

1 **RURAL FAST TRACK PROGRAM AMENDMENTS**

2 2011 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Ralph Okerlund**

5 House Sponsor: Christine F. Watkins

6 Cosponsor: Daniel R. Liljenquist

7

8 **LONG TITLE**

9 **Committee Note:**

10 The Workforce Services and Community and Economic Development Interim
11 Committee recommended this bill.

12 **General Description:**

13 This bill amends provisions of the Industrial Assistance Fund regarding the Rural Fast
14 Track Program.

15 **Highlighted Provisions:**

16 This bill:

17 ▶ provides that one of the purposes of the Rural Fast Track Program is to use the
18 Business Expansion and Retention Initiative to further promote business and
19 economic development in rural Utah; and

20 ▶ provides for the Office of Rural Development to administer the Initiative.

21 **Money Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 None

25 **Utah Code Sections Affected:**

26 AMENDS:

27 **63M-1-904**, as last amended by Laws of Utah 2010, Chapter 278



28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58

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

Section 1. Section **63M-1-904** is amended to read:

63M-1-904. Rural Fast Track Program -- Creation -- Funding -- Qualifications for program participation -- Awards -- Reports.

(1) (a) There is created the Rural Fast Track Program, hereafter referred to in this section as "the program."

(b) The program is a funded component of the economically disadvantaged rural areas designation in Subsection 63M-1-903(1)(a).

(2) (a) The purpose of the program is to:

(i) provide an efficient way for small companies in rural Utah to receive incentives for creating high paying jobs in the rural areas of the state; and

(ii) use the Business Expansion and Retention Initiative to further promote business and economic development in rural Utah.

(b) The Office of Rural Development shall administer the Business Expansion and Retention Initiative for the rural areas of the state.

(3) (a) Twenty percent of the money in the Industrial Assistance Account at the beginning of each fiscal year shall be used to fund the program.

(b) The 20% referred to in Subsection (3)(a) is not in addition to but is a part of the up to 50% designation for economically disadvantaged rural areas referred to in Subsection 63M-1-903(1)(a).

(c) If any of the 20% allocation referred to in Subsection (3)(a) has not been used in the program by the end of the third quarter of each fiscal year, that money may be used for any other loan, grant, or assistance program offered through the Industrial Assistance Account during the fiscal year.

(4) (a) To qualify for participation in the program a company shall:

(i) complete and file with the office an application for participation in the program, signed by an officer of the company;

(ii) be located and conduct its business operations in a county in the state that has:

(A) a population of less than 30,000; and

(B) an average household income of less than \$60,000 as reflected in the most recently

59 available data collected and reported by the United States Census Bureau;

60 (iii) have been in business in the state for at least two years; and

61 (iv) have at least two employees.

62 (b) (i) Office staff shall verify an applicant's qualifications under Subsection (4)(a).

63 (ii) The application must be approved by the administrator in order for a company to
64 receive an incentive or other assistance under this section.

65 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
66 administrator may make rules governing:

67 (i) the content of the application form referred to in Subsection (4)(a)(i);

68 (ii) who qualifies as an employee under Subsection (4)(a)(iv); and

69 (iii) the verification procedure referred to in Subsection (4)(b).

70 (5) (a) The administrator shall make incentive cash awards to small companies under
71 this section based on the following criteria:

72 (i) \$1,000 for each new incremental job that pays over 110% of the county's average
73 annual wage;

74 (ii) \$1,250 for each incremental job that pays over 115% of the county's average annual
75 wage; and

76 (iii) \$1,500 for each incremental job that pays over 125% of the county's average
77 annual wage.

78 (b) The administrator shall make a cash award under Subsection (5)(a) when a new
79 incremental job has been in place for at least 12 months.

80 (c) The creation of a new incremental job by a company is based on the number of
81 employees at the company during the previous 24 months.

82 (d) (i) A small company may also apply for grants, loans, or other financial assistance
83 under the program to help develop its business in rural Utah and may receive up to \$50,000
84 under the program if approved by the administrator.

85 (ii) The board must approve a distribution that exceeds the \$50,000 cap under
86 Subsection (5)(d)(i).

87 (6) The administrator shall make a quarterly report to the board of the awards made by
88 the administrator under this section and an annual report to the Legislative Workforce Services
89 and Community and Economic Development Interim Committee as to the awards and their

90 impact on economic development in the state's rural areas.

Legislative Review Note
as of 11-17-10 2:57 PM

Office of Legislative Research and General Counsel

FISCAL NOTE

S.B. 31, 2011 General Session

SHORT TITLE: Rural Fast Track Program Amendments

SPONSOR: Okerlund, R.

STATE OF UTAH

STATE GOVERNMENT (UCA 36-12-13(2)(b))

Enactment of this bill would have no net state impact. There would be a shift in the distribution of existing Industrial Assistance Funds towards Rural Fast Track projects. The final amounts of the shift will be determined by the Governor's Office of Economic Development Board.

LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

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

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Enactment of this bill likely will not result in direct, measurable expenditures by Utah residents or businesses.