

**STATE SMALL BUSINESS CREDIT INITIATIVE
PROGRAM FUND AMENDMENTS**

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Carol Spackman Moss

Senate Sponsor: Ronald M. Winterton

LONG TITLE

Committee Note:

The Economic Development and Workforce Services Interim Committee recommended this bill.

Legislative Vote: 10 voting for 0 voting against 6 absent

General Description:

This bill addresses the State Small Business Credit Initiative Program Fund.

Highlighted Provisions:

This bill:

- ▶ transfers the administration of the State Small Business Credit Initiative Program Fund from the Department of Workforce Services to the Governor's Office of Economic Opportunity; and

- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

RENUMBERS AND AMENDS:

63N-3-801, (Renumbered from 35A-8-1201, as renumbered and amended by Laws of



28 Utah 2012, Chapter 212)

29 **63N-3-802**, (Renumbered from 35A-8-1202, as last amended by Laws of Utah 2012,
30 Chapter 347 and renumbered and amended by Laws of Utah 2012, Chapter 212)

31 **63N-3-803**, (Renumbered from 35A-8-1203, as last amended by Laws of Utah 2014,
32 Chapter 371)



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

35 Section 1. Section **63N-3-801**, which is renumbered from Section 35A-8-1201 is
36 renumbered and amended to read:

37 **Part 8. State Small Business Credit Initiative Program Fund**

38 ~~[35A-8-1201].~~ **63N-3-801. Creation and administration.**

39 (1) There is created an enterprise fund known as the "State Small Business Credit
40 Initiative Program Fund" administered by the [~~director of the division or the director's~~
41 ~~designee~~] office.

42 (2) The [~~division~~] executive director or the executive director's designee is the
43 administrator of the fund.

44 (3) Revenues deposited into the fund shall consist of:

45 (a) grants, pay backs, bonuses, entitlements, and other money received from the federal
46 government to implement the State Small Business Credit Initiative; and

47 (b) transfers, grants, gifts, bequests, and other money made available from any source
48 to implement this part.

49 (4) (a) The state treasurer shall invest the money in the fund according to the
50 procedures and requirements of Title 51, Chapter 7, State Money Management Act.

51 (b) Interest and other earnings derived from the fund money shall be deposited in the
52 fund.

53 (5) The [~~division~~] office may use fund money for administration of the fund, but not to
54 exceed 4% of the annual receipts to the fund.

55 Section 2. Section **63N-3-802**, which is renumbered from Section 35A-8-1202 is
56 renumbered and amended to read:

57 ~~[35A-8-1202].~~ **63N-3-802. Distribution of fund money.**

58 (1) (a) The [~~director~~] office shall make loans and loan guarantees from the fund for the

59 Small Business Credit Initiative created under the ~~[federal government's]~~ Small Business Jobs
60 Act of 2010, 12 U.S.C. Sec. 5701 et seq., as amended, to use federal money for programs that
61 leverage private lending to help finance small businesses and manufacturers that are
62 creditworthy but not receiving the loans needed to expand and create jobs.

63 (b) In making loans and loan guarantees under this part, the ~~[director]~~ office shall give
64 due consideration to small businesses in underserved communities throughout the state that
65 have been deeply impacted by recession and not seen a comparable resurgence in their
66 economies.

67 (2) The ~~[director]~~ office shall distribute federal money in the fund according to the
68 procedures, conditions, and restrictions placed upon the use of the money by the federal
69 government.

70 ~~[(3) The director may, with the approval of the executive director of the department:]~~

71 (3) The office may:

72 (a) enact rules to establish procedures for the loan and loan guarantee process by
73 following the procedures and requirements of Title 63G, Chapter 3, Utah Administrative
74 Rulemaking Act; and

75 (b) service or contract, under Title 63G, Chapter 6a, Utah Procurement Code, for the
76 servicing of loans made by the fund.

77 Section 3. Section **63N-3-803**, which is renumbered from Section 35A-8-1203 is
78 renumbered and amended to read:

79 ~~[35A-8-1203].~~ **63N-3-803. Annual accounting.**

80 (1) The ~~[director]~~ office shall monitor the activities of recipients of the loans and loan
81 guarantees issued under this part on a yearly basis to ensure compliance with the terms and
82 conditions imposed on the recipient by the ~~[director]~~ office under this part.

83 (2) An entity receiving a loan or loan guarantee under this part shall provide the
84 ~~[director]~~ office with an annual accounting of how the money it received from the fund was
85 spent.

86 ~~[(3) The director shall provide the following information to the department for
87 inclusion in the department's annual written report described in Section 35A-1-109:]~~

88 (3) The office shall include the following information in the office's annual written
89 report described in Section 63N-1a-306:

- 90 (a) an accounting of expenditures made from the fund; and
- 91 (b) an evaluation of the effectiveness of the loan and loan guarantee program.
- 92 Section 4. **Effective date.**
- 93 This bill takes effect on July 1, 2022.