

Senator Scott D. Sandall proposes the following substitute bill:

ECONOMIC DEVELOPMENT AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Scott D. Sandall

House Sponsor: Carl R. Albrecht

LONG TITLE

General Description:

This bill modifies provisions related to economic development.

Highlighted Provisions:

This bill:

- ▶ defines terms, including "rural county";
- ▶ creates the Rural County Grant Program (grant program);
- ▶ describes the requirements for a rural county to apply for a grant under the grant program;
- ▶ requires each rural county that seeks to participate in the grant program to create a County Economic Development Advisory Board (CED board) and describes the membership and duties of a CED board;
- ▶ describes the requirements of the Governor's Rural Partnership Board and the Office of Rural Development in administering the grant program;
- ▶ moves the provisions of the Recycling Market Development Zone Act from the Governor's Office of Economic Development to the Department of Environmental Quality;
- ▶ repeals provisions of the Utah Science Technology and Research Governing Authority Act;



26 ▶ modifies provisions related to certain GOED administered economic development
27 programs;

28 ▶ repeals provisions related to certain GOED administered economic development
29 programs, which has the effect of ending those programs; and

30 ▶ makes technical changes.

31 **Money Appropriated in this Bill:**

32 This bill appropriates in fiscal year 2020:

33 ▶ to the General Fund Restricted -- Support Programs -- Incubation Programs, as a
34 one-time appropriation:

35 • from the General Fund, (\$1,436,200);

36 ▶ to the Utah Science Technology and Research Governing Authority -- Grant
37 Programs -- Industry Partnership Program, as a one-time appropriation:

38 • from the General Fund, (\$1,765,200);

39 ▶ to the Utah Science Technology and Research Governing Authority -- USTAR
40 Administration, as a one-time appropriation:

41 • from the General Fund, (\$1,512,500); and

42 ▶ to the General Fund Restricted -- Workforce Development Restricted Account, as a
43 one-time appropriation:

44 • from the General Fund, (\$14,636,900).

45 This bill appropriates in fiscal year 2021:

46 ▶ to the General Fund Restricted -- Workforce Development Restricted Account, as
47 an ongoing appropriation:

48 • from the General Fund, (\$14,636,900);

49 ▶ to the Governor's Office of Economic Development -- Rural County Grant Program,
50 as an ongoing appropriation:

51 • from the General Fund, \$10,000,000;

52 ▶ to the Governor's Office of Economic Development -- Pass-through, as an ongoing
53 appropriation:

54 • from the General Fund, (\$385,600); and

55 • from Dedicated Credits Revenue, (\$16,200); and

56 ▶ to the Governor's Office of Economic Development -- SBIR/STTR Center, as an

57 ongoing appropriation:

- 58 • from the General Fund, \$385,600; and
- 59 • from Dedicated Credits Revenue, \$16,200.

60 **Other Special Clauses:**

61 This bill provides retrospective operation.

62 This bill provides a special effective date.

63 This bill provides coordination clauses.

64 **Utah Code Sections Affected:**

65 AMENDS:

66 **53B-17-1101**, as enacted by Laws of Utah 2018, Chapter 453

67 **53B-18-1601**, as enacted by Laws of Utah 2018, Chapter 453

68 **59-7-610**, as last amended by Laws of Utah 2019, Chapter 247

69 **59-10-1007**, as last amended by Laws of Utah 2019, Chapter 247

70 **63A-3-110**, as last amended by Laws of Utah 2019, Chapter 211

71 **63A-5-305**, as last amended by Laws of Utah 2016, Chapter 240

72 **63C-10-103**, as last amended by Laws of Utah 2018, Chapter 204

73 **63I-1-263**, as last amended by Laws of Utah 2019, Chapters 89, 246, 311, 414, 468,

74 469, 482 and last amended by Coordination Clause, Laws of Utah 2019, Chapter

75 246

76 **63J-1-602.2**, as last amended by Laws of Utah 2019, Chapters 136, 326, 468, and 469

77 **63N-1-501**, as renumbered and amended by Laws of Utah 2015, Chapter 283

78 **63N-2-203**, as last amended by Laws of Utah 2017, Chapter 252

79 **63N-2-204**, as last amended by Laws of Utah 2016, Chapter 11

80 **63N-2-208**, as renumbered and amended by Laws of Utah 2015, Chapter 283

81 **63N-2-213**, as last amended by Laws of Utah 2019, Chapter 247

82 **63N-4-104**, as renumbered and amended by Laws of Utah 2015, Chapter 283

83 **67-19-15**, as last amended by Laws of Utah 2018, Chapters 39 and 415

84 ENACTS:

85 **17-54-101**, Utah Code Annotated 1953

86 **17-54-102**, Utah Code Annotated 1953

87 **17-54-103**, Utah Code Annotated 1953

88 **17-54-104**, Utah Code Annotated 1953

89 RENUMBERS AND AMENDS:

90 **19-13-101**, (Renumbered from 63N-2-401, as renumbered and amended by Laws of
91 Utah 2015, Chapter 283)

92 **19-13-102**, (Renumbered from 63N-2-402, as last amended by Laws of Utah 2015,
93 Chapter 30 and renumbered and amended by Laws of Utah 2015, Chapter 283)

94 **19-13-103**, (Renumbered from 63N-2-403, as renumbered and amended by Laws of
95 Utah 2015, Chapter 283)

96 **19-13-104**, (Renumbered from 63N-2-404, as renumbered and amended by Laws of
97 Utah 2015, Chapter 283)

98 **19-13-105**, (Renumbered from 63N-2-405, as renumbered and amended by Laws of
99 Utah 2015, Chapter 283)

100 **19-13-106**, (Renumbered from 63N-2-406, as renumbered and amended by Laws of
101 Utah 2015, Chapter 283)

102 **19-13-107**, (Renumbered from 63N-2-407, as renumbered and amended by Laws of
103 Utah 2015, Chapter 283)

104 **19-13-108**, (Renumbered from 63N-2-408, as renumbered and amended by Laws of
105 Utah 2015, Chapter 283)

106 **19-13-109**, (Renumbered from 63N-2-409, as renumbered and amended by Laws of
107 Utah 2015, Chapter 283)

108 **19-13-110**, (Renumbered from 63N-2-410, as renumbered and amended by Laws of
109 Utah 2015, Chapter 283)

110 **19-13-111**, (Renumbered from 63N-2-411, as renumbered and amended by Laws of
111 Utah 2015, Chapter 283)

112 REPEALS:

113 **13-1-14**, as last amended by Laws of Utah 2019, Chapter 352

114 **59-7-614.11**, as enacted by Laws of Utah 2017, Chapter 252

115 **59-10-1039**, as enacted by Laws of Utah 2017, Chapter 252

116 **63M-2-101**, as last amended by Laws of Utah 2015, Chapter 283

117 **63M-2-102**, as last amended by Laws of Utah 2019, Chapter 352

118 **63M-2-301**, as last amended by Laws of Utah 2019, Chapters 246 and 352

- 119 [63M-2-302](#), as last amended by Laws of Utah 2019, Chapter 352
- 120 [63M-2-302.5](#), as last amended by Laws of Utah 2019, Chapter 352
- 121 [63M-2-304](#), as last amended by Laws of Utah 2019, Chapter 352
- 122 [63M-2-501](#), as enacted by Laws of Utah 2016, Chapter 240
- 123 [63M-2-502](#), as last amended by Laws of Utah 2019, Chapter 352
- 124 [63M-2-503](#), as last amended by Laws of Utah 2019, Chapter 352
- 125 [63M-2-504](#), as last amended by Laws of Utah 2019, Chapter 352
- 126 [63M-2-601](#), as enacted by Laws of Utah 2016, Chapter 240
- 127 [63M-2-602](#), as last amended by Laws of Utah 2018, Chapter 453
- 128 [63M-2-701](#), as enacted by Laws of Utah 2016, Chapter 240
- 129 [63M-2-703](#), as last amended by Laws of Utah 2019, Chapter 352
- 130 [63M-2-801](#), as enacted by Laws of Utah 2016, Chapter 240
- 131 [63M-2-802](#), as last amended by Laws of Utah 2019, Chapter 352
- 132 [63M-2-803](#), as last amended by Laws of Utah 2019, Chapter 352
- 133 [63N-2-213.5](#), as enacted by Laws of Utah 2017, Chapter 252
- 134 [63N-3-104](#), as last amended by Laws of Utah 2019, Chapter 499
- 135 [63N-3-104.5](#), as last amended by Laws of Utah 2019, Chapter 499

Utah Code Sections Affected by Coordination Clause:

- 137 [59-7-610](#), as last amended by Laws of Utah 2019, Chapter 247
- 138 [59-10-1007](#), as last amended by Laws of Utah 2019, Chapter 247
- 139 [63I-1-263](#), as last amended by Laws of Utah 2019, Chapters 89, 246, 311, 414, 468,
- 140 469, 482 and last amended by Coordination Clause, Laws of Utah 2019, Chapter
- 141 246

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

Section 1. Section **17-54-101** is enacted to read:

CHAPTER 54. RURAL COUNTY GRANT PROGRAM

17-54-101. Title.

This chapter is known as the "Rural County Grant Program."

Section 2. Section **17-54-102** is enacted to read:

17-54-102. Definitions.

150 (1) "CED board" means a County Economic Development Advisory Board as
151 described in Section [17-54-104](#).

152 (2) "Grant" means a grant available under the Rural County Grant Program created in
153 Section [17-54-103](#).

154 (3) "Grant program" means the Rural County Grant Program created in Section
155 [17-54-103](#).

156 (4) "Office of Rural Development" means the Office of Rural Development created
157 within the Governor's Office of Economic Development in Section [63N-4-102](#).

158 (5) "Rural county" means a county of the third, fourth, fifth, or sixth class.

159 (6) "Rural partnership board" means the Governor's Rural Partnership Board created in
160 Section [63C-10-102](#).

161 Section 3. Section **17-54-103** is enacted to read:

162 **17-54-103. Rural County Grant Program.**

163 (1) There is created the Rural County Grant Program.

164 (2) The grant program shall be overseen by the rural partnership board and
165 administered by the Office of Rural Development.

166 (3) (a) In ~~§~~ → **[administering]** **overseeing** ← ~~§~~ the grant program, the rural partnership board
166a shall recommend

167 the awarding of grants to rural counties to address the economic development needs of rural
168 counties, in accordance with the provisions of this chapter, which needs may include:

- 169 (i) business recruitment, development, and expansion;
- 170 (ii) workforce training and development; and
- 171 (iii) infrastructure and capital facilities improvements for business development.

172 (b) After reviewing the recommendations of the rural partnership board, the executive
173 director of the Governor's Office of Economic Development shall award grants to rural
174 counties in accordance with the provisions of this chapter.

175 (4) Subject to appropriations from the Legislature and subject to the reporting and
176 other requirements of this chapter, grant money shall be distributed:

177 (a) equally between all rural counties that have created a CED board, in an amount up
178 to and including \$200,000 annually per county; and

179 (b) for grant money that is available after \$200,000 has been provided annually to each
180 eligible rural county, through the process described in Subsection (6).

181 (5) Beginning in 2021, a rural county may not receive an additional grant under this
182 chapter unless the rural county:

183 (a) demonstrates a funding match, which may include a funding match provided by any
184 combination of a community reinvestment agency, redevelopment agency, community
185 development and renewal agency, private-sector entity, nonprofit entity, federal matching
186 grant, county or municipality general fund match, or in-kind match, and that totals:

187 (i) a 10% match for a county of the sixth class;
188 (ii) a 20% match for a county of the fifth class;
189 (iii) a 30% match for a county of the fourth class; and
190 (iv) a 40% match for a county of the third class; and

191 (b) has complied with the reporting requirements required by the rural partnership
192 board and the reporting requirements described in Subsection (9) for all previous years that the
193 county has received a grant.

194 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
195 Office of Rural Development in collaboration with the rural partnership board shall make rules
196 establishing the eligibility and reporting criteria for a rural county to receive grant money under
197 Subsection (4)(b), including:

198 (a) the form and process for a county to submit an application to the rural partnership
199 board for a grant;

200 (b) the method of scoring and prioritizing grant program applications from rural
201 counties;

202 (c) the reporting, auditing, and post-performance requirements for a rural county that
203 receives grant money; and

204 (d) any deadlines that shall be met by a rural county when applying for a grant.

205 (7) In determining the award of grant money under Subsection (4)(b), the rural
206 partnership board may not recommend the awarding of more than \$800,000 annually to a rural
207 county.

208 (8) In determining the recommended award of grant money under Subsection (4)(b),
209 the rural partnership board may prioritize applications that demonstrate any combination of the
210 following:

211 (a) that the county has or is actively pursuing the creation of an effective strategic

212 economic development plan;

213 (b) consistency with local economic development priorities;

214 (c) economic need;

215 (d) utilization of local financial or in-kind resources in combination with a grant;

216 (e) evidence that jobs will be created; and

217 (f) evidence that there will be a positive return on investment.

218 (9) On or before September 1 of each year, a county that has received a grant under this
219 chapter in the previous 12 months shall provide a written report to the rural partnership board
220 that describes:

221 (a) the amount of grant money the county has received;

222 (b) how grant money has been distributed by the county, including what companies or
223 entities have utilized grant money, how much grant money each company or entity has
224 received, and how each company or entity has used the money;

225 (c) an evaluation of the effectiveness of awarded grants in improving economic
226 development in the county, including the number of jobs created, infrastructure that has been
227 created, and capital improvements in the county;

228 (d) how much matching money has been utilized by the county and what entities have
229 provided the matching money; and

230 (e) any other reporting, auditing, or post-performance requirements established by the
231 Office of Rural Development in collaboration with the rural partnership board under
232 Subsection (6).

233 (10) The Office of Rural Development shall compile the reported information and
234 provide a written report to the Governor's Office of Economic Development for inclusion in the
235 Governor's Office of Economic Development's annual written report described in Section
236 [63N-1-301](#).

237 Section 4. Section **17-54-104** is enacted to read:

238 **17-54-104. County Economic Development Advisory Board.**

239 (1) (a) Each rural county that seeks to obtain a grant under this chapter, shall create a
240 CED board composed of at least the following members appointed by the county legislative
241 body:

242 (i) a county representative;

- 243 (ii) a representative of a municipality in the county;
- 244 (iii) a workforce development representative;
- 245 (iv) a private-sector representative; and
- 246 (v) a member of the public who lives in the county.
- 247 (b) The county legislative body may also appoint additional members with experience
- 248 or expertise in economic development matters.

- 249 (2) Each CED board shall assist and advise the county legislative body on:
- 250 (a) applying for a grant under this chapter;
- 251 (b) what projects should be funded by grant money provided to a rural county under
- 252 this chapter; and
- 253 (c) preparing reporting requirements for grant money received by a rural county under
- 254 this chapter.

255 Section 5. Section **19-13-101**, which is renumbered from Section 63N-2-401 is

256 renumbered and amended to read:

257 **CHAPTER 13. RECYCLING MARKET DEVELOPMENT ZONE ACT**

258 ~~[63N-2-401].~~ **19-13-101. Title.**

259 This part is known as the "Recycling Market Development Zone Act."

260 Section 6. Section **19-13-102**, which is renumbered from Section 63N-2-402 is

261 renumbered and amended to read:

262 ~~[63N-2-402].~~ **19-13-102. Definitions.**

263 As used in this part:

264 (1) "Composting" means the controlled decay of landscape waste or sewage sludge and

265 organic industrial waste, or a mixture of these, by the action of bacteria, fungi, molds, and other

266 organisms.

267 (2) "Postconsumer waste material" means any product generated by a business or

268 consumer that has served its intended end use, and that has been separated from solid waste for

269 the purposes of collection, recycling, and disposition and that does not include secondary waste

270 material.

271 (3) (a) "Recovered materials" means waste materials and by-products that have been

272 recovered or diverted from solid waste.

273 (b) "Recovered materials" does not include those materials and by-products generated

274 from, and commonly reused within, an original manufacturing process.

275 (4) (a) "Recycling" means the diversion of materials from the solid waste stream and
276 the beneficial use of the materials and includes a series of activities by which materials that
277 would become or otherwise remain waste are diverted from the waste stream for collection,
278 separation, and processing, and are used as raw materials or feedstocks in lieu of or in addition
279 to virgin materials in the manufacture of goods sold or distributed in commerce or the reuse of
280 the materials as substitutes for goods made from virgin materials.

281 (b) "Recycling" does not include burning municipal solid waste for energy recovery.

282 (5) "Recycling market development zone" or "zone" means an area designated by the
283 office as meeting the requirements of this part.

284 (6) (a) "Secondary waste material" means industrial by-products that go to disposal
285 facilities and waste generated after completion of a manufacturing process.

286 (b) "Secondary waste material" does not include internally generated scrap commonly
287 returned to industrial or manufacturing processes, such as home scrap and mill broke.

288 (7) "Tax incentive" means a nonrefundable tax credit available under Section 59-7-610
289 or 59-10-1007.

290 Section 7. Section 19-13-103, which is renumbered from Section 63N-2-403 is
291 renumbered and amended to read:

292 ~~[63N-2-403].~~ **19-13-103. Duties of the department.**

293 The ~~[office]~~ department shall:

294 (1) facilitate recycling development zones through state support of county incentives
295 ~~[which]~~ that encourage development of manufacturing enterprises that use recycling materials
296 currently collected;

297 (2) evaluate an application from a county or municipality executive authority to be
298 designated as a recycling market development zone and determine if the county or municipality
299 qualifies for that designation;

300 (3) provide technical assistance to municipalities and counties in developing
301 applications for designation as a recycling market development zone;

302 (4) assist counties and municipalities designated as recycling market development
303 zones in obtaining assistance from the federal government and agencies of the state;

304 (5) assist a qualified business in obtaining the benefits of an incentive or inducement

305 program authorized by this part; and

306 (6) monitor the implementation and operation of this part and conduct a continuing
307 evaluation of the progress made in the recycling market development zone~~[; and]~~.

308 [~~(7) include in the annual written report described in Section 63N-2-301, an evaluation~~
309 ~~of the effectiveness of the program and recommendations for legislation.~~]

310 Section 8. Section **19-13-104**, which is renumbered from Section 63N-2-404 is
311 renumbered and amended to read:

312 ~~[63N-2-404]~~. **19-13-104. Criteria for recycling market development zone --**
313 **Application process and fees.**

314 (1) An area may be designated as a recycling market development zone only if:

315 (a) the county or municipality agrees to make a qualifying local contribution under
316 Section [~~63N-2-405~~] 19-13-105; and

317 (b) the county or municipality provides for postconsumer waste collection for recycling
318 within the county or municipality.

319 (2) The executive authority of any municipality or county desiring to be designated as a
320 recycling market development zone shall:

321 (a) obtain the written approval of the municipality or county's legislative body; and

322 (b) file an application with the [~~office~~] department demonstrating the county or
323 municipality meets the requirements of this part.

324 (3) The application shall be in a form prescribed by the [~~office~~] department, and shall
325 include:

326 (a) a plan developed by the county or municipality that identifies local contributions
327 meeting the requirements of Section [~~63N-2-405~~] 19-13-105;

328 (b) a county or municipality development plan that outlines:

329 (i) the specific investment or development reasonably expected to take place;

330 (ii) any commitments obtained from businesses to participate, and in what capacities
331 regarding recycling markets;

332 (iii) the county's or municipality's economic development plan and demonstration of
333 coordination between the zone and the county or municipality in overall development goals;

334 (iv) zoning requirements demonstrating that sufficient portions of the proposed zone
335 area are zoned as appropriate for the development of commercial, industrial, or manufacturing

336 businesses;

337 (v) the county's or municipality's long-term waste management plan and evidence that
338 the zone will be adequately served by the plan; and

339 (vi) the county or municipality postconsumer waste collection infrastructure;

340 (c) the county's or municipality's proposed means of assessing the effectiveness of the
341 development plan or other programs implemented within the zone;

342 (d) state whether within the zone either of the following will be established:

343 (i) commercial manufacturing or industrial processes that will produce end products
344 that consist of not less than 50% recovered materials, of which not less than 25% is
345 postconsumer waste material; or

346 (ii) commercial composting;

347 (e) any additional information required by the [~~office~~] department; and

348 (f) any additional information the county or municipality considers relevant to its
349 designation as a recycling market development zone.

350 (4) A county or municipality applying for designation as a recycling market
351 development zone shall pay to the [~~office~~] department an application fee determined under
352 Section [63J-1-504](#).

353 Section 9. Section **19-13-105**, which is renumbered from Section 63N-2-405 is
354 renumbered and amended to read:

355 ~~[63N-2-405]~~. **19-13-105. Qualifying local contributions.**

356 Qualifying local contributions to the recycling market development zone may vary
357 depending on available resources, and may include:

358 (1) simplified procedures for obtaining permits;

359 (2) dedication of available government grants;

360 (3) waiver of business license or permit fees;

361 (4) infrastructure improvements;

362 (5) private contributions;

363 (6) utility rate concessions;

364 (7) suspension or relaxation of locally originated zoning laws or general plans; and

365 (8) other proposed local contributions as the [~~office~~] department finds promote the
366 purposes of this part.

367 Section 10. Section **19-13-106**, which is renumbered from Section 63N-2-406 is
368 renumbered and amended to read:

369 ~~[63N-2-406]~~. **19-13-106. Eligibility review.**

370 (1) The ~~[office]~~ department shall:

371 (a) review and evaluate an application submitted under Section ~~[63N-2-404]~~
372 19-13-104; and

373 (b) determine whether the municipality or county is eligible for designation as a
374 recycling market development zone.

375 (2) In designating recycling market development zones, the ~~[office]~~ department shall
376 consider:

377 (a) whether the current waste management practices and conditions of the county or
378 municipality are favorable to the development of postconsumer waste material markets;

379 (b) whether the creation of the zone is necessary to assist in attracting private sector
380 recycling investments to the area; and

381 (c) the amount of available landfill capacity to serve the zone.

382 Section 11. Section **19-13-107**, which is renumbered from Section 63N-2-407 is
383 renumbered and amended to read:

384 ~~[63N-2-407]~~. **19-13-107. Quarterly consideration.**

385 The ~~[office]~~ department shall take action quarterly on any application requesting
386 designation as a recycling market development zone.

387 Section 12. Section **19-13-108**, which is renumbered from Section 63N-2-408 is
388 renumbered and amended to read:

389 ~~[63N-2-408]~~. **19-13-108. Duration of designation.**

390 A recycling market development zone designation ends five years from the date the
391 ~~[office]~~ department designates the area as a recycling market development zone, at the end of
392 which the county or municipality may reapply for the designation.

393 Section 13. Section **19-13-109**, which is renumbered from Section 63N-2-409 is
394 renumbered and amended to read:

395 ~~[63N-2-409]~~. **19-13-109. Revocation of designations.**

396 (1) The ~~[office]~~ department may revoke the designation of a recycling market
397 development zone if no businesses utilize the tax incentives during any calendar year.

398 (2) Before revocation of the zone, the ~~[office]~~ department shall conduct a public
399 hearing within a reasonable distance of the zone to determine reasons for inactivity and explore
400 possible alternative actions.

401 Section 14. Section **19-13-110**, which is renumbered from Section 63N-2-410 is
402 renumbered and amended to read:

403 ~~[63N-2-410]~~. **19-13-110. Recycling market development zone credit.**

404 For a taxpayer within a recycling market development zone, there are allowed the
405 nonrefundable credits against tax as provided by Sections [59-7-610](#) and [59-10-1007](#).

406 Section 15. Section **19-13-111**, which is renumbered from Section 63N-2-411 is
407 renumbered and amended to read:

408 ~~[63N-2-411]~~. **19-13-111. Annual report.**

409 (1) A county or municipality designated as a recycling market development zone shall
410 report by no later than July 31 of each year to the ~~[office]~~ department regarding the economic
411 activity that has occurred in the zone following the designation.

412 (2) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
413 ~~[office]~~ department may make rules providing for the form and content of the annual reports.

414 Section 16. Section **53B-17-1101** is amended to read:

415 **53B-17-1101. Definitions.**

416 As used in this part:

417 (1) "Researcher" means an individual who:

418 (a) on May 8, 2018, is employed, alone or as part of a research team, by the university;

419 (b) before May 8, 2018, received funding from USTAR for some or all of the

420 researcher's startup costs or salary;

421 (c) was recruited to become a member of the university's faculty; and

422 (d) after May 8, 2018, receives some or all of the researcher's start up costs or salary

423 from a legislative appropriation to the university for that purpose.

424 (2) "University" means the University of Utah.

425 (3) "USTAR" means the Utah Science Technology and Research Initiative ~~[created in~~

426 ~~Section [63M-2-301](#)]~~, which was repealed in 2020.

427 Section 17. Section **53B-18-1601** is amended to read:

428 **53B-18-1601. Definitions.**

429 As used in this part:

430 (1) "Researcher" means an individual who:

431 (a) on May 8, 2018, is employed, alone or as part of a research team, by the university;

432 (b) before May 8, 2018, received funding from USTAR for some or all of the

433 researcher's startup costs or salary;

434 (c) was recruited to become a member of the university's faculty; and

435 (d) after May 8, 2018, receives some or all of the researcher's start up costs or salary

436 from a legislative appropriation to the university for that purpose.

437 (2) "University" means Utah State University.

438 (3) "USTAR" means the Utah Science Technology and Research Initiative [~~created in~~

439 ~~Section 63M-2-301~~], which was repealed in 2020.

440 Section 18. Section **59-7-610** is amended to read:

441 **59-7-610. Recycling market development zones tax credits.**

442 (1) Subject to other provisions of this section, a taxpayer that is a business operating in

443 a recycling market development zone as defined in Section [~~63N-2-402~~] 19-13-102 may claim

444 the following nonrefundable tax credits:

445 (a) a tax credit of 5% of the purchase price paid for machinery and equipment used

446 directly in:

447 (i) commercial composting; or

448 (ii) manufacturing facilities or plant units that:

449 (A) manufacture, process, compound, or produce recycled items of tangible personal

450 property for sale; or

451 (B) reduce or reuse postconsumer waste material; and

452 (b) a tax credit equal to the lesser of:

453 (i) 20% of net expenditures to third parties for rent, wages, supplies, tools, test

454 inventory, and utilities made by the taxpayer for establishing and operating recycling or

455 composting technology in [~~Utah~~] the state; and

456 (ii) \$2,000.

457 (2) (a) To claim a tax credit described in Subsection (1), the taxpayer shall receive

458 from the [~~Governor's Office of Economic Development~~] Department of Environmental Quality

459 a written certification, on a form approved by the commission, that includes:

- 460 (i) a statement that the taxpayer is operating a business within the boundaries of a
461 recycling market development zone;
- 462 (ii) for ~~[claims]~~ a claim of the tax credit described in Subsection (1)(a):
- 463 (A) the type of the machinery and equipment that the taxpayer purchased;
- 464 (B) the date that the taxpayer purchased the machinery and equipment;
- 465 (C) the purchase price for the machinery and equipment;
- 466 (D) the total purchase price for all machinery and equipment for which the taxpayer is
467 claiming a tax credit;
- 468 (E) a statement that the machinery and equipment are integral to the composting or
469 recycling process; and
- 470 (F) the amount of the taxpayer's tax credit; and
- 471 (iii) for ~~[claims]~~ a claim of the tax credit described in Subsection (1)(b):
- 472 (A) the type of net expenditure that the taxpayer made to a third party;
- 473 (B) the date that the taxpayer made the payment to a third party;
- 474 (C) the amount that the taxpayer paid to each third party;
- 475 (D) the total amount that the taxpayer paid to all third parties;
- 476 (E) a statement that the net expenditures support the establishment and operation of
477 recycling or composting technology in ~~[Utah]~~ the state; and
- 478 (F) the amount of the taxpayer's tax credit.
- 479 (b) (i) The ~~[Governor's Office of Economic Development]~~ Department of
480 Environmental Quality shall provide a taxpayer seeking to claim a tax credit under Subsection
481 (1) with a copy of the written certification.
- 482 (ii) The taxpayer shall retain a copy of the written certification for the same period of
483 time that a person is required to keep books and records under Section [59-1-1406](#).
- 484 (c) The ~~[Governor's Office of Economic Development]~~ Department of Environmental
485 Quality shall submit to the commission an electronic list that includes:
- 486 (i) the name and identifying information of each taxpayer to which the ~~[office]~~
487 Department of Environmental Quality issues a written certification; and
- 488 (ii) for each taxpayer, the amount of each tax credit listed on the written certification.
- 489 (3) A taxpayer may not claim a tax credit under Subsection (1)(a), Subsection (1)(b), or
490 both that exceeds 40% of the taxpayer's state income tax liability as the tax liability is

491 calculated:

492 (a) for the taxable year in which the taxpayer made the purchases or payments;

493 (b) before any other tax credits the taxpayer may claim for the taxable year; and

494 (c) before the taxpayer [~~claiming~~] claims a tax credit authorized by this section.

495 (4) The commission shall make rules governing what information a taxpayer shall file
496 with the commission to verify the entitlement to and amount of a tax credit.

497 (5) Except as provided in Subsections (6) through (8), a taxpayer may carry forward, to
498 the next three taxable years, the amount of the tax credit that exceeds the taxpayer's income tax
499 liability for the taxable year.

500 (6) A taxpayer may not claim or carry forward a tax credit described in Subsection
501 (1)(a) in a taxable year during which the taxpayer claims or carries forward a tax credit under
502 Section [63N-2-213](#).

503 (7) A taxpayer may not claim or carry forward a tax credit described in Subsection
504 (1)(b) in a taxable year during which the taxpayer claims or carries forward a tax credit under
505 Section [63N-2-213](#).

506 (8) A taxpayer may not claim or carry forward a tax credit under this section for a
507 taxable year during which the taxpayer claims the targeted business income tax credit under
508 Section [59-7-624](#).

509 Section 19. Section **59-10-1007** is amended to read:

510 **59-10-1007. Recycling market development zones tax credits.**

511 (1) Subject to other provisions of this section, a claimant, estate, or trust in a recycling
512 market development zone as defined in Section [~~63N-2-402~~] [19-13-102](#) may claim the
513 following nonrefundable tax credits:

514 (a) a tax credit of 5% of the purchase price paid for machinery and equipment used
515 directly in:

516 (i) commercial composting; or

517 (ii) manufacturing facilities or plant units that:

518 (A) manufacture, process, compound, or produce recycled items of tangible personal
519 property for sale; or

520 (B) reduce or reuse postconsumer waste material; and

521 (b) a tax credit equal to the lesser of:

522 (i) 20% of net expenditures to third parties for rent, wages, supplies, tools, test
523 inventory, and utilities made by the claimant, estate, or trust for establishing and operating
524 recycling or composting technology in [~~Utah~~] the state; and

525 (ii) \$2,000.

526 (2) (a) To claim a tax credit described in Subsection (1), the claimant, estate, or trust
527 shall receive from the [~~Governor's Office of Economic Development~~] Department of
528 Environmental Quality a written certification, on a form approved by the commission, that
529 includes:

530 (i) a statement that the claimant, estate, or trust is operating within the boundaries of a
531 recycling market development zone;

532 (ii) for [~~claims~~] a claim of the tax credit described in Subsection (1)(a):

533 (A) the type of the machinery and equipment that the claimant, estate, or trust
534 purchased;

535 (B) the date that the claimant, estate, or trust purchased the machinery and equipment;

536 (C) the purchase price for the machinery and equipment;

537 (D) the total purchase price for all machinery and equipment for which the claimant,
538 estate, or trust is claiming a tax credit;

539 (E) the amount of the claimant's, estate's, or trust's tax credit; and

540 (F) a statement that the machinery and equipment are integral to the composting or
541 recycling process; and

542 (iii) for [~~claims~~] a claim of the tax credit described in Subsection (1)(b):

543 (A) the type of net expenditure that the claimant, estate, or trust made to a third party;

544 (B) the date that the claimant, estate, or trust made the payment to a third party;

545 (C) the amount that the claimant, estate, or trust paid to each third party;

546 (D) the total amount that the claimant, estate, or trust paid to all third parties;

547 (E) a statement that the net expenditures support the establishment and operation of
548 recycling or composting technology in [~~Utah~~] the state; and

549 (F) the amount of the claimant's, estate's, or trust's tax credit.

550 (b) (i) The [~~Governor's Office of Economic Development~~] Department of
551 Environmental Quality shall provide a claimant, estate, or trust seeking to claim a tax credit
552 under Subsection (1) with a copy of the written certification.

553 (ii) The claimant, estate, or trust shall retain a copy of the written certification for the
554 same period of time that a person is required to keep books and records under Section
555 [59-1-1406](#).

556 (c) The [~~Governor's Office of Economic Development~~] Department of Environmental
557 Quality shall submit to the commission an electronic list that includes:

558 (i) the name and identifying information of each claimant, estate, or trust to which the
559 [~~office~~] Department of Environmental Quality issues a written certification; and

560 (ii) for each claimant, estate, or trust, the amount of each tax credit listed on the written
561 certification.

562 (3) A claimant, estate, or trust may not claim a tax credit under Subsection (1)(a),
563 Subsection (1)(b), or both that exceeds 40% of the claimant's, estate's, or trust's state income
564 tax liability as the tax liability is calculated:

565 (a) for the taxable year in which the claimant, estate, or trust made the purchases or
566 payments;

567 (b) before any other tax credits the claimant, estate, or trust may claim for the taxable
568 year; and

569 (c) before the claimant, estate, or trust [~~claiming~~] claims a tax credit authorized by this
570 section.

571 (4) The commission shall make rules governing what information a claimant, estate, or
572 trust shall file with the commission to verify the entitlement to and amount of a tax credit.

573 (5) Except as provided in Subsections (6) through (8), a claimant, estate, or trust may
574 carry forward, to the next three taxable years, the amount of [~~the tax credit that exceeds the~~
575 ~~taxpayer's income tax liability~~] a tax credit described in Subsection (1)(a) that the claimant,
576 estate, or trust does not use for the taxable year.

577 (6) A claimant, estate, or trust may not claim or carry forward a tax credit described in
578 Subsection (1)(a) in a taxable year during which the claimant, estate, or trust claims or carries
579 forward a tax credit under Section [63N-2-213](#).

580 (7) A claimant, estate, or trust may not claim a tax credit described in Subsection (1)(b)
581 in a taxable year during which the claimant, estate, or trust claims or carries forward a tax
582 credit under Section [63N-2-213](#).

583 (8) A claimant, estate, or trust may not claim or carry forward a tax credit [~~available~~]

584 under this section for a taxable year during which the claimant, estate, or trust claims the
585 targeted business income tax credit under Section 59-10-1112.

586 Section 20. Section 63A-3-110 is amended to read:

587 **63A-3-110. Personal use expenditures for state officers and employees.**

588 (1) As used in this section:

589 (a) "Employee" means a person who is not an elected or appointed officer and who is
590 employed on a full- or part-time basis by a governmental entity.

591 (b) "Governmental entity" means:

592 (i) an executive branch agency of the state, the offices of the governor, lieutenant
593 governor, state auditor, attorney general, and state treasurer, the State Board of Education, and
594 the State Board of Regents;

595 (ii) the Office of the Legislative Auditor General, the Office of the Legislative Fiscal
596 Analyst, the Office of Legislative Research and General Counsel, the Legislature, and
597 legislative committees;

598 (iii) courts, the Judicial Council, the Administrative Office of the Courts, and similar
599 administrative units in the judicial branch; or

600 (iv) independent state entities created under Title 63H, Independent State Entities~~[, or]~~.

601 ~~[(v) the Utah Science Technology and Research Governing Authority created under~~
602 ~~Section 63M-2-301.]~~

603 (c) "Officer" means a person who is elected or appointed to an office or position within
604 a governmental entity.

605 (d) (i) "Personal use expenditure" means an expenditure made without the authority of
606 law that:

607 (A) is not directly related to the performance of an activity as a state officer or
608 employee;

609 (B) primarily furthers a personal interest of a state officer or employee or a state
610 officer's or employee's family, friend, or associate; and

611 (C) would constitute taxable income under federal law.

612 (ii) "Personal use expenditure" does not include:

613 (A) a de minimis or incidental expenditure; or

614 (B) a state vehicle or a monthly stipend for a vehicle that an officer or employee uses to

615 travel to and from the officer or employee's official duties, including a minimal allowance for a
616 detour as provided by the state.

617 (e) "Public funds" means the same as that term is defined in Section 51-7-3.

618 (2) A state officer or employee may not:

619 (a) use public funds for a personal use expenditure; or

620 (b) incur indebtedness or liability on behalf of, or payable by, a governmental entity for
621 a personal use expenditure.

622 (3) If the Division of Finance or the responsible governmental entity determines that a
623 state officer or employee has intentionally made a personal use expenditure in violation of
624 Subsection (2), the governmental entity shall:

625 (a) require the state officer or employee to deposit the amount of the personal use
626 expenditure into the fund or account from which:

627 (i) the personal use expenditure was disbursed; or

628 (ii) payment for the indebtedness or liability for a personal use expenditure was
629 disbursed;

630 (b) require the state officer or employee to remit an administrative penalty in an
631 amount equal to 50% of the personal use expenditure to the Division of Finance; and

632 (c) deposit the money received under Subsection (3)(b) into the General Fund.

633 (4) (a) Any state officer or employee who has been found by a governmental entity to
634 have made a personal use expenditure in violation of Subsection (2) may appeal the finding of
635 the governmental entity.

636 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
637 Division of Finance shall make rules regarding an appeal process for an appeal made under
638 Subsection (4)(a), including the designation of an appeal authority.

639 (5) (a) Subject to Subsection (5)(b), the Division of Finance may withhold all or a
640 portion of the wages of a state officer or employee who has violated Subsection (2) until the
641 requirements of Subsection (3) have been met.

642 (b) If the state officer or employee has requested an appeal under Subsection (4), the
643 Division of Finance may only withhold the wages of the officer or employee after the appeal
644 authority described in Subsection (4)(b) has confirmed that the officer or employee violated
645 Subsection (2).

646 (6) Nothing in this chapter immunizes a state officer or employee from or precludes
647 any criminal prosecution or civil or employment action for an unlawful personal use
648 expenditure.

649 (7) A state officer or employee who is convicted of misusing public money or public
650 property under Section 76-8-402 may not disburse public funds or access public accounts.

651 Section 21. Section 63A-5-305 is amended to read:

652 **63A-5-305. Leasing by higher education institutions.**

653 (1) The Board of Regents shall establish written policies and procedures governing
654 leasing by higher education institutions.

655 (2) Except as provided in [~~Sections~~] Section 53B-2a-113 [~~and 63M-2-602~~], a higher
656 education institution shall comply with the procedures and requirements of the Board of
657 Regents' policies before signing or renewing a lease.

658 Section 22. Section 63C-10-103 is amended to read:

659 **63C-10-103. Duties.**

660 (1) The board shall:

661 (a) serve as an advisory board to:

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

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

665 (b) prepare an annual strategic plan that:

666 (i) identifies rural economic development, planning, and leadership training challenges,
667 opportunities, priorities, and objectives; and

668 (ii) includes a work plan for accomplishing the objectives referred to in Subsection
669 (1)(b)(i);

670 (c) identify local, regional, and statewide rural economic development and planning
671 priorities;

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

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

677 (f) oversee the Rural County Grant Program created in Section 17-54-103; and
678 ~~[(f) review projects in enterprise zones proposed by nonprofit corporations~~
679 ~~headquartered in enterprise zones as described in Subsection 63N-2-213.5(6);]~~
680 ~~[(g) review applications for cash awards, grants, loans, or other financial assistance~~
681 ~~under:]~~
682 ~~[(i) the Rural Fast Track Program described in Section 63N-3-104; and]~~
683 ~~[(ii) the Business Expansion and Retention Initiative described in Section~~
684 ~~63N-3-104.5; and]~~
685 ~~[(hr)]~~ (g) no later than October 1 of each year, submit to the governor, the Legislature,
686 and the Economic Development and Workforce Services Interim Committee an annual report,
687 in accordance with Section 68-3-14, that provides:
688 (i) an overview of the rural economy in the state;
689 (ii) a summary of current issues and policy matters relating to rural economic
690 development; and
691 (iii) a statement of the board's initiatives, programs, and economic development
692 priorities.
693 (2) The board may engage in activities necessary to fulfill the board's duties, including:
694 (a) propose or support rural economic development legislation; and
695 (b) create one or more subcommittees.
696 Section 23. Section 63I-1-263 is amended to read:
697 **63I-1-263. Repeal dates, Titles 63A to 63N.**
698 (1) In relation to the Utah Transparency Advisory Board, on January 1, 2025:
699 (a) Subsection 63A-1-201(1) is repealed;
700 (b) Subsection 63A-1-202(2)(c), the language that states "using criteria established by
701 the board" is repealed;
702 (c) Section 63A-1-203 is repealed;
703 (d) Subsections 63A-1-204(1) and (2), the language that states "After consultation with
704 the board, and" is repealed; and
705 (e) Subsection 63A-1-204(1)(b), the language that states "using the standards provided
706 in Subsection 63A-1-203(3)(c)" is repealed.
707 (2) Subsection 63A-5-228(2)(h), relating to prioritizing and allocating capital

- 708 improvement funding, is repealed on July 1, 2024.
- 709 (3) Section [63A-5-603](#), State Facility Energy Efficiency Fund, is repealed July 1, 2023.
- 710 (4) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July
711 1, 2028.
- 712 (5) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1,
713 2025.
- 714 (6) Title 63C, Chapter 16, Prison Development Commission Act, is repealed July 1,
715 2020.
- 716 (7) Title 63C, Chapter 17, Point of the Mountain Development Commission Act, is
717 repealed July 1, 2021.
- 718 (8) Title 63C, Chapter 18, Mental Health Crisis Line Commission, is repealed July 1,
719 2023.
- 720 (9) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed July 1,
721 2025.
- 722 (10) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1,
723 2020.
- 724 (11) In relation to the State Fair Corporation Board of Directors, on January 1, 2025:
- 725 (a) Subsection [63H-6-104\(2\)\(c\)](#), related to a Senate appointment, is repealed;
- 726 (b) Subsection [63H-6-104\(2\)\(d\)](#), related to a House appointment, is repealed;
- 727 (c) in Subsection [63H-6-104\(2\)\(e\)](#), the language that states ", of whom only one may
728 be a legislator, in accordance with Subsection (3)(e)," is repealed;
- 729 (d) Subsection [63H-6-104\(3\)\(a\)\(i\)](#) is amended to read:
- 730 "(3)(a)(i) Except as provided in Subsection (3)(a)(ii), a board member appointed under
731 Subsection (2)(e) or (f) shall serve a term that expires on the December 1 four years after the
732 year that the board member was appointed.";
- 733 (e) in Subsections [63H-6-104\(3\)\(a\)\(ii\)](#), (c)(ii), and (d), the language that states "the
734 president of the Senate, the speaker of the House, the governor," is repealed and replaced with
735 "the governor"; and
- 736 (f) Subsection [63H-6-104\(3\)\(e\)](#), related to limits on the number of legislators, is
737 repealed.
- 738 (12) Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1, 2026.

- 739 (13) Section 63M-7-212 is repealed on December 31, 2019.
- 740 (14) On July 1, 2025:
- 741 (a) in Subsection 17-27a-404(3)(c)(ii), the language that states "the Resource
- 742 Development Coordinating Committee," is repealed;
- 743 (b) Subsection 23-14-21(2)(c) is amended to read "(c) provide notification of proposed
- 744 sites for the transplant of species to local government officials having jurisdiction over areas
- 745 that may be affected by a transplant.";
- 746 (c) in Subsection 23-14-21(3), the language that states "and the Resource Development
- 747 Coordinating Committee" is repealed;
- 748 (d) in Subsection 23-21-2.3(1), the language that states "the Resource Development
- 749 Coordinating Committee created in Section 63J-4-501 and" is repealed;
- 750 (e) in Subsection 23-21-2.3(2), the language that states "the Resource Development
- 751 Coordinating Committee and" is repealed;
- 752 (f) Subsection 63J-4-102(1) is repealed and the remaining subsections are renumbered
- 753 accordingly;
- 754 (g) Subsections 63J-4-401(5)(a) and (c) are repealed;
- 755 (h) Subsection 63J-4-401(5)(b) is renumbered to Subsection 63J-4-401(5)(a) and the
- 756 word "and" is inserted immediately after the semicolon;
- 757 (i) Subsection 63J-4-401(5)(d) is renumbered to Subsection 63J-4-401(5)(b);
- 758 (j) Sections 63J-4-501, 63J-4-502, 63J-4-503, 63J-4-504, and 63J-4-505 are repealed;
- 759 and
- 760 (k) Subsection 63J-4-603(1)(e)(iv) is repealed and the remaining subsections are
- 761 renumbered accordingly.
- 762 (15) Subsection 63J-1-602.1(13), Nurse Home Visiting Restricted Account is repealed
- 763 July 1, 2026.
- 764 (16) Subsection 63J-1-602.2(4), referring to dedicated credits to the Utah Marriage
- 765 Commission, is repealed July 1, 2023.
- 766 (17) Subsection 63J-1-602.2(5), referring to the Trip Reduction Program, is repealed
- 767 July 1, 2022.
- 768 (18) (a) Subsection 63J-1-602.1(53), relating to the Utah Statewide Radio System
- 769 Restricted Account, is repealed July 1, 2022.

770 (b) When repealing Subsection 63J-1-602.1(53), the Office of Legislative Research and
771 General Counsel shall, in addition to the office's authority under Subsection 36-12-12(3), make
772 necessary changes to subsection numbering and cross references.

773 (19) Subsection 63J-1-602.2(23), related to the Utah Seismic Safety Commission, is
774 repealed January 1, 2025.

775 (20) Subsection 63J-4-708(1), in relation to the Talent Ready Utah Board, on January
776 1, 2023, is amended to read:

777 "(1) On or before October 1, the board shall provide an annual written report to the
778 Social Services Appropriations Subcommittee and the Economic Development and Workforce
779 Services Interim Committee."

780 (21) In relation to the Utah Substance Use and Mental Health Advisory Council, on
781 January 1, 2023:

782 (a) Sections 63M-7-301, 63M-7-302, 63M-7-303, 63M-7-304, and 63M-7-306 are
783 repealed;

784 (b) Section 63M-7-305, the language that states "council" is replaced with
785 "commission";

786 (c) Subsection 63M-7-305(1) is repealed and replaced with:

787 "(1) "Commission" means the Commission on Criminal and Juvenile Justice."; and

788 (d) Subsection 63M-7-305(2) is repealed and replaced with:

789 "(2) The commission shall:

790 (a) provide ongoing oversight of the implementation, functions, and evaluation of the
791 Drug-Related Offenses Reform Act; and

792 (b) coordinate the implementation of Section 77-18-1.1 and related provisions in
793 Subsections 77-18-1(5)(b)(iii) and (iv)."

794 (22) The Crime Victim Reparations and Assistance Board, created in Section
795 63M-7-504, is repealed July 1, 2027.

796 (23) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2021.

797 (24) Subsection 63N-1-301(4)(c), related to the Talent Ready Utah Board, is repealed
798 on January 1, 2023.

799 (25) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.

800 [~~(26) (a) Title 63N, Chapter 2, Part 4, Recycling Market Development Zone Act, is~~

801 ~~repealed January 1, 2021.]~~

802 ~~[(b) Subject to Subsection (26)(c), Sections 59-7-610 and 59-10-1007 regarding tax~~
803 ~~credits for certain persons in recycling market development zones, are repealed for taxable~~
804 ~~years beginning on or after January 1, 2021.]~~

805 ~~[(c) A person may not claim a tax credit under Section 59-7-610 or 59-10-1007:]~~

806 ~~[(i) for the purchase price of machinery or equipment described in Section 59-7-610 or~~
807 ~~59-10-1007, if the machinery or equipment is purchased on or after January 1, 2021; or]~~

808 ~~[(ii) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), if~~
809 ~~the expenditure is made on or after January 1, 2021.]~~

810 ~~[(d) Notwithstanding Subsections (26)(b) and (c), a person may carry forward a tax~~
811 ~~credit in accordance with Section 59-7-610 or 59-10-1007 if:]~~

812 ~~[(i) the person is entitled to a tax credit under Section 59-7-610 or 59-10-1007; and]~~

813 ~~[(ii) (A) for the purchase price of machinery or equipment described in Section~~
814 ~~59-7-610 or 59-10-1007, the machinery or equipment is purchased on or before December 31,~~
815 ~~2020; or]~~

816 ~~[(B) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b),~~
817 ~~the expenditure is made on or before December 31, 2020.]~~

818 ~~[(27)] (26) Section 63N-2-512 is repealed on July 1, 2021.~~

819 ~~[(28)] (27) (a) Title 63N, Chapter 2, Part 6, Utah Small Business Jobs Act, is repealed~~
820 ~~January 1, 2021.~~

821 (b) Section 59-9-107 regarding tax credits against premium taxes is repealed for
822 calendar years beginning on or after January 1, 2021.

823 (c) Notwithstanding Subsection ~~[(28)] (27)~~(b), an entity may carry forward a tax credit
824 in accordance with Section 59-9-107 if:

825 (i) the person is entitled to a tax credit under Section 59-9-107 on or before December
826 31, 2020; and

827 (ii) the qualified equity investment that is the basis of the tax credit is certified under
828 Section 63N-2-603 on or before December 31, 2023.

829 ~~[(29)] (28) Subsections 63N-3-109(2)(e) and 63N-3-109(2)(f)(i) are repealed July 1,~~
830 ~~2023.~~

831 ~~[(30)] (29) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is~~

832 repealed July 1, 2023.

833 [~~(31)~~] (30) Title 63N, Chapter 9, Part 2, Outdoor Recreational Infrastructure Grant
834 Program, is repealed January 1, 2023.

835 [~~(32)~~] (31) In relation to the Pete Suazo Utah Athletic Commission, on January 1,
836 2021:

837 (a) Subsection 63N-10-201(2)(a) is amended to read:

838 "(2) (a) The governor shall appoint five commission members with the advice and
839 consent of the Senate.";

840 (b) Subsection 63N-10-201(2)(b), related to legislative appointments, is repealed;

841 (c) in Subsection 63N-10-201(3)(a), the language that states ", president, or speaker,
842 respectively," is repealed; and

843 (d) Subsection 63N-10-201(3)(d) is amended to read:

844 "(d) The governor may remove a commission member for any reason and replace the
845 commission member in accordance with this section."

846 [~~(33)~~] (32) In relation to the Talent Ready Utah Board, on January 1, 2023:

847 (a) Subsection 9-22-102(16) is repealed;

848 (b) in Subsection 9-22-114(2), the language that states "Talent Ready Utah," is
849 repealed; and

850 (c) in Subsection 9-22-114(5), the language that states "representatives of Talent Ready
851 Utah," is repealed.

852 [~~(34)~~] (33) Title 63N, Chapter 12, Part 5, Talent Ready Utah Center, is repealed
853 January 1, 2023.

854 Section 24. Section 63J-1-602.2 is amended to read:

855 **63J-1-602.2. List of nonlapsing appropriations to programs.**

856 Appropriations made to the following programs are nonlapsing:

857 (1) The Legislature and its committees.

858 (2) The Percent-for-Art Program created in Section 9-6-404.

859 (3) The LeRay McAllister Critical Land Conservation Program created in Section
860 11-38-301.

861 (4) Dedicated credits accrued to the Utah Marriage Commission as provided under
862 Subsection 17-16-21(2)(d)(ii).

- 863 (5) The Trip Reduction Program created in Section [19-2a-104](#).
- 864 (6) The Division of Wildlife Resources for the appraisal and purchase of lands under
865 the Pelican Management Act, as provided in Section [23-21a-6](#).
- 866 (7) The primary care grant program created in Section [26-10b-102](#).
- 867 (8) Sanctions collected as dedicated credits from Medicaid provider under Subsection
868 [26-18-3](#)(7).
- 869 (9) The Utah Health Care Workforce Financial Assistance Program created in Section
870 [26-46-102](#).
- 871 (10) The Rural Physician Loan Repayment Program created in Section [26-46a-103](#).
- 872 (11) The Opiate Overdose Outreach Pilot Program created in Section [26-55-107](#).
- 873 (12) Funds that the Department of Alcoholic Beverage Control retains in accordance
874 with Subsection [32B-2-301](#)(7)(a) or (b).
- 875 (13) The General Assistance program administered by the Department of Workforce
876 Services, as provided in Section [35A-3-401](#).
- 877 (14) A new program or agency that is designated as nonlapsing under Section
878 [36-24-101](#).
- 879 (15) The Utah National Guard, created in Title 39, Militia and Armories.
- 880 (16) The State Tax Commission under Section [41-1a-1201](#) for the:
- 881 (a) purchase and distribution of license plates and decals; and
- 882 (b) administration and enforcement of motor vehicle registration requirements.
- 883 (17) The Search and Rescue Financial Assistance Program, as provided in Section
884 [53-2a-1102](#).
- 885 (18) The Motorcycle Rider Education Program, as provided in Section [53-3-905](#).
- 886 (19) The State Board of Regents for teacher preparation programs, as provided in
887 Section [53B-6-104](#).
- 888 (20) The Medical Education Program administered by the Medical Education Council,
889 as provided in Section [53B-24-202](#).
- 890 (21) The State Board of Education, as provided in Section [53F-2-205](#).
- 891 (22) The Division of Services for People with Disabilities, as provided in Section
892 [62A-5-102](#).
- 893 (23) The Division of Fleet Operations for the purpose of upgrading underground

894 storage tanks under Section [63A-9-401](#).

895 (24) The Utah Seismic Safety Commission, as provided in Section [63C-6-104](#).

896 (25) Appropriations to the Department of Technology Services for technology
897 innovation as provided under Section [63F-4-202](#).

898 (26) The Office of Administrative Rules for publishing, as provided in Section
899 [63G-3-402](#).

900 [~~(27)~~] ~~The Utah Science Technology and Research Initiative created in Section~~
901 ~~[63M-2-301](#).~~]

902 [(28)] (27) The Governor's Office of Economic Development to fund the Enterprise
903 Zone Act, as provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.

904 [(29)] (28) Appropriations to fund the Governor's Office of Economic Development's
905 Rural Employment Expansion Program, as described in Title 63N, Chapter 4, Part 4, Rural
906 Employment Expansion Program.

907 [(30)] (29) The Department of Human Resource Management user training program, as
908 provided in Section [67-19-6](#).

909 [(31)] (30) A public safety answering point's emergency telecommunications service
910 fund, as provided in Section [69-2-301](#).

911 [(32)] (31) The Traffic Noise Abatement Program created in Section [72-6-112](#).

912 [(33)] (32) The Judicial Council for compensation for special prosecutors, as provided
913 in Section [77-10a-19](#).

914 [(34)] (33) A state rehabilitative employment program, as provided in Section
915 [78A-6-210](#).

916 [(35)] (34) The Utah Geological Survey, as provided in Section [79-3-401](#).

917 [(36)] (35) The Bonneville Shoreline Trail Program created under Section [79-5-503](#).

918 [(37)] (36) Adoption document access as provided in Sections [78B-6-141](#), [78B-6-144](#),
919 and [78B-6-144.5](#).

920 [(38)] (37) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent
921 Defense Commission.

922 [(39)] (38) The program established by the Division of Facilities Construction and
923 Management under Subsection [63A-5-228\(3\)](#) under which state agencies receive an
924 appropriation and pay lease payments for the use and occupancy of buildings owned by the

925 Division of Facilities Construction and Management.

926 Section 25. Section **63N-1-501** is amended to read:

927 **63N-1-501. Governor's Economic Development Coordinating Council --**
 928 **Membership -- Expenses.**

929 (1) There is created in the office the Governor's Economic Development Coordinating
 930 Council, consisting of the following 11 members:

931 (a) the executive director, who shall serve as chair of the council;

932 (b) the chair of the board or the chair's designee;

933 [~~(c) the chair of the Utah Science Technology and Research Governing Authority~~
 934 ~~created in Section **63M-2-301** or the chair's designee;]~~

935 [~~(d)~~] (c) the chair of the Governor's Rural Partnership Board created in Section
 936 **63C-10-102** or the chair's designee;

937 [~~(e)~~] (d) the chair of the board of directors of the Utah Capital Investment Corporation
 938 created in Section **63N-6-301** or the chair's designee;

939 [~~(f)~~] (e) the chair of the Economic Development Corporation of Utah or its successor
 940 organization or the chair's designee;

941 [~~(g)~~] (f) the chair of the World Trade Center Utah or its successor organization or the
 942 chair's designee; and

943 [~~(h)~~] (g) [~~four~~] five members appointed by the governor, with the consent of the
 944 Senate, who have expertise in business, economic development, entrepreneurship, or the
 945 raising of venture or seed capital for research and business growth.

946 (2) (a) The [~~four~~] five members appointed by the governor may serve for no more than
 947 two consecutive two-year terms.

948 (b) The governor shall appoint a replacement if a vacancy occurs from the membership
 949 appointed under Subsection (1)[~~(h)~~](g).

950 (3) Six members of the council constitute a quorum for the purpose of conducting
 951 council business and the action of a majority of a quorum constitutes the action of the council.

952 (4) A member may not receive compensation or benefits for the member's service on
 953 the council, but may receive per diem and travel expenses in accordance with:

954 (a) Sections **63A-3-106** and **63A-3-107**; and

955 (b) rules made by the Division of Finance under Sections **63A-3-106** and **63A-3-107**.

956 (5) The office shall provide office space and administrative staff support for the
957 council.

958 (6) The council, as a governmental entity, has all the rights, privileges, and immunities
959 of a governmental entity of the state and its meetings are subject to Title 52, Chapter 4, Open
960 and Public Meetings Act.

961 Section 26. Section **63N-2-203** is amended to read:

962 **63N-2-203. Powers of the office.**

963 The office shall:

964 (1) monitor the implementation and operation of this part and conduct a continuing
965 evaluation of the progress made in the enterprise zones;

966 (2) evaluate an application for designation as an enterprise zone from a county
967 applicant or a municipal applicant and determine if the applicant qualifies for that designation;

968 (3) provide technical assistance to county applicants and municipal applicants in
969 developing applications for designation as enterprise zones;

970 (4) assist county applicants and municipal applicants designated as enterprise zones in
971 obtaining assistance from the federal government and agencies of the state;

972 (5) assist a qualified business entity in obtaining the benefits of an incentive or
973 inducement program authorized by this part; and

974 (6) as part of the annual written report described in Section **63N-1-301**, prepare an
975 annual evaluation that provides:

976 (a) based on data from the State Tax Commission, the total amount of tax credits
977 claimed under this part;

978 (b) the total amount awarded in tax credits for each development zone;

979 (c) the number of new full-time employee positions reported to obtain tax credits in
980 each development zone;

981 (d) the amount of tax credits awarded for rehabilitating a building in each development
982 zone;

983 (e) the amount of tax credits awarded for investing in a plant, equipment, or other
984 depreciable property in each development zone; and

985 [~~(f) the list of approved projects under Section **63N-2-213.5** and the aggregate value of
986 the tax credit certificates issued related to contributions to those approved projects; and]~~

987 [~~(g)~~] (f) recommendations regarding the effectiveness of the program and any
988 suggestions for legislation.

989 Section 27. Section **63N-2-204** is amended to read:

990 **63N-2-204. Criteria for designation of enterprise zones -- Application.**

991 (1) A county applicant seeking designation as an enterprise zone shall file an
992 application with the office that, in addition to complying with the other requirements of this
993 part:

994 (a) verifies that the county has a population of not more than 70,000; and

995 (b) provides clear evidence of the need for development in the county.

996 (2) A municipal applicant seeking designation as an enterprise zone shall file an
997 application with the office that, in addition to complying with other requirements of this part:

998 (a) verifies that the municipality has a population that does not exceed 20,000;

999 (b) verifies that the municipality is within a county that has a population of not more
1000 than 70,000; and

1001 (c) provides clear evidence of the need for development in the municipality.

1002 (3) An application filed under Subsection (1) or (2) shall be in a form and in
1003 accordance with procedures approved by the office, and shall include the following
1004 information:

1005 (a) a plan developed by the county applicant or municipal applicant that identifies local
1006 contributions meeting the requirements of Section [63N-2-205](#);

1007 (b) the county applicant or municipal applicant has a development plan that outlines:

1008 (i) the types of investment and development within the zone that the county applicant

1009 or municipal applicant expects to take place if the incentives specified in this part are provided;

1010 (ii) the specific investment or development reasonably expected to take place;

1011 (iii) any commitments obtained from businesses;

1012 (iv) the projected number of jobs that will be created and the anticipated wage level of
1013 those jobs;

1014 (v) any proposed emphasis on the type of jobs created, including any affirmative action
1015 plans; and

1016 (vi) a copy of the county applicant's or municipal applicant's economic development
1017 plan to demonstrate coordination between the zone and overall county or municipal goals;

1018 (c) the county applicant's or municipal applicant's proposed means of assessing the
1019 effectiveness of the development plan or other programs within the zone once they have been
1020 implemented within the zone;

1021 (d) any additional information required by the office; and

1022 (e) any additional information the county applicant or municipal applicant considers
1023 relevant to its designation as an enterprise zone.

1024 (4) On or after January 1, 2020, no new enterprise zones shall be designated.

1025 Section 28. Section **63N-2-208** is amended to read:

1026 **63N-2-208. Duration of designation.**

1027 (1) Each enterprise zone has a duration of five years~~[, at the end of which the county~~
1028 ~~may reapply for the designation].~~

1029 (2) On or after January 1, 2020, neither a municipality nor a county may reapply for an
1030 enterprise zone designation for an enterprise zone that has reached the end of the enterprise
1031 zone's five-year duration.

1032 Section 29. Section **63N-2-213** is amended to read:

1033 **63N-2-213. State tax credits.**

1034 (1) The office shall certify a business entity's eligibility for a tax credit described in this
1035 section.

1036 (2) A business entity seeking to receive a tax credit as provided in this section shall
1037 provide the office with:

1038 (a) an application for a tax credit certificate in a form approved by the office, including
1039 a certification, by an officer of the business entity, of a signature on the application; and

1040 (b) documentation that demonstrates the business entity has met the requirements to
1041 receive the tax credit.

1042 (3) If, after review of an application and documentation provided by a business entity
1043 as described in Subsection (2), the office determines that the application and documentation are
1044 inadequate to provide a reasonable justification for authorizing the tax credit, the office shall:

1045 (a) deny the tax credit; or

1046 (b) inform the business entity that the application or documentation was inadequate
1047 and ask the business entity to submit additional documentation.

1048 (4) If, after review of an application and documentation provided by a business entity

1049 as described in Subsection (2), the office determines that the application and documentation
1050 provide reasonable justification for authorizing a tax credit, the office shall:

- 1051 (a) determine the amount of the tax credit to be granted to the business entity;
- 1052 (b) issue a tax credit certificate to the business entity; and
- 1053 (c) provide a duplicate copy of the tax credit certificate to the State Tax Commission.

1054 (5) A business entity may not claim a tax credit under this section unless the business
1055 entity has a tax credit certificate issued by the office.

1056 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1057 office shall make rules describing:

- 1058 (a) the form and content of an application for a tax credit under this section;
- 1059 (b) the documentation requirements for a business entity to receive a tax credit
1060 certificate under this section; and

1061 (c) administration of the program, including relevant timelines and deadlines.

1062 (7) Subject to the limitations of Subsections (8) through (10), and if the requirements
1063 of this part are met, the following nonrefundable tax credits against a tax under Title 59,
1064 Chapter 7, Corporate Franchise and Income Taxes, or Title 59, Chapter 10, Individual Income
1065 Tax Act, are applicable in an enterprise zone:

1066 (a) a tax credit of \$750 may be claimed by a business entity for each new full-time
1067 employee position created within the enterprise zone;

1068 (b) an additional \$500 tax credit may be claimed if the new full-time employee position
1069 created within the enterprise zone pays at least 125% of:

1070 (i) the county average monthly nonagricultural payroll wage for the respective industry
1071 as determined by the Department of Workforce Services; or

1072 (ii) if the county average monthly nonagricultural payroll wage is not available for the
1073 respective industry, the total average monthly nonagricultural payroll wage in the respective
1074 county where the enterprise zone is located;

1075 (c) an additional tax credit of \$750 may be claimed if the new full-time employee
1076 position created within the enterprise zone is in a business entity that adds value to agricultural
1077 commodities through manufacturing or processing;

1078 (d) an additional tax credit of \$200 may be claimed [~~for two consecutive years~~] for
1079 each new full-time employee position created within the enterprise zone that is filled by an

1080 employee who is insured under an employer-sponsored health insurance program if the
1081 employer pays at least 50% of the premium cost for the year for which the credit is claimed;

1082 (e) a tax credit of 25% of the first \$200,000 spent on rehabilitating a building in the
1083 enterprise zone that has been vacant for two years or more, including that the building has had
1084 or contained no occupants, tenants, furniture, or personal property for two years or more, in the
1085 time period immediately before the rehabilitation; and

1086 (f) an annual investment tax credit [~~of 10%~~] may be claimed in an amount equal to 5%
1087 of the first [\$250,000 in investment, and 5% of the next \$1,000,000] \$750,000 qualifying
1088 investment in plant, equipment, or other depreciable property.

1089 (8) (a) Subject to the limitations of Subsection (8)(b), a business entity claiming a tax
1090 credit under Subsections (7)(a) through (d) may claim the tax credit for no more than 30
1091 full-time employee positions in a taxable year.

1092 (b) A business entity that received a tax credit for one or more new full-time employee
1093 positions under Subsections (7)(a) through (d) in a prior taxable year may claim a tax credit for
1094 a new full-time employee position in a subsequent taxable year under Subsections (7)(a)
1095 through (d) if:

1096 (i) the business entity has created a new full-time position within the enterprise zone;
1097 and

1098 (ii) the total number of [~~full-time~~] employee positions at the business entity at any
1099 point during the tax year for which the tax credit is being claimed is greater than the highest
1100 number of [~~full-time~~] employee positions that existed at the business entity in the previous
1101 [~~three~~] taxable [~~years~~] year.

1102 (c) Construction jobs are not eligible for the tax credits under Subsections (7)(a)
1103 through (d).

1104 (9) If the amount of a tax credit under this section exceeds a business entity's tax
1105 liability under this chapter for a taxable year, the business entity may carry forward the amount
1106 of the tax credit exceeding the liability for a period that does not exceed the next three taxable
1107 years.

1108 (10) Tax credits under Subsections (7)(a) through (f) may not be claimed by a business
1109 entity primarily engaged in retail trade or by a public utilities business.

1110 (11) A business entity that has no employees:

- 1111 (a) may not claim tax credits under Subsections (7)(a) through (d); and
- 1112 (b) may claim tax credits under Subsections (7)(e) through (f).
- 1113 (12) (a) A business entity may not claim or carry forward a tax credit available under
- 1114 this part for a taxable year during which the business entity has claimed the targeted business
- 1115 income tax credit available under Section 63N-2-304.
- 1116 (b) A business entity may not claim or carry forward a tax credit available under this
- 1117 section for a taxable year during which the business entity claims or carries forward a tax credit
- 1118 available under Section 59-7-610 or 59-10-1007.
- 1119 (13) (a) On or before November 30, 2018, and every three years after 2018, the
- 1120 Revenue and Taxation Interim Committee shall review the tax credits provided by this section
- 1121 and make recommendations concerning whether the tax credits should be continued, modified,
- 1122 or repealed.
- 1123 (b) In conducting the review required by Subsection (13)(a), the Revenue and Taxation
- 1124 Interim Committee shall:
 - 1125 (i) schedule time on at least one committee agenda to conduct the review;
 - 1126 (ii) invite state agencies, individuals, and organizations concerned with the credits
 - 1127 under review to provide testimony;
 - 1128 (iii) ensure that the recommendations described in this section include an evaluation of:
 - 1129 (A) the cost of the tax credits to the state;
 - 1130 (B) the purpose and effectiveness of the tax credits; and
 - 1131 (C) the extent to which the state benefits from the tax credits; and
 - 1132 (iv) undertake other review efforts as determined by the chairs of the Revenue and
 - 1133 Taxation Interim Committee.
- 1134 Section 30. Section 63N-4-104 is amended to read:
- 1135 **63N-4-104. Duties.**
 - 1136 (1) The Office of Rural Development shall:
 - 1137 (a) provide staff support to the Governor's Rural Partnership Board in accordance with
 - 1138 Subsection 63C-10-102(6);
 - 1139 (b) facilitate within GOED the implementation of the strategic plan prepared under
 - 1140 Subsection 63C-10-103(1)(b);
 - 1141 (c) work to enhance the capacity of GOED to address rural economic development,

1142 planning, and leadership training challenges and opportunities by establishing partnerships and
1143 positive working relationships with appropriate public and private sector entities, individuals,
1144 and institutions;

1145 (d) work with the Governor's Rural Partnership Board to coordinate and focus
1146 available resources in ways that address the economic development, planning, and leadership
1147 training challenges and priorities in rural Utah; ~~and~~

1148 (e) assist the Governor's Rural Partnership Board in administering the Rural County
1149 Grant Program created in Section 17-54-103, including, as described in Subsection
1150 17-54-103(10), compiling reported information regarding the program for inclusion in GOED's
1151 annual written report described in Section 63N-1-301; and

1152 ~~[(e)]~~ (f) in accordance with economic development and planning policies set by state
1153 government, coordinate relations between:

1154 (i) the state;

1155 (ii) rural governments;

1156 (iii) other public and private groups engaged in rural economic planning and
1157 development; and

1158 (iv) federal agencies.

1159 (2) (a) The Office of Rural Development may:

1160 (i) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1161 make rules necessary to carry out its duties;

1162 (ii) accept gifts, grants, devises, and property, in cash or in kind, for the benefit of rural
1163 Utah citizens; and

1164 (iii) use those gifts, grants, devises, and property received under Subsection (2)(a)(ii)
1165 for the use and benefit of rural citizens within the state.

1166 (b) All resources received under Subsection (2)(a)(ii) shall be deposited in the General
1167 Fund as dedicated credits to be used as directed in Subsection (2)(a)(iii).

1168 Section 31. Section 67-19-15 is amended to read:

1169 **67-19-15. Career service -- Exempt positions -- Schedules for civil service**
1170 **positions -- Coverage of career service provisions.**

1171 (1) Except as otherwise provided by law or by rules and regulations established for
1172 federally aided programs, the following positions are exempt from the career service provisions

1173 of this chapter and are designated under the following schedules:

1174 (a) schedule AA includes the governor, members of the Legislature, and all other
1175 elected state officers;

1176 (b) schedule AB includes appointed executives and board or commission executives
1177 enumerated in Section [67-22-2](#);

1178 (c) schedule AC includes all employees and officers in:

1179 (i) the office and at the residence of the governor;

1180 [~~(ii) the Utah Science Technology and Research Initiative (USTAR);~~]

1181 [~~(iii)~~] (ii) the Public Lands Policy Coordinating Council;

1182 [~~(iv)~~] (iii) the Office of the State Auditor; and

1183 [~~(v)~~] (iv) the Office of the State Treasurer;

1184 (d) schedule AD includes employees who:

1185 (i) are in a confidential relationship to an agency head or commissioner; and

1186 (ii) report directly to, and are supervised by, a department head, commissioner, or
1187 deputy director of an agency or its equivalent;

1188 (e) schedule AE includes each employee of the State Board of Education that the State
1189 Board of Education designates as exempt from the career service provisions of this chapter;

1190 (f) schedule AG includes employees in the Office of the Attorney General who are
1191 under their own career service pay plan under Sections [67-5-7](#) through [67-5-13](#);

1192 (g) schedule AH includes:

1193 (i) teaching staff of all state institutions; and

1194 (ii) employees of the Utah Schools for the Deaf and the Blind who are:

1195 (A) educational interpreters as classified by the department; or

1196 (B) educators as defined by Section [53E-8-102](#);

1197 (h) schedule AN includes employees of the Legislature;

1198 (i) schedule AO includes employees of the judiciary;

1199 (j) schedule AP includes all judges in the judiciary;

1200 (k) schedule AQ includes:

1201 (i) members of state and local boards and councils appointed by the governor and
1202 governing bodies of agencies;

1203 (ii) a water commissioner appointed under Section [73-5-1](#);

- 1204 (iii) other local officials serving in an ex officio capacity; and
- 1205 (iv) officers, faculty, and other employees of state universities and other state
- 1206 institutions of higher education;
- 1207 (l) schedule AR includes employees in positions that involve responsibility:
- 1208 (i) for determining policy;
- 1209 (ii) for determining the way in which a policy is carried out; or
- 1210 (iii) of a type not appropriate for career service, as determined by the agency head with
- 1211 the concurrence of the executive director;
- 1212 (m) schedule AS includes any other employee:
- 1213 (i) whose appointment is required by statute to be career service exempt;
- 1214 (ii) whose agency is not subject to this chapter; or
- 1215 (iii) whose agency has authority to make rules regarding the performance,
- 1216 compensation, and bonuses for its employees;
- 1217 (n) schedule AT includes employees of the Department of Technology Services,
- 1218 designated as executive/professional positions by the executive director of the Department of
- 1219 Technology Services with the concurrence of the executive director;
- 1220 (o) schedule AU includes patients and inmates employed in state institutions;
- 1221 (p) employees of the Department of Workforce Services, designated as schedule AW:
- 1222 (i) who are temporary employees that are federally funded and are required to work
- 1223 under federally qualified merit principles as certified by the director; or
- 1224 (ii) for whom substantially all of their work is repetitive, measurable, or transaction
- 1225 based, and who voluntarily apply for and are accepted by the Department of Workforce
- 1226 Services to work in a pay for performance program designed by the Department of Workforce
- 1227 Services with the concurrence of the executive director; and
- 1228 (q) for employees in positions that are temporary, seasonal, time limited, funding
- 1229 limited, or variable hour in nature, under schedule codes and parameters established by the
- 1230 department by administrative rule.
- 1231 (2) The civil service shall consist of two schedules as follows:
- 1232 (a) (i) Schedule A is the schedule consisting of positions under Subsection (1).
- 1233 (ii) Removal from any appointive position under schedule A, unless otherwise
- 1234 regulated by statute, is at the pleasure of the appointing officers without regard to tenure.

1235 (b) Schedule B is the competitive career service schedule, consisting of:
1236 (i) all positions filled through competitive selection procedures as defined by the
1237 executive director; or
1238 (ii) positions filled through a department approved on-the-job examination intended to
1239 appoint a qualified person with a disability, or a veteran in accordance with Title 71, Chapter
1240 10, Veterans Preference.

1241 (3) (a) The executive director, after consultation with the heads of concerned executive
1242 branch departments and agencies and with the approval of the governor, shall allocate positions
1243 to the appropriate schedules under this section.

1244 (b) Agency heads shall make requests and obtain approval from the executive director
1245 before changing the schedule assignment and tenure rights of any position.

1246 (c) Unless the executive director's decision is reversed by the governor, when the
1247 executive director denies an agency's request, the executive director's decision is final.

1248 (4) (a) Compensation for employees of the Legislature shall be established by the
1249 directors of the legislative offices in accordance with Section [36-12-7](#).

1250 (b) Compensation for employees of the judiciary shall be established by the state court
1251 administrator in accordance with Section [78A-2-107](#).

1252 (c) Compensation for officers, faculty, and other employees of state universities and
1253 institutions of higher education shall be established as provided in Title 53B, Chapter 1,
1254 Governance, Powers, Rights, and Responsibilities, and Title 53B, Chapter 2, Institutions of
1255 Higher Education.

1256 (d) Unless otherwise provided by law, compensation for all other schedule A
1257 employees shall be established by their appointing authorities, within ranges approved by, and
1258 after consultation with the executive director of the Department of Human Resource
1259 Management.

1260 (5) An employee who is in a position designated schedule AC and who holds career
1261 service status on June 30, 2010, shall retain the career service status if the employee:
1262 (a) remains in the position that the employee is in on June 30, 2010; and
1263 (b) does not elect to convert to career service exempt status in accordance with a rule
1264 made by the department.

1265 Section 32. **Repealer.**

- 1266 This bill repeals:
- 1267 Section **13-1-14, Workforce Development Restricted Account.**
- 1268 Section **59-7-614.11, Nonrefundable nonprofit contribution tax credit.**
- 1269 Section **59-10-1039, Nonrefundable nonprofit contribution tax credit.**
- 1270 Section **63M-2-101, Title.**
- 1271 Section **63M-2-102, Definitions.**
- 1272 Section **63M-2-301, The Utah Science Technology and Research Initiative --**
- 1273 **Governing authority -- Program director.**
- 1274 Section **63M-2-302, USTAR powers and duties.**
- 1275 Section **63M-2-302.5, USTAR requirements.**
- 1276 Section **63M-2-304, Background checks for employees.**
- 1277 Section **63M-2-501, Title.**
- 1278 Section **63M-2-502, Principal researchers -- Agreement requirements --**
- 1279 **Discontinuing funding.**
- 1280 Section **63M-2-503, USTAR grant programs.**
- 1281 Section **63M-2-504, Other USTAR support.**
- 1282 Section **63M-2-601, Title.**
- 1283 Section **63M-2-602, Lease agreement for a research building -- Requirements for**
- 1284 **lease agreement.**
- 1285 Section **63M-2-701, Title.**
- 1286 Section **63M-2-703, Reporting requirements for private entities.**
- 1287 Section **63M-2-801, Title.**
- 1288 Section **63M-2-802, USTAR annual report.**
- 1289 Section **63M-2-803, Audit requirements.**
- 1290 Section **63N-2-213.5, State tax credits for contributions to a nonprofit corporation.**
- 1291 Section **63N-3-104, Rural Fast Track Program -- Creation -- Funding --**
- 1292 **Qualifications for program participation -- Awards -- Reports.**
- 1293 Section **63N-3-104.5, Business Expansion and Retention Initiative -- Creation --**
- 1294 **Funding -- Qualifications for program participation -- Awards -- Reports.**
- 1295 Section 33. **Appropriation.**
- 1296 Subsection 33(a). **Appropriation for fiscal year 2020.**

1297 The following sums of money are appropriated for the fiscal year beginning July 1,
 1298 2019, and ending June 30, 2020. These are additions to amounts previously appropriated for
 1299 fiscal year 2020. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
 1300 Act, the Legislature appropriates the following sums of money from the funds or accounts
 1301 indicated for the use and support of the government of the state of Utah.

1302 ITEM 11303 To Utah Science Technology and Research Governing Authority -- Support Programs1304 From General Fund, One-time (\$1,436,200)1305 Schedule of Programs:1306 Incubation Programs (\$1,436,200)1307 ITEM 21308 To Utah Science Technology and Research Governing Authority -- Grant Programs1309 From General Fund, One-time (\$1,765,200)1310 Schedule of Programs:1311 Industry Partnership Program (\$1,765,200)1312 ITEM 31313 To Utah Science Technology and Research Governing Authority -- USTAR1314 Administration1315 From General Fund, One-time (\$1,512,500)1316 Schedule of Programs:1317 Administration (\$330,300)1318 Project Management & Compliance (\$1,182,200)1319 ITEM 41320 To General Fund Restricted -- Workforce Development Restricted Account1321 From General Fund, One-time (\$14,636,900)1322 Schedule of Programs:1323 Workforce Development Restricted Account (\$14,636,900)1324 Subsection 33(b). **Appropriation for fiscal year 2021.**

1325 The following sums of money are appropriated for the fiscal year beginning July 1,
 1326 2020, and ending June 30, 2021. These are additions to amounts previously appropriated for
 1327 fiscal year 2021. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures

1328 Act, the Legislature appropriates the following sums of money from the funds or accounts
 1329 indicated for the use and support of the government of the state of Utah.

1330 ITEM 1

1331 To General Fund Restricted -- Workforce Development Restricted Account

1332 From General Fund (\$14,636,900)

1333 Schedule of Programs:

1334 Workforce Development Restricted Account (\$14,636,900)

1335 ITEM 2

1336 To Governor's Office of Economic Development -- Rural County Grant Program

1337 From General Fund \$10,000,000

1338 Schedule of Programs

1339 Rural County Grant Program \$10,000,000

1340 ITEM 3

1341 To Governor's Office of Economic Development -- Pass-through

1342 From General Fund (\$385,600)

1343 From Dedicated Credits Revenue (\$16,100)

1344 Schedule of Programs:

1345 Pass-through (\$401,700)

1346 ITEM 4

1347 To Governor's Office of Economic Development -- SBIR/STTR Center

1348 From General Fund \$385,600

1349 From Dedicated Credits Revenue \$16,100

1350 Schedule of Programs:

1351 SBIR/STTR Center \$401,700

1352 Section 34. **Retrospective operation.**

1353 The repeal of Sections 59-7-614.11, 59-10-1039, and 63N-2-213.5 in this bill have
 1354 retrospective operation for a taxable year beginning on or after January 1, 2020.

1355 Section 35. **Effective date.**

1356 (1) Except as provided in Subsection (2), this bill takes effect on July 1, 2020.

1357 (2) Uncodified Subsection 33(a), Appropriation for Fiscal Year 2020, takes effect on
 1358 May 12, 2020.

1359 Section 36. **Coordinating S.B. 95 with H.B. 72 -- Substantive and technical**
1360 **amendments.**

1361 If this S.B. 95 and S.B. 72, Revisor's Technical Corrections to Utah Code, both pass
1362 and become law, it is the intent of the Legislature that on July 1, 2020, the amendments to
1363 Sections [59-7-610](#) and [59-10-1007](#) in this bill supersede the amendments to Sections [59-7-610](#)
1364 and [59-10-1007](#) in S.B. 72, when the Office of Legislative Research and General Counsel
1365 prepares the Utah Code database for publication.

1366 Section 37. **Coordinating S.B. 95 with H.B. 179 -- Substantive and technical**
1367 **amendments.**

1368 If this S.B. 95 and H.B. 179, Recycling Market Development Zone Tax Credit
1369 Amendments, both pass and become law, it is the intent of the Legislature that on July 1, 2020,
1370 the amendments to Section [63I-1-263](#) in this bill supersede the amendments to Section
1371 [63I-1-263](#) in H.B. 179, when the Office of Legislative Research and General Counsel prepares
1372 the Utah Code database for publication.