

**ECONOMIC DEVELOPMENT TAX INCREMENT FINANCING**

**AMENDMENTS**

2016 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Rebecca P. Edwards**

Senate Sponsor: Lincoln Fillmore

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**LONG TITLE**

**Committee Note:**

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

**General Description:**

This bill modifies economic development incentives administered by the Governor's Office of Economic Development.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ allows for the state to pay certain outstanding financial commitments;
- ▶ enacts provisions for the state to pay a partial rebate to a business entity for a

portion of new state revenue generated by a business entity's new commercial project for an agreement initially entered into before May 5, 2008;

- ▶ creates the Economic Incentive Restricted Account as a restricted account in the General Fund; and
- ▶ provides procedures for the applications and payment of a partial rebate.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**



28 None

29 **Utah Code Sections Affected:**

30 ENACTS:

31 **63N-2-109**, Utah Code Annotated 1953



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

34 Section 1. Section **63N-2-109** is enacted to read:

35 **63N-2-109. Transition clause -- Renegotiation of agreements -- Payment of partial**  
36 **rebates.**

37 (1) As used in this section:

38 (a) "Account" means the Economic Incentive Restricted Account created in Subsection  
39 (2).

40 (b) "Partial rebate" means an agreement between the office and a business entity under  
41 which the state agrees to pay back to the business entity a portion of new state revenue  
42 generated by a business entity's new commercial project.

43 (2) (a) There is created a restricted account in the General Fund known as the  
44 Economic Incentive Restricted Account.

45 (b) The account shall consist of money transferred into the account by the Division of  
46 Finance from the General Fund as provided in this section.

47 (c) The Division of Finance shall make payments from the account as required by this  
48 section.

49 (3) The Division of Finance shall make partial rebate payments due under an  
50 agreement initially entered into by the office before May 5, 2008, as provided in this section.

51 (4) (a) Each business entity seeking a partial rebate shall follow the procedures and  
52 requirements of this Subsection (4) to obtain a partial rebate.

53 (b) Within 90 days of the end of each calendar year, a business entity seeking a partial  
54 rebate shall:

55 (i) provide the office with documentation of the new state revenue that the business  
56 entity generated during the preceding calendar year;

57 (ii) provide the office with a document that expressly directs and authorizes the State  
58 Tax Commission to disclose to the office the business entity's returns and other information

59 that would otherwise be subject to confidentiality under Section [59-1-403](#) or Section 6103,  
60 Internal Revenue Code; and  
61 (iii) ensure that the documentation includes:  
62 (A) the types of taxes and corresponding amounts of taxes paid directly to the State  
63 Tax Commission; and  
64 (B) the sales taxes paid to Utah vendors and suppliers that were indirectly paid to the  
65 State Tax Commission.  
66 (c) The office shall:  
67 (i) audit or review the documentation for accuracy;  
68 (ii) based on the office's analysis of the documentation, determine the amount of a  
69 partial rebate that the business entity earned under the agreement; and  
70 (iii) submit to the Division of Finance:  
71 (A) a request for payment of a partial rebate to the business entity;  
72 (B) the name and address of the payee; and  
73 (C) any other information requested by the Division of Finance.  
74 (5) Upon receipt of a request for payment of a partial rebate from the office, the  
75 Division of Finance shall:  
76 (a) transfer from the General Fund to the restricted account the amount contained in the  
77 request for payment of a partial rebate after reducing the amount transferred by any  
78 unencumbered balances in the restricted account; and  
79 (b) notwithstanding Subsections [51-5-3\(23\)\(b\)](#) and [63J-1-104\(3\)\(c\)](#), after receiving a  
80 request for payment of a partial rebate and making the transfer required by Subsection (5)(a),  
81 pay the partial rebate from the account.

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**