

1 **COVID-19 ECONOMIC RECOVERY PROGRAM**

2 2020 FIFTH SPECIAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Robert M. Spendlove**

5 Senate Sponsor: Daniel Hemmert

7 **LONG TITLE**

8 **General Description:**

9 This bill creates economic recovery programs in response to COVID-19.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ creates grant programs (the grant programs) for:

13 • certain entities eligible to receive funding from county Botanical, Cultural,
14 Recreational, and Zoological Organizations or Facilities sales tax revenue and
15 their for-profit equivalents if the entity provides activities to encourage travel
16 and tourism in the state to benefit communities or artists affected by COVID-19;

17 • institutions of higher education to provide education to employees displaced by
18 COVID-19;

19 • business entities with revenue declines due to COVID-19 if the business entity
20 provides a financial incentive to customers; and

21 • business entities to purchase supplies and materials to follow COVID-19 public
22 health guidelines on safely returning employees to work;

23 ▶ creates a public outreach and education program to encourage compliance with
24 COVID-19 health guidelines and receipt of medical care;

25 ▶ grants rulemaking authority to the Division of Arts and Museums and the
26 Governor's Office of Economic Development to administer the grant programs;

27 ▶ requires the Division of Arts and Museums, the Governor's Office of Economic



28 Development, and the Division of Finance to report information about the grant programs to
29 certain members of the Legislature;

30 ▶ creates a subtraction from state income for funds received from the grant programs
31 for state income tax purposes;

32 ▶ provides for the repealer of the grant programs and the public outreach and
33 education program; and

34 ▶ makes technical changes.

35 Money Appropriated in this Bill:

36 This bill appropriates in fiscal year 2021:

37 ▶ To Department of Administrative Services -- Finance Mandated, as a one-time
38 appropriation:

39 • from Federal Funds -- Coronavirus Relief Fund, \$62,000,000.

40 Other Special Clauses:

41 This bill provides a special effective date.

42 This bill provides retrospective operation.

43 Utah Code Sections Affected:

44 AMENDS:

45 **59-7-106**, as last amended by Laws of Utah 2019, Chapter 412

46 **59-10-114**, as last amended by Laws of Utah 2019, Chapter 412

47 **63I-2-259**, as last amended by Laws of Utah 2020, Chapters 46 and 354

48 **63I-2-263 (Effective 10/15/20)**, as last amended by Laws of Utah 2020, Chapters 116,
49 230, 231, 286, 322, 325, 354, 365, 368, 375, 405, 430, 433, 446 and last amended
50 by Coordination Clause, Laws of Utah 2020, Chapter 231

51 **63N-12-508 (Effective 07/01/20)**, as last amended by Laws of Utah 2020, Chapters 340
52 and 365

53 **63N-12-508 (Superseded 07/01/20)**, as last amended by Laws of Utah 2020, Chapter
54 340

55 ENACTS:

56 **9-6-901**, Utah Code Annotated 1953

57 **9-6-902**, Utah Code Annotated 1953

58 **9-6-903**, Utah Code Annotated 1953

- 59 [9-6-904](#), Utah Code Annotated 1953
- 60 [63A-3-111](#), Utah Code Annotated 1953
- 61 [63I-2-209](#), Utah Code Annotated 1953
- 62 [63N-15-101](#), Utah Code Annotated 1953
- 63 [63N-15-102](#), Utah Code Annotated 1953
- 64 [63N-15-103](#), Utah Code Annotated 1953
- 65 [63N-15-201](#), Utah Code Annotated 1953
- 66 [63N-15-202](#), Utah Code Annotated 1953
- 67 [63N-15-301](#), Utah Code Annotated 1953
- 68 [63N-15-302](#), Utah Code Annotated 1953
- 69 [63N-15-401](#), Utah Code Annotated 1953

70

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

72 Section 1. Section **9-6-901** is enacted to read:

73 **Part 9. COVID-19 Cultural Assistance Grant Program**

74 **9-6-901. Definitions.**

75 As used in this part:

76 (1) "COVID-19" means:

- 77 (a) severe acute respiratory syndrome coronavirus 2; or
- 78 (b) the disease caused by severe acute respiratory syndrome coronavirus 2.

79 (2) "Legislative committee" means:

- 80 (a) the president of the Senate;
- 81 (b) the speaker of the House of Representatives;
- 82 (c) the minority leader of the Senate; and
- 83 (d) the minority leader of the House of Representatives.

84 (3) "Qualified organization" means:

- 85 (a) an entity that is eligible to receive funding from the tax authorized under Title 59,
- 86 Chapter 12, Part 7, County Option Funding for Botanical, Cultural, Recreational, and
- 87 Zoological Organizations or Facilities, regardless of whether the entity receives any funding; or

88 (b) a for-profit equivalent of an entity described in Subsection (3)(a).

89 Section 2. Section **9-6-902** is enacted to read:

90 9-6-902. COVID-19 Cultural Assistance Grant Program -- Eligibility -- Grant
91 limit.

92 (1) There is established a grant program known as COVID-19 Cultural Assistance
93 Grant Program that is administered by the division in accordance with this part.

94 (2) To be eligible to apply for a grant under this part, a qualified organization:

95 (a) shall offer or propose to offer, on or before December 30, 2020, a cultural, artistic,
96 botanical, recreational, or zoological activity in this state that:

97 (i) promotes travel and tourism in this state; and

98 (ii) in aggregate has a cost that is estimated to equal or exceed 50% of the grant amount
99 that the qualified organization requests;

100 (b) shall describe to the division how receipt of grant funds will benefit the
101 communities or artists in this state affected by COVID-19;

102 (c) shall have an average three-year operational expenditure of \$5,000,000 or more per
103 year; and

104 (d) may not receive grant funds under Title 63N, Chapter 15, Part 2, COVID-19
105 Impacted Business Grant Program.

106 (3) The amount of a grant that the division awards to a qualified organization under
107 this part may not exceed two times the net cost of the cultural, artistic, botanical, recreational,
108 or zoological activity that the qualified organization offers or proposes to offer.

109 Section 3. Section **9-6-903** is enacted to read:

110 **9-6-903. Duties of the division.**

111 (1) As soon as is practicable but on or before July 31, 2020, the division shall:

112 (a) establish an application process by which a qualified organization may apply for a
113 grant under this part, which application shall include:

114 (i) a declaration, signed under penalty of perjury, that the application is complete, true,
115 and correct and any estimates about the net costs to provide the cultural, artistic, botanical,
116 recreational, or zoological activity are made in good faith;

117 (ii) an acknowledgment that the qualified organization is subject to audit; and

118 (iii) a plan for providing the activity described in Subsection 9-6-902(2)(a);

119 (b) establish a method for the office, in consultation with the Governor's Office of
120 Economic Development for recreational applicants, to determine which applicants are eligible

121 to receive a grant;
122 (c) establish a formula to award grant funds; and
123 (d) report the information described in Subsections (1)(a) through (c) to the director of
124 the Division of Finance.
125 (2) The division shall:
126 (a) participate in the presentation that the director of the Division of Finance provides
127 to the legislative committee under Section 63A-3-111; and
128 (b) consider any recommendations for adjustments to the grant program from the
129 legislative committee.
130 (3) Subject to appropriation, beginning on August 5, 2020, the division shall:
131 (a) collect applications for grant funds from qualified organizations;
132 (b) determine, in consultation with the Governor's Office of Economic Development
133 for recreational applicants, which applicants meet the eligibility requirements for receiving a
134 grant; and
135 (c) award the grant funds:
136 (i) (A) after an initial application period that ends on or before August 31, 2020; and
137 (B) if funds remain after the initial application period, on a rolling basis until the
138 earlier of funds being exhausted or December 30, 2020; and
139 (ii) in accordance with the process established under Subsection (1) and the limit
140 described in Subsection 9-6-902(3).
141 (4) The division shall encourage any qualified organization that receives grant funds to
142 commit to following best practices to protect the health and safety of the qualified
143 organization's employees and customers.
144 (5) (a) The division may audit a qualified organization's reported net cost to provide a
145 cultural, artistic, botanical, recreational, or zoological activity.
146 (b) The division may recapture grant funds if, after audit, the division determines that:
147 (i) if a qualified organization made representations about the qualified organization's
148 actual net cost to provide the cultural, artistic, botanical, recreational, or zoological activity, the
149 representations are not complete, true, and correct; or
150 (ii) if a qualified organization made representations about the qualified organization's
151 estimated net cost to provide the cultural, artistic, botanical, recreational, or zoological activity,

152 the representations are not made in good faith.

153 (c) (i) A qualified organization that is subject to recapture shall pay to the Division of
154 Finance a penalty equal to the amount of the grant recaptured multiplied by the applicable
155 income tax rate in Section 59-7-104 or 59-10-104.

156 (ii) The Division of Finance shall deposit the penalty into the Education Fund.

157 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
158 division may make rules to administer the grant program.

159 Section 4. Section **9-6-904** is enacted to read:

160 **9-6-904. Reporting.**

161 (1) The division shall report the following information to the Economic Development
162 and Workforce Services Interim Committee:

163 (a) the number of applications submitted under the grant program;

164 (b) the number of grants awarded under the grant program;

165 (c) the aggregate amount of grant funds awarded under the grant program; and

166 (d) any other information the division considers relevant to evaluating the success of
167 the grant program.

168 (2) The division shall submit the report described in Subsection (1) in electronic format
169 on or before October 1, 2020, and provide an update in electronic format on or before June 30,
170 2021.

171 Section 5. Section **59-7-106** is amended to read:

172 **59-7-106. Subtractions from unadjusted income.**

173 (1) In computing adjusted income, the following amounts shall be subtracted from
174 unadjusted income:

175 (a) the foreign dividend gross-up included in gross income for federal income tax
176 purposes under Section 78, Internal Revenue Code;

177 (b) subject to Subsection (2), the net capital loss, as defined for federal purposes, if the
178 taxpayer elects to deduct the net capital loss on the return filed under this chapter for the
179 taxable year for which the net capital loss is incurred;

180 (c) the decrease in salary expense deduction for federal income tax purposes due to
181 claiming the federal work opportunity credit under Section 51, Internal Revenue Code;

182 (d) the decrease in qualified research and basic research expense deduction for federal

183 income tax purposes due to claiming the federal credit for increasing research activities under
184 Section 41, Internal Revenue Code;

185 (e) the decrease in qualified clinical testing expense deduction for federal income tax
186 purposes due to claiming the federal credit for clinical testing expenses for certain drugs for
187 rare diseases or conditions under Section 45C, Internal Revenue Code;

188 (f) any decrease in any expense deduction for federal income tax purposes due to
189 claiming any other federal credit;

190 (g) the safe harbor lease adjustment required under Subsections 59-7-111(1)(b) and
191 (2)(b);

192 (h) any income on the federal corporation income tax return that has been previously
193 taxed by Utah;

194 (i) an amount included in federal taxable income that is due to a refund of a tax,
195 including a franchise tax, an income tax, a corporate stock and business tax, or an occupation
196 tax:

197 (i) if that tax is imposed for the privilege of:

198 (A) doing business; or

199 (B) exercising a corporate franchise;

200 (ii) if that tax is paid by the corporation to:

201 (A) Utah;

202 (B) another state of the United States;

203 (C) a foreign country;

204 (D) a United States possession; or

205 (E) the Commonwealth of Puerto Rico; and

206 (iii) to the extent that tax was added to unadjusted income under Section 59-7-105;

207 (j) a charitable contribution, to the extent the charitable contribution is allowed as a
208 subtraction under Section 59-7-109;

209 (k) subject to Subsection (3), 50% of a dividend considered to be received or received
210 from a subsidiary that:

211 (i) is a member of the unitary group;

212 (ii) is organized or incorporated outside of the United States; and

213 (iii) is not included in a combined report under Section 59-7-402 or 59-7-403;

214 (l) subject to Subsection (4) and Section 59-7-401, 50% of the adjusted income of a
215 foreign operating company;

216 (m) the amount of gain or loss that is included in unadjusted income but not recognized
217 for federal purposes on stock sold or exchanged by a member of a selling consolidated group as
218 defined in Section 338, Internal Revenue Code, if an election has been made in accordance
219 with Section 338(h)(10), Internal Revenue Code;

220 (n) the amount of gain or loss that is included in unadjusted income but not recognized
221 for federal purposes on stock sold, exchanged, or distributed by a corporation in accordance
222 with Section 336(e), Internal Revenue Code, if an election under Section 336(e), Internal
223 Revenue Code, has been made for federal purposes;

224 (o) subject to Subsection (5), an adjustment to the following due to a difference
225 between basis for federal purposes and basis as computed under Section 59-7-107:

226 (i) an amortization expense;

227 (ii) a depreciation expense;

228 (iii) a gain;

229 (iv) a loss; or

230 (v) an item similar to Subsections (1)(o)(i) through (iv);

231 (p) an interest expense that is not deducted on a federal corporation income tax return
232 under Section 265(b) or 291(e), Internal Revenue Code;

233 (q) 100% of dividends received from a subsidiary that is an insurance company if that
234 subsidiary that is an insurance company is:

235 (i) exempt from this chapter under Subsection 59-7-102(1)(c); and

236 (ii) under common ownership;

237 (r) subject to Subsection 59-7-105(10), for a corporation that is an account owner as
238 defined in Section 53B-8a-102, the amount of a qualified investment as defined in Section
239 53B-8a-102.5:

240 (i) that the corporation or a person other than the corporation makes into an account
241 owned by the corporation during the taxable year;

242 (ii) to the extent that neither the corporation nor the person other than the corporation
243 described in Subsection (1)(r)(i) deducts the qualified investment on a federal income tax
244 return; and

245 (iii) to the extent the qualified investment does not exceed the maximum amount of the
246 qualified investment that may be subtracted from unadjusted income for a taxable year in
247 accordance with Subsection 53B-8a-106(1);

248 (s) for a corporation that makes a donation, as that term is defined in Section
249 53B-8a-201, to the Student Prosperity Savings Program created in Section 53B-8a-202, the
250 amount of the donation to the extent that the corporation did not deduct the donation on a
251 federal income tax return;

252 (t) for purposes of income included in a combined report under Part 4, Combined
253 Reporting, the entire amount of the dividends a member of a unitary group receives or is
254 considered to receive from a captive real estate investment trust;

255 (u) the increase in income for federal income tax purposes due to claiming a:

256 (i) qualified tax credit bond credit under Section 54A, Internal Revenue Code; or

257 (ii) qualified zone academy bond under Section 1397E, Internal Revenue Code;

258 (v) for a taxable year beginning on or after January 1, 2019, but beginning on or before
259 December 31, 2019, only:

260 (i) the amount of any FDIC premium paid or incurred by the taxpayer that is
261 disallowed as a deduction for federal income tax purposes under Section 162(r), Internal
262 Revenue Code, on the taxpayer's 2018 federal income tax return; plus

263 (ii) the amount of any FDIC premium paid or incurred by the taxpayer that is
264 disallowed as a deduction for federal income tax purposes under Section 162(r), Internal
265 Revenue Code, for the taxable year; ~~and~~

266 (w) for a taxable year beginning on or after January 1, 2020, the amount of any FDIC
267 premium paid or incurred by the taxpayer that is disallowed as a deduction for federal income
268 tax purposes under Section 162(r), Internal Revenue Code, for the taxable year[-]; and

269 (x) for a taxable year beginning on or after January 1, 2020, but beginning on or before
270 December 31, 2020, the amount of any grant funds the taxpayer receives under Title 9, Chapter
271 6, Part 9, COVID-19 Cultural Assistance Grant Program, Subsection 63N-12-508(3), or Title
272 63N, Chapter 15, COVID-19 Economic Recovery Programs, to the extent that the grant funds
273 are included in unadjusted income.

274 (2) For purposes of Subsection (1)(b):

275 (a) the subtraction shall be made by claiming the subtraction on a return filed:

276 (i) under this chapter for the taxable year for which the net capital loss is incurred; and
277 (ii) by the due date of the return, including extensions; and
278 (b) a net capital loss for a taxable year shall be:
279 (i) subtracted for the taxable year for which the net capital loss is incurred; or
280 (ii) carried forward as provided in Sections 1212(a)(1)(B) and (C), Internal Revenue
281 Code.

282 (3) (a) For purposes of calculating the subtraction provided for in Subsection (1)(k), a
283 taxpayer shall first subtract from a dividend considered to be received or received an expense
284 directly attributable to that dividend.

285 (b) For purposes of Subsection (3)(a), the amount of an interest expense that is
286 considered to be directly attributable to a dividend is calculated by multiplying the interest
287 expense by a fraction:

288 (i) the numerator of which is the taxpayer's average investment in the dividend paying
289 subsidiaries; and

290 (ii) the denominator of which is the taxpayer's average total investment in assets.

291 (c) (i) For purposes of calculating the subtraction allowed by Subsection (1)(k), in
292 determining income apportionable to this state, a portion of the factors of a foreign subsidiary
293 that has dividends that are partially subtracted under Subsection (1)(k) shall be included in the
294 combined report factors as provided in this Subsection (3)(c).

295 (ii) For purposes of Subsection (3)(c)(i), the portion of the factors of a foreign
296 subsidiary that has dividends that are partially subtracted under Subsection (1)(k) that shall be
297 included in the combined report factors is calculated by multiplying each factor of the foreign
298 subsidiary by a fraction:

299 (A) not to exceed 100%; and

300 (B) (I) the numerator of which is the amount of the dividend paid by the foreign
301 subsidiary that is included in adjusted income; and

302 (II) the denominator of which is the current year earnings and profits of the foreign
303 subsidiary as determined under the Internal Revenue Code.

304 (4) (a) For purposes of Subsection (1)(l), a taxpayer may not make a subtraction under
305 Subsection (1)(l):

306 (i) if the taxpayer elects to file a worldwide combined report as provided in Section

307 59-7-403; or

308 (ii) for the following:

309 (A) income generated from intangible property; or

310 (B) a capital gain, dividend, interest, rent, royalty, or other similar item that is
311 generated from an asset held for investment and not from a regular business trading activity.

312 (b) In calculating the subtraction provided for in Subsection (1)(l), a foreign operating
313 company:

314 (i) may not subtract an amount provided for in Subsection (1)(k) or (l); and

315 (ii) prior to determining the subtraction under Subsection (1)(l), shall eliminate a
316 transaction that occurs between members of a unitary group.

317 (c) For purposes of the subtraction provided for in Subsection (1)(l), in determining
318 income apportionable to this state, the factors for a foreign operating company shall be
319 included in the combined report factors in the same percentages as the foreign operating
320 company's adjusted income is included in the combined adjusted income.

321 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
322 commission may by rule define what constitutes:

323 (i) income generated from intangible property; or

324 (ii) a capital gain, dividend, interest, rent, royalty, or other similar item that is
325 generated from an asset held for investment and not from a regular business trading activity.

326 (5) (a) For purposes of the subtraction provided for in Subsection (1)(o), the amount of
327 a reduction in basis shall be allowed as an expense for the taxable year in which a federal tax
328 credit is claimed if:

329 (i) there is a reduction in federal basis for a federal tax credit; and

330 (ii) there is no corresponding tax credit allowed in this state.

331 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
332 commission may by rule define what constitutes an item similar to Subsections (1)(o)(i)
333 through (iv).

334 Section 6. Section 59-10-114 is amended to read:

335 **59-10-114. Additions to and subtractions from adjusted gross income of an**
336 **individual.**

337 (1) There shall be added to adjusted gross income of a resident or nonresident

338 individual:

339 (a) a lump sum distribution that the taxpayer does not include in adjusted gross income
340 on the taxpayer's federal individual income tax return for the taxable year;

341 (b) the amount of a child's income calculated under Subsection (4) that:

342 (i) a parent elects to report on the parent's federal individual income tax return for the
343 taxable year; and

344 (ii) the parent does not include in adjusted gross income on the parent's federal
345 individual income tax return for the taxable year;

346 (c) (i) a withdrawal from a medical care savings account and any penalty imposed for
347 the taxable year if:

348 (A) the resident or nonresident individual does not deduct the amounts on the resident
349 or nonresident individual's federal individual income tax return under Section 220, Internal
350 Revenue Code;

351 (B) the withdrawal is subject to Subsections 31A-32a-105(1) and (2); and

352 (C) the withdrawal is subtracted on, or used as the basis for claiming a tax credit on, a
353 return the resident or nonresident individual files under this chapter;

354 (ii) a disbursement required to be added to adjusted gross income in accordance with
355 Subsection 31A-32a-105(3); or

356 (iii) an amount required to be added to adjusted gross income in accordance with
357 Subsection 31A-32a-105(5)(c);

358 (d) the amount withdrawn under Title 53B, Chapter 8a, Utah Educational Savings Plan,
359 from the account of a resident or nonresident individual who is an account owner as defined in
360 Section 53B-8a-102, for the taxable year for which the amount is withdrawn, if that amount
361 withdrawn from the account of the resident or nonresident individual who is the account
362 owner:

363 (i) is not expended for:

364 (A) higher education costs as defined in Section 53B-8a-102.5; or

365 (B) a payment or distribution that qualifies as an exception to the additional tax for
366 distributions not used for educational expenses provided in Sections 529(c) and 530(d),
367 Internal Revenue Code; and

368 (ii) is:

- 369 (A) subtracted by the resident or nonresident individual:
370 (I) who is the account owner; and
371 (II) on the resident or nonresident individual's return filed under this chapter for a
372 taxable year beginning on or before December 31, 2007; or
373 (B) used as the basis for the resident or nonresident individual who is the account
374 owner to claim a tax credit under Section 59-10-1017;
375 (e) except as provided in Subsection (5), for bonds, notes, and other evidences of
376 indebtedness acquired on or after January 1, 2003, the interest from bonds, notes, and other
377 evidences of indebtedness:
378 (i) issued by one or more of the following entities:
379 (A) a state other than this state;
380 (B) the District of Columbia;
381 (C) a political subdivision of a state other than this state; or
382 (D) an agency or instrumentality of an entity described in Subsections (1)(e)(i)(A)
383 through (C); and
384 (ii) to the extent the interest is not included in adjusted gross income on the taxpayer's
385 federal income tax return for the taxable year;
386 (f) subject to Subsection (2)(c), any distribution received by a resident beneficiary of a
387 resident trust of income that was taxed at the trust level for federal tax purposes, but was
388 subtracted from state taxable income of the trust pursuant to Subsection 59-10-202(2)(b);
389 (g) any distribution received by a resident beneficiary of a nonresident trust of
390 undistributed distributable net income realized by the trust on or after January 1, 2004, if that
391 undistributed distributable net income was taxed at the trust level for federal tax purposes, but
392 was not taxed at the trust level by any state, with undistributed distributable net income
393 considered to be distributed from the most recently accumulated undistributed distributable net
394 income; and
395 (h) any adoption expense:
396 (i) for which a resident or nonresident individual receives reimbursement from another
397 person; and
398 (ii) to the extent to which the resident or nonresident individual subtracts that adoption
399 expense:

400 (A) on a return filed under this chapter for a taxable year beginning on or before
401 December 31, 2007; or
402 (B) from federal taxable income on a federal individual income tax return.

403 (2) There shall be subtracted from adjusted gross income of a resident or nonresident
404 individual:

405 (a) the difference between:

406 (i) the interest or a dividend on an obligation or security of the United States or an
407 authority, commission, instrumentality, or possession of the United States, to the extent that
408 interest or dividend is:

409 (A) included in adjusted gross income for federal income tax purposes for the taxable
410 year; and

411 (B) exempt from state income taxes under the laws of the United States; and

412 (ii) any interest on indebtedness incurred or continued to purchase or carry the
413 obligation or security described in Subsection (2)(a)(i);

414 (b) for taxable years beginning on or after January 1, 2000, if the conditions of
415 Subsection (3)(a) are met, the amount of income derived by a Ute tribal member:

416 (i) during a time period that the Ute tribal member resides on homesteaded land
417 diminished from the Uintah and Ouray Reservation; and

418 (ii) from a source within the Uintah and Ouray Reservation;

419 (c) an amount received by a resident or nonresident individual or distribution received
420 by a resident or nonresident beneficiary of a resident trust:

421 (i) if that amount or distribution constitutes a refund of taxes imposed by:

422 (A) a state; or

423 (B) the District of Columbia; and

424 (ii) to the extent that amount or distribution is included in adjusted gross income for
425 that taxable year on the federal individual income tax return of the resident or nonresident
426 individual or resident or nonresident beneficiary of a resident trust;

427 (d) the amount of a railroad retirement benefit:

428 (i) paid:

429 (A) in accordance with The Railroad Retirement Act of 1974, 45 U.S.C. Sec. 231 et
430 seq.;

- 431 (B) to a resident or nonresident individual; and
432 (C) for the taxable year; and
433 (ii) to the extent that railroad retirement benefit is included in adjusted gross income on
434 that resident or nonresident individual's federal individual income tax return for that taxable
435 year;
- 436 (e) an amount:
437 (i) received by an enrolled member of an American Indian tribe; and
438 (ii) to the extent that the state is not authorized or permitted to impose a tax under this
439 part on that amount in accordance with:
- 440 (A) federal law;
441 (B) a treaty; or
442 (C) a final decision issued by a court of competent jurisdiction;
443 (f) an amount received:
444 (i) for the interest on a bond, note, or other obligation issued by an entity for which
445 state statute provides an exemption of interest on its bonds from state individual income tax;
446 (ii) by a resident or nonresident individual;
447 (iii) for the taxable year; and
448 (iv) to the extent the amount is included in adjusted gross income on the taxpayer's
449 federal income tax return for the taxable year;
- 450 (g) the amount of all income, including income apportioned to another state, of a
451 nonmilitary spouse of an active duty military member if:
452 (i) both the nonmilitary spouse and the active duty military member are nonresident
453 individuals;
454 (ii) the active duty military member is stationed in Utah;
455 (iii) the nonmilitary spouse is subject to the residency provisions of 50 U.S.C. Sec.
456 4001(a)(2); and
457 (iv) the income is included in adjusted gross income for federal income tax purposes
458 for the taxable year;
- 459 (h) for a taxable year beginning on or after January 1, 2019, but beginning on or before
460 December 31, 2019, only:
461 (i) the amount of any FDIC premium paid or incurred by the taxpayer that is

462 disallowed as a deduction for federal income tax purposes under Section 162(r), Internal
463 Revenue Code, on the taxpayer's 2018 federal income tax return; plus

464 (ii) the amount of any FDIC premium paid or incurred by the taxpayer that is
465 disallowed as a deduction for federal income tax purposes under Section 162(r), Internal
466 Revenue Code, for the taxable year; [~~and~~]

467 (i) for a taxable year beginning on or after January 1, 2020, the amount of any FDIC
468 premium paid or incurred by the taxpayer that is disallowed as a deduction for federal income
469 tax purposes under Section 162(r), Internal Revenue Code, for the taxable year[-]; and

470 (j) for a taxable year beginning on or after January 1, 2020, but beginning on or before
471 December 31, 2020, the amount of any grant funds the resident or nonresident individual
472 receives under Title 9, Chapter 6, Part 9, COVID-19 Cultural Assistance Grant Program,
473 Subsection 63N-12-508(3), or Title 63N, Chapter 15, COVID-19 Economic Recovery
474 Programs, to the extent that the grant funds are included in adjusted gross income.

475 (3) (a) A subtraction for an amount described in Subsection (2)(b) is allowed only if:

476 (i) the taxpayer is a Ute tribal member; and

477 (ii) the governor and the Ute tribe execute and maintain an agreement meeting the
478 requirements of this Subsection (3).

479 (b) The agreement described in Subsection (3)(a):

480 (i) may not:

481 (A) authorize the state to impose a tax in addition to a tax imposed under this chapter;

482 (B) provide a subtraction under this section greater than or different from the

483 subtraction described in Subsection (2)(b); or

484 (C) affect the power of the state to establish rates of taxation; and

485 (ii) shall:

486 (A) provide for the implementation of the subtraction described in Subsection (2)(b);

487 (B) be in writing;

488 (C) be signed by:

489 (I) the governor; and

490 (II) the chair of the Business Committee of the Ute tribe;

491 (D) be conditioned on obtaining any approval required by federal law; and

492 (E) state the effective date of the agreement.

493 (c) (i) The governor shall report to the commission by no later than February 1 of each
494 year regarding whether or not an agreement meeting the requirements of this Subsection (3) is
495 in effect.

496 (ii) If an agreement meeting the requirements of this Subsection (3) is terminated, the
497 subtraction permitted under Subsection (2)(b) is not allowed for taxable years beginning on or
498 after the January 1 following the termination of the agreement.

499 (d) For purposes of Subsection (2)(b) and in accordance with Title 63G, Chapter 3,
500 Utah Administrative Rulemaking Act, the commission may make rules:

501 (i) for determining whether income is derived from a source within the Uintah and
502 Ouray Reservation; and

503 (ii) that are substantially similar to how adjusted gross income derived from Utah
504 sources is determined under Section [59-10-117](#).

505 (4) (a) For purposes of this Subsection (4), "Form 8814" means:

506 (i) the federal individual income tax Form 8814, Parents' Election To Report Child's
507 Interest and Dividends; or

508 (ii) (A) a form designated by the commission in accordance with Subsection
509 (4)(a)(ii)(B) as being substantially similar to 2000 Form 8814 if for purposes of federal
510 individual income taxes the information contained on 2000 Form 8814 is reported on a form
511 other than Form 8814; and

512 (B) for purposes of Subsection (4)(a)(ii)(A) and in accordance with Title 63G, Chapter
513 3, Utah Administrative Rulemaking Act, the commission may make rules designating a form as
514 being substantially similar to 2000 Form 8814 if for purposes of federal individual income
515 taxes the information contained on 2000 Form 8814 is reported on a form other than Form
516 8814.

517 (b) The amount of a child's income added to adjusted gross income under Subsection
518 (1)(b) is equal to the difference between:

519 (i) the lesser of:

520 (A) the base amount specified on Form 8814; and

521 (B) the sum of the following reported on Form 8814:

522 (I) the child's taxable interest;

523 (II) the child's ordinary dividends; and

524 (III) the child's capital gain distributions; and
525 (ii) the amount not taxed that is specified on Form 8814.
526 (5) Notwithstanding Subsection (1)(e), interest from bonds, notes, and other evidences
527 of indebtedness issued by an entity described in Subsections (1)(e)(i)(A) through (D) may not
528 be added to adjusted gross income of a resident or nonresident individual if, as annually
529 determined by the commission:

530 (a) for an entity described in Subsection (1)(e)(i)(A) or (B), the entity and all of the
531 political subdivisions, agencies, or instrumentalities of the entity do not impose a tax based on
532 income on any part of the bonds, notes, and other evidences of indebtedness of this state; or

533 (b) for an entity described in Subsection (1)(e)(i)(C) or (D), the following do not
534 impose a tax based on income on any part of the bonds, notes, and other evidences of
535 indebtedness of this state:

536 (i) the entity; or

537 (ii) (A) the state in which the entity is located; or

538 (B) the District of Columbia, if the entity is located within the District of Columbia.

539 Section 7. Section **63A-3-111** is enacted to read:

540 **63A-3-111. COVID-19 economic recovery program reports.**

541 (1) As used in this section:

542 (a) "COVID-19 economic recovery programs" means the programs created in:

543 (i) Title 9, Chapter 6, Part 9, COVID-19 Cultural Assistance Grant Program;

544 (ii) Subsection [63N-12-508\(3\)](#); and

545 (iii) Title 63N, Chapter 15, COVID-19 Economic Recovery Programs.

546 (b) "Legislative committee" means:

547 (i) the president of the Senate;

548 (ii) the speaker of the House of Representatives;

549 (iii) the minority leader of the Senate; and

550 (iv) the minority leader of the House of Representatives.

551 (2) Upon receiving the reports required by Sections [9-6-903](#), [63N-15-202](#), and
552 [63N-15-302](#) and Subsection [63N-12-508\(3\)](#), the director, in conjunction with the Division of
553 Arts and Museums and the Governor's Office of Economic Development, shall present to the
554 legislative committee the COVID-19 economic recovery programs.

555 (3) The legislative committee may make recommendations for adjustments to the
 556 COVID-19 economic recovery programs.

557 Section 8. Section **63I-2-209** is enacted to read:

558 **63I-2-209. Repeal dates -- Title 9.**

559 Title 9, Chapter 6, Part 9, COVID-19 Cultural Assistance Grant Program, is repealed
 560 June 30, 2021.

561 Section 9. Section **63I-2-259** is amended to read:

562 **63I-2-259. Repeal dates -- Title 59.**

563 (1) In Section **59-2-926**, the language that states "applicable" and "or **53F-2-301.5**" is
 564 repealed July 1, 2023.

565 (2) Subsection **59-7-106(1)(x)** is repealed December 31, 2021.

566 [~~2~~] (3) Section **59-7-620** is repealed December 31, 2021.

567 (4) Subsection **59-10-114(2)(j)** is repealed December 31, 2021.

568 Section 10. Section **63I-2-263 (Effective 10/15/20)** is amended to read:

569 **63I-2-263 (Effective 10/15/20). Repeal dates, Title 63A to Title 63N.**

570 (1) On July 1, 2020:

571 (a) Subsection **63A-1-203(5)(a)(i)** is repealed; and

572 (b) in Subsection **63A-1-203(5)(a)(ii)**, the language that states "appointed on or after
 573 May 8, 2018," is repealed.

574 (2) Section **63A-3-111** is repealed June 30, 2021.

575 [~~2~~] (3) Title 63C, Chapter 19, Higher Education Strategic Planning Commission is
 576 repealed July 1, 2021.

577 [~~3~~] (4) Title 63C, Chapter 21, Digital Wellness, Citizenship, and Safe Technology
 578 Commission is repealed July 1, 2023.

579 [~~4~~] (5) The following sections regarding the World War II Memorial Commission are
 580 repealed on July 1, 2022:

581 (a) Section **63G-1-801**;

582 (b) Section **63G-1-802**;

583 (c) Section **63G-1-803**; and

584 (d) Section **63G-1-804**.

585 [~~5~~] (6) Subsections **63G-6a-802(1)(d)** and **63G-6a-802(3)(b)(iii)**, regarding a

586 procurement relating to a vice presidential debate, are repealed January 1, 2021.

587 ~~[(6)]~~ (7) In relation to the State Fair Park Committee, on January 1, 2021:

588 (a) Section [63H-6-104.5](#) is repealed; and

589 (b) Subsections [63H-6-104](#)(8) and (9) are repealed.

590 ~~[(7)]~~ (8) Section [63H-7a-303](#) is repealed ~~[on]~~ July 1, 2024.

591 ~~[(8)]~~ (9) Subsection [63J-1-206](#)(3)(c), relating to coronavirus, is repealed ~~[on]~~ July 1,

592 2021.

593 ~~[(9)]~~ (10) In relation to the Employability to Careers Program Board, on July 1, 2022:

594 (a) Subsection [63J-1-602.1](#) (57) is repealed;

595 (b) Subsection [63J-4-301](#)(1)(h), related to the review of data and metrics, is repealed;

596 and

597 (c) Title 63J, Chapter 4, Part 7, Employability to Careers Program, is repealed.

598 ~~[(10)]~~ (11) Title 63M, Chapter 4, Part 8, Voluntary Home Energy Information Pilot

599 Program Act, is repealed January 1, 2022.

600 ~~[(11)]~~ (12) Sections [63M-7-213](#) and [63M-7-213.5](#) are repealed on January 1, 2023.

601 (13) Subsection [63N-12-508](#)(3) is repealed December 31, 2021.

602 ~~[(12)]~~ (14) Title 63N, Chapter 13, Part 3, Facilitating Public-Private Partnerships Act,

603 is repealed January 1, 2024.

604 (15) Title 63N, Chapter 15, COVID-19 Economic Recovery Programs, is repealed

605 December 31, 2021.

606 Section 11. Section **63N-12-508 (Superseded 07/01/20)** is amended to read:

607 **63N-12-508 (Superseded 07/01/20). Utah Works.**

608 (1) There is created within the center the Utah Works Program.

609 (2) The program, under the direction of the center and the talent ready board, shall

610 coordinate and partner with the entities described below to develop short-term pre-employment

611 training and short-term early employment training for student and workforce participants that

612 meet the needs of businesses that are creating jobs and economic growth in the state by:

613 (a) partnering with the office, the Department of Workforce Services, the Utah System

614 of Higher Education, and the Utah System of Technical Colleges;

615 (b) partnering with businesses that have significant hiring demands for primarily newly

616 created jobs in the state;

617 (c) coordinating with the Department of Workforce Services, education agencies, and
618 employers to create effective recruitment initiatives to attract student and workforce
619 participants and business participants to the program;

620 (d) coordinating with the Utah System of Higher Education and the Utah System of
621 Technical Colleges to develop educational and training resources to provide student
622 participants in the program qualifications to be hired by business participants in the program;
623 and

624 (e) coordinating with the State Board of Education and local education agencies when
625 appropriate to develop educational and training resources to provide student participants in the
626 program qualifications to be hired by business participants in the program.

627 (3) (a) Subject to appropriation, beginning on August 5, 2020, the office, in
628 consultation with the talent ready board, may respond to the COVID-19 pandemic by directing
629 financial grants to institutions of higher education described in Section [53B-2-101](#) to offer
630 short-term programs to:

631 (i) provide training to furloughed, laid off, dislocated, underserved, or other
632 populations affected by COVID-19 to fill employment gaps in the state;

633 (ii) provide training and education related to industry needs; and

634 (iii) provide students with certificates or other recognition after completion of training.

635 (b) (i) As soon as is practicable but on or before July 31, 2020, the office shall report to
636 the director of the Division of Finance about the grant program under this Subsection (3),
637 including:

638 (A) the process by which the office shall determine which institutions of public
639 education shall receive financial grants; and

640 (B) the formula for awarding financial grants.

641 (ii) The office shall:

642 (A) participate in the presentation that the director of the Division of Finance provides
643 to the president of the Senate, the speaker of the House of Representatives, the minority leader
644 of the Senate, and the minority leader of the House of Representatives under Section
645 [63A-3-111](#); and

646 (B) consider any recommendations for adjustments to the grant program from the
647 president of the Senate, the speaker of the House of Representatives, the minority leader of the

648 Senate, and the minority leader of the House of Representatives.

649 (c) To implement Subsection (3)(a), an institution of higher education that receives
650 grant funds:

651 (i) may use grant funds for:

652 (A) costs associated with developing a new program; or

653 (B) costs associated with expanding an existing program; and

654 (ii) shall demonstrate industry needs and opportunities for partnership with industry.

655 (d) (i) The office shall award grant funds:

656 (A) after an initial application period that ends on or before August 31, 2020; and

657 (B) if funds remain after the initial application period, on a rolling basis until the

658 earlier of funds being exhausted or November 30, 2020.

659 (ii) An institution of higher education that receives grant funds shall expend the grant
660 funds on or before December 1, 2020.

661 (e) The center shall conduct outreach, including education about career guidance,
662 training, and workforce programs, to the targeted populations.

663 ~~[(3)]~~ (4) The office, in consultation with the talent ready board, may, in accordance
664 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and in accordance with the
665 provisions of this section, make rules regarding the development and administration of the
666 Utah Works Program.

667 ~~[(4)]~~ (5) The center shall report the following metrics to the office for inclusion in the
668 office's annual report described in Section [63N-1-301](#):

669 (a) the number of participants in the program;

670 (b) how program participants learned about or were referred to the program, including
671 the number of participants who learned about or were referred to the program by:

672 (i) the Department of Workforce Services;

673 (ii) marketing efforts of the center or talent ready board;

674 (iii) a school counselor; and

675 (iv) other methods;

676 (c) the number of participants who have completed training offered by the program;

677 and

678 (d) the number of participants who have been hired by a business participating in the

679 program.

680 Section 12. Section **63N-12-508 (Effective 07/01/20)** is amended to read:

681 **63N-12-508 (Effective 07/01/20). Utah Works.**

682 (1) There is created within the center the Utah Works Program.

683 (2) The program, under the direction of the center and the talent ready board, shall
684 coordinate and partner with the entities described below to develop short-term pre-employment
685 training and short-term early employment training for student and workforce participants that
686 meet the needs of businesses that are creating jobs and economic growth in the state by:

687 (a) partnering with the office, the Department of Workforce Services, and the Utah
688 system of higher education;

689 (b) partnering with businesses that have significant hiring demands for primarily newly
690 created jobs in the state;

691 (c) coordinating with the Department of Workforce Services, education agencies, and
692 employers to create effective recruitment initiatives to attract student and workforce
693 participants and business participants to the program;

694 (d) coordinating with the Utah system of higher education to develop educational and
695 training resources to provide student participants in the program qualifications to be hired by
696 business participants in the program; and

697 (e) coordinating with the State Board of Education and local education agencies when
698 appropriate to develop educational and training resources to provide student participants in the
699 program qualifications to be hired by business participants in the program.

700 (3) (a) Subject to appropriation, beginning on August 5, 2020, the office, in
701 consultation with the talent ready board, may respond to the COVID-19 pandemic by directing
702 financial grants to institutions of higher education described in Section 53B-2-101 to offer
703 short-term programs to:

704 (i) provide training to furloughed, laid off, dislocated, underserved, or other
705 populations affected by COVID-19 to fill employment gaps in the state;

706 (ii) provide training and education related to industry needs; and

707 (iii) provide students with certificates or other recognition after completion of training.

708 (b) (i) As soon as is practicable but on or before July 31, 2020, the office shall report to
709 the director of the Division of Finance about the grant program under this Subsection (3),

710 including:

711 (A) the process by which the office shall determine which institutions of public
712 education shall receive financial grants; and

713 (B) the formula for awarding financial grants.

714 (ii) The office shall:

715 (A) participate in the presentation that the director of the Division of Finance provides
716 to the president of the Senate, the speaker of the House of Representatives, the minority leader
717 of the Senate, and the minority leader of the House of Representatives under Section
718 63A-3-111; and

719 (B) consider any recommendations for adjustments to the grant program from the
720 president of the Senate, the speaker of the House of Representatives, the minority leader of the
721 Senate, and the minority leader of the House of Representatives.

722 (c) To implement Subsection (3)(a), an institution of higher education that receives
723 grant funds:

724 (i) may use grant funds for:

725 (A) costs associated with developing a new program; or

726 (B) costs associated with expanding an existing program; and

727 (ii) shall demonstrate industry needs and opportunities for partnership with industry.

728 (d) (i) The office shall award grant funds:

729 (A) after an initial application period that ends on or before August 31, 2020; and

730 (B) if funds remain after the initial application period, on a rolling basis until the
731 earlier of funds being exhausted or November 30, 2020.

732 (ii) An institution of higher education that receives grant funds shall expend the grant
733 funds on or before December 1, 2020.

734 (e) The center shall conduct outreach, including education about career guidance,
735 training, and workforce programs, to the targeted populations.

736 ~~[(3)]~~ (4) The office, in consultation with the talent ready board, may, in accordance
737 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and in accordance with the
738 provisions of this section, make rules regarding the development and administration of the
739 Utah Works Program.

740 ~~[(4)]~~ (5) The center shall report the following metrics to the office for inclusion in the

741 office's annual report described in Section 63N-1-301:

742 (a) the number of participants in the program;

743 (b) how program participants learned about or were referred to the program, including
744 the number of participants who learned about or were referred to the program by:

745 (i) the Department of Workforce Services;

746 (ii) marketing efforts of the center or talent ready board;

747 (iii) a school counselor; and

748 (iv) other methods;

749 (c) the number of participants who have completed training offered by the program;

750 and

751 (d) the number of participants who have been hired by a business participating in the
752 program.

753 Section 13. Section 63N-15-101 is enacted to read:

754 **CHAPTER 15. COVID-19 ECONOMIC RECOVERY PROGRAMS**

755 **Part 1. General Provisions.**

756 **63N-15-101. Title.**

757 This chapter is known as "COVID-19 Economic Recovery Programs."

758 Section 14. Section 63N-15-102 is enacted to read:

759 **63N-15-102. Definitions.**

760 As used in this chapter:

761 (1) (a) "Business entity" means a business that:

762 (i) was in operation in this state on March 1, 2020;

763 (ii) has employees who report to a physical location in this state; and

764 (iii) (A) is properly registered with the Division of Corporations and Commercial

765 Code;

766 (B) is tax exempt under Section 501(c)(3), (6), or (19) of the Internal Revenue Code;

767 (C) is a Tribal business concern described in 15 U.S.C. Sec. 657a (b)(2)(C); or

768 (D) is an individual who operates under a sole proprietorship, operates as an
769 independent contractor, or is self-employed.

770 (b) "Business entity" does not include a marketplace that connects travelers with
771 private property owners offering accommodation for compensation.

772 (2) "COVID-19" means:
773 (a) severe acute respiratory syndrome coronavirus 2; or
774 (b) the disease caused by severe acute respiratory syndrome coronavirus 2.
775 (3) (a) "COVID-19 expenses" means the costs incurred by a business entity:
776 (i) on or after March 1, 2020, but on or before December 30, 2020; and
777 (ii) to comply with COVID-19 public health guidelines on safely returning employees
778 to work.
779 (b) "COVID-19 expenses" includes:
780 (i) personal protection equipment for employees and customers;
781 (ii) cleaning and sanitizing supplies;
782 (iii) signage providing public health guidelines;
783 (iv) technology upgrades related to teleworking; and
784 (v) costs for office redesign to provide adequate separation between employees or
785 between employees and customers.
786 (4) "Legislative committee" means:
787 (a) the president of the Senate;
788 (b) the speaker of the House of Representatives;
789 (c) the minority leader of the Senate; and
790 (d) the minority leader of the House of Representatives.
791 (5) "Monthly revenue decline" means the amount of the business entity's revenue loss
792 in this state for the month calculated by subtracting the month's revenue from:
793 (a) for a business entity that began operating in this state before July 1, 2019, the
794 business entity's revenue for the same month in 2019; and
795 (b) for a business entity that began operating in this state on or after July 1, 2019, the
796 business entity's revenue in this state for February 2020.
797 (6) "Revenue decline" means the sum of the monthly revenue declines for the months
798 of March through June 2020.
799 (7) "Small business" means a business entity with 250 or fewer full-time equivalent
800 employees.
801 Section 15. Section **63N-15-103** is enacted to read:
802 **63N-15-103. Reporting.**

803 The office shall include in the office's 2020 and 2021 annual reports to the governor
804 and the Legislature under Section 63N-1-301 the following information about each of the grant
805 programs established under this chapter:

- 806 (1) the number of applications submitted under the grant program;
807 (2) the number of grants awarded under the grant program;
808 (3) the aggregate amount of grant funds awarded under the grant program; and
809 (4) any other information the office considers relevant to evaluating the success of the
810 grant program.

811 Section 16. Section 63N-15-201 is enacted to read:

812 **Part 2. COVID-19 Impacted Businesses Grant Program**

813 **63N-15-201. Creation of COVID-19 Impacted Businesses Grant Program --**
814 **Eligibility.**

815 (1) There is established a grant program known as COVID-19 Impacted Businesses
816 Grant Program that is administered by the office in accordance with this part.

817 (2) To be eligible to apply for a grant under this part, a business entity:

818 (a) shall have experienced a revenue decline in this state due to the public health
819 emergency related to COVID-19;

820 (b) shall offer a financial incentive:

821 (i) for individuals or businesses to make purchases from the business entity; and

822 (ii) that in aggregate is estimated to equal or exceed 50% of the grant amount that the
823 business entity requests;

824 (c) shall describe to the office how receipt of grant funds will benefit the state
825 economy; and

826 (d) may not have received grant funds under Title 9, Chapter 6, Part 9, COVID-19
827 Cultural Assistance Grant Program.

828 (3) (a) The amount of a grant that the office awards to a business entity under this part
829 may not exceed the amount of the business entity's revenue decline.

830 (b) For applications received on or before August 31, 2020, the office shall award at
831 least 75% of the grant funds to small businesses that meet the eligibility requirements.

832 Section 17. Section 63N-15-202 is enacted to read:

833 **63N-15-202. Duties of the office.**

834 (1) As soon as is practicable but on or before July 31, 2020, the office shall:
835 (a) establish an application process by which a business entity may apply for a grant
836 under this part, which application shall include:
837 (i) a declaration, signed under penalty of perjury, that the application is complete, true,
838 and correct;
839 (ii) an acknowledgment that the business entity is subject to audit; and
840 (iii) a plan for providing the financial incentive described in Subsection
841 63N-15-201(2)(b);
842 (b) establish a method for the office to determine which applicants are eligible to
843 receive a grant;
844 (c) establish a formula to award grant funds; and
845 (d) report the information described in Subsections (1)(a) through (c) to the director of
846 the Division of Finance.
847 (2) The office shall:
848 (a) participate in the presentation that the director of the Division of Finance provides
849 to the legislative committee under Section 63A-3-111; and
850 (b) consider any recommendations for adjustments to the grant program from the
851 legislative committee.
852 (3) Subject to appropriation, beginning on August 5, 2020, the office shall:
853 (a) collect applications for grant funds from business entities;
854 (b) determine which applicants meet the eligibility requirements for receiving a grant;
855 and
856 (c) award the grant funds:
857 (i) (A) after an initial application period that ends on or before August 31, 2020; and
858 (B) if funds remain after the initial application period, on a rolling basis until the
859 earlier of funds being exhausted or December 30, 2020; and
860 (ii) in accordance with the process established under Subsection (1) and the limits
861 described in Subsection 63N-15-201(3).
862 (4) (a) The office may audit a business entity to ensure that a business entity
863 experienced the revenue decline reported in the application.
864 (b) The office may recapture grant funds if, after audit, the office determines that a

865 business entity made representations to the office about the business entity's revenue decline
866 that are not complete, true, and correct.

867 (c) (i) A business entity that is subject to recapture shall pay to the Division of Finance
868 a penalty equal to the amount of the grant recaptured multiplied by the applicable income tax
869 rate in Section 59-7-104 or 59-10-104.

870 (ii) The Division of Finance shall deposit the penalty into the Education Fund.

871 (5) The office shall encourage any business entity that receives grant funds to commit
872 to following best practices to protect the health and safety of the business entity's employees
873 and customers.

874 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
875 office may make rules to administer the grant program.

876 (7) As part of any advertisement of the COVID-19 Impacted Businesses Grant
877 Program, the office:

878 (a) shall encourage economically disadvantaged business entities, including
879 minority-owned and woman-owned business entities, that meet the eligibility requirements to
880 apply for grant funds; and

881 (b) may feature any business entity that:

882 (i) shows evidence of a commitment to following best practices to protect the health
883 and safety of the business entity's employees and customers; and

884 (ii) consents to being featured.

885 Section 18. Section **63N-15-301** is enacted to read:

886 **Part 3. COVID-19 PPE Support Grant Program**

887 **63N-15-301. Creation of COVID-19 PPE Support Grant Program -- Eligibility.**

888 (1) There is established a grant program known as COVID-19 PPE Support Grant
889 Program that is administered by the office in accordance with this part.

890 (2) To be eligible to apply for a grant under this part, the business entity shall:

891 (a) (i) demonstrate that the business entity has incurred COVID-19 expenses; or

892 (ii) certify that the business entity will spend grant funds on COVID-19 expenses; and

893 (b) describe to the office the business entity's actual or anticipated cost to comply with
894 public health guidelines on safely returning employees to work.

895 (3) (a) The amount of a grant that the office awards to a business entity under this part

896 may not exceed the lesser of:

897 (i) the amount of the business entity's COVID-19 expenses; or

898 (ii) \$100 per full-time equivalent employee.

899 (b) For applications received on or before August 31, 2020, the office shall award at

900 least 75% of grant funds to small businesses that meet the eligibility requirements.

901 Section 19. Section **63N-15-302** is enacted to read:

902 **63N-15-302. Duties of the office.**

903 (1) As soon as is practicable but on or before July 31, 2020, the office shall:

904 (a) establish an application process by which a business entity may apply for a grant

905 under this part, which application shall include:

906 (i) a declaration, signed under penalty of perjury, that the application is complete, true,
907 and correct and any estimates about COVID-19 expenses are made in good faith; and

908 (ii) an acknowledgment that the business entity is subject to audit;

909 (b) establish a method for the office to determine which applicants are eligible to

910 receive a grant;

911 (c) establish a formula to award grant funds;

912 (d) establish requirements for grant recipients to retain records of COVID-19 expenses;

913 and

914 (e) report the information described in Subsections (1)(a) through (d) to the director of
915 the Division of Finance.

916 (2) The office shall:

917 (a) participate in the presentation that the director of the Division of Finance provides

918 to the legislative committee under Section [63A-3-111](#); and

919 (b) consider any recommendations for adjustments to the grant program from the

920 legislative committee.

921 (3) Subject to appropriation, beginning on August 5, 2020, the office shall:

922 (a) collect applications for grant funds from business entities;

923 (b) determine which applicants meet the eligibility requirements for receiving a grant;

924 and

925 (c) award the grant funds:

926 (i) (A) after an initial application period that ends on or before August 31, 2020; and

927 (B) if funds remain after the initial application period, on a rolling basis until the
928 earlier of funds being exhausted or December 30, 2020; and

929 (ii) in accordance with the process established under Subsection (1) and the limits
930 described in Subsection 63N-15-301(3).

931 (4) (a) The office may audit a business entity to ensure that the business entity incurred
932 COVID-19 expenses reported or estimated in the application.

933 (b) The office may recapture grant funds if, after audit, the office determines that:

934 (i) if the business entity made representations about incurred COVID-19 expenses, the
935 representations are not complete, true, and correct; or

936 (ii) if the business entity made representations about estimated COVID-19 expenses,
937 the representations are not made in good faith.

938 (c) (i) A business entity that is subject to recapture shall pay to the Division of Finance
939 a penalty equal to the amount of the grant recaptured multiplied by the applicable income tax
940 rate in Section 59-7-104 or 59-10-104.

941 (ii) The Division of Finance shall deposit the penalty into the Education Fund.

942 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
943 office may make rules to administer the grant program.

944 (6) As part of any advertisement of the COVID-19 PPE Support Grant Program, the
945 office shall encourage economically disadvantaged business entities, including minority-owned
946 and woman-owned business entities, that meet the eligibility requirements to apply for grant
947 funds.

948 Section 20. Section 63N-15-401 is enacted to read:

949 **Part 4. COVID-19 Outreach and Education Program**

950 **63N-15-401. COVID-19 Outreach and Education Program.**

951 (1) The office shall develop and implement for the state a public outreach and
952 education program regarding health related to COVID-19.

953 (2) The outreach and education program shall:

954 (a) emphasize that, to keep themselves and others healthy, Utah residents should
955 follow recommended COVID-19 related health guidelines, including, when applicable:

956 (i) physical distancing;

957 (ii) mask wearing; and

- 958 (iii) increased hygiene practices;
- 959 (b) explain the precautions that Utah medical providers have taken to provide safe
- 960 medical care in light of the COVID-19 pandemic; and
- 961 (c) encourage Utah residents during the COVID-19 pandemic not to defer treatment
- 962 from medical providers, including:
- 963 (i) urgent care;
- 964 (ii) preventative care; and
- 965 (iii) vaccinations.

Section 21. **Appropriation.**

FY 2021 Appropriations. Operating and Capital Budgets.

966 The following sums of money are appropriated for the fiscal year beginning July 1,

969 2020, and ending June 30, 2021. These are additions to amounts previously appropriated for

970 fiscal year 2021. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures

971 Act, the Legislature appropriates the following sums of money from the funds or accounts

972 indicated for the use and support of the government of the state of Utah.

973 ITEM 1

974 To Department of Administrative Services -- Finance Mandated

975 <u>From Federal Funds -- Coronavirus Relief Fund, One-time</u>	975 <u>\$62,000,000</u>
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976 Schedule of Programs:

977 <u>Emergency Disease Response</u>	977 <u>\$62,000,000</u>
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978 The Legislature intends that the Division of Finance partner with state agencies and

979 institutions of higher education to implement the programs authorized in this bill as follows:

980 COVID-19 Cultural Assistance Grant Program, with the Division of Arts and Museums,

981 \$9,000,000; COVID-19 Displaced Worker Grant Program: with the Utah System of Higher

982 Education, \$4,462,500; the Department of Workforce Services, \$75,000; and the Governor's

983 Office of Economic Development, \$4,462,000; COVID-19 Impacted Businesses Grant

984 Program, with the Governor's Office of Economic Development, \$25,000,000; COVID-19 PPE

985 Support Grant Program, with the Governor's Office of Economic Development, \$5,000,000;

986 and COVID-19 Outreach and Education Program, with the Governor's Office of Economic

987 Development, \$1,000,000.

988 The Legislature further intends that the Division of Finance use \$1,000,000 to partner

989 with the Department of Heritage and Arts - Pass Through to provide for digital equipment and
990 basic needs assistance grants, including needs such as utilities, rent, transportation, and food
991 assistance, as identified by the Multicultural Subcommittee of the COVID-19 Task Force, and
992 for translation services related to providing information and guidance about COVID-19.

993 The Legislature further intends that the Division of Finance use \$12,000,000 to partner
994 with the Governor's Office of Economic Development -- Office of Tourism to respond to the
995 COVID-19 health emergency through:

996 (1) state and regional marketing intended to increase tourism to national parks in the
997 state and the surrounding communities;

998 (2) transportation to and within national parks in the state to facilitate visitor access;

999 and

1000 (3) other marketing costs intended to stimulate tourism throughout the state.

1001 **Section 22. Effective date.**

1002 (1) Except as provided in Subsections (2) and (3), if approved by two-thirds of all the
1003 members elected to each house, this bill takes effect upon approval by the governor, or the day
1004 following the constitutional time limit of Utah Constitution, Article VII, Section 8, without the
1005 governor's signature, or in the case of a veto, the date of veto override.

1006 (2) Section [63N-12-508](#) (Effective 07/01/20) takes effect on July 1, 2020.

1007 (3) Section [63I-2-263](#) (Effective 10/15/20) takes effect on October 15, 2020.

1008 **Section 23. Retrospective operation.**

1009 The amendments to Sections [59-7-106](#) and [59-10-114](#) have retrospective operation for a
1010 taxable year beginning on or after January 1, 2020.