

Representative Carl R. Albrecht proposes the following substitute bill:

RURAL ONLINE WORKING HUBS AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Carl R. Albrecht

Senate Sponsor: Ralph Okerlund

LONG TITLE

General Description:

This bill creates a grant program in the Governor's Office of Economic Development (GOED).

Highlighted Provisions:

This bill:

- ▶ defines terms, including "coworking and innovation center";
- ▶ creates the Rural Coworking and Innovation Center Grant Program in GOED;
- ▶ describes the requirements and purposes of the grant program; and
- ▶ creates the Rural Online Working Hubs Grant Advisory Committee to advise

GOED regarding the grant program.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2020:

▶ to the Governor's Office of Economic Development -- Rural Coworking and Innovation Center Grant Program, as an ongoing appropriation:

- from the General Fund, \$2,000,000.

Other Special Clauses:

None

Utah Code Sections Affected:



26 ENACTS:

27 [63N-4-501](#), Utah Code Annotated 1953

28 [63N-4-502](#), Utah Code Annotated 1953

29 [63N-4-503](#), Utah Code Annotated 1953

30 [63N-4-504](#), Utah Code Annotated 1953

31 [63N-4-505](#), Utah Code Annotated 1953



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

34 Section 1. Section [63N-4-501](#) is enacted to read:

35 **Part 5. Rural Coworking and Innovation Center Grant Program**

36 **[63N-4-501](#). Title.**

37 This part is known as the "Rural Coworking and Innovation Center Grant Program."

38 Section 2. Section [63N-4-502](#) is enacted to read:

39 **[63N-4-502](#). Definitions.**

40 As used in this part:

41 (1) "Advisory committee" means the Rural Online Working Hubs Grant Advisory
42 Committee created in Section [63N-4-505](#).

43 (2) "Coworking and Innovation Center" means a facility designed to provide
44 individuals with the infrastructure and equipment to participate in the online workforce.

45 (3) "Entity" means a county, city, institution of higher education, or private company.

46 (4) "Grant" means a grant awarded as part of the Rural Coworking and Innovation
47 Center Grant Program created in Section [63N-4-503](#).

48 (5) "Grant program" means the Rural Coworking and Innovation Center Grant Program
49 created in Section [63N-4-503](#).

50 (6) "Rural area" means any area in any county in the state except Salt Lake, Utah,
51 Davis, Weber, Washington, Cache, Tooele, and Summit counties.

52 Section 3. Section [63N-4-503](#) is enacted to read:

53 **[63N-4-503](#). Creation and purpose of the Rural Coworking and Innovation Center**
54 **Grant Program.**

55 (1) There is created the Rural Coworking and Innovation Center Grant Program
56 administered by the office.

57 (2) The office may seek to accomplish the following objectives in administering the
58 grant program:

59 (a) constructing or renovating a facility in one or more rural areas to create one or more
60 coworking and innovation centers;

61 (b) extending and improving utilities and broadband service connections to one or
62 more coworking and innovation centers in one or more rural areas; and

63 (c) purchasing equipment, furniture, and security systems as part of one or more
64 coworking and innovation centers in one or more rural areas.

65 Section 4. Section **63N-4-504** is enacted to read:

66 **63N-4-504. Requirements for awarding a working hubs grant.**

67 (1) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
68 office shall make rules establishing the eligibility and reporting criteria for an entity to receive
69 a grant under this part, including:

70 (a) the form and process of submitting an application to the office for a grant;

71 (b) which entities are eligible to apply for a grant;

72 (c) the method and formula for determining grant amounts; and

73 (d) the reporting requirements of grant recipients.

74 (2) In determining the award of a grant, the office may prioritize projects:

75 (a) that will serve underprivileged or underserved communities, including communities
76 with high unemployment or low median incomes;

77 (b) where an applicant demonstrates comprehensive planning of the project but has
78 limited access to financial resources, including financial resources from local or county
79 government; and

80 (c) that maximize economic development opportunities in collaboration with the
81 economic development needs or plans of an educational institution, a county, and a
82 municipality.

83 (3) Subject to legislative appropriation, a grant may only be awarded by the executive
84 director after consultation with the advisory committee.

85 (4) A grant may only be awarded under this part:

86 (a) if the grant recipient agrees to provide any combination of funds, land, buildings, or
87 in-kind work in an amount equal to at least 25% of the grant;

88 (b) if the grant recipient agrees not to use grant money for the ongoing operation or
89 maintenance of a coworking and innovation center; and

90 (c) in an amount no more than \$500,000 to a grant applicant.

91 Section 5. Section **63N-4-505** is enacted to read:

92 **63N-4-505. Rural Online Working Hubs Grant Advisory Committee --**
93 **Membership -- Duties -- Expenses.**

94 (1) There is created in the office the Rural Online Working Hubs Grant Advisory
95 Committee, composed of the following seven members:

96 (a) the executive director, or the executive director's designee;

97 (b) a member of the Senate, or a member of the House of Representatives, who
98 represents rural constituents, chosen by the president of the Senate;

99 (c) one member representing municipal government in a rural county, recommended by
100 the Utah League of Cities and Towns and appointed by the executive director;

101 (d) one member representing rural county government, recommended by the Utah
102 Association of Counties and appointed by the executive director;

103 (e) one member representing higher education, appointed by the executive director;

104 (f) one member representing the information technology sector, recommended by the
105 Utah Technology Council and appointed by the executive director; and

106 (g) one member representing the commercial real estate development community,
107 recommended by the Utah chapter of the Commercial Real Estate Development Association
108 and appointed by the executive director.

109 (2) The advisory committee shall advise and make recommendations to the office
110 regarding awarding grants under this part.

111 (3) (a) Except as required by Subsection (3)(b), as terms of advisory committee
112 members appointed by the executive director expire, the executive director shall appoint each
113 new member or reappointed member to a four-year term.

114 (b) Notwithstanding the requirements of Subsection (3)(a), the executive director shall,
115 at the time of appointment or reappointment, adjust the length of terms to ensure that the terms
116 of advisory committee members appointed by the executive director are staggered so that
117 approximately half of the appointed advisory committee members are appointed every two
118 years.

119 (4) The executive director, or the director's designee, shall serve as chair of the
120 advisory committee.

121 (5) The advisory committee shall elect annually a vice chair from the advisory
122 committee's members.

123 (6) When a vacancy occurs in the membership for any reason, the executive director
124 shall appoint the replacement for the unexpired term.

125 (7) A majority of the advisory committee constitutes a quorum for the purpose of
126 conducting advisory committee business and the action of a majority of a quorum constitutes
127 the action of the advisory committee.

128 (8) The office shall provide administrative staff support for the advisory committee.

129 (9) A member may not receive compensation or benefits for the member's service, but
130 a member, who is not a legislator, may receive per diem and travel expenses in accordance
131 with:

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

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

134 (c) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
135 [63A-3-107](#).

136 **Section 6. Appropriation.**

137 The following sums of money are appropriated for the fiscal year beginning July 1,
138 2019, and ending June 30, 2020. These are additions to amounts previously appropriated for
139 fiscal year 2020. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
140 Act, the Legislature appropriates the following sums of money from the funds or accounts
141 indicated for the use and support of the government of the state of Utah.

142 ITEM 1

143 To the Governor's Office of Economic Development -- Rural Coworking and
144 Innovation Center Grant Program

145 From General Fund \$2,000,000

146 Schedule of Programs:

147 Rural Coworking and Innovation Center Grant Program \$2,000,000