

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: _____

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 2021:

- 33 ▶ to the General Fund Restricted -- Workforce Development Restricted Account, as
- 34 an ongoing appropriation:
 - 35 • from the General Fund, (\$14,636,900);
- 36 ▶ to the Governor's Office of Economic Development -- Rural County Grant Program,
- 37 as an ongoing appropriation:
 - 38 • from the General Fund, \$10,000,000.

39 **Other Special Clauses:**

40 This bill provides retrospective operation.
41 This bill provides a special effective date.

42 **Utah Code Sections Affected:**

43 AMENDS:

- 44 **53B-17-1101**, as enacted by Laws of Utah 2018, Chapter 453
- 45 **53B-18-1601**, as enacted by Laws of Utah 2018, Chapter 453
- 46 **59-7-610**, as last amended by Laws of Utah 2019, Chapter 247
- 47 **59-10-1007**, as last amended by Laws of Utah 2019, Chapter 247
- 48 **63A-3-110**, as last amended by Laws of Utah 2019, Chapter 211
- 49 **63A-5-305**, as last amended by Laws of Utah 2016, Chapter 240
- 50 **63C-10-103**, as last amended by Laws of Utah 2018, Chapter 204
- 51 **63I-1-263**, as last amended by Laws of Utah 2019, Chapters 89, 246, 311, 414, 468,
- 52 469, 482 and last amended by Coordination Clause, Laws of Utah 2019, Chapter
- 53 246
- 54 **63J-1-602.2**, as last amended by Laws of Utah 2019, Chapters 136, 326, 468, and 469
- 55 **63N-1-501**, as renumbered and amended by Laws of Utah 2015, Chapter 283
- 56 **63N-2-203**, as last amended by Laws of Utah 2017, Chapter 252

- 57 **63N-2-204**, as last amended by Laws of Utah 2016, Chapter 11
- 58 **63N-2-208**, as renumbered and amended by Laws of Utah 2015, Chapter 283
- 59 **63N-2-213**, as last amended by Laws of Utah 2019, Chapter 247
- 60 **63N-4-104**, as renumbered and amended by Laws of Utah 2015, Chapter 283
- 61 **67-19-15**, as last amended by Laws of Utah 2018, Chapters 39 and 415

62 ENACTS:

- 63 **17-54-101**, Utah Code Annotated 1953
- 64 **17-54-102**, Utah Code Annotated 1953
- 65 **17-54-103**, Utah Code Annotated 1953
- 66 **17-54-104**, Utah Code Annotated 1953

67 RENUMBERS AND AMENDS:

- 68 **19-13-101**, (Renumbered from 63N-2-401, as renumbered and amended by Laws of
- 69 Utah 2015, Chapter 283)
- 70 **19-13-102**, (Renumbered from 63N-2-402, as last amended by Laws of Utah 2015,
- 71 Chapter 30 and renumbered and amended by Laws of Utah 2015, Chapter 283)
- 72 **19-13-103**, (Renumbered from 63N-2-403, as renumbered and amended by Laws of
- 73 Utah 2015, Chapter 283)
- 74 **19-13-104**, (Renumbered from 63N-2-404, as renumbered and amended by Laws of
- 75 Utah 2015, Chapter 283)
- 76 **19-13-105**, (Renumbered from 63N-2-405, as renumbered and amended by Laws of
- 77 Utah 2015, Chapter 283)
- 78 **19-13-106**, (Renumbered from 63N-2-406, as renumbered and amended by Laws of
- 79 Utah 2015, Chapter 283)
- 80 **19-13-107**, (Renumbered from 63N-2-407, as renumbered and amended by Laws of
- 81 Utah 2015, Chapter 283)
- 82 **19-13-108**, (Renumbered from 63N-2-408, as renumbered and amended by Laws of
- 83 Utah 2015, Chapter 283)
- 84 **19-13-109**, (Renumbered from 63N-2-409, as renumbered and amended by Laws of
- 85 Utah 2015, Chapter 283)
- 86 **19-13-110**, (Renumbered from 63N-2-410, as renumbered and amended by Laws of
- 87 Utah 2015, Chapter 283)

88 19-13-111, (Renumbered from 63N-2-411, as renumbered and amended by Laws of
89 Utah 2015, Chapter 283)

90 REPEALS:

91 13-1-14, as last amended by Laws of Utah 2019, Chapter 352

92 59-7-614.11, as enacted by Laws of Utah 2017, Chapter 252

93 59-10-1039, as enacted by Laws of Utah 2017, Chapter 252

94 63M-2-101, as last amended by Laws of Utah 2015, Chapter 283

95 63M-2-102, as last amended by Laws of Utah 2019, Chapter 352

96 63M-2-301, as last amended by Laws of Utah 2019, Chapters 246 and 352

97 63M-2-302, as last amended by Laws of Utah 2019, Chapter 352

98 63M-2-302.5, as last amended by Laws of Utah 2019, Chapter 352

99 63M-2-304, as last amended by Laws of Utah 2019, Chapter 352

100 63M-2-501, as enacted by Laws of Utah 2016, Chapter 240

101 63M-2-502, as last amended by Laws of Utah 2019, Chapter 352

102 63M-2-503, as last amended by Laws of Utah 2019, Chapter 352

103 63M-2-504, as last amended by Laws of Utah 2019, Chapter 352

104 63M-2-601, as enacted by Laws of Utah 2016, Chapter 240

105 63M-2-602, as last amended by Laws of Utah 2018, Chapter 453

106 63M-2-701, as enacted by Laws of Utah 2016, Chapter 240

107 63M-2-703, as last amended by Laws of Utah 2019, Chapter 352

108 63M-2-801, as enacted by Laws of Utah 2016, Chapter 240

109 63M-2-802, as last amended by Laws of Utah 2019, Chapter 352

110 63M-2-803, as last amended by Laws of Utah 2019, Chapter 352

111 63N-2-213.5, as enacted by Laws of Utah 2017, Chapter 252

112 63N-3-104, as last amended by Laws of Utah 2019, Chapter 499

113 63N-3-104.5, as last amended by Laws of Utah 2019, Chapter 499

114

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

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

117 **CHAPTER 54. RURAL COUNTY GRANT PROGRAM**

118 **17-54-101. Title.**

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

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

121 **17-54-102. Definitions.**

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

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

126 (3) "Grant program" means the Rural County Grant Program created in Section
127 [17-54-103](#).

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

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

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

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

134 **17-54-103. Rural County Grant Program.**

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

136 (2) The grant program shall be administered by the rural partnership board with the
137 cooperation of the Office of Rural Development.

138 (3) (a) In administering the grant program, the rural partnership board shall recommend
139 the awarding of grants to rural counties to address the economic development needs of rural
140 counties, in accordance with the provisions of this chapter, which needs may include:

141 (i) business recruitment, development, and expansion;

142 (ii) workforce training and development; and

143 (iii) infrastructure and capital facilities improvements for business development.

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

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

149 (a) equally between all rural counties that have created a CED board, in an amount up

150 to and including \$200,000 annually per county; and

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

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

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

159 (i) a 10% match for a county of the sixth class;

160 (ii) a 20% match for a county of the fifth class;

161 (iii) a 30% match for a county of the fourth class; and

162 (iv) a 40% match for a county of the third class; and

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

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

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

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

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

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

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

180 (8) In determining the recommended award of grant money under Subsection (4)(b),

181 the rural partnership board may prioritize applications that demonstrate any combination of the
182 following:

183 (a) that the county has or is actively pursuing the creation of an effective strategic
184 economic development plan;

185 (b) consistency with local economic development priorities;

186 (c) economic need;

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

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

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

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

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

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

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

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

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

205 (10) The Office of Rural Development shall compile the reported information and
206 provide a written report to the Governor's Office of Economic Development for inclusion in the
207 Governor's Office of Economic Development's annual written report described in Section
208 [63N-1-301](#).

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

210 **17-54-104. County Economic Development Advisory Board.**

211 (1) (a) Each rural county that seeks to obtain a grant under this chapter, shall create a

212 CED board composed of at least the following members appointed by the county legislative
213 body:

- 214 (i) a county representative;
- 215 (ii) a representative of a municipality in the county;
- 216 (iii) a workforce development representative;
- 217 (iv) a private-sector representative; and
- 218 (v) a member of the public who lives in the county.

219 (b) The county legislative body may also appoint additional members with experience
220 or expertise in economic development matters.

221 (2) Each CED board shall assist and advise the county legislative body on:

- 222 (a) applying for a grant under this chapter;
- 223 (b) what projects should be funded by grant money provided to a rural county under
224 this chapter; and
- 225 (c) preparing reporting requirements for grant money received by a rural county under
226 this chapter.

227 Section 5. Section **19-13-101**, which is renumbered from Section 63N-2-401 is
228 renumbered and amended to read:

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

230 ~~[63N-2-401].~~ **19-13-101. Title.**

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

232 Section 6. Section **19-13-102**, which is renumbered from Section 63N-2-402 is
233 renumbered and amended to read:

234 ~~[63N-2-402].~~ **19-13-102. Definitions.**

235 As used in this part:

236 (1) "Composting" means the controlled decay of landscape waste or sewage sludge and
237 organic industrial waste, or a mixture of these, by the action of bacteria, fungi, molds, and other
238 organisms.

239 (2) "Postconsumer waste material" means any product generated by a business or
240 consumer that has served its intended end use, and that has been separated from solid waste for
241 the purposes of collection, recycling, and disposition and that does not include secondary waste
242 material.

243 (3) (a) "Recovered materials" means waste materials and by-products that have been
244 recovered or diverted from solid waste.

245 (b) "Recovered materials" does not include those materials and by-products generated
246 from, and commonly reused within, an original manufacturing process.

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

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

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

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

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

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

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

264 ~~[63N-2-403].~~ **19-13-103. Duties of the department.**

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

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

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

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

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

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

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

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

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

284 [~~63N-2-404~~]. **19-13-104. Criteria for recycling market development zone --**
285 **Application process and fees.**

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

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

289 (b) the county or municipality provides for postconsumer waste collection for recycling
290 within the county or municipality.

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

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

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

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

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

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

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

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

304 (iii) the county's or municipality's economic development plan and demonstration of

305 coordination between the zone and the county or municipality in overall development goals;
306 (iv) zoning requirements demonstrating that sufficient portions of the proposed zone
307 area are zoned as appropriate for the development of commercial, industrial, or manufacturing
308 businesses;

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

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

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

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

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

318 (ii) commercial composting;

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

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

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

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

327 ~~[63N-2-405]~~. **19-13-105. Qualifying local contributions.**

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

330 (1) simplified procedures for obtaining permits;

331 (2) dedication of available government grants;

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

333 (4) infrastructure improvements;

334 (5) private contributions;

335 (6) utility rate concessions;

336 (7) suspension or relaxation of locally originated zoning laws or general plans; and
337 (8) other proposed local contributions as the [~~office~~] department finds promote the
338 purposes of this part.

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

341 [~~63N-2-406~~]. **19-13-106. Eligibility review.**

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

343 (a) review and evaluate an application submitted under Section [~~63N-2-404~~]

344 19-13-104; and

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

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

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

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

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

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

356 [~~63N-2-407~~]. **19-13-107. Quarterly consideration.**

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

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

361 [~~63N-2-408~~]. **19-13-108. Duration of designation.**

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

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

367 ~~[63N-2-409]~~. **19-13-109. Revocation of designations.**

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

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

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

375 ~~[63N-2-410]~~. **19-13-110. Recycling market development zone credit.**

376 For a taxpayer within a recycling market development zone, there are allowed the
377 nonrefundable credits against tax as provided by Sections 59-7-610 and 59-10-1007.

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

380 ~~[63N-2-411]~~. **19-13-111. Annual report.**

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

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

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

387 **53B-17-1101. Definitions.**

388 As used in this part:

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

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

391 (b) before May 8, 2018, received funding from USTAR for some or all of the
392 researcher's startup costs or salary;

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

394 (d) after May 8, 2018, receives some or all of the researcher's start up costs or salary
395 from a legislative appropriation to the university for that purpose.

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

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

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

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

400 **53B-18-1601. Definitions.**

401 As used in this part:

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

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

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

405 researcher's startup costs or salary;

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

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

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

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

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

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

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

413 **59-7-610. Recycling market development zones tax credits.**

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

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

416 the following nonrefundable tax credits:

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

418 directly in:

419 (i) commercial composting; or

420 (ii) manufacturing facilities or plant units that:

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

422 property for sale; or

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

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

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

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

427 composting technology in Utah; and

428 (ii) \$2,000.

429 (2) (a) To claim a tax credit described in Subsection (1), the taxpayer shall receive
430 from the [~~Governor's Office of Economic Development~~] Department of Environmental Quality
431 a written certification, on a form approved by the commission, that includes:

432 (i) a statement that the taxpayer is operating a business within the boundaries of a
433 recycling market development zone;

434 (ii) for claims of the tax credit described in Subsection (1)(a):

435 (A) the type of the machinery and equipment that the taxpayer purchased;

436 (B) the date that the taxpayer purchased the machinery and equipment;

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

438 (D) the total purchase price for all machinery and equipment for which the taxpayer is
439 claiming a tax credit;

440 (E) a statement that the machinery and equipment are integral to the composting or
441 recycling process; and

442 (F) the amount of the taxpayer's tax credit; and

443 (iii) for claims of the tax credit described in Subsection (1)(b):

444 (A) the type of net expenditure that the taxpayer made to a third party;

445 (B) the date that the taxpayer made the payment to a third party;

446 (C) the amount that the taxpayer paid to each third party;

447 (D) the total amount that the taxpayer paid to all third parties;

448 (E) a statement that the net expenditures support the establishment and operation of
449 recycling or composting technology in Utah; and

450 (F) the amount of the taxpayer's tax credit.

451 (b) (i) The [~~Governor's Office of Economic Development~~] Department of
452 Environmental Quality shall provide a taxpayer seeking to claim a tax credit under Subsection
453 (1) with a copy of the written certification.

454 (ii) The taxpayer shall retain a copy of the written certification for the same period of
455 time that a person is required to keep books and records under Section [59-1-1406](#).

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

458 (i) the name and identifying information of each taxpayer to which the [~~office~~]

459 Department of Environmental Quality issues a written certification; and

460 (ii) for each taxpayer, the amount of each tax credit listed on the written certification.

461 (3) A taxpayer may not claim a tax credit under Subsection (1)(a), Subsection (1)(b), or
462 both that exceeds 40% of the taxpayer's state income tax liability as the tax liability is
463 calculated:

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

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

466 (c) before the taxpayer claiming a tax credit authorized by this section.

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

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

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

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

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

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

482 **59-10-1007. Recycling market development zones tax credits.**

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

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

488 (i) commercial composting; or

489 (ii) manufacturing facilities or plant units that:

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

491 property for sale; or

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

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

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

497 (ii) \$2,000.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

525 (ii) The claimant, estate, or trust shall retain a copy of the written certification for the
526 same period of time that a person is required to keep books and records under Section
527 [59-1-1406](#).

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

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

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

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

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

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

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

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

545 (5) Except as provided in Subsections (6) through (8), a claimant, estate, or trust may
546 carry forward, to the next three taxable years, the amount of the tax credit that exceeds the
547 [~~taxpayer's~~] claimant's, estate's, or trust's income tax liability for the taxable year.

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

551 (7) A claimant, estate, or trust may not claim a tax credit described in Subsection (1)(b)
552 in a taxable year during which the claimant, estate, or trust claims or carries forward a tax

553 credit under Section [63N-2-213](#).

554 (8) A claimant, estate, or trust may not claim or carry forward a tax credit [~~available~~]
555 under this section for a taxable year during which the claimant, estate, or trust claims the
556 targeted business income tax credit under Section [59-10-1112](#).

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

558 **63A-3-110. Personal use expenditures for state officers and employees.**

559 (1) As used in this section:

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

562 (b) "Governmental entity" means:

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

566 (ii) the Office of the Legislative Auditor General, the Office of the Legislative Fiscal
567 Analyst, the Office of Legislative Research and General Counsel, the Legislature, and
568 legislative committees;

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

571 (iv) independent state entities created under Title 63H, Independent State Entities~~[-or]~~;

572 [~~(v) the Utah Science Technology and Research Governing Authority created under~~

573 ~~Section [63M-2-301](#).]~~

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

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

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

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

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

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

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

585 (B) a state vehicle or a monthly stipend for a vehicle that an officer or employee uses to
586 travel to and from the officer or employee's official duties, including a minimal allowance for a
587 detour as provided by the state.

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

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

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

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

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

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

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

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

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

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

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

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

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

613 (b) If the state officer or employee has requested an appeal under Subsection (4), the
614 Division of Finance may only withhold the wages of the officer or employee after the appeal

615 authority described in Subsection (4)(b) has confirmed that the officer or employee violated
616 Subsection (2).

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

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

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

623 **63A-5-305. Leasing by higher education institutions.**

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

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

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

630 **63C-10-103. Duties.**

631 (1) The board shall:

632 (a) serve as an advisory board to:

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

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

636 (b) prepare an annual strategic plan that:

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

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

641 (c) identify local, regional, and statewide rural economic development and planning
642 priorities;

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

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

648 (f) administer the Rural County Grant Program created in Section 17-54-103; and

649 ~~[(f) review projects in enterprise zones proposed by nonprofit corporations~~

650 ~~headquartered in enterprise zones as described in Subsection 63N-2-213.5(6);]~~

651 ~~[(g) review applications for cash awards, grants, loans, or other financial assistance~~

652 ~~under:]~~

653 ~~[(i) the Rural Fast Track Program described in Section 63N-3-104; and]~~

654 ~~[(ii) the Business Expansion and Retention Initiative described in Section~~

655 ~~63N-3-104.5; and]~~

656 ~~[(h)]~~ (g) no later than October 1 of each year, submit to the governor, the Legislature,
657 and the Economic Development and Workforce Services Interim Committee an annual report,
658 in accordance with Section 68-3-14, that provides:

659 (i) an overview of the rural economy in the state;

660 (ii) a summary of current issues and policy matters relating to rural economic
661 development; and

662 (iii) a statement of the board's initiatives, programs, and economic development
663 priorities.

664 (2) The board may engage in activities necessary to fulfill the board's duties, including:

665 (a) propose or support rural economic development legislation; and

666 (b) create one or more subcommittees.

667 Section 23. Section 63I-1-263 is amended to read:

668 **63I-1-263. Repeal dates, Titles 63A to 63N.**

669 (1) In relation to the Utah Transparency Advisory Board, on January 1, 2025:

670 (a) Subsection 63A-1-201(1) is repealed;

671 (b) Subsection 63A-1-202(2)(c), the language that states "using criteria established by
672 the board" is repealed;

673 (c) Section 63A-1-203 is repealed;

674 (d) Subsections 63A-1-204(1) and (2), the language that states "After consultation with
675 the board, and" is repealed; and

676 (e) Subsection 63A-1-204(1)(b), the language that states "using the standards provided

677 in Subsection 63A-1-203(3)(c)" is repealed.

678 (2) Subsection 63A-5-228(2)(h), relating to prioritizing and allocating capital
679 improvement funding, is repealed on July 1, 2024.

680 (3) Section 63A-5-603, State Facility Energy Efficiency Fund, is repealed July 1, 2023.

681 (4) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July
682 1, 2028.

683 (5) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1,
684 2025.

685 (6) Title 63C, Chapter 16, Prison Development Commission Act, is repealed July 1,
686 2020.

687 (7) Title 63C, Chapter 17, Point of the Mountain Development Commission Act, is
688 repealed July 1, 2021.

689 (8) Title 63C, Chapter 18, Mental Health Crisis Line Commission, is repealed July 1,
690 2023.

691 (9) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed July 1,
692 2025.

693 (10) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1,
694 2020.

695 (11) In relation to the State Fair Corporation Board of Directors, on January 1, 2025:

696 (a) Subsection 63H-6-104(2)(c), related to a Senate appointment, is repealed;

697 (b) Subsection 63H-6-104(2)(d), related to a House appointment, is repealed;

698 (c) in Subsection 63H-6-104(2)(e), the language that states ", of whom only one may
699 be a legislator, in accordance with Subsection (3)(e)," is repealed;

700 (d) Subsection 63H-6-104(3)(a)(i) is amended to read:

701 "(3)(a)(i) Except as provided in Subsection (3)(a)(ii), a board member appointed under
702 Subsection (2)(e) or (f) shall serve a term that expires on the December 1 four years after the
703 year that the board member was appointed.";

704 (e) in Subsections 63H-6-104(3)(a)(ii), (c)(ii), and (d), the language that states "the
705 president of the Senate, the speaker of the House, the governor," is repealed and replaced with
706 "the governor"; and

707 (f) Subsection 63H-6-104(3)(e), related to limits on the number of legislators, is

708 repealed.

709 (12) Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1, 2026.

710 (13) Section 63M-7-212 is repealed on December 31, 2019.

711 (14) On July 1, 2025:

712 (a) in Subsection 17-27a-404(3)(c)(ii), the language that states "the Resource
713 Development Coordinating Committee," is repealed;

714 (b) Subsection 23-14-21(2)(c) is amended to read "(c) provide notification of proposed
715 sites for the transplant of species to local government officials having jurisdiction over areas
716 that may be affected by a transplant.";

717 (c) in Subsection 23-14-21(3), the language that states "and the Resource Development
718 Coordinating Committee" is repealed;

719 (d) in Subsection 23-21-2.3(1), the language that states "the Resource Development
720 Coordinating Committee created in Section 63J-4-501 and" is repealed;

721 (e) in Subsection 23-21-2.3(2), the language that states "the Resource Development
722 Coordinating Committee and" is repealed;

723 (f) Subsection 63J-4-102(1) is repealed and the remaining subsections are renumbered
724 accordingly;

725 (g) Subsections 63J-4-401(5)(a) and (c) are repealed;

726 (h) Subsection 63J-4-401(5)(b) is renumbered to Subsection 63J-4-401(5)(a) and the
727 word "and" is inserted immediately after the semicolon;

728 (i) Subsection 63J-4-401(5)(d) is renumbered to Subsection 63J-4-401(5)(b);

729 (j) Sections 63J-4-501, 63J-4-502, 63J-4-503, 63J-4-504, and 63J-4-505 are repealed;

730 and

731 (k) Subsection 63J-4-603(1)(e)(iv) is repealed and the remaining subsections are
732 renumbered accordingly.

733 (15) Subsection 63J-1-602.1(13), Nurse Home Visiting Restricted Account is repealed
734 July 1, 2026.

735 (16) Subsection 63J-1-602.2(4), referring to dedicated credits to the Utah Marriage
736 Commission, is repealed July 1, 2023.

737 (17) Subsection 63J-1-602.2(5), referring to the Trip Reduction Program, is repealed
738 July 1, 2022.

739 (18) (a) Subsection 63J-1-602.1(53), relating to the Utah Statewide Radio System
740 Restricted Account, is repealed July 1, 2022.

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

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

746 (20) Subsection 63J-4-708(1), in relation to the Talent Ready Utah Board, on January
747 1, 2023, is amended to read:

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

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

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

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

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

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

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

760 "(2) The commission shall:

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

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

765 (22) The Crime Victim Reparations and Assistance Board, created in Section
766 63M-7-504, is repealed July 1, 2027.

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

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

770 (25) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.
771 [~~(26)~~ (a) Title 63N, Chapter 2, Part 4, Recycling Market Development Zone Act, is
772 repealed January 1, 2021.]
773 [~~(b)~~ Subject to Subsection ~~(26)(c)~~, Sections ~~59-7-610~~ and ~~59-10-1007~~ regarding tax
774 credits for certain persons in recycling market development zones, are repealed for taxable
775 years beginning on or after January 1, 2021.]
776 [~~(c)~~ A person may not claim a tax credit under Section ~~59-7-610~~ or ~~59-10-1007~~.]
777 [~~(i)~~ for the purchase price of machinery or equipment described in Section ~~59-7-610~~ or
778 ~~59-10-1007~~, if the machinery or equipment is purchased on or after January 1, 2021; or]
779 [~~(ii)~~ for an expenditure described in Subsection ~~59-7-610(1)(b)~~ or ~~59-10-1007(1)(b)~~, if
780 the expenditure is made on or after January 1, 2021.]
781 [~~(d)~~ Notwithstanding Subsections ~~(26)(b)~~ and ~~(c)~~, a person may carry forward a tax
782 credit in accordance with Section ~~59-7-610~~ or ~~59-10-1007~~ if:]
783 [~~(i)~~ the person is entitled to a tax credit under Section ~~59-7-610~~ or ~~59-10-1007~~; and]
784 [~~(ii)~~ (A) for the purchase price of machinery or equipment described in Section
785 ~~59-7-610~~ or ~~59-10-1007~~, the machinery or equipment is purchased on or before December 31,
786 2020; or]
787 [~~(B)~~ for an expenditure described in Subsection ~~59-7-610(1)(b)~~ or ~~59-10-1007(1)(b)~~;
788 the expenditure is made on or before December 31, 2020.]
789 [~~(27)~~ (26) Section ~~63N-2-512~~ is repealed on July 1, 2021.
790 [~~(28)~~ (27) (a) Title 63N, Chapter 2, Part 6, Utah Small Business Jobs Act, is repealed
791 January 1, 2021.
792 (b) Section ~~59-9-107~~ regarding tax credits against premium taxes is repealed for
793 calendar years beginning on or after January 1, 2021.
794 (c) Notwithstanding Subsection [~~(28)~~] (27)(b), an entity may carry forward a tax credit
795 in accordance with Section ~~59-9-107~~ if:
796 (i) the person is entitled to a tax credit under Section ~~59-9-107~~ on or before December
797 31, 2020; and
798 (ii) the qualified equity investment that is the basis of the tax credit is certified under
799 Section ~~63N-2-603~~ on or before December 31, 2023.
800 [~~(29)~~ (28) Subsections ~~63N-3-109(2)(e)~~ and ~~63N-3-109(2)(f)(i)~~ are repealed July 1,

801 2023.

802 [~~30~~] (29) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is
803 repealed July 1, 2023.

804 [~~31~~] (30) Title 63N, Chapter 9, Part 2, Outdoor Recreational Infrastructure Grant
805 Program, is repealed January 1, 2023.

806 [~~32~~] (31) In relation to the Pete Suazo Utah Athletic Commission, on January 1,
807 2021:

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

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

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

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

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

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

817 [~~33~~] (32) In relation to the Talent Ready Utah Board, on January 1, 2023:

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

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

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

823 [~~34~~] (33) Title 63N, Chapter 12, Part 5, Talent Ready Utah Center, is repealed
824 January 1, 2023.

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

826 **63J-1-602.2. List of nonlapsing appropriations to programs.**

827 Appropriations made to the following programs are nonlapsing:

828 (1) The Legislature and its committees.

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

830 (3) The LeRay McAllister Critical Land Conservation Program created in Section
831 11-38-301.

- 832 (4) Dedicated credits accrued to the Utah Marriage Commission as provided under
833 Subsection 17-16-21(2)(d)(ii).
- 834 (5) The Trip Reduction Program created in Section 19-2a-104.
- 835 (6) The Division of Wildlife Resources for the appraisal and purchase of lands under
836 the Pelican Management Act, as provided in Section 23-21a-6.
- 837 (7) The primary care grant program created in Section 26-10b-102.
- 838 (8) Sanctions collected as dedicated credits from Medicaid provider under Subsection
839 26-18-3(7).
- 840 (9) The Utah Health Care Workforce Financial Assistance Program created in Section
841 26-46-102.
- 842 (10) The Rural Physician Loan Repayment Program created in Section 26-46a-103.
- 843 (11) The Opiate Overdose Outreach Pilot Program created in Section 26-55-107.
- 844 (12) Funds that the Department of Alcoholic Beverage Control retains in accordance
845 with Subsection 32B-2-301(7)(a) or (b).
- 846 (13) The General Assistance program administered by the Department of Workforce
847 Services, as provided in Section 35A-3-401.
- 848 (14) A new program or agency that is designated as nonlapsing under Section
849 36-24-101.
- 850 (15) The Utah National Guard, created in Title 39, Militia and Armories.
- 851 (16) The State Tax Commission under Section 41-1a-1201 for the:
- 852 (a) purchase and distribution of license plates and decals; and
- 853 (b) administration and enforcement of motor vehicle registration requirements.
- 854 (17) The Search and Rescue Financial Assistance Program, as provided in Section
855 53-2a-1102.
- 856 (18) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- 857 (19) The State Board of Regents for teacher preparation programs, as provided in
858 Section 53B-6-104.
- 859 (20) The Medical Education Program administered by the Medical Education Council,
860 as provided in Section 53B-24-202.
- 861 (21) The State Board of Education, as provided in Section 53F-2-205.
- 862 (22) The Division of Services for People with Disabilities, as provided in Section

863 62A-5-102.

864 (23) The Division of Fleet Operations for the purpose of upgrading underground
865 storage tanks under Section 63A-9-401.

866 (24) The Utah Seismic Safety Commission, as provided in Section 63C-6-104.

867 (25) Appropriations to the Department of Technology Services for technology
868 innovation as provided under Section 63F-4-202.

869 (26) The Office of Administrative Rules for publishing, as provided in Section
870 63G-3-402.

871 [~~(27) The Utah Science Technology and Research Initiative created in Section~~
872 ~~63M-2-301.~~]

873 [(28)] (27) The Governor's Office of Economic Development to fund the Enterprise
874 Zone Act, as provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.

875 [(29)] (28) Appropriations to fund the Governor's Office of Economic Development's
876 Rural Employment Expansion Program, as described in Title 63N, Chapter 4, Part 4, Rural
877 Employment Expansion Program.

878 [(30)] (29) The Department of Human Resource Management user training program, as
879 provided in Section 67-19-6.

880 [(31)] (30) A public safety answering point's emergency telecommunications service
881 fund, as provided in Section 69-2-301.

882 [(32)] (31) The Traffic Noise Abatement Program created in Section 72-6-112.

883 [(33)] (32) The Judicial Council for compensation for special prosecutors, as provided
884 in Section 77-10a-19.

885 [(34)] (33) A state rehabilitative employment program, as provided in Section
886 78A-6-210.

887 [(35)] (34) The Utah Geological Survey, as provided in Section 79-3-401.

888 [(36)] (35) The Bonneville Shoreline Trail Program created under Section 79-5-503.

889 [(37)] (36) Adoption document access as provided in Sections 78B-6-141, 78B-6-144,
890 and 78B-6-144.5.

891 [(38)] (37) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent
892 Defense Commission.

893 [(39)] (38) The program established by the Division of Facilities Construction and

894 Management under Subsection 63A-5-228(3) under which state agencies receive an
 895 appropriation and pay lease payments for the use and occupancy of buildings owned by the
 896 Division of Facilities Construction and Management.

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

898 **63N-1-501. Governor's Economic Development Coordinating Council --**
 899 **Membership -- Expenses.**

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

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

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

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

906 [~~(d)~~] (c) the chair of the Governor's Rural Partnership Board created in Section
 907 63C-10-102 or the chair's designee;

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

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

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

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

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

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

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

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

- 925 (a) Sections 63A-3-106 and 63A-3-107; and
926 (b) rules made by the Division of Finance under Sections 63A-3-106 and 63A-3-107.
927 (5) The office shall provide office space and administrative staff support for the
928 council.

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

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

933 **63N-2-203. Powers of the office.**

934 The office shall:

- 935 (1) monitor the implementation and operation of this part and conduct a continuing
936 evaluation of the progress made in the enterprise zones;
937 (2) evaluate an application for designation as an enterprise zone from a county
938 applicant or a municipal applicant and determine if the applicant qualifies for that designation;
939 (3) provide technical assistance to county applicants and municipal applicants in
940 developing applications for designation as enterprise zones;
941 (4) assist county applicants and municipal applicants designated as enterprise zones in
942 obtaining assistance from the federal government and agencies of the state;
943 (5) assist a qualified business entity in obtaining the benefits of an incentive or
944 inducement program authorized by this part; and
945 (6) as part of the annual written report described in Section 63N-1-301, prepare an
946 annual evaluation that provides:
947 (a) based on data from the State Tax Commission, the total amount of tax credits
948 claimed under this part;
949 (b) the total amount awarded in tax credits for each development zone;
950 (c) the number of new full-time employee positions reported to obtain tax credits in
951 each development zone;
952 (d) the amount of tax credits awarded for rehabilitating a building in each development
953 zone;
954 (e) the amount of tax credits awarded for investing in a plant, equipment, or other
955 depreciable property in each development zone; and

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

958 [(g)] (f) recommendations regarding the effectiveness of the program and any
959 suggestions for legislation.

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

961 **63N-2-204. Criteria for designation of enterprise zones -- Application.**

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

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

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

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

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

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

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

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

976 (a) a plan developed by the county applicant or municipal applicant that identifies local
977 contributions meeting the requirements of Section 63N-2-205;

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

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

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

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

982 (iii) any commitments obtained from businesses;

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

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

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

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

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

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

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

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

997 **63N-2-208. Duration of designation.**

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

1000 (2) On or after January 1, 2020, neither a municipality nor a county may reapply for an
1001 enterprise zone designation for an enterprise zone that has reached the end of the enterprise
1002 zone's five-year duration.

1003 Section 29. Section **63N-2-213** is amended to read:

1004 **63N-2-213. State tax credits.**

1005 (1) The office shall certify a business entity's eligibility for a tax credit described in this
1006 section.

1007 (2) A business entity seeking to receive a tax credit as provided in this section shall
1008 provide the office with:

1009 (a) an application for a tax credit certificate in a form approved by the office, including
1010 a certification, by an officer of the business entity, of a signature on the application; and

1011 (b) documentation that demonstrates the business entity has met the requirements to
1012 receive the tax credit.

1013 (3) If, after review of an application and documentation provided by a business entity
1014 as described in Subsection (2), the office determines that the application and documentation are
1015 inadequate to provide a reasonable justification for authorizing the tax credit, the office shall:

1016 (a) deny the tax credit; or

1017 (b) inform the business entity that the application or documentation was inadequate

1018 and ask the business entity to submit additional documentation.

1019 (4) If, after review of an application and documentation provided by a business entity
1020 as described in Subsection (2), the office determines that the application and documentation
1021 provide reasonable justification for authorizing a tax credit, the office shall:

- 1022 (a) determine the amount of the tax credit to be granted to the business entity;
- 1023 (b) issue a tax credit certificate to the business entity; and
- 1024 (c) provide a duplicate copy of the tax credit certificate to the State Tax Commission.

1025 (5) A business entity may not claim a tax credit under this section unless the business
1026 entity has a tax credit certificate issued by the office.

1027 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1028 office shall make rules describing:

- 1029 (a) the form and content of an application for a tax credit under this section;
- 1030 (b) the documentation requirements for a business entity to receive a tax credit
1031 certificate under this section; and
- 1032 (c) administration of the program, including relevant timelines and deadlines.

1033 (7) Subject to the limitations of Subsections (8) through (10), and if the requirements
1034 of this part are met, the following nonrefundable tax credits against a tax under Title 59,
1035 Chapter 7, Corporate Franchise and Income Taxes, or Title 59, Chapter 10, Individual Income
1036 Tax Act, are applicable in an enterprise zone:

- 1037 (a) a tax credit of \$750 may be claimed by a business entity for each new full-time
1038 employee position created within the enterprise zone;
- 1039 (b) an additional \$500 tax credit may be claimed if the new full-time employee position
1040 created within the enterprise zone pays at least 125% of:
 - 1041 (i) the county average monthly nonagricultural payroll wage for the respective industry
1042 as determined by the Department of Workforce Services; or
 - 1043 (ii) if the county average monthly nonagricultural payroll wage is not available for the
1044 respective industry, the total average monthly nonagricultural payroll wage in the respective
1045 county where the enterprise zone is located;
- 1046 (c) an additional tax credit of \$750 may be claimed if the new full-time employee
1047 position created within the enterprise zone is in a business entity that adds value to agricultural
1048 commodities through manufacturing or processing;

1049 (d) an additional tax credit of \$200 may be claimed [~~for two consecutive years~~] for
1050 each new full-time employee position created within the enterprise zone that is filled by an
1051 employee who is insured under an employer-sponsored health insurance program if the
1052 employer pays at least 50% of the premium cost for the year for which the credit is claimed;

1053 (e) a tax credit of 25% of the first \$200,000 spent on rehabilitating a building in the
1054 enterprise zone that has been vacant for two years or more, including that the building has had
1055 or contained no occupants, tenants, furniture, or personal property for two years or more, in the
1056 time period immediately before the rehabilitation; and

1057 (f) (i) subject to the limitations of Subsection (7)(f)(ii), an annual investment tax credit
1058 of 10% of the first \$250,000 in investment, and 5% of the next [~~\$1,000,000~~] \$750,000
1059 qualifying investment in plant, equipment, or other depreciable property[-]; and

1060 (ii) the maximum amount of annual investment tax credit that can be claimed by a
1061 business entity under Subsection (7)(f)(i) is an amount equal to the amount being claimed by
1062 the business entity under Subsections (7)(a) through (d) in the same taxable year.

1063 (8) (a) Subject to the limitations of Subsection (8)(b), a business entity claiming a tax
1064 credit under Subsections (7)(a) through (d) may claim the tax credit for no more than 30
1065 full-time employee positions in a taxable year.

1066 (b) A business entity that received a tax credit for one or more new full-time employee
1067 positions under Subsections (7)(a) through (d) in a prior taxable year may claim a tax credit for
1068 a new full-time employee position in a subsequent taxable year under Subsections (7)(a)
1069 through (d) if:

1070 (i) the business entity has created a new full-time position within the enterprise zone;
1071 and

1072 (ii) the total number of full-time employee positions at the business entity at any point
1073 during the tax year for which the tax credit is being claimed is greater than the highest number
1074 of full-time employee positions that existed at the business entity in the previous three taxable
1075 years.

1076 (c) Construction jobs are not eligible for the tax credits under Subsections (7)(a)
1077 through (d).

1078 (9) If the amount of a tax credit under this section exceeds a business entity's tax
1079 liability under this chapter for a taxable year, the business entity may carry forward the amount

1080 of the tax credit exceeding the liability for a period that does not exceed the next three taxable
1081 years.

1082 (10) Tax credits under Subsections (7)(a) through (f) may not be claimed by a business
1083 entity primarily engaged in retail trade or by a public utilities business.

1084 (11) A business entity that has no employees:

1085 (a) may not claim tax credits under Subsections (7)(a) through (d); and

1086 (b) may claim tax credits under Subsections (7)(e) through (f).

1087 (12) (a) A business entity may not claim or carry forward a tax credit available under
1088 this part for a taxable year during which the business entity has claimed the targeted business
1089 income tax credit available under Section 63N-2-304.

1090 (b) A business entity may not claim or carry forward a tax credit available under this
1091 section for a taxable year during which the business entity claims or carries forward a tax credit
1092 available under Section 59-7-610 or 59-10-1007.

1093 (13) (a) On or before November 30, 2018, and every three years after 2018, the
1094 Revenue and Taxation Interim Committee shall review the tax credits provided by this section
1095 and make recommendations concerning whether the tax credits should be continued, modified,
1096 or repealed.

1097 (b) In conducting the review required by Subsection (13)(a), the Revenue and Taxation
1098 Interim Committee shall:

1099 (i) schedule time on at least one committee agenda to conduct the review;

1100 (ii) invite state agencies, individuals, and organizations concerned with the credits
1101 under review to provide testimony;

1102 (iii) ensure that the recommendations described in this section include an evaluation of:

1103 (A) the cost of the tax credits to the state;

1104 (B) the purpose and effectiveness of the tax credits; and

1105 (C) the extent to which the state benefits from the tax credits; and

1106 (iv) undertake other review efforts as determined by the chairs of the Revenue and
1107 Taxation Interim Committee.

1108 Section 30. Section 63N-4-104 is amended to read:

1109 **63N-4-104. Duties.**

1110 (1) The Office of Rural Development shall:

1111 (a) provide staff support to the Governor's Rural Partnership Board in accordance with
1112 Subsection [63C-10-102\(6\)](#);

1113 (b) facilitate within GOED the implementation of the strategic plan prepared under
1114 Subsection [63C-10-103\(1\)\(b\)](#);

1115 (c) work to enhance the capacity of GOED to address rural economic development,
1116 planning, and leadership training challenges and opportunities by establishing partnerships and
1117 positive working relationships with appropriate public and private sector entities, individuals,
1118 and institutions;

1119 (d) work with the Governor's Rural Partnership Board to coordinate and focus
1120 available resources in ways that address the economic development, planning, and leadership
1121 training challenges and priorities in rural Utah; ~~and~~

1122 (e) assist the Governor's Rural Partnership Board in administering the Rural County
1123 Grant Program created in Section [17-54-103](#), including, as described in Subsection
1124 [17-54-103\(10\)](#), compiling reported information regarding the program for inclusion in GOED's
1125 annual written report described in Section [63N-1-301](#); and

1126 ~~(f)~~ (f) in accordance with economic development and planning policies set by state
1127 government, coordinate relations between:

1128 (i) the state;

1129 (ii) rural governments;

1130 (iii) other public and private groups engaged in rural economic planning and
1131 development; and

1132 (iv) federal agencies.

1133 (2) (a) The Office of Rural Development may:

1134 (i) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1135 make rules necessary to carry out its duties;

1136 (ii) accept gifts, grants, devises, and property, in cash or in kind, for the benefit of rural
1137 Utah citizens; and

1138 (iii) use those gifts, grants, devises, and property received under Subsection (2)(a)(ii)
1139 for the use and benefit of rural citizens within the state.

1140 (b) All resources received under Subsection (2)(a)(ii) shall be deposited in the General
1141 Fund as dedicated credits to be used as directed in Subsection (2)(a)(iii).

1142 Section 31. Section 67-19-15 is amended to read:

1143 **67-19-15. Career service -- Exempt positions -- Schedules for civil service**
1144 **positions -- Coverage of career service provisions.**

1145 (1) Except as otherwise provided by law or by rules and regulations established for
1146 federally aided programs, the following positions are exempt from the career service provisions
1147 of this chapter and are designated under the following schedules:

1148 (a) schedule AA includes the governor, members of the Legislature, and all other
1149 elected state officers;

1150 (b) schedule AB includes appointed executives and board or commission executives
1151 enumerated in Section 67-22-2;

1152 (c) schedule AC includes all employees and officers in:

1153 (i) the office and at the residence of the governor;

1154 [~~(ii) the Utah Science Technology and Research Initiative (USTAR);]~~

1155 [~~(iii)~~] (ii) the Public Lands Policy Coordinating Council;

1156 [~~(iv)~~] (iii) the Office of the State Auditor; and

1157 [~~(v)~~] (iv) the Office of the State Treasurer;

1158 (d) schedule AD includes employees who:

1159 (i) are in a confidential relationship to an agency head or commissioner; and

1160 (ii) report directly to, and are supervised by, a department head, commissioner, or
1161 deputy director of an agency or its equivalent;

1162 (e) schedule AE includes each employee of the State Board of Education that the State
1163 Board of Education designates as exempt from the career service provisions of this chapter;

1164 (f) schedule AG includes employees in the Office of the Attorney General who are
1165 under their own career service pay plan under Sections 67-5-7 through 67-5-13;

1166 (g) schedule AH includes:

1167 (i) teaching staff of all state institutions; and

1168 (ii) employees of the Utah Schools for the Deaf and the Blind who are:

1169 (A) educational interpreters as classified by the department; or

1170 (B) educators as defined by Section 53E-8-102;

1171 (h) schedule AN includes employees of the Legislature;

1172 (i) schedule AO includes employees of the judiciary;

- 1173 (j) schedule AP includes all judges in the judiciary;
- 1174 (k) schedule AQ includes:
 - 1175 (i) members of state and local boards and councils appointed by the governor and
 - 1176 governing bodies of agencies;
 - 1177 (ii) a water commissioner appointed under Section 73-5-1;
 - 1178 (iii) other local officials serving in an ex officio capacity; and
 - 1179 (iv) officers, faculty, and other employees of state universities and other state
 - 1180 institutions of higher education;
- 1181 (l) schedule AR includes employees in positions that involve responsibility:
 - 1182 (i) for determining policy;
 - 1183 (ii) for determining the way in which a policy is carried out; or
 - 1184 (iii) of a type not appropriate for career service, as determined by the agency head with
 - 1185 the concurrence of the executive director;
- 1186 (m) schedule AS includes any other employee:
 - 1187 (i) whose appointment is required by statute to be career service exempt;
 - 1188 (ii) whose agency is not subject to this chapter; or
 - 1189 (iii) whose agency has authority to make rules regarding the performance,
 - 1190 compensation, and bonuses for its employees;
- 1191 (n) schedule AT includes employees of the Department of Technology Services,
- 1192 designated as executive/professional positions by the executive director of the Department of
- 1193 Technology Services with the concurrence of the executive director;
- 1194 (o) schedule AU includes patients and inmates employed in state institutions;
- 1195 (p) employees of the Department of Workforce Services, designated as schedule AW:
 - 1196 (i) who are temporary employees that are federally funded and are required to work
 - 1197 under federally qualified merit principles as certified by the director; or
 - 1198 (ii) for whom substantially all of their work is repetitive, measurable, or transaction
 - 1199 based, and who voluntarily apply for and are accepted by the Department of Workforce
 - 1200 Services to work in a pay for performance program designed by the Department of Workforce
 - 1201 Services with the concurrence of the executive director; and
- 1202 (q) for employees in positions that are temporary, seasonal, time limited, funding
- 1203 limited, or variable hour in nature, under schedule codes and parameters established by the

1204 department by administrative rule.

1205 (2) The civil service shall consist of two schedules as follows:

1206 (a) (i) Schedule A is the schedule consisting of positions under Subsection (1).

1207 (ii) Removal from any appointive position under schedule A, unless otherwise
1208 regulated by statute, is at the pleasure of the appointing officers without regard to tenure.

1209 (b) Schedule B is the competitive career service schedule, consisting of:

1210 (i) all positions filled through competitive selection procedures as defined by the
1211 executive director; or

1212 (ii) positions filled through a department approved on-the-job examination intended to
1213 appoint a qualified person with a disability, or a veteran in accordance with Title 71, Chapter
1214 10, Veterans Preference.

1215 (3) (a) The executive director, after consultation with the heads of concerned executive
1216 branch departments and agencies and with the approval of the governor, shall allocate positions
1217 to the appropriate schedules under this section.

1218 (b) Agency heads shall make requests and obtain approval from the executive director
1219 before changing the schedule assignment and tenure rights of any position.

1220 (c) Unless the executive director's decision is reversed by the governor, when the
1221 executive director denies an agency's request, the executive director's decision is final.

1222 (4) (a) Compensation for employees of the Legislature shall be established by the
1223 directors of the legislative offices in accordance with Section [36-12-7](#).

1224 (b) Compensation for employees of the judiciary shall be established by the state court
1225 administrator in accordance with Section [78A-2-107](#).

1226 (c) Compensation for officers, faculty, and other employees of state universities and
1227 institutions of higher education shall be established as provided in Title 53B, Chapter 1,
1228 Governance, Powers, Rights, and Responsibilities, and Title 53B, Chapter 2, Institutions of
1229 Higher Education.

1230 (d) Unless otherwise provided by law, compensation for all other schedule A
1231 employees shall be established by their appointing authorities, within ranges approved by, and
1232 after consultation with the executive director of the Department of Human Resource
1233 Management.

1234 (5) An employee who is in a position designated schedule AC and who holds career

1235 service status on June 30, 2010, shall retain the career service status if the employee:

1236 (a) remains in the position that the employee is in on June 30, 2010; and

1237 (b) does not elect to convert to career service exempt status in accordance with a rule
1238 made by the department.

1239 Section 32. **Repealer.**

1240 This bill repeals:

1241 Section 13-1-14, **Workforce Development Restricted Account.**

1242 Section 59-7-614.11, **Nonrefundable nonprofit contribution tax credit.**

1243 Section 59-10-1039, **Nonrefundable nonprofit contribution tax credit.**

1244 Section 63M-2-101, **Title.**

1245 Section 63M-2-102, **Definitions.**

1246 Section 63M-2-301, **The Utah Science Technology and Research Initiative --**
1247 **Governing authority -- Program director.**

1248 Section 63M-2-302, **USTAR powers and duties.**

1249 Section 63M-2-302.5, **USTAR requirements.**

1250 Section 63M-2-304, **Background checks for employees.**

1251 Section 63M-2-501, **Title.**

1252 Section 63M-2-502, **Principal researchers -- Agreement requirements --**
1253 **Discontinuing funding.**

1254 Section 63M-2-503, **USTAR grant programs.**

1255 Section 63M-2-504, **Other USTAR support.**

1256 Section 63M-2-601, **Title.**

1257 Section 63M-2-602, **Lease agreement for a research building -- Requirements for**
1258 **lease agreement.**

1259 Section 63M-2-701, **Title.**

1260 Section 63M-2-703, **Reporting requirements for private entities.**

1261 Section 63M-2-801, **Title.**

1262 Section 63M-2-802, **USTAR annual report.**

1263 Section 63M-2-803, **Audit requirements.**

1264 Section 63N-2-213.5, **State tax credits for contributions to a nonprofit corporation.**

1265 Section 63N-3-104, **Rural Fast Track Program -- Creation -- Funding --**

1266 **Qualifications for program participation -- Awards -- Reports.**1267 Section [63N-3-104.5](#), **Business Expansion and Retention Initiative -- Creation --**1268 **Funding -- Qualifications for program participation -- Awards -- Reports.**1269 Section 33. **Appropriation.**

1270 The following sums of money are appropriated for the fiscal year beginning July 1,
 1271 2020, and ending June 30, 2021. These are additions to amounts previously appropriated for
 1272 fiscal year 2021. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
 1273 Act, the Legislature appropriates the following sums of money from the funds or accounts
 1274 indicated for the use and support of the government of the state of Utah.

1275 ITEM 11276 To General Fund Restricted -- Workforce Development Restricted Account1277 From General Fund (\$14,636,900)1278 Schedule of Programs:1279 Workforce Development Restricted Account (\$14,636,900)

1280 The Legislature intends that any remaining money in the Workforce Development
 1281 Restricted Account also be deposited into the General Fund.

1282 ITEM 21283 To Governor's Office of Economic Development -- Rural County Grant Program1284 From General Fund \$10,000,0001285 Schedule of Programs:1286 Rural County Grant Program \$10,000,000

1287 The Legislature intends that the Governor's Office of Economic Development use the
 1288 appropriation in this item to:

1289 (1) fund the portion of the Rural County Grant Program described in Subsection1290 [17-54-103\(4\)\(a\)](#) in an amount of no more than \$5,000,000; and1291 (2) use the remainder of the appropriation to fund the portion of the Rural County1292 Grant Program described in Subsection [17-54-103\(4\)\(b\)](#).1293 Section 34. **Retrospective operation.**

1294 The repeal of Sections [59-7-614.11](#), [59-10-1039](#), and [63N-2-213.5](#) in this bill have
 1295 retrospective operation for a taxable year beginning on or after January 1, 2020.

1296 Section 35. **Effective date.**

02-11-20 2:10 PM

1st Sub. (Green) S.B. 95

1297

This bill takes effect on July 1, 2020.