

Effective 5/12/2015

Part 1
Industrial Assistance Account

63N-3-101 Title -- Purpose.

- (1) This chapter is known as "Economic Development Programs."
- (2) This part is known as the "Industrial Assistance Account."
- (3) The Legislature finds and declares that the fostering and development of industry in Utah is a state public purpose necessary to assure the welfare of its citizens, the growth of its economy, and adequate employment for its citizens.

Renumbered and Amended by Chapter 283, 2015 General Session

63N-3-102 Definitions.

As used in this part:

- (1) "Administrator" means the executive director or the executive director's designee.
- (2) "Applicant" means an individual, for profit business entity, nonprofit, corporation, partnership, unincorporated association, government entity, executive branch department or division of a department, a political subdivision, a state institution of higher education, or any other administrative unit of the state.
- (3) "Economic opportunities" means business situations or community circumstances which lend themselves to the furtherance of the economic interests of the state by providing a catalyst or stimulus to the growth or retention, or both, of commerce and industry in the state, including retention of companies whose relocation outside the state would have a significant detrimental economic impact on the state as a whole, regions of the state, or specific components of the state.
- (4) "Restricted Account" means the restricted account known as the Industrial Assistance Account created in Section 63N-3-103.
- (5) "Talent development grant" means a grant awarded under Section 63N-3-112.

Amended by Chapter 159, 2024 General Session

63N-3-103 Industrial Assistance Account created -- Uses -- Administrator duties -- Costs.

- (1) There is created a restricted account within the General Fund known as the "Industrial Assistance Account".
- (2) The administrator shall administer the restricted account.
- (3) The administrator may hire appropriate support staff to perform the duties required under this section.
- (4) The cost of administering the restricted account shall be paid from money in the restricted account.
- (5) Interest accrued from investment of money in the restricted account shall remain in the restricted account.
- (6) The office shall review the activities and progress of grant recipients under this chapter on a regular basis and, as part of the office's annual written report described in Section 63N-1a-306, report on the economic impact of activities funded by each grant.

Amended by Chapter 282, 2021 General Session

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

- (1) Subject to the requirements of this part, the administrator may provide loans, grants, or other financial assistance from the restricted account to an entity offering an economic opportunity if that entity:
 - (a) applies to the administrator in a form approved by the administrator; and
 - (b) meets the qualifications of Subsection (2).
- (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.

Amended by Chapter 159, 2024 General Session

63N-3-106 Structure of loans, grants, and assistance -- Repayment -- Earned credits.

- (1)
 - (a) Subject to Subsection (1)(b), the administrator has authority to determine the structure, amount, and nature of any loan, grant, or other financial assistance from the restricted account.

- (b) Loans made under this part shall be structured so the intended repayment or return to the state, including cash or credit, equals at least the amount of the assistance together with an annual interest charge as negotiated by the administrator.
 - (c) Payments resulting from grants awarded from the restricted account shall be made only after the administrator has determined that the company has satisfied the conditions upon which the payment or earned credit was based.
- (2)
- (a) The administrator may provide for a system of earned credits that may be used to support grant payments or in lieu of cash repayment of a restricted account loan obligation.
 - (b) The value of the credits described in Subsection (2)(a) shall be based on factors determined by the administrator, including:
 - (i) the number of Utah jobs created;
 - (ii) the increased economic activity in Utah; or
 - (iii) other events and activities that occur as a result of the restricted account assistance.
- (3)
- (a) A cash loan repayment or other cash recovery from a company receiving assistance under this section, including interest, shall be deposited into the restricted account.
 - (b) The administrator and the Division of Finance shall determine the manner of recognizing and accounting for the earned credits used in lieu of loan repayments or to support grant payments as provided in Subsection (2).
- (4)
- (a)
 - (i) At the end of each fiscal year, the Division of Finance shall transfer the balance of the General Fund revenue surplus as defined in Section 63J-1-312 after the transfers of General Fund revenue surplus described in Subsection (4)(b) to the Industrial Assistance Account in an amount equal to any credit that has accrued under this part.
 - (ii) The transfer under Subsection (4)(a)(i) is capped at \$50,000,000 and the Division of Finance shall deposit any interest accrued above the \$50,000,000 cap into the General Fund.
 - (b) The Division of Finance shall make the transfer required by Subsection (4)(a) after the Division of Finance transfers the General Fund revenue surplus to:
 - (i) the Medicaid Growth Reduction and Budget Stabilization Restricted Account, as provided in Section 63J-1-315;
 - (ii) the General Fund Budget Reserve Account, as provided in Section 63J-1-312; and
 - (iii) as provided in Section 63J-1-314:
 - (A) the Wildland Fire Suppression Fund or the Wildland-urban Interface Prevention, Preparedness, and Mitigation Fund; and
 - (B) the State Disaster Recovery Restricted Account.
 - (c) These credit amounts may not be used for purposes of the restricted account as provided in this part until appropriated by the Legislature.

Amended by Chapter 77, 2024 General Session
Amended by Chapter 159, 2024 General Session

63N-3-107 Agreements.

The administrator shall enter into agreements with each successful applicant that have specific terms and conditions for each loan, grant, or financial assistance under this part, including:

- (1) for a loan:
 - (a) repayment schedules;

- (b) interest rates;
 - (c) specific economic activity required to qualify for the loan or for repayment credits;
 - (d) collateral or security, if any; and
 - (e) other terms and conditions considered appropriate by the administrator; and
- (2) for a grant or other financial assistance:
- (a) requirements for compliance monitoring;
 - (b) repayment for nonperformance or departure from the state;
 - (c) collateral or security, if any; and
 - (d) other terms and conditions considered appropriate by the administrator.

Amended by Chapter 159, 2024 General Session

63N-3-111 Annual policy considerations.

- (1)
- (a) The office shall make recommendations to state and federal agencies, local governments, the governor, and the Legislature regarding policies and initiatives that promote the economic development of targeted industries.
 - (b) The office may create one or more voluntary advisory committees that may include public and private stakeholders to solicit input on policy guidance and best practices in encouraging the economic development of targeted industries.
- (2) The administrator may establish:
- (a) minimum interest rates to be applied to loans granted that reflect a fair social rate of return to the state comparable to prevailing market-based rates such as the prime rate, U.S. Government T-bill rate, or bond coupon rate as paid by the state, adjusted by social indicators such as the rate of unemployment; and
 - (b) minimum applicant expense ratios, as long as they are at least equal to those required under Subsection 63N-3-105(2).

Amended by Chapter 159, 2024 General Session

63N-3-112 Talent development grants.

- (1) A for-profit business that is creating new incremental high paying jobs in the state, may apply to receive a talent development grant from the restricted account.
- (2) In accordance with the provisions of this section and in consultation with the GOEO board, the administrator may award up to \$10,000 per new job created.
- (3) The administrator shall designate an application process for a business to apply for the grant.
- (4) A business may apply to receive a grant only after each employee has been employed at qualifying wage levels for at least 12 consecutive months.
- (5) The office shall deduct money granted for a talent development grant under this section from any other money or incentive awarded by the office to the business.
- (6) Grants awarded under this section are only to reimburse a business for the costs incurred to recruit, hire, train, and otherwise employ an employee in a newly created job.
- (7) As part of the application process, a business shall submit a hiring and training plan detailing how the grant money will be used.
- (8) The administrator may grant an award only up to an amount that is no more than 25% of the estimated costs to be incurred by the business for the costs in the hiring and training plan.

Amended by Chapter 159, 2024 General Session

63N-3-113 Financial assistance to entities offering technical assistance to municipalities in connection with planning.

- (1) The administrator may provide money from the Industrial Assistance Account to an entity offering technical assistance to a municipality in connection with planning for housing, transportation, and growth.
- (2) As part of an application for receiving money under this section, an applicant shall:
 - (a) describe the activities the entity will undertake to provide technical assistance to a municipality in connection with planning for housing, transportation, and growth; and
 - (b) satisfy other criteria the administrator considers appropriate.
- (3) Before awarding any money under this section, 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 activities are 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.

Enacted by Chapter 406, 2022 General Session