substantially promote, develop, or
85 maintain the economic welfare and prosperity of the state as a whole, regions of the state, or

86 specific components of the state, including[~~(A) an entity that is a sports development~~
 87 ~~organization under contract with the state for sports development and sporting event attraction~~
 88 ~~and related activities that provide an economic impact or promotional value to the state; (B) an~~
 89 ~~entity that implements technology innovation in public schools, including whole-school~~
 90 ~~one-to-one mobile device technology deployment for the purpose of incubating technology~~
 91 ~~solutions related to economic and workforce development; or (C)] an entity that is a nonprofit~~
 92 organization engaged in publicizing, developing, and promoting the high tech sector in the state
 93 through activities that include organizing and hosting an annual conference for the high tech
 94 sector with at least 10,000 attendees; or

95 (ii) a company or individual that meets the requirements of Subsections (2)(a) through
 96 ~~[(f)] (d)~~ but does not otherwise qualify under Section 63N-3-105.

97 (3) Subject to the duties and powers of the board under Section 63N-1-402, the
 98 administrator shall:

99 (a) make findings as to whether an applicant has satisfied each of the conditions [~~set~~
 100 ~~forth]~~ described in Subsection (2);

101 (b) establish benchmarks and timeframes in which progress toward the completion of
 102 the agreed upon activity is to occur;

103 ~~[(c) (i) if an applicant that meets the requirements of Subsection (2)(g)(i)(C) has not~~
 104 ~~received funding under this section in a previous year;]~~

105 ~~[(A) require that the annual conference described in Subsection (2)(f)(i) be attended by~~
 106 ~~at least 100 out-of-state business prospects; and]~~

107 ~~[(B) establish additional requirements as described in Subsection (2)(f)(ii); and]~~

108 ~~[(ii) if an applicant that meets the requirements of Subsection (2)(g)(i)(C) received~~
 109 ~~funding under this section in a previous year, require that the annual conference described in~~
 110 ~~Subsection (2)(f)(i);]~~

111 ~~[(A) have an economic impact on the state of at least 125% of the economic impact of~~
 112 ~~the annual conference in the previous year;]~~

113 ~~[(B) generate new tax revenue to the state that is at least 125% of the new tax revenue~~

114 generated by the ~~the annual conference in the previous year; and]~~
115 ~~[(C) have attendance by out-of-state business prospects that is at least 125% of the~~
116 ~~attendance by out-of-state business prospects at the annual conference in the previous year;]~~
117 ~~[(d)]~~ (c) monitor compliance by an applicant with any contract or agreement entered
118 into by the applicant and the state as provided by Section 63N-3-107; and
119 ~~[(e)]~~ (d) make funding decisions based upon appropriate findings and compliance.