

DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT

AMENDMENTS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Scott K. Jenkins

House Sponsor: Gage Froerer

LONG TITLE

General Description:

This bill creates a State Small Business Credit Initiative Program Fund to be administered by the Division of Housing and Community Development.

Highlighted Provisions:

This bill:

- ▶ creates the State Small Business Credit Initiative Program Fund;
- ▶ provides for the fund to be administered by the director of the Division of Housing and Community Development within the Department of Community and Culture;
- ▶ provides that the director may make loans and loan guarantees from the fund for the Small Business Initiative created by the federal government to use federal money for programs that leverage private money to help finance small businesses and manufacturers that are creditworthy but not receiving the loans needed to expand and create jobs;
- ▶ provides for distribution of fund money; and
- ▶ provides for an annual accounting of fund money.

Money Appropriated in this Bill:

None

Other Special Clauses:

None



28 **Utah Code Sections Affected:**

29 AMENDS:

30 **63J-1-602.1**, as enacted by Laws of Utah 2010, Chapter 265

31 ENACTS:

32 **9-4-1601**, Utah Code Annotated 1953

33 **9-4-1602**, Utah Code Annotated 1953

34 **9-4-1603**, Utah Code Annotated 1953



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

37 Section 1. Section **9-4-1601** is enacted to read:

38 **Part 16. State Small Business Credit Initiative Program Fund**

39 **9-4-1601. Creation and administration.**

40 (1) There is created an enterprise fund known as the "State Small Business Credit
41 Initiative Program Fund" administered by the director of the division or the director's designee.

42 (2) The division is the administrator of the fund.

43 (3) Revenues deposited into the fund shall consist of:

44 (a) grants, pay backs, bonuses, entitlements, and other money received from the federal
45 government to implement the State Small Business Credit Initiative; and

46 (b) transfers, grants, gifts, bequests, or any money made available from any source to
47 implement this part.

48 (4) (a) The state treasurer shall invest the money in the fund according to the
49 procedures and requirements of Title 51, Chapter 7, State Money Management Act.

50 (b) All interest or other earnings derived from the fund money shall be deposited in the
51 fund.

52 (5) The division may use fund money for administration of the fund, but not to exceed
53 4% of the annual receipts to the fund.

54 Section 2. Section **9-4-1602** is enacted to read:

55 **9-4-1602. Distribution of fund money.**

56 (1) (a) The director shall make loans and loan guarantees from the fund for the Small
57 Business Credit Initiative created under the federal government's Small Business Jobs Act of
58 2010, to use federal money for programs that leverage private lending to help finance small

59 businesses and manufacturers that are creditworthy but not receiving the loans needed to
60 expand and create jobs.

61 (b) In making loans and loan guarantees under this part, the director shall give due
62 consideration to small businesses in underserved communities throughout the state that have
63 been deeply impacted by recession and not seen a comparable resurgence in their economies.

64 (2) The director shall distribute any federal money in the fund according to the
65 procedures, conditions, and restrictions placed upon the use of the money by the federal
66 government.

67 (3) The director may, with the approval of the executive director of the department:

68 (a) enact rules to establish procedures for the loan and loan guarantee process by
69 following the procedures and requirements of Title 63G, Chapter 3, Utah Administrative
70 Rulemaking Act; and

71 (b) service or contract, under Title 63G, Chapter 6, Utah Procurement Code, for the
72 servicing of loans made by the fund.

73 Section 3. Section **9-4-1603** is enacted to read:

74 **9-4-1603. Annual accounting.**

75 (1) The director shall monitor the activities of recipients of the loans and loan
76 guarantees issued under this part on a yearly basis to ensure compliance with the terms and
77 conditions imposed on the recipient by the director under this part.

78 (2) An entity receiving a loan or loan guarantee under this part shall provide the
79 director with an annual accounting of how the money it received from the fund was spent.

80 (3) The director shall submit an annual report to the Workforce Services and
81 Community and Economic Development Interim Committee before December 1 of each year:

82 (a) accounting for expenditures made from the fund; and

83 (b) evaluating the effectiveness of the loan and loan guarantee program.

84 Section 4. Section **63J-1-602.1** is amended to read:

85 **63J-1-602.1. List of nonlapsing accounts and funds -- General authority and Title**
86 **1 through Title 30.**

87 (1) Appropriations made to the Legislature and its committees.

88 (2) The Salinity Offset Fund created in Section 4-2-8.5.

89 (3) The Invasive Species Mitigation Account created in Section 4-2-8.7.

- 90 (4) The Rangeland Improvement Account created in Section 4-20-2.
- 91 (5) The State Small Business Credit Initiative Program Fund created in Section
- 92 9-4-1601.
- 93 [~~5~~] (6) The Percent-for-Art Program created in Section 9-6-404.
- 94 [~~6~~] (7) The Centennial History Fund created in Section 9-8-604.
- 95 [~~7~~] (8) The Uintah Basin Revitalization Fund, as provided in Section 9-10-108.
- 96 [~~8~~] (9) The Navajo Revitalization Fund created in Section 9-11-104.
- 97 [~~9~~] (10) The LeRay McAllister Critical Land Conservation Program created in
- 98 Section 11-38-301.
- 99 [~~10~~] (11) The Clean Fuels and Vehicle Technology Fund created in Section 19-1-403.
- 100 [~~11~~] (12) An appropriation made to the Division of Wildlife Resources for the
- 101 appraisal and purchase of lands under the Pelican Management Act, as provided in Section
- 102 23-21a-6.
- 103 [~~12~~] (13) Award money under the Crime Reduction Assistance Program, as provided
- 104 under Section 24-1-19.
- 105 [~~13~~] (14) Funds collected from the emergency medical services grant program, as
- 106 provided in Section 26-8a-207.
- 107 [~~14~~] (15) The Utah Health Care Workforce Financial Assistance Program created in
- 108 Section 26-46-102.

Legislative Review Note
as of 2-16-11 9:29 AM

Office of Legislative Research and General Counsel

FISCAL NOTE

S.B. 198

SHORT TITLE: Division of Housing and Community Development Amendments

SPONSOR: Jenkins, S.

2011 GENERAL SESSION, STATE OF UTAH

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

Enactment of this bill would establish a restricted account for the Small Business Loan Program. The program anticipates \$24,000,000 in funding from non-state sources in FY 2012.

STATE BUDGET DETAIL TABLE

	FY 2011	FY 2012	FY 2013
Revenue:			
Federal Funds	\$0	\$4,000,000	\$0
Dedicated Credits	\$0	\$20,000,000	\$0
Total Revenue	\$0	\$24,000,000	\$0
Expenditure:			
Restricted Funds	\$0	\$24,000,000	\$0
Total Expenditure	\$0	\$24,000,000	\$0
Net Impact, All Funds (Rev.-Exp.)	\$0	\$0	\$0
Net Impact, General/Education Funds	\$0	\$0	\$0

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

Enactment of this bill likely will not result in direct, measurable costs 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.