

# STATE OF UTAH

## Fund Information

**FINET Name:** (FIN) Economic Incentive Restricted Account

**FINET Fund:** 1322

**Legal Name:** Economic Incentive Restricted Account

**Legal Authorization:** UCA 63M-1-2408

**Earns Interest:**  Yes  No **Earns Interest Authority:** N/A

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### Revenue Source(s):

1) Transfers from the General Fund for partial rebate payments as a result of new state revenues generated by a business entity's new commercial project.

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### Description:

Prior to 1992, this Fund was originally created to provide reserve revenues for legislative appropriations in a fiscal year which the Governor declares that the expenditures of the State exceed the revenues and was called the Emergency Budget Deficit Reserve Account (FIRMS #110380). UCA 63-87-17 authorized the creation of the fund. The fund was never used and has no history amounts under this name. The statute authorizing the fund was later repealed.

The Economic Incentive Restricted Account was created by the HB316 (2003 GS) and assigned Fund #115. Beginning in FY2003, this fund is created to provide incentives for economic development by creating aerospace and aviation development zones for new commercial development. Provides partial tax rebates for qualifying new projects that locate in the development zones. DCED provides a board approved request for payment of the partial rebates to the Division of Finance.

HB 318 (2005 GS) Gives oversight of this fund to a newly created office called the Governor's Office of Economic Development with the Governor's Office.

HB 11 (2005 GS) Clarifies that only projects that include significant capital investment, the creation of high paying jobs, or significant purchases from Utah vendors and providers, or any combination of these three economic factors, as defined by board rule made in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, are eligible for partial rebates. The bill further clarifies that projects that qualify for partial rebates under the Economic Incentive Restricted Account do not also qualify under the Industrial Assistance Program.

SB 185 (2008 GS) Reenacts and modifies statutes governing the Governor's Office of Economic Development's process and criteria for granting economic incentives to business entities for new commercial projects in Utah. The bill replaces economic incentives in the form of cash payments with economic incentives in the form of tax credits to business entities that qualify (for taxable years beg on or after Jan 1, 2008). Creates the Economic Incentive Restricted Account, within the General Fund, and repealed the existing Economic Incentive Restricted Account. The new fund no. will be the same as old for this fund.

HB 63 (2008 GS) Modified Title 63, State Affairs in General, by recodifying and renumbering the content of the title to other parts of the code.

HB 297 (2009 GS) Recodified the Budgetary Procedures Act, which is cited in the section of code relating to this fund.

SB 198 (2010 GS) Amends provisions under the Economic Development Incentives Act relating to economic development incentives including tax credits (#1322). Bill provides that a local government entity or community development and renewal agency may claim a refundable economic development tax credit under certain conditions.

HB 353 (2010 GS) Eliminates language that funding for the benefit of rural Utah as defined in statute is nonlapsing.

### Fund Balance History:

<u>Fund</u>	<u>Year</u>	<u>Beg Balance</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Transfers</u>	<u>End Balance</u>
1322	2003	\$0	\$0	\$0	\$0	\$0
1322	2004	\$0	\$0	\$0	\$0	\$0
1322	2005	\$0	\$0	\$0	\$0	\$0
1322	2006	\$0	\$0	\$0	\$929,533	\$929,533

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This report presents unofficial, unaudited information that is subject to change.

For audited financial statements, see the State of Utah Comprehensive Annual Financial Report at <http://finance.utah.gov/cafr.html>

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1322	2007	\$929,533	\$0	\$0	\$543,111	\$1,472,644
1322	2008	\$1,472,644	\$0	\$0	\$1,795,086	\$3,267,730
1322	2009	\$3,267,730	\$0	\$0	\$3,833,762	\$7,101,492
1322	2010	\$7,101,492	\$0	\$796,495	(\$6,304,997)	\$0
1322	2011	\$0	\$0	\$0	\$6,021,373	\$6,021,373
1322	2012	\$6,021,373	\$0	\$272,621	(\$5,748,753)	\$0
1322	2013	\$0	\$0	\$0	\$0	\$0