

OUTSOURCING STATE JOBS

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: Leonard M. Blackham

LONG TITLE

General Description:

This bill enacts provisions related to business development in rural Utah.

Highlighted Provisions:

This bill:

- ▶ provides for a smart site program dedicated to the development of technology-based industry in rural Utah in which services that might otherwise be performed by state agencies are outsourced to a smart site enterprise;
- ▶ provides for administration of the program by the Department of Community and Economic Development; and
- ▶ provides incentives to state agencies that award technology-based contracts to smart site enterprises.

Monies Appropriated in this Bill:

This bill appropriates:

- ▶ \$200,000 from the General Fund.

Other Special Clauses:

This bill takes effect on July 1, 2004.

Utah Code Sections Affected:

ENACTS:

9-2-416, Utah Code Annotated 1953

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



28 Section 1. Section **9-2-416** is enacted to read:

29 **9-2-416. Technology-based service contracts within enterprise zones.**

30 (1) For purposes of this section:

31 (a) "Smart site enterprise" means a technology-based entity located within an enterprise
32 zone that is eligible to receive financial support under the department's smart site program.

33 (b) "Smart site program" means a program of the department dedicated to the
34 development of technology-based industry in rural Utah in which services that might otherwise
35 be performed by state agencies are outsourced to a smart site enterprise.

36 (c) "State agency" means the:

37 (i) Department of Commerce;

38 (ii) Department of Workforce Services;

39 (iii) Department of Transportation;

40 (iv) Department of Health;

41 (v) Department of Administrative Services;

42 (vi) Department of Public Safety;

43 (vii) Utah State Tax Commission; and

44 (viii) Department of Community and Economic Development.

45 (d) "Technology-based contract" means a contract between a state agency and a smart
46 site enterprise for the smart site enterprise to provide the following services:

47 (i) software development and computer programming;

48 (ii) website design;

49 (iii) systems integration;

50 (iv) AutoCad/GIS mapping;

51 (v) help desk support, customer relationship management, and telephone or Internet
52 surveys;

53 (vi) computer graphics, animation, or illustration;

54 (vii) medical billing, coding, transcription, and related medical informatics services;

55 (viii) data entry, data conversion, and imaging;

56 (ix) information technology training and e-learning;

57 (x) network development, management, service, and support;

58 (xi) telecommunications technologies;

- 59 (xii) database development and applications;
- 60 (xiii) multimedia and digital technologies, including DVD;
- 61 (xiv) technical writing;
- 62 (xv) insurance and benefits administration;
- 63 (xvi) data warehousing and storage or web hosting;
- 64 (xvii) billing services; and
- 65 (xviii) information technology consulting.
- 66 (2) The department has the following responsibilities for the smart site program
- 67 authorized under this section:
- 68 (a) to provide market incentives identified in Subsection (4) to eligible state agencies
- 69 and provide technical assistance as appropriate;
- 70 (b) to administer funding and initiate interagency transfers consistent with the
- 71 provisions of this section;
- 72 (c) to provide state agencies with a listing of smart site enterprises;
- 73 (d) to designate a smart site program director and notify state agencies of the
- 74 designation; and
- 75 (e) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
- 76 make rules necessary to administer this section.
- 77 (3) A state agency has the following responsibilities if participating in the smart site
- 78 program offered under this section:
- 79 (a) to enter into a memorandum of understanding with the department indicating the
- 80 steps the agency shall take to encourage smart site enterprises to submit bids for
- 81 technology-based contracts; and
- 82 (b) to submit to the department by no later than July 30 of each fiscal year, an
- 83 accounting of all technology-based contracts awarded to smart site enterprises by the agency.
- 84 (4) (a) A state agency is eligible for an interagency transfer from the department for up
- 85 to 10% of all technology-based contracts awarded to a smart site enterprise under the
- 86 department's smart site program.
- 87 (b) The department shall determine the amount of the interagency transfer as follows:
- 88 (i) if the total number of requests for interagency transfers under the program does not
- 89 exceed the legislative appropriation for the fiscal year, each eligible agency shall receive a full

90 10% transfer; or
91 (ii) if the total number of requests for interagency transfers under the program exceeds
92 the appropriation for the fiscal year, the department shall prorate the amount of each transfer
93 based on the respective percentage of all technology-based contracts submitted to the
94 department by all eligible state agencies.

95 (c) Interagency transfers shall occur no later than August 15 of each budget year to
96 supplement a state agency's budget for the year in which the interagency transfer occurs, to
97 include the awarding of employee incentives and bonuses for participating in the smart site
98 program.

99 **Section 2. Appropriation.**

100 (1) There is appropriated \$200,000 for fiscal year 2004-05 only, from the General Fund
101 to the Department of Community and Economic Development for the interagency transfer
102 referred to in Subsection 9-2-416(4).

103 (2) Appropriations to fund this section for fiscal years subsequent to 2004-05 are
104 subject to the Legislature's general budgetary process and future budget constraints.

105 **Section 3. Effective date.**

106 This bill takes effect on July 1, 2004.

Legislative Review Note
as of 2-5-04 11:36 AM

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

Office of Legislative Research and General Counsel

State Impact

This bill appropriates \$200,000 in FY 2005 only to the Department of Community and Economic Development to implement the provisions of the bill. The appropriation will fund the incentives identified in the bill.

	<u>FY 2005</u> <u>Approp.</u>	<u>FY 2006</u> <u>Approp.</u>	<u>FY 2005</u> <u>Revenue</u>	<u>FY 2006</u> <u>Revenue</u>
General Fund	\$200,000	\$0	\$0	\$0
TOTAL	\$200,000	\$0	\$0	\$0

Individual and Business Impact

Passage of this bill could increase job opportunities in rural areas.
