

**Senator Ann Millner** proposes the following substitute bill:

**MANUFACTURING MODERNIZATION GRANT PROGRAM**

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Ann Millner**

House Sponsor: Jefferson Moss

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**LONG TITLE**

**General Description:**

This bill creates the Manufacturing Modernization Grant Program.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ creates the Manufacturing Modernization Grant Program within the Governor's Office of Economic Opportunity;
- ▶ provides rulemaking authority;
- ▶ includes a sunset date;
- ▶ creates reporting requirements; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

This bill appropriates in fiscal year 2023:

- ▶ to Governor's Office of Economic Opportunity -- Business Development --- Corporate Recruitment and Business Services, as a one-time appropriation:
  - from General Fund, One-time, \$10,000,000.

**Other Special Clauses:**

None



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **63I-1-263**, as last amended by Laws of Utah 2021, Chapters 70, 72, 84, 90, 171, 196,  
29 260, 280, 282, 345, 382, 401, 421 and last amended by Coordination Clause, Laws  
30 of Utah 2021, Chapter 382

31 ENACTS:

32 **63N-3-801**, Utah Code Annotated 1953

33 **63N-3-802**, Utah Code Annotated 1953

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

36 Section 1. Section **63I-1-263** is amended to read:

37 **63I-1-263. Repeal dates, Titles 63A to 63N.**

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

39 (a) Section **63A-16-102** is repealed;

40 (b) Section **63A-16-201** is repealed; and

41 (c) Section **63A-16-202** is repealed.

42 (2) Subsection **63A-5b-405(5)**, relating to prioritizing and allocating capital  
43 improvement funding, is repealed July 1, 2024.

44 (3) Section **63A-5b-1003**, State Facility Energy Efficiency Fund, is repealed July 1,  
45 2023.

46 (4) Sections **63A-9-301** and **63A-9-302**, related to the Motor Vehicle Review  
47 Committee, are repealed July 1, 2023.

48 (5) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July  
49 1, 2028.

50 (6) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1,  
51 2025.

52 (7) Title 63C, Chapter 12, Snake Valley Aquifer Advisory Council, is repealed July 1,  
53 2024.

54 (8) Title 63C, Chapter 17, Point of the Mountain Development Commission Act, is  
55 repealed July 1, 2023.

56 (9) Title 63C, Chapter 18, Behavioral Health Crisis Response Commission, is repealed

57 July 1, 2023.

58 (10) Title 63C, Chapter 23, Education and Mental Health Coordinating Council, is  
59 repealed July 1, 2026.

60 (11) Title 63A, Chapter 16, Part 7, Data Security Management Council, is repealed  
61 July 1, 2025.

62 (12) Section 63G-6a-805, which creates the Purchasing from Persons with Disabilities  
63 Advisory Board, is repealed July 1, 2026.

64 (13) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed July 1,  
65 2025.

66 (14) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1,  
67 2024.

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

69 (16) Subsection 63J-1-602.1(17), Nurse Home Visiting Restricted Account is repealed  
70 July 1, 2026.

71 (17) (a) Subsection 63J-1-602.1(61), relating to the Utah Statewide Radio System  
72 Restricted Account, is repealed July 1, 2022.

73 (b) When repealing Subsection 63J-1-602.1(61), the Office of Legislative Research and  
74 General Counsel shall, in addition to the office's authority under Subsection 36-12-12(3), make  
75 necessary changes to subsection numbering and cross references.

76 (18) Subsection 63J-1-602.2(5), referring to dedicated credits to the Utah Marriage  
77 Commission, is repealed July 1, 2023.

78 (19) Subsection 63J-1-602.2(6), referring to the Trip Reduction Program, is repealed  
79 July 1, 2022.

80 (20) Subsection 63J-1-602.2(24), related to the Utah Seismic Safety Commission, is  
81 repealed January 1, 2025.

82 (21) Title 63J, Chapter 4, Part 5, Resource Development Coordinating Committee, is  
83 repealed July 1, 2027.

84 (22) In relation to the advisory committee created in Subsection 63L-11-305(3), on July  
85 1, 2022:

86 (a) Subsection 63L-11-305(1)(a), which defines "advisory committee," is repealed; and

87 (b) Subsection 63L-11-305(3), which creates the advisory committee, is repealed.

88 (23) In relation to the Utah Substance Use and Mental Health Advisory Council, on  
89 January 1, 2023:

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

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

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

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

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

97 "(2) The commission shall:

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

100 (b) coordinate the implementation of Section 77-18-104 and related provisions in  
101 Subsections 77-18-103(2)(c) and (d)."

102 (24) The Crime Victim Reparations and Assistance Board, created in Section  
103 63M-7-504, is repealed July 1, 2027.

104 (25) Title 63M, Chapter 7, Part 6, Utah Council on Victims of Crime, is repealed July  
105 1, 2022.

106 (26) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2026.

107 (27) Title 63N, Chapter 1, Part 5, Governor's Economic Development Coordinating  
108 Council, is repealed July 1, 2024.

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

110 (29) Section 63N-2-512, related to the Hotel Impact Mitigation Fund, is repealed July  
111 1, 2028.

112 (30) (a) Title 63N, Chapter 2, Part 6, Utah Small Business Jobs Act, is repealed  
113 January 1, 2021.

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

116 (c) Notwithstanding Subsection(30)(b), an entity may carry forward a tax credit in  
117 accordance with Section 59-9-107 if:

118 (i) the person is entitled to a tax credit under Section 59-9-107 on or before December

119 31, 2020; and

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

122 (31) Title 63N, Chapter 3, Part 8, Manufacturing Modernization Grant Program, is  
123 repealed July 1, 2025.

124 ~~[(31)]~~ (32) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is  
125 repealed July 1, 2023.

126 ~~[(32)]~~ (33) Title 63N, Chapter 7, Part 1, Board of Tourism Development, is repealed  
127 July 1, 2025.

128 ~~[(33)]~~ (34) Title 63N, Chapter 9, Part 2, Outdoor Recreational Infrastructure Grant  
129 Program, is repealed January 1, 2028.

130 Section 2. Section **63N-3-801** is enacted to read:

131 **Part 8. Manufacturing Modernization Grant Program**

132 **63N-3-801. Definitions.**

133 As used in this part:

134 (1) "Grant" means a grant awarded under Section [63N-3-802](#).

135 (2) "Program" means the Manufacturing Modernization Grant Program created in  
136 Section [63N-3-802](#).

137 (3) "Targeted industry" means an industry or group of industries targeted by the GO  
138 Utah board under Section [63N-3-111](#) for economic development in the state.

139 Section 3. Section **63N-3-802** is enacted to read:

140 **63N-3-802. Manufacturing Modernization Grant Program -- Creation -- Purpose**  
141 **-- Requirements -- Rulemaking -- Report.**

142 (1) (a) There is created the Manufacturing Modernization Grant Program to be  
143 administered by the office.

144 (b) The purpose of the program is to award grants to ~~§~~→ **existing Utah businesses to** ←~~§~~  
144a establish, relocate, retain, or  
145 develop manufacturing industry in the state and lessen dependence on manufacturing overseas.

146 (2) (a) An entity that submits a proposal for a grant to the office shall include details in  
147 the proposal regarding:

148 (i) how the entity plans to use the grant to fulfill the purpose described in Subsection

149 (1)(b);

150 (ii) any plan to use funding sources in addition to a grant for the proposal; and  
151 (iii) any existing or planned partnerships between the entity and another individual or  
152 entity to implement the proposal.

153 (b) In evaluating a proposal for a grant, the office shall consider:

154 (i) the likelihood the proposal will accomplish the purpose described in Subsection  
155 (1)(b);

156 (ii) the extent to which any additional funding sources or existing or planned  
157 partnerships will benefit the proposal; and

158 (iii) the viability and sustainability of the proposal.

159 (c) In determining a grant award, the office:

160 (i) shall consult with the GO Utah board; and

161 (ii) may prioritize a targeted industry or an entity with fewer than 250 employees.

162 (3) Before receiving the grant, a grant recipient shall enter into a written agreement  
163 with the office that specifies:

164 (a) the grant amount;

165 (b) the time period and structure for distribution of the grant, including any terms and  
166 conditions the recipient is required to meet to receive a distribution; and

167 (c) the expenses for which the recipient may use the grant, including:

168 (i) to acquire manufacturing equipment;

169 (ii) production, design, or engineering costs;

170 (iii) specialized employee training;

171 (iv) technology upgrades; or

172 (v) to provide a grant to another individual or entity for the expenses described in  
173 Subsections (3)(c)(i) through (iv) or to otherwise fulfill the recipient's proposal.

174 (4) Subject to Subsection (2), the office may, in accordance with Title 63G, Chapter 3,  
175 Utah Administrative Rulemaking Act, make rules to establish:

176 (a) the form and process for submitting a proposal to the office for a grant;

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

178 (c) the method and formula for determining a grant amount; and

179 (d) the reporting requirements for a grant recipient.

180 (5) On or before November 30 of each year, the office shall provide a written report to

181 the Economic Development and Workforce Services Interim Committee regarding:

182 (a) each grant awarded; and

183 (b) the economic impact of each grant.

184 **Section 4. Appropriation.**

185 The following sums of money are appropriated for the fiscal year beginning July 1,  
186 2022, and ending July 1, 2023. These are additions to amounts previously appropriated for  
187 fiscal year 2023. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures  
188 Act, the Legislature appropriates the following sums of money from the funds or accounts  
189 indicated for the use and support of the government of the state of Utah.

190 ITEM 1

191 To Governor's Office of Economic Opportunity -- Business Development

192 From General Fund, One-time \$10,000,000

193 Schedule of Programs:

194 Corporate Recruitment and Business Services \$10,000,000

195 The Legislature intends that:

196 (1) the appropriations under this item be used to award grants under Title 63N, Chapter  
197 3, Part 8, Manufacturing Modernization Grant Program; and

198 (2) under Section [63J-1-603](#), the appropriations under this item not lapse at the close of  
199 fiscal year 2023 or 2024 and the use of any nonlapsing funds is limited to the purpose  
200 described in Subsection (1) of this item.