1	TECHNOLOGY SUMMIT INCENTIVES
2	2018 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Jacob L. Anderegg
5	House Sponsor: Brad R. Wilson
6 7	LONG TITLE
8	General Description:
9	This bill modifies provisions related to the Industrial Assistance Account.
0	Highlighted Provisions:
1	This bill:
2	 modifies the allowable distribution of money from the Industrial Assistance
3	Account;
4	requires the Governor's Office of Economic Development to annually report on the
5	grants provided through the Industrial Assistance Account;
6	 allows some nonprofit organizations engaged in publicizing, developing, and
7	promoting the high tech sector to qualify for a grant from the Industrial Assistance
8	Account;
9	provides a sunset date; and
0	makes technical changes.
1	Money Appropriated in this Bill:
22	This bill appropriates in fiscal year 2019:
23	► to the Economic Development – Industrial Assistance Account as an ongoing
24	appropriation:
5	• from the General Fund, \$250,000.
6	Other Special Clauses:
7	None
28	Utah Code Sections Affected:

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29	AMENDS:
30	63I-1-263, as last amended by Laws of Utah 2017, Chapters 23, 47, 95, 166, 205, 469,
31	and 470
32	63N-3-102, as last amended by Laws of Utah 2016, Chapter 34
33	63N-3-103, as renumbered and amended by Laws of Utah 2015, Chapter 283
34	63N-3-109, as renumbered and amended by Laws of Utah 2015, Chapter 283
35 36	Be it enacted by the Legislature of the state of Utah:
37	Section 1. Section 63I-1-263 is amended to read:
38	63I-1-263. Repeal dates, Titles 63A to 63N.
39	(1) Subsection 63A-5-104(4)(h) is repealed on July 1, 2024.
40	(2) Section 63A-5-603, State Facility Energy Efficiency Fund, is repealed July 1, 2023.
41	(3) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July
42	1, 2018.
43	(4) Title 63C, Chapter 4b, Commission for the Stewardship of Public Lands, is
44	repealed November 30, 2019.
45	(5) Title 63C, Chapter 16, Prison Development Commission Act, is repealed July 1,
46	2020.
47	(6) Title 63C, Chapter 17, Point of the Mountain Development Commission Act, is
48	repealed July 1, 2021.
49	(7) Title 63C, Chapter 18, Mental Health Crisis Line Commission, is repealed July 1,
50	2018.
51	(8) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed July 1,
52	2023.
53	(9) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1,
54	2020.
55	(10) Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1, 2026.

36	(11) On July 1, 2025:
57	(a) in Subsection 17-27a-404(3)(c)(ii), the language that states "the Resource
58	Development Coordinating Committee," is repealed;
59	(b) Subsection 23-14-21(2)(c) is amended to read "(c) provide notification of proposed
60	sites for the transplant of species to local government officials having jurisdiction over areas
61	that may be affected by a transplant.";
62	(c) in Subsection 23-14-21(3), the language that states "and the Resource Development
63	Coordinating Committee" is repealed;
64	(d) in Subsection 23-21-2.3(1), the language that states "the Resource Development
65	Coordinating Committee created in Section 63J-4-501 and" is repealed;
66	(e) in Subsection 23-21-2.3(2), the language that states "the Resource Development
67	Coordinating Committee and" is repealed;
68	(f) Subsection 63J-4-102(1) is repealed and the remaining subsections are renumbered
69	accordingly;
70	(g) Subsections 63J-4-401(5)(a) and (c) are repealed;
71	(h) Subsection 63J-4-401(5)(b) is renumbered to Subsection 63J-4-401(5)(a) and the
72	word "and" is inserted immediately after the semicolon;
73	(i) Subsection 63J-4-401(5)(d) is renumbered to Subsection 63J-4-401(5)(b);
74	(j) Sections 63J-4-501, 63J-4-502, 63J-4-503, 63J-4-504, and 63J-4-505 are repealed;
75	and
76	(k) Subsection 63J-4-603(1)(e)(iv) is repealed and the remaining subsections are
77	renumbered accordingly.
78	(12) (a) Subsection 63J-1-602.4(15) is repealed July 1, 2022.
79	(b) When repealing Subsection 63J-1-602.4(15), the Office of Legislative Research and
80	General Counsel shall, in addition to the office's authority under Subsection 36-12-12(3), make
81	necessary changes to subsection numbering and cross references.
82	(13) The Crime Victim Reparations and Assistance Board, created in Section

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83 63M-7-504, is repealed July 1, 2027. 84 (14) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2027. 85 (15) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2018. 86 (16) (a) Title 63N, Chapter 2, Part 4, Recycling Market Development Zone Act, is 87 repealed January 1, 2021. 88 (b) Subject to Subsection (16)(c), Sections 59-7-610 and 59-10-1007 regarding tax 89 credits for certain persons in recycling market development zones, are repealed for taxable 90 years beginning on or after January 1, 2021. 91 (c) A person may not claim a tax credit under Section 59-7-610 or 59-10-1007: 92 (i) for the purchase price of machinery or equipment described in Section 59-7-610 or 93 59-10-1007, if the machinery or equipment is purchased on or after January 1, 2021; or 94 (ii) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), if 95 the expenditure is made on or after January 1, 2021. 96 (d) Notwithstanding Subsections (16)(b) and (c), a person may carry forward a tax 97 credit in accordance with Section 59-7-610 or 59-10-1007 if: 98 (i) the person is entitled to a tax credit under Section 59-7-610 or 59-10-1007; and 99 (ii) (A) for the purchase price of machinery or equipment described in Section 100 59-7-610 or 59-10-1007, the machinery or equipment is purchased on or before December 31, 101 2020; or 102 (B) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), the 103 expenditure is made on or before December 31, 2020. 104 (17) Section 63N-2-512 is repealed on July 1, 2021. 105 (18) (a) Title 63N, Chapter 2, Part 6, Utah Small Business Jobs Act, is repealed 106 January 1, 2021. 107 (b) Section 59-9-107 regarding tax credits against premium taxes is repealed for

(c) Notwithstanding Subsection (18)(b), an entity may carry forward a tax credit in

calendar years beginning on or after January 1, 2021.

110	accordance with Section 59-9-107 if:
111	(i) the person is entitled to a tax credit under Section 59-9-107 on or before December
112	31, 2020; and
113	(ii) the qualified equity investment that is the basis of the tax credit is certified under
114	Section 63N-2-603 on or before December 31, 2023.
115	(19) Subsections 63N-3-109(2)(f) and 63N-3-109(2)(g)(i)(C) are repealed July 1, 2023.
116	[(19)] (20) Title 63N, Chapter 9, Part 2, Outdoor Recreational Infrastructure Grant
117	Program, is repealed January 1, 2023.
118	[(20)] (21) Title 63N, Chapter 12, Part 3, Utah Broadband Outreach Center, is repealed
119	July 1, 2018.
120	[(21)] (22) Title 63N, Chapter 12, Part 4, Career and Technical Education Board, is
121	repealed July 1, 2018.
122	Section 2. Section 63N-3-102 is amended to read:
123	63N-3-102. Definitions.
124	As used in this part:
125	(1) "Administrator" means the executive director or the executive director's designee.
126	(2) "Best available control technology" means a pollution control method that is
127	approved by the United States Environmental Protection Agency or the Department of
128	Environmental Quality to control a certain pollutant type to a specified degree.
129	(3) "Company creating an economic impediment" means a company that discourages
130	economic development within a reasonable radius of its location because of:
131	(a) odors;
132	(b) noise;
133	(c) pollution;
134	(d) health hazards; or
135	(e) other activities similar to those described in Subsections (3)(a) through (d).
136	(4) "Economic opportunities" means unique business situations or community

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137	circumstances, including the development of recreation infrastructure and the promotion of the
138	high tech sector in the state, which lend themselves to the furtherance of the economic interests
139	of the state by providing a catalyst or stimulus to the growth or retention, or both, of commerce
140	and industry in the state, including retention of companies whose relocation outside the state
141	would have a significant detrimental economic impact on the state as a whole, regions of the
142	state, or specific components of the state as determined by the board.
143	(5) "Economically disadvantaged rural area" means a geographic area designated by the
144	board under Section 63N-3-111.
145	(6) "Nonattainment area" means a part of the state where air quality is determined to
146	exceed the National Ambient Air Quality Standards, as defined in the Clean Air Act
147	Amendments of 1970, Pub. L. No. 91-604, Sec. 109, for fine particulate matter (PM 2.5).
148	(7) "Replacement company" means a company locating its business or part of its
149	business in a location vacated by a company creating an economic impediment.
150	(8) "Restricted Account" means the restricted account known as the Industrial
151	Assistance Account created in Section 63N-3-103.
152	(9) "Targeted industry" means an industry or group of industries targeted by the board
153	under Section 63N-3-111, for economic development in the state.
154	Section 3. Section 63N-3-103 is amended to read:
155	63N-3-103. Industrial Assistance Account created Uses Administrator duties
156	Costs.
157	(1) There is created a restricted account within the General Fund known as the
158	"Industrial Assistance Account" of which annually:
159	(a) up to 50% of the unencumbered money in the account may be used in economically
160	disadvantaged rural areas;
161	(b) up to [25%] the greater of \$250,000 or 25% of the unencumbered money in the
162	account may be used to take timely advantage of economic opportunities as they arise; and

(c) up to 4% of the unencumbered money in the account may be used to promote

business and economic development in rural areas of the state with the Business Expansion and

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165 Retention Initiative. 166 (2) The administrator shall administer: 167 (a) the restricted account created under Subsection (1), under the policy direction of the 168 board; and 169 (b) the Business Expansion and Retention Initiative for the rural areas of the state. 170 (3) The administrator may hire appropriate support staff to perform the duties required 171 under this section. 172 (4) The cost of administering the restricted account shall be paid from money in the 173 restricted account. 174 (5) Interest accrued from investment of money in the restricted account shall remain in 175 the restricted account. 176 (6) The office shall review the activities and progress of grant recipients under this 177 chapter on a regular basis and, as part of the office's annual written report described in Section 178 63N-1-301, report on the economic impact of activities funded by the grants. 179 Section 4. Section **63N-3-109** is amended to read: 180 63N-3-109. Financial assistance to entities offering economic opportunities. 181 (1) Subject to the duties and powers of the board under Section 63N-1-402, the administrator may provide money from the Industrial Assistance Account to an entity offering 182 183 an economic opportunity if that entity: 184 (a) applies to the administrator; and 185 (b) meets the qualifications of Subsection (2). 186 (2) The applicant shall: 187 (a) demonstrate to the satisfaction of the administrator the nature of the economic 188 opportunity and the related benefit to the economic well-being of the state by providing 189 evidence documenting the logical and compelling linkage, either direct or indirect, between the 190 expenditure of money necessitated by the economic opportunity and the likelihood that the

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state's tax base, regions of the state's tax base, or specific components of the state's tax base
will not be reduced but will be maintained or enlarged;
(b) demonstrate how the funding request will act in concert with other state, federal, or
local agencies to achieve the economic benefit;
(c) demonstrate how the funding request will act in concert with free market principles;
(d) in the case of an economic opportunity that includes the retention of jobs,
demonstrate how the potential relocation of jobs outside the state is related to a merger,
acquisition, consolidation, or similar business reason other than the applicant simply requesting
state assistance to remain in the state;
(e) satisfy other criteria the administrator considers appropriate; [and]
(f) if the applicant meets the requirements of Subsection (2)(g)(i)(C):
(i) demonstrate that the funding request will be used primarily to reimburse the
applicant for expenses related to a program of out-of-state advertising, marketing, and branding
for an annual conference for the high tech sector with at least 10,000 attendees; and
(ii) subject to Subsection (3)(c), demonstrate that the annual conference described in
Subsection (2)(f)(i) met post-performance requirements designated by the administrator
regarding:
(A) economic impact on the state;
(B) new tax revenue to the state; and
(C) attendance of out-of-state business prospects; and
[f] (g) be either:
(i) an entity whose purpose is to exclusively or substantially promote, develop, or
maintain the economic welfare and prosperity of the state as a whole, regions of the state, or
specific components of the state, including:
(A) an entity that is a sports development organization under contract with the state for
sports development and sporting event attraction and related activities that provide an
economic impact or promotional value to the state; [or]

218	(B) an entity that implements technology innovation in public schools, including
219	whole-school one-to-one mobile device technology deployment for the purpose of incubating
220	technology solutions related to economic and workforce development[-]; or
221	(C) an entity that is a nonprofit organization engaged in publicizing, developing, and
222	promoting the high tech sector in the state through activities that include organizing and
223	hosting an annual conference for the high tech sector with at least 10,000 attendees; or
224	(ii) a company or individual that meets the requirements of Subsections (2)(a) through
225	(f) but does not otherwise qualify under Section 63N-3-105.
226	(3) Subject to the duties and powers of the board under Section 63N-1-402, the
227	administrator shall:
228	(a) make findings as to whether an applicant has satisfied each of the conditions set
229	forth in Subsection (2);
230	(b) establish benchmarks and timeframes in which progress toward the completion of
231	the agreed upon activity is to occur;
232	(c) (i) if an applicant that meets the requirements of Subsection (2)(g)(i)(C) has not
233	received funding under this section in a previous year:
234	(A) require that the annual conference described in Subsection (2)(f)(i) be attended by
235	at least 100 out-of-state business prospects; and
236	(B) establish additional requirements as described in Subsection (2)(f)(ii); and
237	(ii) if an applicant that meets the requirements of Subsection (2)(g)(i)(C) received
238	funding under this section in a previous year, require that the annual conference described in
239	Subsection (2)(f)(i):
240	(A) have an economic impact on the state of at least 125% of the economic impact of
241	the annual conference in the previous year;
242	(B) generate new tax revenue to the state that is at least 125% of the new tax revenue
243	generated by the the annual conference in the previous year; and
244	(C) have attendance by out-of-state business prospects that is at least 125% of the

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245	attendance by out-of-state business prospects at the annual conference in the previous year;
246	[(e)] (d) monitor compliance by an applicant with any contract or agreement entered
247	into by the applicant and the state as provided by Section 63N-3-107; and
248	[(d)] (e) make funding decisions based upon appropriate findings and compliance.
249	Section 5. Appropriation.
250	The following sums of money are appropriated for the fiscal year beginning July 1,
251	2018, and ending June 30, 2019. These are additions to amounts previously appropriated for
252	fiscal year 2019. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
253	Act, the Legislature appropriates the following sums of money from the funds or accounts
254	indicated for the use and support of the government of the state of Utah.
255	To Economic Development Industrial Assistance Account
256	From General Fund \$250,000
257	Schedule of Programs:
258	Industrial Assistance Account \$250,000
259	The Legislature intends that the appropriation to the Industrial Assistance Account be
260	used by the Governor's Office of Economic Development to provide money to an entity
261	offering an economic opportunity under Subsection 63N-3-109(2)(g)(i)(C).