Heard in the Economic Development and Workforce Services Interim Committee Meeting on 11/18/2026

Rural Opportunity Amendments

2027 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jackie Larson

Sponsor:

LONG TITLE

General Description:

This bill addresses provisions of the Rural Opportunity Act.

Highlighted Provisions:

This bill:

- extends the sunset date for the Rural Opportunity Advisory Committee by five years from July 1, 2027 to July 1, 2032;
- provides that the Governor's Office of Economic Development may award a grant to a rural agricultural community; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63I-1-263, as last amended by Laws of Utah 2026, Chapter 168

63N-4-802, as last amended by Laws of Utah 2024, Chapter 513

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

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

63I-1-263 . Repeal dates: Titles 63A to 63O.

(1) Subsection 63A-13-102(2), defining the term "advisory board," is repealed July 1, 2029.

(2) Subsection 63A-13-201(7)(b)(ii), regarding reports to the Office of Inspector General of Medicaid Services Advisory Board, is repealed July 1, 2029.

(3) Subsection 63A-13-201(8)(c)(ii), regarding reports to the Office of Inspector General of Medicaid Services Advisory Board, is repealed July 1, 2029.

(4) Title 63A, Chapter 13, Part 7, Office of Inspector General of Medicaid Services

Advisory Board, is repealed July 1, 2029.

(5) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July 1, 2028.

(6) Title 63C, Chapter 18, Behavioral Health Crisis Response Committee, is repealed July 1, 2029.

(7) Title 63C, Chapter 25, State Finance Review Commission, is repealed July 1, 2027.

(8) Title 63C, Chapter 27, Cybersecurity Commission, is repealed July 1, 2032.

[~~(9) Title 63C, Chapter 28, Ethnic Studies Commission, is repealed July 1, 2026.~~]

[~~(10)~~] (9) Title 63C, Chapter 31, State Employee Benefits Advisory Commission, is repealed July 1, 2028.

[~~(11)~~] (10) Section 63G-6a-805, Purchase from community rehabilitation programs, is repealed July 1, 2036.

[~~(12)~~] (11) Section 63G-6b-402, Outcome-based Investment Grant Pilot Framework, is repealed July 1, 2031.

[~~(13)~~] (12) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed July 1, 2028.

[~~(14)~~] (13) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1, 2029.

[~~(15)~~] (14) Subsection 63J-1-602.2(16), [~~related to~~] regarding the Communication Habits to reduce Adolescent Threats (CHAT) Pilot Program, is repealed July 1, 2029.

[~~(16)~~] (15) Section 63L-11-204, Canyon resource management plan, is repealed July 1, 2027.

[~~(17)~~] (16) Title 63L, Chapter 11, Part 4, Resource Development Coordinating Committee, is repealed July 1, 2027.

[~~(18)~~] (17) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2031.

[~~(19)~~] (18) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.

[~~(20)~~] (19) Subsection 63N-2-511(1)(b), regarding the Board of Tourism Development, is repealed July 1, 2030.

[~~(21)~~] (20) Section 63N-2-512, Hotel Impact Mitigation Fund, is repealed July 1, 2028.

[~~(22)~~] (21) Title 63N, Chapter 3, Part 9, Strategic Innovation Grant Pilot Program, is repealed July 1, 2027.

[~~(23)~~] (22) Title 63N, Chapter 3, Part 11, Manufacturing Modernization Grant Program, is repealed July 1, 2028.

[~~(24)~~] (23) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is repealed July 1, 2028.

[~~(25)~~] (24) Section 63N-4-804, Rural Opportunity Advisory Committee, is repealed July 1,[~~2027~~] 2032.

[~~(26)~~] (25) Subsection 63N-4-805(5)(b), regarding the Rural Employment Expansion Program, is repealed July 1, 2028.

[~~(27)~~] (26) Subsection 63N-7-101(1), regarding the Board of Tourism Development, is repealed July 1, 2030.

[~~(28)~~] (27) Subsection 63N-7-102(3)(c), regarding a requirement for the Utah Office of Tourism to receive approval from the Board of Tourism Development, is repealed July 1, 2030.

[~~(29)~~] (28) Title 63N, Chapter 7, Part 2, Board of Tourism Development, is repealed July 1, 2030.

Section 2. Section **63N-4-802** is amended to read:

63N-4-802 . Creation of Rural Opportunity Program -- Awarding of grants and loans -- Rulemaking -- Reporting.

(1) There is created the Rural Opportunity Program.

(2) The program shall be overseen by the advisory committee and administered by the office.

(3)(a) In overseeing the program, the advisory committee shall make recommendations to the office on the awarding of grants and loans under this section.

(b) After reviewing the recommendations of the advisory committee, and subject to appropriations from the Legislature, the office shall:

(i) award grants to rural communities and business entities in accordance with Subsection (4) and rules made by the center under Subsection (6); and

(ii) award loans to rural communities in accordance with Subsection (5) and rules made by the center under Subsection (6).

(4)(a) The office shall annually distribute an equal amount of grant money to all rural counties that have created a CEO board and apply for a grant, in an amount up to and including $200,000 annually per county.

(b) In addition to the grant money distributed to rural counties under Subsection (4)(a), the office may use program funds to:

(i) award grants to rural communities that demonstrate a funding match, in an amount established by rule under Subsection (6);

(ii) award grants to business entities that create new jobs within rural communities;

(iii) award grants to associations of governments, subject to Subsection (4)(e);[~~and~~]

(iv) award grants to rural health care special districts[.] ; and

(v) award grants to rural communities for agricultural purposes.

(c) The office shall award grants under this Subsection (4) to address the economic development needs of rural communities, which needs may include:

(i) business recruitment, development, and expansion;

(ii) workforce training and development; and

(iii) infrastructure, industrial building development, and capital facilities improvements for business development.

(d) In awarding grants under this Subsection (4), the office:

(i) shall prioritize applications in accordance with rules made by the office under Subsection (6); and

(ii) may not award more than 20% of the total amount of grant funds made available each year to associations of governments.

(e) An association of governments may not receive a grant from the program unless the association of governments demonstrates to the office that each county belonging to the association of governments has approved the request for grant funds.

(5)(a) In addition to the awarding of grants under Subsection (4), the office may use program funds to award loans to rural communities or rural health care special districts to provide financing for qualified projects.

(b)(i) A rural community or rural health care special district may not receive a loan from the program for a qualified project unless:

(A) the rural community or rural health care special district demonstrates to the office that the rural community or rural health care special district has exhausted all other means of securing funding from the state for the qualified project; and

(B) the rural community or rural health care special district enters into a loan contract with the office.

(ii) A loan contract under Subsection (5)(b)(i)(B):

(A) shall be secured by legally issued bonds, notes, or other evidence of indebtedness validly issued under state law, including pledging all or any portion of a revenue source controlled by the rural community or rural health care special district to the repayment of the loan; and

(B) may provide that a portion of the proceeds of the loan may be applied to fund a reserve fund to secure the repayment of the loan.

(c) A loan under this Subsection (5) shall bear interest as set by the office in consultation with the state treasurer.

(d) Before a rural community or rural health care special district may receive a loan from the office, the rural community or rural health care special district shall:

(i) publish the rural community's or rural health care special district's intention to obtain the loan at least once in accordance with the publication and notice requirements described in Section 11-14-316; and

(ii) adopt an ordinance or resolution authorizing the loan.

(e)(i) If a rural community or rural health care special district that receives a loan from the office fails to comply with the terms of the loan contract, the office may seek any legal or equitable remedy to obtain compliance or payment of damages.

(ii) If a rural community or rural health care special district fails to make loan payments when due, the state shall, at the request of the office, withhold an amount of money due to the rural community or rural health care special district and deposit the withheld money into the fund to pay the amount due under the contract.

(iii) The office may elect when to take any action or request the withholding of money under this Subsection (5)(e).

(f) All loan contracts, bonds, notes, or other evidence of indebtedness securing any loans shall be collected and accounted for in accordance with Section 63B-1b-202.

(6)(a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and in collaboration with the advisory committee, the office shall make rules to administer the program.

(b) The rules under Subsection (6)(a) shall establish:

(i) eligibility criteria for a rural community or business entity to receive a grant or loan under the program;

(ii) application requirements;

(iii) funding match requirements for a rural community to receive a grant under Subsection (4)(b);

(iv) a process for prioritizing grant and loan applications; and

(v) reporting requirements.

(7) The office shall include the following information in the annual written report described in Section 63N-1a-306:

(a) the total amount of grants and loans the office awarded to rural communities, rural

health care special districts, and business entities under the program;

(b) a description of the projects for which the office awarded a grant or loan under the program;

(c) the total amount of outstanding debt service that is being repaid by a grant or loan awarded under the program;

(d) whether the grants and loans awarded under the program have resulted in economic development within rural communities; and

(e) the office's recommendations regarding the effectiveness of the program and any suggestions for legislation.

Section 3. **Effective Date.**

This bill takes effect on May 5, 2027.