

**Representative David Clark** proposes the following substitute bill:

**REVIEW AND APPROVAL OF GRANTS**

2008 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: David Clark**

Senate Sponsor: \_\_\_\_\_

---

**LONG TITLE**

**General Description:**

This bill establishes a process for review and approval for certain grants that persons and corporations offer to a state agency.

**Highlighted Provisions:**

This bill:

- ▶ requires that the governor approve certain grants to executive branch agencies;
- ▶ requires the Judicial Council to approve certain grants to judicial branch agencies;
- ▶ requires that the Executive Appropriations Committee review and comment on certain grants;
- ▶ requires that the Legislature review and approve certain grants;
- ▶ establishes remedies if state agencies fail to obtain appropriate approvals; and
- ▶ makes technical corrections.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:



- 26           **63-38h-101**, Utah Code Annotated 1953
- 27           **63-38h-102**, Utah Code Annotated 1953
- 28           **63-38h-201**, Utah Code Annotated 1953
- 29           **63-38h-202**, Utah Code Annotated 1953
- 30           **63-38h-203**, Utah Code Annotated 1953

31 

---

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

33           Section 1. Section **63-38h-101** is enacted to read:

34                           **CHAPTER 38h. GRANTS FROM PERSONS AND CORPORATIONS**

35   **Part 1. General Provisions**

36           **63-38h-101. Definitions.**

37           (1) As used in this chapter:

38           (a) (i) "Agency" means a department, division, committee, commission, council, court,  
39 or other administrative subunit of the state.

40           (ii) "Agency" includes executive branch entities and judicial branch entities.

41           (iii) "Agency" does not mean higher education institutions or political subdivisions.

42           (b) (i) "Grant" means cash or other monies donated to an agency by a grantor required  
43 to be paid to the state.

44           (ii) "Grant" includes a reauthorization of an existing grant.

45           (iii) "Grant" does not mean:

46           (A) monies appropriated to an agency by the Legislature;

47           (B) monies received from the United States government;

48           (C) monies legally required to be paid to the state; or

49           (D) monies legally required to be repaid by the state.

50           (c) "Grantor" means the individual, group of individuals, foundation, corporation, or  
51 public or private organization making the grant.

52           (d) "Grant reauthorization" means the formal submission from an agency to the grantor  
53 applying for reauthorization or seeking reauthorization of a grant.

54           (e) "Grant summary" means a document detailing:

55           (i) the amount of money that is being requested or is available to be received by the  
56 agency from a grant;

57 (ii) the duration of the grant and provisions for its reauthorization or extension, if any;

58 (iii) the name of the grantor;

59 (iv) the purpose of the grant, including, in detail, any programs, resources, and  
60 positions required to be funded by the grant;

61 (v) any requirements that the agency must meet as a condition to receive or participate  
62 in the grant; and

63 (vi) the amount of state monies, if any, that will be required in order to obtain the grant.

64 (f) "New state monies" means monies, whether specifically appropriated by the  
65 Legislature or not, that the grantor requires Utah to expend as a condition for receiving the  
66 grant.

67 (g) "State" means the state of Utah and all of its agencies, and any administrative  
68 subunits of those agencies.

69 (2) When this chapter describes an employee as a "permanent full-time employee" or a  
70 "permanent part-time employee," it is not intended to, and may not be construed to, affect the  
71 employee's status as an at-will employee.

72 Section 2. Section **63-38h-102** is enacted to read:

73 **63-38h-102. Scope and applicability of chapter.**

74 (1) Except as provided in Subsection (2), and except as otherwise provided by a statute  
75 superseding provisions of this chapter by explicit reference to this chapter, the provisions of  
76 this chapter apply to each agency and govern each grant received on or after May 5, 2008.

77 (2) This chapter does not govern:

78 (a) a grant deposited into a General Fund restricted account;

79 (b) a grant deposited into a Trust and Agency Fund as defined in Section 51-5-4;

80 (c) a grant deposited into an Enterprise Fund as defined in Section 51-5-4;

81 (d) a grant made to the state without a restriction or other designated purpose that is  
82 deposited into the General Fund as free revenue;

83 (e) a grant made to the state that is restricted only to "education" and that is deposited  
84 into the Education Fund or Uniform School Fund as free revenue;

85 (f) in-kind donations;

86 (g) a tax, fees, penalty, fine, surcharge, money judgment, or other monies due the state  
87 when required by state law or application of state law;

88 (h) a contribution made under Title 59, Chapter 10, Part 13, Individual Income Tax  
89 Contribution Act;

90 (i) a grant received from another agency or political subdivision;

91 (j) a grant to the Dairy Commission created in Title 4, Chapter 22, Dairy Promotion  
92 Act;

93 (k) a grant to the Heber Valley Railroad Authority created in Title 9, Chapter 3, Part 3,  
94 Heber Valley Historic Railroad Authority;

95 (l) a grant to the Utah Science Center Authority created in Title 9, Chapter 3, Part 4,  
96 Utah Science Center Authority;

97 (m) a grant to the Utah Housing Corporation created in Title 9, Chapter 4, Part 9, Utah  
98 Housing Corporation Act;

99 (n) a grant to the Utah State Fair Corporation created in Title 9, Chapter 4, Part 11,  
100 Utah State Fair Corporation Act;

101 (o) a grant to the Workers' Compensation Fund created in Title 31A, Chapter 33,  
102 Workers' Compensation Fund;

103 (p) a grant to the Utah State Retirement Office created in Title 49, Chapter 11, Utah  
104 State Retirement Systems Administration;

105 (q) a grant to the School and Institutional Trust Lands Administration created in Title  
106 53C, Chapter 1, Part 2, School and Institutional Trust Lands Administration;

107 (r) a grant to the Utah Communications Agency Network created in Title 63C, Chapter  
108 7, Utah Communications Agency Network Act;

109 (s) a grant to the Medical Education Program created in Section 63C-8-102;

110 (t) a grant to the Utah Capital Investment Corporation created in Title 63, Chapter 38f,  
111 Part 12, Utah Venture Capital Enhancement Act;

112 (y) a grant to the State Charter School Finance Authority created in Section  
113 53A-20b-103;

114 (v) a grant to the State Building Ownership Authority created in Section 63B-1-304;

115 (w) a grant to the Utah Comprehensive Health Insurance Pool created in Section  
116 31A-29-104; or

117 (x) a grant to the Military Installation Development Authority created in Section  
118 63H-1-201.



150 (1) (a) Before obligating the state to accept or receive a grant, a judicial branch agency  
151 shall submit a grant summary to the Judicial Council for its approval or rejection when:

152 (i) the state would receive a grant of at least \$10,000 but no more than \$50,000 if the  
153 grant is approved;

154 (ii) receipt of the grant will require no additional permanent full-time employees,  
155 additional permanent part-time employees, or combination of additional permanent full-time  
156 employees and permanent part-time employees; and

157 (iii) no new state monies will be required to match the grant.

158 (b) The Judicial Council shall report each grant authorized under this section to:

159 (i) the Legislature's Executive Appropriations Committee; and

160 (ii) the Office of the Legislative Fiscal Analyst.

161 (2) The Judicial Council shall approve or reject each grant submitted under the  
162 authority of this section.

163 (3) (a) If the Judicial Council approves the grant, the judicial branch agency may accept  
164 the grant.

165 (b) If the Judicial Council rejects the grant, the judicial branch agency may not accept  
166 the grant.

167 (4) If a judicial branch agency fails to obtain the Judicial Council's approval under this  
168 section, the Judicial Council may require the agency to return the grant.

169 Section 5. Section **63-38h-203** is enacted to read:

170 **63-38h-203. Legislative review and approval of certain new grant requests.**

171 (1) As used in this section:

172 (a) "High impact grant" means a grant that will or could:

173 (i) result in the state receiving total payments of \$1,000,000 or more per year from the  
174 grantor;

175 (ii) require the state to add 11 or more permanent full-time employees, 11 or more  
176 permanent part-time employees, or combination of permanent full-time employees and  
177 permanent part-time employees equal to 11 or more in order to receive the grant; or

178 (iii) require the state to expend more than \$1,000,000 of new state monies in a fiscal  
179 year in order to receive or administer the grant.

180 (b) "Medium impact grant" means a grant that will or could:

181 (i) result in the state receiving total payments of more than \$50,000 but less than  
182 \$1,000,000 per year from the grantor;

183 (ii) require the state to add more than zero but less than 11 permanent full-time  
184 employees, more than zero but less than 11 permanent part-time employees, or a combination  
185 of permanent full-time employees and permanent part-time employees equal to more than zero  
186 but less than 11 in order to receive or administer the grant; or

187 (iii) require the state to expend \$1 to \$1,000,000 of new state monies in a fiscal year in  
188 order to receive or administer the grant.

189 (2) (a) Before obligating the state to accept or receive a medium impact grant, and,  
190 where possible, before formally submitting a request for a medium impact grant to the grantor,  
191 an agency shall:

192 (i) submit the grant summary to the governor or the Judicial Council, as appropriate,  
193 for approval or rejection; and

194 (ii) if the governor or Judicial Council approves the grant, submit the grant summary to  
195 the Legislative Executive Appropriations Committee for its review and recommendations.

196 (b) The Legislative Executive Appropriations Committee shall review the grant  
197 summary and may:

198 (i) recommend that the agency accept the grant;

199 (ii) recommend that the agency not accept the grant; or

200 (iii) recommend to the governor that the governor call a special session of the  
201 Legislature to review and approve or reject the acceptance of the grant.

202 (3) (a) Before obligating the state to accept or receive a high impact grant, and, where  
203 possible, before formally submitting a request for a high impact grant to the grantor, an agency  
204 shall:

205 (i) submit the grant summary to the governor or Judicial Council, as appropriate, for  
206 approval or rejection; and

207 (ii) if the governor or Judicial Council approves the grant, submit the grant summary to  
208 the Legislature for its approval or rejection in an annual general session or a special session.

209 (b) (i) If the Legislature approves the grant, the agency may accept the grant.

210 (ii) If the Legislature fails to approve the grant, the agency may not accept the grant.

211 (c) If an agency fails to obtain the Legislature's approval under this Subsection (3):

212           (i) the governor or Judicial Council, as appropriate, may require the agency to return  
213 the grant;

214           (ii) the Legislature may direct the agency to return the grant to the grantor; or

215           (iii) the Legislature may reduce the agency's General Fund appropriation in an amount  
216 less than, equal to, or greater than the amount of the grant received by the agency.



---

---

**H.B. 319 1st Sub. (Buff) - Review and Approval of Grants**

**Fiscal Note**

2008 General Session

State of Utah

---

---

**State Impact**

Enactment of this bill will not require additional appropriations. The bill will require additional reviews of grants received by state agencies. It is unknown how many grants will be reviewed; depending on actual workload the Governor's Office of Planning and Budget may need additional funds for personnel. High impact grants will require legislative approval prior to an agency obligating the state. The bill may cause a delay in accepting or receiving some non-routine grants, but in such cases would also delay incursion of costs.

---

**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.