

**Effective 5/4/2022**

## **Part 8 Rural Opportunity Act**

### **63N-4-801 Definitions.**

As used in this part:

- (1) "Advisory committee" means the Rural Opportunity Advisory Committee created in Section 63N-4-804.
- (2) "Association of governments" means an association of political subdivisions of the state, established pursuant to an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act.
- (3)
  - (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.
- (4) "CEO board" means a County Economic Opportunity Advisory Board as described in Section 63N-4-803.
- (5) "Fund" means the Rural Opportunity Fund created in Section 63N-4-805.
- (6) "Qualified asset" means a physical asset that provides or supports an essential public service.
- (7) "Qualified project" means a project to build or improve one or more qualified assets for a rural community, including:
  - (a) telecom and high-speed Internet infrastructure;
  - (b) power and energy infrastructure;
  - (c) water and sewerage infrastructure;
  - (d) healthcare infrastructure; or
  - (e) other infrastructure as defined by rule made by the office in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- (8) "Rural community" means a rural county or rural municipality.
- (9) "Rural county" means:
  - (a) a county of the fourth, fifth, or sixth class, as classified in Section 17-50-501; or
  - (b) a county of the third class, as classified in Section 17-50-501, if the county of the third class has no municipality with a population of 100,000 or more.
- (10) "Rural health care special district" means a special service district created to provide health care under Subsection 17D-1-201(6) that is located in a rural county or rural municipality.
- (11) "Rural municipality" means a city or town located within the boundaries of:
  - (a) a county of the third, fourth, fifth, or sixth class; or
  - (b) a county of the second class, if the municipality has a population of 10,000 or less.
- (12) "Rural Opportunity Program" or "program" means the Rural Opportunity Program created in Section 63N-4-802.

Amended by Chapter 217, 2025 General Session

**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.
  - (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 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 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 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.

Amended by Chapter 513, 2024 General Session

**63N-4-803 County Economic Opportunity Advisory Board.**

- (1)
  - (a) Each rural county that seeks to obtain a grant from the office under Subsection 63N-4-802(4)(a), shall create a CEO board composed of at least the following members appointed by the county legislative body:
    - (i) a county representative;
    - (ii) a representative of a municipality in the county;
    - (iii) a workforce development representative;
    - (iv) a private-sector representative; and
    - (v) a member of the public who lives in the county.
  - (b) The county legislative body may also appoint additional members with experience or expertise in economic development matters.
  - (c) In appointing members of the CEO board, the county legislative body may consider gender and socioeconomic diversity.
- (2) Each CEO board shall assist and advise the county legislative body on:
  - (a) applying for a grant under Subsection 63N-4-802(4)(a);
  - (b) what projects should be funded by grant money provided to a rural county under Subsection 63N-4-802(4)(a); and
  - (c) preparing reporting requirements for grant money received by a rural county under Subsection 63N-4-802(4)(a).

Renumbered and Amended by Chapter 362, 2022 General Session

**63N-4-804 Rural Opportunity Advisory Committee.**

- (1) There is created within the office the Rural Opportunity Advisory Committee.
- (2) The advisory committee shall be composed of seven members appointed by the executive director, at least five of whom shall reside in a rural county.
- (3) The advisory committee shall advise and make recommendations to the office regarding the awarding of grants and loans under the Rural Opportunity Program.
- (4)
  - (a) Subject to Subsection (4)(b), each member of the advisory committee shall be appointed for a four-year term unless a member is appointed to complete an unexpired term.
  - (b) The executive director may adjust the length of term at the time of appointment or reappointment so that approximately half of the advisory committee is appointed every two years.
- (5) The advisory committee shall annually elect a chair from among the advisory committee's members.
- (6) A majority of the advisory committee constitutes a quorum for the purpose of conducting advisory committee business and the action of a majority of a quorum constitutes the action of the advisory committee.
- (7) The office shall provide staff support for the advisory committee.

- (8) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:
- (a) Section 63A-3-106;
  - (b) Section 63A-3-107; and
  - (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.

Enacted by Chapter 362, 2022 General Session

**63N-4-805 Rural Opportunity Fund.**

- (1) There is created an enterprise fund known as the "Rural Opportunity Fund".
- (2) The fund shall be administered by the office for the purposes described in Subsection (5).
- (3) The fund consists of:
  - (a) money appropriated by the Legislature;
  - (b) donations or grants from public or private entities; and
  - (c) all money collected from the repayment of fund money used for a loan issued under the Rural Opportunity Program.
- (4)
  - (a) The fund shall earn interest.
  - (b) All interest earned on money in the fund shall be deposited into the fund.
- (5) Money in the fund may only be used by the office to:
  - (a) award grants and loans under the Rural Opportunity Program;
  - (b) award grants under the Rural Employment Expansion Program created in Section 63N-4-403;
  - (c) award grants under the Rural Coworking and Innovation Center Grant Program created in Section 63N-4-503; and
  - (d) pay for administrative costs related to this chapter.
- (6) The office may establish separate accounts in the fund for separate programs, administrative and operating expenses, or any other purpose to implement this chapter.
- (7) Money in the fund shall be invested by the state treasurer as provided in Title 51, Chapter 7, State Money Management Act, and the earnings from the investments shall be credited to the fund.
- (8) The office shall include a report of how money from the fund was used in the annual written report described in Section 63N-1a-306.

Enacted by Chapter 362, 2022 General Session