

Effective 5/8/2018

Part 4
Rural Employment Expansion Program

63N-4-401 Title.

This part is known as the "Rural Employment Expansion Program."

Enacted by Chapter 340, 2018 General Session

63N-4-402 Definitions.

As used in this part:

- (1)
 - (a) "Business entity" means a sole proprietorship, partnership, association, joint venture, corporation, firm, trust, foundation, or other organization or entity used in carrying on a business.
 - (b) "Business entity" does not include a business primarily engaged in the following:
 - (i) construction;
 - (ii) staffing;
 - (iii) retail trade; or
 - (iv) public utility activities.
- (2) "Grant" means a grant awarded as part of the Rural Employment Expansion Grant Program created in Section 63N-4-403.
- (3) "Grant program" means the Rural Employment Expansion Grant Program created in Section 63N-4-403.
- (4) "Mining company" means an entity whose primary business is the exploration for or extraction of minerals from the earth.
- (5) "Mining services company" means an entity whose primary business is providing support services for a mining company, including drilling or geological modeling.
- (6)
 - (a) "Owner or officer" means an individual who owns an ownership interest in an entity or holds a position where the person has authority to manage, direct, control, or make decisions for:
 - (i) the entity or a portion of the entity; or
 - (ii) an employee, agent, or independent contractor of the entity.
 - (b) "Owner or officer" includes:
 - (i) a member of a board of directors or other governing body of an entity; or
 - (ii) a partner in any type of partnership.
- (7) "Rural county" means a county of the third, fourth, fifth, or sixth class.

Amended by Chapter 362, 2022 General Session

63N-4-403 Creation of Rural Employment Expansion Grant Program -- Duties of the office.

- (1) There is created the Rural Employment Expansion Grant Program administered by the office.
- (2) The office shall:
 - (a) review a business entity's application for a grant in the order in which the application is received by the office;
 - (b) ensure that a grant is only awarded to a business entity that meets the requirements of this part; and

- (c) as part of the annual written report described in Section 63N-1a-306, prepare an annual evaluation that provides:
 - (i) the identity of each business entity that was provided a grant by the office during the year of the annual report;
 - (ii) the total amount awarded in grants for each county; and
 - (iii) an evaluation of the effectiveness of the grant in bringing significant new employment to rural communities.
- (3) The office may:
 - (a) authorize a grant for a business entity under this part;
 - (b) audit a business entity to ensure:
 - (i) eligibility for a grant; and
 - (ii) compliance with this part; and
 - (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and in accordance with the provisions of this part, make rules regarding the:
 - (i) form and content of an application for a grant;
 - (ii) documentation or other requirements for a business entity to receive a grant; and
 - (iii) administration of grants, including an appeal process and relevant timelines and deadlines.

Amended by Chapter 362, 2022 General Session

63N-4-404 Grant application process.

- (1) For a fiscal year beginning on or after July 1, 2018, a business entity seeking to receive a grant shall provide the office with an application in a form approved by the office that includes:
 - (a) a certification, by an officer of the business entity, of each signature on the application;
 - (b) a document that specifies the projected number and anticipated wage level of the new full-time employee positions that the business entity plans to create as the basis for qualifying for a grant; and
 - (c) any additional information required by the office.
- (2)
 - (a) If, after review of an application provided by a business entity as described in Subsection (1), the office determines that the application is inadequate to provide a reasonable justification for authorizing the grant, the office shall:
 - (i) deny the application; or
 - (ii) inform the business entity that the application is inadequate and ask the business entity to submit additional documentation.
 - (b)
 - (i) If the office denies an application, the business entity may appeal the denial to the office.
 - (ii) The office shall review any appeal within 10 business days and make a final determination of the business entity's eligibility for a grant.
- (3) If, after review of an application provided by a business entity as described in Subsection (1), the office determines that the application provides reasonable justification for authorizing a grant and if there are available funds for the grant, the office shall enter into a written agreement with the business entity that:
 - (a) indicates the maximum grant amount the business entity is authorized to receive;
 - (b) includes a document signed by an officer of the business entity that expressly directs and authorizes the State Tax Commission to disclose to the office the business entity's tax returns and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code;

- (c) describes the documentation required to demonstrate that the business entity has created the new full-time employee positions described in the application provided under Subsection (1); and
 - (d) specifies the deadlines to provide the documentation described in Subsection (3)(c).
- (4)
- (a) Subject to available funds, the office may award a grant to a business entity as follows:
 - (i) \$4,000 for each new full-time employee position in a county where the average county wage is equal to or greater than the state average wage;
 - (ii) \$5,000 for each new full-time employee position in a county where the average county wage is between 85% and 99% of the state average wage; and
 - (iii) \$6,000 for each new full-time employee position in a county where the average county wage is less than 85% of the state average wage.
 - (b) A business entity may qualify for no more than \$250,000 in grants in any fiscal year.
- (5)
- (a) Subject to available funds, the office shall award a business entity a grant in the amount allowed under this part if the business entity provides documentation to the office:
 - (i) in a form prescribed by the office under Subsection (3)(c);
 - (ii) before the deadline described in Subsection (3)(d); and
 - (iii) that demonstrates that the business applicant has created new full-time employee positions.
 - (b) If a business entity does not provide the documentation described in Subsection (3)(c) before the deadline described in Subsection (3)(d), the business entity is ineligible to receive a grant unless the business entity submits a new application to be reviewed by the office in accordance with Subsection (1).
- (6) Nothing in this part prevents a business entity that has received a grant from concurrently applying for or receiving another grant or incentive administered by the office.
- (7) If an applicant for a grant is a mining company or mining services company having business operations within five miles of a rural county, the applicant shall be treated as if the applicant were located within the adjacent rural county in determining whether the applicant qualifies for the grant program.

Amended by Chapter 362, 2022 General Session