

1 **AMENDMENTS TO GOVERNOR'S RURAL BOARDS**

2 2014 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Ralph Okerlund**

5 House Sponsor: Ronda Rudd Menlove

7 **LONG TITLE**

8 **General Description:**

9 This bill amends provisions relating to the Governor's Rural Partnership Board and
10 repeals provisions relating to the Rural Coordinating Committee.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ defines terms;
- 14 ▶ provides that the Governor's Rural Partnership Board shall include:
 - 15 • a rural representative from the Department of Workforce Services;
 - 16 • the director of the Division of Indian Affairs or the director's designee; and
 - 17 • a representative from a rural association of governments;
- 18 ▶ creates an executive committee of the Governor's Rural Partnership Board;
- 19 ▶ provides that the Governor's Rural Partnership Board may, under certain
20 circumstances, remove a board member who does not attend at least 60% of the
21 Governor's Rural Partnership Board's meetings in a calendar year;
 - 22 ▶ provides that the director of the Office of Rural Development shall serve as staff to
23 the Governor's Rural Partnership Board;
 - 24 ▶ modifies the duties of the Governor's Rural Partnership Board;
 - 25 ▶ modifies provisions related to accreditation for purposes of a tax credit for
26 community and economic development;
 - 27 ▶ repeals the Rural Coordinating Committee and related provisions; and
 - 28 ▶ makes technical and conforming changes.

29 **Money Appropriated in this Bill:**

30 None

31 **Other Special Clauses:**

32 None

33 **Utah Code Sections Affected:**

34 AMENDS:

35 **63C-10-102**, as last amended by Laws of Utah 2010, Chapter 286

36 **63C-10-103**, as enacted by Laws of Utah 2004, Chapter 73

37 **63M-1-413**, as last amended by Laws of Utah 2011, Chapter 84

38 **63M-1-1603**, as last amended by Laws of Utah 2008, Chapter 381 and renumbered and
39 amended by Laws of Utah 2008, Chapter 382

40 **63M-1-1604**, as last amended by Laws of Utah 2010, Chapter 391

41 **63M-1-1605**, as last amended by Laws of Utah 2008, Chapter 381 and renumbered and
42 amended by Laws of Utah 2008, Chapter 382

43 REPEALS:

44 **63C-10-201**, as last amended by Laws of Utah 2008, Chapter 33

45 **63C-10-202**, as enacted by Laws of Utah 2004, Chapter 73



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

48 Section 1. Section **63C-10-102** is amended to read:

49 **63C-10-102. Governor's Rural Partnership Board -- Creation -- Membership --**
50 **Vacancies -- Chairs -- Expenses.**

51 (1) As used in this section:

52 (a) "Board" means the Governor's Rural Partnership Board, created in Subsection (2).

53 (b) "Executive committee" means the executive committee of the Governor's Rural
54 Partnership Board, created in Subsection (5).

55 ~~(1)~~ (2) There is created the Governor's Rural Partnership Board composed of ~~15~~ 17
56 members as follows:

57 (a) the governor or the governor's designee;

58 (b) a rural member of the Utah Association of Counties' Board of Directors, appointed
 59 by the association's board;

60 (c) a rural member of the Utah League of Cities and Towns' Board of Directors,
 61 appointed by the league's board;

62 (d) the vice president of Utah State University's Extension Services or the vice
 63 president's designee;

64 (e) the president of Southern Utah University or the president's designee;

65 ~~[(f) the chair of the Utah Rural Development Council;]~~

66 (f) a rural representative from the Department of Workforce Services, appointed by the
 67 Department of Workforce Services;

68 (g) the director of the Division of Indian Affairs or the director's designee;

69 (h) a representative from a rural association of governments;

70 ~~[(g)]~~ (i) a rural representative of agriculture;

71 ~~[(h)]~~ (j) a rural representative of the travel industry;

72 ~~[(i)]~~ (k) a representative of rural utilities;

73 ~~[(j)]~~ (l) a representative from the oil, gas, or mineral extraction industry; and

74 ~~[(k)]~~ (m) five rural members appointed by the governor, at least one of which shall be a
 75 representative from a rural private business.

76 ~~[(2)]~~ (3) (a) Except as required by Subsection ~~[(2)]~~ (3)(b), board members identified in
 77 Subsections ~~[(1)]~~ (2)(b), (c), ~~[(g)]~~ (f), (h), (i), (j), ~~[and]~~ (k), (l), and (m) shall be appointed for
 78 four-year terms.

79 (b) ~~[Notwithstanding the requirements of Subsection (2)(a), the]~~ The governor shall, at
 80 the time of appointment or reappointment for members appointed under Subsection ~~[(1)]~~ (k)
 81 (2)(m), adjust the length of terms to ensure that the terms of these members are staggered so
 82 that approximately half of these five members are appointed every two years.

83 (c) When a vacancy occurs in the membership for any reason, the replacement shall be
 84 appointed for the unexpired term in the same manner as the vacated member was chosen.

85 (d) Once initial board appointments are made pursuant to Subsection ~~[(1)]~~ (k) (2)(m),

86 recommendations for filling vacancies for any reason of those five board positions shall be
87 made to the governor from a nominating committee consisting of:

88 (i) three individuals selected by the ~~[Steering Committee of the Rural Coordinating~~
89 ~~Committee]~~ executive committee; and

90 ~~[(ii) three individuals selected by the Governor's Rural Partnership Board from the~~
91 ~~Utah Rural Development Council membership.]~~

92 (ii) three members of the board, selected by the board.

93 (e) The board may remove a member appointed under Subsection (2)(m) who does not
94 attend at least 60% of the board's meetings in any calendar year.

95 ~~[(3)(a)]~~ (4) The governor or the governor's designee and a board member selected by
96 majority vote of the board shall serve as [cochair] cochairs of the board.

97 ~~[(b) The chair of the Utah Rural Development Council shall serve as cochair of the~~
98 ~~board.]~~

99 (5) The board's executive committee shall consist of four board members, as follows:

100 (a) the cochair selected by the board in accordance with Subsection (4);

101 (b) the board members described in Subsections (2)(d) and (e); and

102 (c) a board member selected by majority vote of the board.

103 (6) (a) The director of the Office of Rural Development shall serve as staff to the board
104 and to the executive committee.

105 (b) In serving as staff to the board and to the executive committee, the director of the
106 Office of Rural Development shall:

107 (i) perform all necessary administrative functions, including scheduling meetings and
108 preparing agendas;

109 (ii) assist the board in the development and implementation of the board's initiatives
110 and programs; and

111 (iii) work with board members to coordinate efforts and focus available resources to
112 perform the board's duties, described in Section [63C-10-103](#).

113 ~~[(4)]~~ (7) The board shall meet at the call of the cochairs, but at least semiannually.

114 ~~[(5)(a)]~~ (8) A majority of the members of the board constitute a quorum.

115 ~~[(b)]~~ (9) The action of a majority of a quorum constitutes the action of the board.

116 ~~[(6)]~~ (10) A member may not receive compensation or benefits for the member's
117 service, but may receive per diem and travel expenses in accordance with:

118 (a) Section [63A-3-106](#);

119 (b) Section [63A-3-107](#); and

120 (c) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
121 [63A-3-107](#).

122 Section 2. Section **63C-10-103** is amended to read:

123 **63C-10-103. Duties.**

124 (1) The board shall:

125 ~~[(1)]~~ (a) serve as an advisory board to:

126 (i) the governor on rural economic and planning issues; and

127 (ii) the Governor's Office of Economic Development on rural economic development
128 issues;

129 ~~[(2)]~~ (b) prepare an annual strategic plan that:

130 ~~[(a)]~~ (i) identifies rural economic development, planning, and leadership training
131 challenges, opportunities, priorities, and objectives; and

132 ~~[(b)]~~ (ii) includes a work plan for accomplishing the objectives referred to in

133 Subsection ~~[(2)(a)]~~ (1)(b)(i);

134 ~~[(3) solicit input from, and work collaboratively with, the Utah Rural Development~~
135 ~~Council and the Rural Coordinating Committee in the development of the strategic plan~~
136 ~~referred to in Subsection (2);]~~

137 ~~[(4) present the strategic plan to the Utah Rural Development Council membership for~~
138 ~~approval and adoption;]~~

139 ~~[(5) work with the Rural Coordinating Committee to:]~~

140 ~~[(a) coordinate and focus available resources in ways that effectively address the~~
141 ~~economic development, planning, and leadership training challenges and priorities; and]~~

142 ~~[(b) give direction and oversight to the Rural Coordinating Committee's programs and~~
143 ~~activities;]~~

144 ~~[(6) oversee the implementation of the strategic plan created under Subsection (2); and]~~

145 ~~[(7) make recommendations on economic planning and development in the state's rural~~
146 ~~areas and related issues to the Legislature through the Rural Development Legislative Liaison~~
147 ~~Committee established in Section ~~36-25-102~~.]~~

148 (c) identify local, regional, and statewide rural economic development and planning
149 priorities;

150 (d) study and take input on issues relating to local, regional, and statewide rural
151 economic development, including challenges, opportunities, best practices, policy, planning,
152 and collaboration;

153 (e) advocate for rural needs, programs, policies, opportunities, and other issues relating
154 to rural economic development and planning; and

155 (f) no later than October 1 of each year, submit to the governor and to the Legislature
156 an annual report, in accordance with Section ~~68-3-14~~, that provides:

157 (i) an overview of the rural economy in the state;

158 (ii) a summary of current issues and policy matters relating to rural economic
159 development; and

160 (iii) a statement of the board's initiatives, programs, and economic development
161 priorities.

162 (2) The board may engage in activities necessary to fulfill the board's duties, including:

163 (a) propose or support rural economic development legislation; and

164 (b) create one or more subcommittees.

165 Section 3. Section **63M-1-413** is amended to read:

166 **63M-1-413. State tax credits.**

167 (1) Subject to the limitations of Subsections (2) through (4), the following
168 nonrefundable tax credits against a tax under Title 59, Chapter 7, Corporate Franchise and
169 Income Taxes, or Title 59, Chapter 10, Individual Income Tax Act, are applicable in an

170 enterprise zone:

171 (a) a tax credit of \$750 may be claimed by a business entity for each new full-time
172 employee position created within the enterprise zone;

173 (b) an additional \$500 tax credit may be claimed if the new full-time employee position
174 created within the enterprise zone pays at least 125% of:

175 (i) the county average monthly nonagricultural payroll wage for the respective industry
176 as determined by the Department of Workforce Services; or

177 (ii) if the county average monthly nonagricultural payroll wage is not available for the
178 respective industry, the total average monthly nonagricultural payroll wage in the respective
179 county where the enterprise zone is located;

180 (c) an additional tax credit of \$750 may be claimed if the new full-time employee
181 position created within the enterprise zone is in a business entity that adds value to agricultural
182 commodities through manufacturing or processing;

183 (d) an additional tax credit of \$200 may be claimed for two consecutive years for each
184 new full-time employee position created within the enterprise zone that is filled by an
185 employee who is insured under an employer-sponsored health insurance program if the
186 employer pays at least 50% of the premium cost for the year for which the credit is claimed;

187 (e) a tax credit of 50% of the value of a cash contribution to a private nonprofit
188 corporation, except that the credit claimed may not exceed \$100,000:

189 (i) that is exempt from federal income taxation under Section 501(c)(3), Internal
190 Revenue Code;

191 (ii) whose primary purpose is community and economic development; and

192 (iii) that has been accredited by the ~~[board of directors of the Utah Rural Development~~
193 ~~Council]~~ Governor's Rural Partnership Board;

194 (f) a tax credit of 25% of the first \$200,000 spent on rehabilitating a building in the
195 enterprise zone that has been vacant for two years or more; and

196 (g) an annual investment tax credit of 10% of the first \$250,000 in investment, and 5%
197 of the next \$1,000,000 qualifying investment in plant, equipment, or other depreciable

198 property.

199 (2) (a) Subject to the limitations of Subsection (2)(b), a business entity claiming tax
200 credits under Subsections (1)(a) through (d) may claim the tax credits for up to 30 full-time
201 employee positions per taxable year.

202 (b) A business entity that received a tax credit for one or more new full-time employee
203 positions under Subsections (1)(a) through (d) in a prior taxable year may claim a tax credit for
204 a new full-time employee position in a subsequent taxable year under Subsections (1)(a)
205 through (d) if:

206 (i) the business entity has created a new full-time position within the enterprise zone;
207 and

208 (ii) the total number of full-time employee positions at the business entity at any point
209 during the tax year for which the tax credit is being claimed is greater than the number of
210 full-time employee positions that existed at the business entity at any point during the taxable
211 year immediately preceding the taxable year for which the credit is being claimed.

212 (c) Construction jobs are not eligible for the tax credits under Subsections (1)(a)
213 through (d).

214 (3) If the amount of a tax credit under this section exceeds a business entity's tax
215 liability under this chapter for a taxable year, the business entity may carry forward the amount
216 of the tax credit exceeding the liability for a period that does not exceed the next three taxable
217 years.

218 (4) Tax credits under Subsections (1)(a) through (g) may not be claimed by a business
219 entity primarily engaged in retail trade or by a public utilities business.

220 (5) A business entity that has no employees:

221 (a) may not claim tax credits under Subsections (1)(a) through (d); and

222 (b) may claim tax credits under Subsections (1)(e) through (g).

223 (6) A business entity may not claim or carry forward a tax credit available under this
224 part for a taxable year during which the business entity has claimed the targeted business
225 income tax credit available under Section [63M-1-504](#).

226 Section 4. Section **63M-1-1603** is amended to read:

227 **63M-1-1603. Purpose of the Office of Rural Development.**

228 The Office of Rural Development is established to:

229 (1) foster and support economic development programs and activities for the benefit of
230 rural counties and communities;

231 (2) foster and support community, county, and resource management planning
232 programs and activities for the benefit of rural counties and communities;

233 (3) foster and support leadership training programs and activities for the benefit of:

234 (a) rural leaders in both the public and private sectors;

235 (b) economic development and planning personnel; and

236 (c) rural government officials;

237 (4) foster and support efforts to coordinate and focus the technical and other resources
238 of appropriate institutions of higher education, local governments, private sector interests,
239 associations, nonprofit organizations, federal agencies, and others, in ways that address the
240 economic development, planning, and leadership challenges and priorities of rural Utah as
241 identified in the strategic plan required under Subsection **63C-10-103**~~[(2)]~~(1)(b);

242 (5) work to enhance the capacity of the Governor's Office of Economic Development
243 to address rural economic development, planning, and leadership training challenges and
244 opportunities by establishing partnerships and positive working relationships with appropriate
245 public and private sector entities, individuals, and institutions; and

246 (6) foster government-to-government collaboration and good working relations
247 between state and rural government regarding economic development and planning issues.

248 Section 5. Section **63M-1-1604** is amended to read:

249 **63M-1-1604. Duties.**

250 (1) The Office of Rural Development shall:

251 (a) provide~~[, in conjunction with the Rural Coordinating Committee,]~~ staff support to
252 the Governor's Rural Partnership Board in accordance with Subsection **63C-10-102**(6);

253 (b) facilitate within the Governor's Office of Economic Development implementation

254 of the strategic plan prepared under Subsection ~~63C-10-103(2)~~(1)(b);

255 (c) work to enhance the capacity of the Governor's Office of Economic Development to
256 address rural economic development, planning, and leadership training challenges and
257 opportunities by establishing partnerships and positive working relationships with appropriate
258 public and private sector entities, individuals, and institutions;

259 (d) work with the ~~[Rural Coordinating Committee]~~ Governor's Rural Partnership Board
260 to coordinate and focus available resources in ways that address the economic development,
261 planning, and leadership training challenges and priorities in rural Utah; and

262 (e) in accordance with economic development and planning policies set by state
263 government, coordinate relations between:

264 (i) the state;

265 (ii) rural governments;

266 (iii) other public and private groups engaged in rural economic planning and
267 development; and

268 (iv) federal agencies.

269 (2) (a) The Office of Rural Development may:

270 (i) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
271 make rules necessary to carry out its duties;

272 (ii) accept gifts, grants, devises, and property, in cash or in kind, for the benefit of rural
273 Utah citizens; and

274 (iii) use those gifts, grants, devises, and property received under Subsection (2)(a)(ii)
275 for the use and benefit of rural citizens within the state.

276 (b) All resources received under Subsection (2)(a)(ii) shall be deposited in the General
277 Fund as dedicated credits to be used as directed in Subsection (2)(a)(iii).

278 Section 6. Section **63M-1-1605** is amended to read:

279 **63M-1-1605. Program manager.**

280 (1) The director of the Governor's Office of Economic Development shall appoint a
281 director for the Office of Rural Development with the approval of the governor.

282 (2) The director of the Office of Rural Development shall be a person knowledgeable
283 in the field of rural economic development and planning and experienced in administration.

284 (3) Upon change of the director of the Governor's Office of Economic Development,
285 the director of the Office of Rural Development may not be dismissed without cause for at least
286 180 days.

287 (4) The director of the Office of Rural Development shall ~~[be a member of the Rural~~
288 ~~Coordinating Committee's Steering Committee created in Subsection 63C-10-202(3)]~~ serve as
289 staff to the Governor's Rural Partnership Board and to the executive committee of the
290 Governor's Rural Partnership Board in accordance with Subsection 63C-10-102(6).

291 Section 7. **Repealer.**

292 This bill repeals:

293 Section **63C-10-201, Rural Coordinating Committee -- Creation -- Membership --**
294 **Chair -- Vacancies -- Quorum -- Expenses.**

295 Section **63C-10-202, Duties -- Rural Coordinating Committee Steering Committee.**