

1 **COMMUNITY ECONOMIC DEVELOPMENT**

2 **PROJECT FUND**

3 1998 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Wayne A. Harper**

6 AN ACT RELATING TO COMMUNITY AND ECONOMIC DEVELOPMENT; AMENDING  
7 ALLOCATION REQUIREMENTS FOR THE COMMUNITY ECONOMIC DEVELOPMENT  
8 PROJECT FUND; AMENDING APPLICATION PRIORITIES; AMENDING DEFINITIONS;  
9 AND APPROPRIATING \$100,000 FROM THE GENERAL FUND TO THE COMMUNITY  
10 ECONOMIC DEVELOPMENT PROJECT.

11 This act affects sections of Utah Code Annotated 1953 as follows:

12 AMENDS:

13 **9-2-1502**, as enacted by Chapter 301, Laws of Utah 1996

14 **9-2-1504**, as enacted by Chapter 301, Laws of Utah 1996

15 **9-2-1506**, as enacted by Chapter 301, Laws of Utah 1996

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

17 Section 1. Section **9-2-1502** is amended to read:

18 **9-2-1502. Definitions.**

19 As used in this part:

20 (1) "Administrator" means the Department of Community and Economic Development.

21 (2) "Board" means the Board of Business and Economic Development.

22 (3) "Fund" means the Community Economic Development Project Fund created in Section  
23 9-2-1503.

24 (4) "Rural" means those communities located in the areas of the state defined by the board  
25 in Title 9, Chapter 2, Part 12, Industrial Assistance Fund, as economically disadvantaged rural  
26 targeted areas.

27 (5) "Urban" means communities located within a standard metropolitan statistical area,

1 as designated by the United States Bureau of the Census.

2 Section 2. Section **9-2-1504** is amended to read:

3 **9-2-1504. Distribution of fund moneys.**

4 (1) The administrator shall:

5 (a) establish criteria and procedures for the grant and loan process as provided in Title 63,  
6 Chapter 46a, Utah Administrative Rulemaking Act;

7 (b) determine the order in which projects will be funded; and

8 (c) make grants and loans from the fund to any of the entities authorized by Subsection  
9 (3).

10 (2) Two percent of the fund moneys may be used by the executive director for purposes  
11 consistent with this chapter, including the payment of reasonable loan processing fees, but may  
12 not be used to offset department or board administrative expenses.

13 (3) (a) Fund moneys remaining after distribution as provided in Subsection (2) shall be  
14 distributed as follows~~[- with at least 50% to be distributed to rural areas of the state either by grant~~  
15 ~~or loan]:~~

16 ~~[(a)]~~ (i) at least 50% of the moneys ~~[remaining in the fund]~~ shall be distributed as loans  
17 to be repaid to the fund by the entity receiving them, with at least 50% of those loans distributed  
18 to communities meeting the requirements for enterprise zones in Section 9-2-404;

19 ~~[(b)]~~ (ii) moneys not distributed as loans under Subsection (3)(a) shall be distributed as  
20 grants with:

21 ~~[(i)]~~ (A) fifty percent distributed to communities meeting the requirements for enterprise  
22 zones in Section 9-2-404; and

23 ~~[(ii)]~~ (B) fifty percent distributed to communities not meeting the requirements for  
24 enterprise zones in Section 9-2-404.

25 (b) No more than 50% of the fund monies distributed as grants or loans under Subsection  
26 (3)(a) may be distributed to urban areas of the state.

27 Section 3. Section **9-2-1506** is amended to read:

28 **9-2-1506. Application process and priorities.**

29 (1) (a) At least once in each calendar year that moneys are available from the fund for use  
30 by the administrator, the administrator shall provide notice of a grant and loan application period  
31 to interested entities.

- 1 (b) The administrator shall accept applications for at least 90 days.
- 2 (2) The administrator shall give preference to applications that demonstrate:
- 3 (a) substantial leverage with other sources of financing;
- 4 (b) substantial contributions to total project costs, including allied contributions from other
- 5 sources, such as professional, craft and trade services, and community organizations[-];
- 6 (c) substantial local government project contributions in the form of infrastructure
- 7 improvements or other assistance;
- 8 (d) projects that encourage ownership, management, and other project-related
- 9 opportunities;
- 10 (e) projects that demonstrate a strong probability of serving the original target group or
- 11 income level for a period of at least 15 years;
- 12 (f) projects where the applicant has demonstrated the ability, stability, and resources to
- 13 complete the project;
- 14 (g) projects that appear to serve the greatest need of the target group;
- 15 (h) projects that demonstrate economic development benefits for the state; [and]
- 16 (i) projects that allow integration into a local government economic development plan[-];
- 17 (j) projects or businesses located in any part of the state that create new jobs in or
- 18 measurable positive economic impact on a rural area;
- 19 (k) projects or programs which require specialized training; and
- 20 (l) recreational or cultural projects which enhance the economic vitality of or tourism in
- 21 a community.

Section 4. **Appropriation.**

23 There is appropriated \$100,000 from the General Fund to the Community Economic  
24 Development Project Fund. This appropriation is nonlapsing.

**Legislative Review Note**  
**as of 1-28-98 9:45 AM**

A limited legal review of this bill raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**