

1 **THROUGHPUT INFRASTRUCTURE AMENDMENTS**

2 2019 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Ralph Okerlund**

5 House Sponsor: Michael K. McKell

7 **LONG TITLE**

8 **General Description:**

9 This bill addresses throughput infrastructure amendments.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ imposes requirements for the first throughput infrastructure project considered by
- 13 the Permanent Community Impact Fund Board; and
- 14 ▶ makes technical changes.

15 **Money Appropriated in this Bill:**

16 None

17 **Other Special Clauses:**

18 None

19 **Utah Code Sections Affected:**

20 AMENDS:

21 **35A-8-309**, as last amended by Laws of Utah 2017, Chapters 181 and 421

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

24 Section 1. Section **35A-8-309** is amended to read:

25 **35A-8-309. Throughput Infrastructure Fund administered by impact board --**

26 **Uses -- Review by board -- Annual report -- First project.**

27 (1) The impact board shall:

28 (a) make grants and loans from the Throughput Infrastructure Fund created in Section

29 35A-8-308 for a throughput infrastructure project;

30 (b) use money transferred to the Throughput Infrastructure Fund in accordance with
31 Subsection 59-12-103(12) to provide a loan or grant to finance the cost of acquisition or
32 construction of a throughput infrastructure project to one or more local political subdivisions,
33 including a Utah interlocal [entity] agency created under Title 11, Chapter 13, Interlocal
34 Cooperation Act;

35 (c) administer the Throughput Infrastructure Fund in a manner that will keep a portion
36 of the fund revolving;

37 (d) determine provisions for repayment of loans;

38 (e) establish criteria for awarding loans and grants; and

39 (f) establish criteria for determining eligibility for assistance under this section.

40 (2) The cost of acquisition or construction of a throughput infrastructure project
41 includes amounts for working capital, reserves, transaction costs, and other amounts
42 determined by the impact board to be allocable to a throughput infrastructure project.

43 (3) The impact board may restructure or forgive all or part of a local political
44 subdivision's or interlocal [entity's] agency's obligation to repay loans for extenuating
45 circumstances.

46 (4) ~~In order to~~ To receive assistance under this section, a local political subdivision or
47 an interlocal [entity] agency shall submit a formal application containing the information that
48 the impact board requires.

49 (5) (a) The impact board shall:

50 (i) review the proposed uses of the Throughput Infrastructure Fund for a loan or grant
51 before approving the loan or grant and may condition its approval on whatever assurances the
52 impact board considers necessary to ensure that proceeds of the loan or grant will be used in
53 accordance with this section;

54 (ii) ensure that each loan specifies terms for interest deferments, accruals, and
55 scheduled principal repayment; and

56 (iii) ensure that repayment terms are evidenced by bonds, notes, or other obligations of
57 the appropriate local political subdivision or interlocal [entity] agency issued to the impact
58 board and payable from the net revenues of a throughput infrastructure project.

59 (b) An instrument described in Subsection (5)(a)(iii) may be:

60 (i) non-recourse to the local political subdivision or interlocal [entity] agency; and

61 (ii) limited to a pledge of the net revenues from a throughput infrastructure project.

62 (6) (a) Subject to the restriction in Subsection (6)(b), the impact board shall allocate
63 from the Throughput Infrastructure Fund to the board those amounts that are appropriated by
64 the Legislature for the administration of the Throughput Infrastructure Fund.

65 (b) The amount described in Subsection (6)(a) may not exceed 2% of the annual
66 receipts to the fund.

67 (7) The board shall include in the annual written report described in Section
68 [35A-1-109](#):

69 (a) the number and type of loans and grants made under this section; and

70 (b) a list of local political subdivisions or interlocal [entities] agencies that received
71 assistance under this section.

72 (8) (a) The first throughput infrastructure project considered by the impact board shall
73 be a bulk commodities ocean terminal project.

74 (b) Upon receipt of an application from an interlocal agency created for the sole
75 purpose of undertaking a throughput infrastructure project that is a bulk commodities ocean
76 terminal project, the impact board shall:

77 (i) grant up to 2% of the money in the Throughput Infrastructure Fund to the interlocal
78 agency to pay or reimburse costs incurred by the interlocal agency preliminary to its acquisition
79 of the throughput infrastructure project; and

80 (ii) fund the interlocal agency's application if the application meets all criteria
81 established by the impact board.