

28 **Money Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 None

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **53-2a-602**, as last amended by Laws of Utah 2013, Chapter 117 and renumbered and
35 amended by Laws of Utah 2013, Chapter 295

36 **53-2a-603**, as last amended by Laws of Utah 2013, Chapter 117 and renumbered and
37 amended by Laws of Utah 2013, Chapter 295

38 **63J-1-314**, as last amended by Laws of Utah 2013, Chapter 295

39 ENACTS:

40 **53-2a-607**, Utah Code Annotated 1953

41 **53-2a-608**, Utah Code Annotated 1953

42 **53-2a-609**, Utah Code Annotated 1953



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

45 Section 1. Section **53-2a-602** is amended to read:

46 **53-2a-602. Definitions.**

47 (1) Unless otherwise defined in this section, the terms [~~defined in Part 1, Emergency~~
48 ~~Management Act, shall have the same meaning for this part] that are used in this part mean the
49 same as ~~H~~→ [these] those ←~~H~~ terms are defined in Part 1, Emergency Management Act.~~

50 (2) As used in this part:

51 (a) "Declared disaster" means one or more events:

52 (i) within the state;

53 (ii) that occur within a limited period of time;

54 (iii) that involve:

55 (A) a significant number of persons being at risk of bodily harm, sickness, or death; or

56 (B) a significant portion of real property at risk of loss;

57 (iv) that are sudden in nature and generally occur less frequently than every three years;

58 and

121 and reporting.

122 (j) "Special service district" [~~has the same meaning as~~] means the same as that term is
123 defined in Section 17D-1-102.

124 (k) "State's prime interest rate" means the average interest rate paid by the state on
125 general obligation bonds issued during the most recent fiscal year in which bonds were sold.

126 Section 2. Section **53-2a-603** is amended to read:

127 **53-2a-603. State Disaster Recovery Restricted Account.**

128 (1) (a) There is created a restricted account in the General Fund known as the "State
129 Disaster Recovery Restricted Account."

130 (b) The disaster recovery [~~fund shall consist~~] account consists of:

131 (i) money deposited into the disaster recovery ~~H→~~ [~~fund~~] account ~~←H~~ in accordance
131a with Section

132 63J-1-314;

133 (ii) money appropriated to the disaster recovery ~~H→~~ [~~fund~~] account ~~←H~~ by the
133a Legislature; and

134 (iii) any other public or private money received by the division that is:

135 (A) given to the division for purposes consistent with this section; and

136 (B) deposited into the disaster recovery ~~H→~~ [~~fund~~] account ~~←H~~ at the request of:

137 (I) the division; or

138 (II) the person or entity giving the money.

139 (c) The Division of Finance shall deposit interest or other earnings derived from
140 investment of [~~fund~~] account money into the General Fund.

141 (2) Subject to being appropriated by the Legislature, money in the disaster recovery
142 [~~fund~~] account may only be expended or committed to be expended as follows:

143 (a) (i) subject to Section 53-2a-606, in any fiscal year the division may expend or
144 commit to expend an amount that does not exceed \$250,000, in accordance with Section
145 53-2a-604, to fund costs to the state of emergency disaster services in response to a declared
146 disaster;

147 (ii) subject to Section 53-2a-606, in any fiscal year the division may expend or commit
148 to expend an amount that exceeds \$250,000, but does not exceed \$1,000,000, in accordance
149 with Section 53-2a-604, to fund costs to the state of emergency disaster services in response to
150 a declared disaster if the division:

151 (A) before making the expenditure or commitment to expend, obtains approval for the

183 (3) The state treasurer shall invest money in the disaster recovery fund according to
184 Title 51, Chapter 7, State Money Management Act.

185 (4) (a) Except as provided in Subsections (1) and (2), the money in the disaster
186 recovery ~~H→~~ **[fund] account** ~~←H~~ may not be diverted, appropriated, expended, or committed
186a to be expended for a
187 purpose that is not listed in this section.

188 (b) Notwithstanding Section 63J-1-410, the Legislature may not appropriate money
189 from the disaster recovery ~~H→~~ **[fund] account** ~~←H~~ to eliminate or otherwise reduce an
189a operating deficit if the
190 money appropriated from the disaster recovery ~~H→~~ **[fund] account** ~~←H~~ is expended or
190a committed to be expended
191 for a purpose other than one listed in this section.

192 (c) The Legislature may not amend the purposes for which money in the disaster
193 recovery ~~H→~~ **[fund] account** ~~←H~~ may be expended or committed to be expended except
193a by the affirmative vote of
194 two-thirds of all the members elected to each house.

195 (5) The division:

196 (a) shall provide the notice required by Subsection (2)(a)(ii) using the best available
197 method under the circumstances as determined by the division; and

198 (b) may provide the notice required by Subsection (2)(a)(ii) in electronic format.

199 Section 3. Section **53-2a-607** is enacted to read:

200 **53-2a-607. Creation and administration.**

201 (1) (a) There is created an enterprise fund known as the Local Government Emergency
202 Response Loan Fund.

203 (b) The division as defined in Section 53-2a-103 is the administrator of the fund.

204 (2) The fund consists of:

205 (a) money appropriated to the fund by the Legislature;

206 (b) money received for the repayment of loans made from the fund;

207 (c) interest earned on the fund; and

208 (d) money deposited into the fund in accordance with Section 63J-1-314.

209 (3) The money in the fund shall be invested by the state treasurer according to the
210 procedures and requirements of Title 51, Chapter 7, State Money Management Act, except that
211 all interest or other earnings derived from money in the fund shall be deposited into the fund.

212 (4) Local government entities may apply through the division for a short-term loan
213 from the fund for the purposes provided in Section 53-2a-608, provided that the local

214 government entity:

215 (a) agrees to the terms of the loan; and

216 (b) is not in default on any other state loans administered by the Division of Finance or
217 any other state agency.

218 (5) The division may not loan out:

219 (a) more than 50% of the total account balance available at the time that a loan request
220 is made by a local government entity; or

221 (b) an amount that will leave the fund balance at less than \$10,000,000.

222 Section 4. Section **53-2a-608** is enacted to read:

223 **53-2a-608. Purposes and criteria for loans.**

224 (1) Money in the fund shall be used by the ~~H~~→ [department] division ←~~H~~, as
224a prioritized by the director,

225 only to:

226 (a) provide loans to local government entities for:

227 (i) the costs incurred by a local government entity for providing emergency disaster
228 services as defined in Section 53-2a-602; or

229 (ii) providing any state or local matching funds to secure federal funds or grants related
230 to a declared disaster, as defined in Section 53-2a-602; ~~H~~→ [and] ←~~H~~

231 (b) pay the Division of Finance for the costs of administering the fund, providing loans,
232 and obtaining repayments of loans ~~H~~→ []; and

232a (c) provide funds to state agencies for the costs of responding to a declared
232b disaster. ←~~H~~

233 (2) The division shall establish the terms and conditions of the loans and the repayment
234 schedule consistent with the following criteria:

235 (a) the interest rate charged and the maximum payback period on all loans shall be:

236 (i) the state's prime interest rate at the time of loan closing, plus zero percent, with a
237 maximum payback period of 10 years if the applicant has reserved an average of 90% to 100%
238 of the amount authorized in Section 53-2a-605 over the previous five fiscal years;

239 (ii) the state's prime interest rate at the time of loan closing, plus 2%, with a maximum
240 payback period of five years if the applicant has reserved an average of 70% up to 90% of the
241 amount authorized in Section 53-2a-605 over the previous five fiscal years; or

242 (iii) the state's prime interest rate at the time of loan closing, plus 4%, with a maximum
243 payback period of three years if the applicant has reserved an average of 50% up to 70% of the
244 amount authorized in Section 53-2a-605 over the previous five fiscal years; and