

Carl R. Albrecht proposes the following substitute bill:

Throughput Infrastructure Funding Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jerry W. Stevenson

House Sponsor: Casey Snider

LONG TITLE

General Description:

This bill addresses financial assistance that is funded through the Throughput Infrastructure Fund.

Highlighted Provisions:

This bill:

- provides for the Legislature appropriating money from the Throughput Infrastructure Fund;
- modifies the Permanent Community Impact Fund Board's authority related to the Throughput Infrastructure Fund, including the funding of a bulk commodities ocean terminal project;
- requires a study;
- addresses the provision of financial assistance to an industry within mining; and
- makes technical and conforming amendments.

Money Appropriated in this Bill:

This bill appropriates \$11,000,000 in restricted fund and account transfers for fiscal year 2025, all of which is from the various sources as detailed in this bill.

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

35A-8-308, as last amended by Laws of Utah 2021, Chapter 367

35A-8-309, as last amended by Laws of Utah 2021, Chapter 367

63N-3-105, as last amended by Laws of Utah 2024, Chapter 159

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

Section 1. Section **35A-8-308** is amended to read:

35A-8-308 . Throughput Infrastructure Fund.

- (1) There is created an enterprise fund known as the "Throughput Infrastructure Fund."
- (2) The fund consists of money generated from the following revenue sources:
 - (a) [aH] amounts transferred to the fund by statute;
 - (b) any voluntary contributions received;
 - (c) appropriations made to the fund by the Legislature; and
 - (d) all amounts received from the repayment of loans made by the impact board under Section 35A-8-309.
- (3) The state treasurer shall:
 - (a) invest the money in the fund by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act; and
 - (b) deposit [aH] the interest or other earnings derived from those investments into the fund.
- (4) The Legislature may appropriate money from the fund to the Industrial Assistance Account, created in Section 63N-3-103, to provide for financial assistance under Subsection 63N-3-105(5) to an entity that offers an economic opportunity in a community that is economically impacted by the leasing of minerals under the Leasing Act.

Section 2. Section **35A-8-309** is amended to read:

**35A-8-309 . Throughput Infrastructure Fund administered by impact board --
Uses -- Review by board -- Annual report -- First project.**

- (1) The impact board shall:
 - (a) make grants and loans from the Throughput Infrastructure Fund created in Section 35A-8-308 for a throughput infrastructure project;
 - (b) use money transferred to the Throughput Infrastructure Fund in accordance with statute to provide a loan or grant to finance the cost of acquisition or construction of a throughput infrastructure project to one or more local political subdivisions, including a Utah interlocal agency created under Title 11, Chapter 13, Interlocal Cooperation Act;
 - (c) administer the Throughput Infrastructure Fund in a manner that will keep a portion of the fund revolving;
 - (d) determine provisions for repayment of loans;
 - (e) establish criteria for awarding loans and grants; and

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

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

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

(4) To receive assistance under this section, a local political subdivision or an interlocal agency shall submit a formal application containing the information that the impact board requires.

(5)(a) The impact board shall:

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

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

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

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

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

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

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

(b) The amount described in Subsection (6)(a) may not exceed 2% of the annual receipts to the ~~[fund]~~ Throughput Infrastructure Fund.

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

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

(b) a list of local political subdivisions or interlocal agencies that received assistance under this section.

(8)(a) The first throughput infrastructure project ~~[considered]~~ funded by the impact board shall be a bulk commodities ocean terminal project~~[-]~~ that meets the following

97 conditions:

98 (i) facilitates greater access to international markets of carbon resources derived from
99 a county of the fourth, fifth, or sixth class;

100 (ii) partners with Utah based logistics and transportation entities for the development
101 of the project; and

102 (iii) finances the project costs through a mixture of grant and loan structures, of
103 which the loan structures shall account for no less than 20% of the project.

104 (b) Upon receipt of an application from an interlocal agency [~~created for the sole~~
105 ~~purpose of undertaking~~] for a throughput infrastructure project that is a bulk
106 commodities ocean terminal project, the impact board shall:

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

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

112 (c) The impact board shall allocate \$40,000,000 in the Throughput Infrastructure Fund
113 to fund a bulk commodities ocean terminal project in accordance with this Subsection
114 (8). The impact board may fund a project that meets criteria established by the impact
115 board other than a bulk commodities ocean terminal project with the remainder of the
116 money in the Throughput Infrastructure Fund including any interest generated from
117 money in the Throughput Infrastructure Fund.

118 (9) The Natural Resources, Agriculture, and Environment Interim Committee shall study
119 the role of the impact board in facilitating economic opportunities that create statewide
120 benefits or encouraging energy development. The Natural Resources, Agriculture, and
121 Environment Interim Committee may issue findings of the study by no later than the
122 November 2025 interim meeting of that committee.

123 Section 3. Section **63N-3-105** is amended to read:

124 **63N-3-105 . Qualification for assistance -- Application requirements.**

125 (1) Subject to the requirements of this part, the administrator may provide loans, grants, or
126 other financial assistance from the restricted account to an entity offering an economic
127 opportunity if that entity:

128 (a) applies to the administrator in a form approved by the administrator; and

129 (b) meets the qualifications of Subsection (2).

130 (2) As part of an application for receiving financial assistance under this part, an applicant

shall demonstrate the following to the satisfaction of the administrator:

- (a) the nature of the economic opportunity and the related benefit to the economic well-being of the state by providing evidence documenting the expenditure of money necessitated by the economic opportunity;
- (b) how the economic opportunity will act in concert with other state, federal, or local agencies to achieve the economic benefit;
- (c) that the applicant will expend funds in the state with employees, vendors, subcontractors, or other businesses in an amount proportional with money provided from the restricted account at a minimum ratio of one to one per year or other more stringent requirements as established on a per project basis by the administrator;
- (d) for an application for a loan, the applicant's ability to sustain economic activity in the state sufficient to repay, by means of cash or appropriate credits, the loan provided by the restricted account; and
- (e) any other criteria the administrator considers appropriate.

(3)(a) The administrator may exempt an applicant from any of the requirements of Subsection (2) if:

- (i) the applicant is part of a targeted industry; or
- (ii) the applicant is a quasi-public corporation organized under Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act, or Title 63E, Chapter 2, Independent Corporations Act, and the applicant's operations, as demonstrated to the satisfaction of the administrator, will provide significant economic stimulus to the growth of commerce and industry in the state.

(b) The administrator may not exempt the applicant from the requirement under Subsection 63N-3-106(1)(b) that the loan be structured so that the repayment or return to the state equals at least the amount of the assistance together with an annual interest charge.

(4) Before awarding any money under this part, the administrator shall:

- (a) make findings as to whether an applicant has satisfied the requirements of Subsection (2);
- (b) establish benchmarks and timeframes in which progress toward the completion of the agreed upon activity is to occur;
- (c) monitor compliance by an applicant with any contract or agreement entered into by the applicant and the state as provided by Section 63N-3-107; and
- (d) make funding decisions based upon appropriate findings and compliance.

- (5)(a) The administrator shall exempt an applicant that mines or intends to mine fluorspar or gallium from the requirements of Subsection (2) and provide an applicant financial assistance under this section if the applicant demonstrates to the satisfaction of the administrator that the applicant:
- (i) has the required permits to engage in the mining activity of fluorspar or gallium;
 - (ii) will engage in the mining activity in a community within the state that is economically impacted by the Mineral Lands Leasing Act of 1920, 30 U.S.C. Sec. 181 et seq.;
 - (iii) will draw money from the financial assistance provided to the applicant under this Subsection (5) by no later than two years from the day on which the administrator awards the financial assistance; and
 - (iv) agrees to reimburse the restricted account in staggered payments during a period beginning three years from the day on which the administrator awards the financial assistance and ending seven years from the day on which the administrator awards the financial assistance.
- (b) The applicant shall pay interest at a rate of not more than 4.5%.
- (c) The administrator may enter into an agreement with the applicant as provided in Section 63N-3-107 to provide for the process of drawing money from the financial assistance, the payment of interest, and reimbursing the restricted account.
- (d) The administrator shall deposit money reimbursed by the applicant into the restricted account and may use that money for any purpose authorized by this part.
- (e) If an applicant fails to pay money owed under the agreement described under Subsection (5)(c), the administrator may bring an action against the assets of the applicant to recover the money owed under the agreement.

Section 4. **FY 2025 Appropriations.**

The following sums of money are appropriated for the fiscal year beginning July 1, 2024, and ending June 30, 2025. These are additions to amounts previously appropriated for fiscal year 2025.

Subsection 4(a). **Restricted Fund and Account Transfers**

The Legislature authorizes the State Division of Finance to transfer the following amounts between the following funds or accounts as indicated. Expenditures and outlays from the funds to which the money is transferred must be authorized by an appropriation.

ITEM 1 To General Fund Restricted - Industrial Assistance Account

From Throughput Infrastructure Fund, One-time

11,000,000

199	Schedule of Programs:	
200	General Fund Restricted - Industrial Assistance	
201	Account	11,000,000
202	The Legislature intends that the Governor's	
203	Office of Economic Opportunity use the \$11,000,000	
204	appropriated in this section to provide an applicant	
205	financial assistance in accordance with Subsection	
206	63N-3-105(5).	

207 **Section 5. Effective Date.**

208 This bill takes effect:

209 (1) except as provided in Subsection (2), May 7, 2025; or

210 (2) if approved by two-thirds of all members elected to each house:

211 (a) upon approval by the governor;

212 (b) without the governor's signature, the day following the constitutional time limit of

213 Utah Constitution, Article VII, Section 8; or

214 (c) in the case of a veto, the date of veto override.