

Representative Jeffrey D. Stenquist proposes the following substitute bill:

GOVERNOR'S OFFICE OF ECONOMIC OPPORTUNITY

AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ronald M. Winterton

House Sponsor: Jeffrey D. Stenquist

LONG TITLE

General Description:

This bill modifies provisions related to the Governor's Office of Economic Opportunity.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires the Governor's Office of Economic Opportunity (office) to report certain information regarding reinvestment agencies to the Legislature;
- ▶ expands the nonvoting membership of the Unified Economic Opportunity Commission;
- ▶ expands the membership of the Unified Economic Opportunity Commission's Women in the Economy Subcommittee;
- ▶ modifies provisions relating to the office's authorization of economic development tax credits;
- ▶ modifies provisions relating to the office's award of loans and grants from the Industrial Assistance Account;
- ▶ repeals limitations on the office's use of funds from the State Small Business Credit Initiative Program Fund for administration;



- 26 ▶ modifies provisions relating to the office's award of grants under the Economic
- 27 Assistance Grant Program;
- 28 ▶ establishes the Redevelopment Matching Grant Program for supporting certain
- 29 projects related to housing and water conservation;
- 30 ▶ allows the office to award grants to associations of governments under the office's
- 31 Rural Opportunity Program;
- 32 ▶ allows for motion picture incentives that are available only for rural productions to
- 33 be available for productions occurring in certain second class counties;
- 34 ▶ renames the Utah Immigration Assistance Center to the Utah Center for
- 35 Immigration and Integration and modifies the center's duties; and
- 36 ▶ makes technical and conforming changes.

37 **Money Appropriated in this Bill:**

38 None

39 **Other Special Clauses:**

40 None

41 **Utah Code Sections Affected:**

42 AMENDS:

- 43 **17C-1-603**, as last amended by Laws of Utah 2021, Chapter 282
- 44 **63N-1a-201**, as last amended by Laws of Utah 2022, Chapter 362
- 45 **63N-1b-402**, as renumbered and amended by Laws of Utah 2022, Chapter 362
- 46 **63N-1b-403**, as renumbered and amended by Laws of Utah 2022, Chapter 362
- 47 **63N-1b-404**, as renumbered and amended by Laws of Utah 2022, Chapter 362
- 48 **63N-2-104.3**, as enacted by Laws of Utah 2022, Chapter 200
- 49 **63N-3-102**, as last amended by Laws of Utah 2022, Chapter 200
- 50 **63N-3-105**, as last amended by Laws of Utah 2022, Chapter 362
- 51 **63N-3-106**, as last amended by Laws of Utah 2021, Chapter 282
- 52 **63N-3-107**, as renumbered and amended by Laws of Utah 2015, Chapter 283
- 53 **63N-3-111**, as last amended by Laws of Utah 2022, Chapter 200
- 54 **63N-3-801**, as renumbered and amended by Laws of Utah 2022, Chapter 22
- 55 **63N-3-802**, as renumbered and amended by Laws of Utah 2022, Chapter 22
- 56 **63N-3-1002**, as enacted by Laws of Utah 2022, Chapter 362

- 57 **63N-4-801**, as enacted by Laws of Utah 2022, Chapter 362
- 58 **63N-4-802**, as enacted by Laws of Utah 2022, Chapter 362
- 59 **63N-8-102**, as last amended by Laws of Utah 2022, Chapter 417
- 60 **63N-8-103**, as last amended by Laws of Utah 2022, Chapter 417
- 61 **63N-13-101**, as last amended by Laws of Utah 2021, Chapter 282
- 62 **63N-17-202**, as last amended by Laws of Utah 2021, Chapters 162, 345 and
- 63 renumbered and amended by Laws of Utah 2021, Chapter 282
- 64 **63N-18-102**, as enacted by Laws of Utah 2021, Chapter 304

65 ENACTS:

- 66 **63N-3-1201**, Utah Code Annotated 1953
- 67 **63N-3-1202**, Utah Code Annotated 1953

68 RENUMBERS AND AMENDS:

- 69 **63N-18-201**, (Renumbered from 63N-18-103, as enacted by Laws of Utah 2021,
- 70 Chapter 304)
- 71 **63N-18-202**, (Renumbered from 63N-18-104, as enacted by Laws of Utah 2021,
- 72 Chapter 304)

73 REPEALS:

- 74 **63N-3-109**, as last amended by Laws of Utah 2022, Chapter 362
- 75 **63N-18-101**, as enacted by Laws of Utah 2021, Chapter 304



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

78 Section 1. Section **17C-1-603** is amended to read:

79 **17C-1-603. Reporting requirements -- Governor's Office of Economic**
80 **Opportunity to maintain a database.**

- 81 (1) On or before June 1, 2022, the Governor's Office of Economic Opportunity shall:
- 82 (a) create a database to track information for each agency located within the state; and
- 83 (b) make the database publicly accessible from the office's website.
- 84 (2) (a) The Governor's Office of Economic Opportunity may:
- 85 (i) contract with a third party to create and maintain the database described in
- 86 Subsection (1); and
- 87 (ii) charge a fee for a county, city, or agency to provide information to the database

88 described in Subsection (1).

89 (b) The Governor's Office of Economic Opportunity shall make rules, in accordance
90 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish a fee schedule for
91 the fee described in Subsection (2)(a)(ii).

92 (3) Beginning in 2022, on or before June 30 of each calendar year, an agency shall, for
93 each active project area for which the project area funds collection period has not expired,
94 provide to the database described in Subsection (1) the following information:

95 (a) an assessment of the change in marginal value, including:

96 (i) the base year;

97 (ii) the base taxable value;

98 (iii) the prior year's assessed value;

99 (iv) the estimated current assessed value;

100 (v) the percentage change in marginal value; and

101 (vi) a narrative description of the relative growth in assessed value;

102 (b) the amount of project area funds the agency received for each year of the project
103 area funds collection period, including:

104 (i) a comparison of the actual project area funds received for each year to the amount of
105 project area funds forecasted for each year when the project area was created, if available;

106 (ii) (A) the agency's historical receipts of project area funds, including the tax year for
107 which the agency first received project area funds from the project area; or

108 (B) if the agency has not yet received project area funds from the project area, the year
109 in which the agency expects each project area funds collection period to begin;

110 (iii) a list of each taxing entity that levies or imposes a tax within the project area and a
111 description of the benefits that each taxing entity receives from the project area; and

112 (iv) the amount paid to other taxing entities under Section 17C-1-410, if applicable;

113 (c) a description of current and anticipated project area development, including:

114 (i) a narrative of any significant project area development, including infrastructure
115 development, site development, participation agreements, or vertical construction; and

116 (ii) other details of development within the project area, including:

117 (A) the total developed acreage;

118 (B) the total undeveloped acreage;

- 119 (C) the percentage of residential development; and
- 120 (D) the total number of housing units authorized, if applicable;
- 121 (d) the project area budget, if applicable, or other project area funds analyses,
- 122 including:
 - 123 (i) each project area funds collection period, including:
 - 124 (A) the start and end date of the project area funds collection period; and
 - 125 (B) the number of years remaining in each project area funds collection period;
 - 126 (ii) the amount of project area funds the agency is authorized to receive from the
 - 127 project area cumulatively and from each taxing entity, including:
 - 128 (A) the total dollar amount; and
 - 129 (B) the percentage of the total amount of project area funds generated within the
 - 130 project area;
 - 131 (iii) the remaining amount of project area funds the agency is authorized to receive
 - 132 from the project area cumulatively and from each taxing entity; and
 - 133 (iv) the amount of project area funds the agency is authorized to use to pay for the
 - 134 agency's administrative costs, as described in Subsection 17C-1-409(1), including:
 - 135 (A) the total dollar amount; and
 - 136 (B) the percentage of the total amount of all project area funds;
 - 137 (e) the estimated amount of project area funds that the agency is authorized to receive
 - 138 from the project area for the current calendar year;
 - 139 (f) the estimated amount of project area funds to be paid to the agency for the next
 - 140 calendar year;
 - 141 (g) a map of the project area; and
 - 142 (h) any other relevant information the agency elects to provide.
 - 143 [~~(4)(a) Until the Governor's Office of Economic Opportunity creates a database as~~
 - 144 ~~required in Subsection (1), an agency shall, on or before November 1 of each calendar year,~~
 - 145 ~~electronically submit a report to:]~~
 - 146 [~~(i) the community in which the agency operates;]~~
 - 147 [~~(ii) the county auditor;]~~
 - 148 [~~(iii) the State Tax Commission;]~~
 - 149 [~~(iv) the State Board of Education; and]~~

150 ~~[(v) each taxing entity from which the agency receives project area funds.]~~
151 ~~[(b) An agency shall ensure that the report described in Subsection (4)(a):]~~
152 ~~[(i) contains the same information described in Subsection (3); and]~~
153 ~~[(ii) is posted on the website of the community in which the agency operates.]~~
154 ~~[(5)]~~ (4) Any information an agency submits in accordance with this section:
155 (a) is for informational purposes only; and
156 (b) does not alter the amount of project area funds that an agency is authorized to
157 receive from a project area.

158 ~~[(6)]~~ (5) The provisions of this section apply regardless of when the agency or project
159 area is created.

160 (6) On or before September 1 of each year, the Governor's Office of Economic
161 Opportunity shall prepare and submit an annual written report to the Political Subdivisions
162 Interim Committee that identifies:

163 (a) the agencies that complied with the reporting requirements of this section during
164 the preceding reporting period; and

165 (b) any agencies that failed to comply with the reporting requirements of this section
166 during the preceding reporting period.

167 Section 2. Section **63N-1a-201** is amended to read:

168 **63N-1a-201. Creation of commission.**

169 (1) There is created in the office the Unified Economic Opportunity Commission,
170 established to carry out the mission described in Section **63N-1a-103** and direct the office and
171 other appropriate entities in fulfilling the state strategic goals.

172 (2) The commission consists of:

173 (a) the following voting members:

174 (i) the governor, who shall serve as the chair of the commission;

175 (ii) the executive director, who shall serve as the vice chair of the commission;

176 (iii) the executive director of the Department of Workforce Services;

177 (iv) the executive director of the Department of Transportation;

178 (v) the executive director of the Department of Natural Resources;

179 (vi) the executive director of the Department of Commerce;

180 (vii) the commissioner of the Department of Agriculture and Food;

- 181 (viii) the executive director of the Governor's Office of Planning and Budget;
- 182 (ix) the commissioner of higher education;
- 183 (x) the state superintendent of public instruction;
- 184 (xi) the president of the Senate or the president's designee;
- 185 (xii) the speaker of the House of Representatives or the speaker's designee;
- 186 (xiii) one individual who is knowledgeable about housing needs in the state, including
- 187 housing density and land use, appointed by the governor;
- 188 (xiv) one individual who represents the interests of urban cities, appointed by the Utah
- 189 League of Cities and Towns; and
- 190 (xv) one individual who represents the interests of rural counties, appointed by the
- 191 Utah Association of Counties; and
- 192 (b) the following non-voting members:
 - 193 (i) the chief executive officer of World Trade Center Utah;
 - 194 (ii) the chief executive officer of the Economic Development Corporation of Utah;
 - 195 [~~and~~]
 - 196 (iii) a senior advisor to the chair of the commission with expertise in rural affairs of the
 - 197 state, appointed by the chair of the commission[-]; and
 - 198 (iv) the chief executive officer of one of the following entities, appointed by the chair
 - 199 of the commission:
 - 200 (A) the Utah Inland Port Authority created in Section [11-58-201](#);
 - 201 (B) the Point of the Mountain State Land Authority created in Section [11-59-201](#); or
 - 202 (C) the Military Installation Development Authority created in Section [63H-1-201](#).
 - 203 (3) A majority of commission members constitutes a quorum for the purposes of
 - 204 conducting commission business and the action of a majority of a quorum constitutes the action
 - 205 of the commission.
 - 206 (4) The executive director of the office, or the executive director's designee, is the
 - 207 executive director of the commission.
 - 208 (5) The office shall provide:
 - 209 (a) office space and administrative staff support for the commission; and
 - 210 (b) the central leadership and coordination of the commission's efforts in the field of
 - 211 economic development.

212 (6) (a) A member may not receive compensation or benefits for the member's service
213 on the commission, but may receive per diem and travel expenses in accordance with:

214 (i) Sections [63A-3-106](#) and [63A-3-107](#); and

215 (ii) rules made by the Division of Finance in accordance with Sections [63A-3-106](#) and
216 [63A-3-107](#).

217 (b) Compensation and expenses of a commission member who is a legislator are
218 governed by Section [36-2-2](#) and Legislative Joint Rules, Title 5, Legislative Compensation and
219 Expenses.

220 Section 3. Section **63N-1b-402** is amended to read:

221 **63N-1b-402. Women in the Economy Subcommittee created.**

222 (1) There is created a subcommittee of the commission called the Women in the
223 Economy Subcommittee.

224 (2) The subcommittee shall consist of ~~[++]~~ 15 members as follows:

225 (a) one senator appointed by the president of the Senate;

226 (b) one senator appointed by the minority leader of the Senate;

227 (c) one representative appointed by the speaker of the House of Representatives;

228 (d) one representative appointed by the minority leader of the House of

229 Representatives;

230 (e) the executive director of the department, or the executive director's designee; and

231 (f) ~~[six]~~ 10 members appointed by the governor as follows:

232 (i) ~~[a representative of a business with fewer than 50 employees that has been awarded~~
233 ~~for work flexibility or work-life balance]~~ two individuals who represent businesses in the state
234 that:

235 (A) have fewer than 50 employees; and

236 (B) have demonstrated a commitment to women in the economy;

237 ~~[(ii) a representative of a business with 50 or more employees, but fewer than 500~~
238 ~~employees, that has been awarded for work flexibility or work-life balance]~~

239 (ii) two individuals who represent businesses in the state that:

240 (A) have 50 or more employees, but fewer than 500 employees; and

241 (B) have demonstrated a commitment to women in the economy;

242 ~~[(iii) a representative of a business with 500 or more employees that has been awarded~~

243 ~~for work flexibility or work-life balance]~~

244 (iii) two individuals who represent businesses in the state that:

245 (A) have 500 or more employees; and

246 (B) have demonstrated a commitment to women in the economy;

247 (iv) an individual who has experience in economic and demographic work [and is
248 employed by a state institution of higher education];

249 (v) one individual from a nonprofit organization that [addresses issues related to
250 domestic violence; and] focuses on women's advocacy;

251 (vi) one individual with managerial experience with organized labor[-]; and

252 (vii) one individual who serves as an officer, employee, or appointee of a local
253 government, nominated by the Utah League of Cities and Towns.

254 (3) (a) When a vacancy occurs in a position appointed by the governor under
255 Subsection (2)(f), the governor shall appoint a person to fill the vacancy.

256 (b) A member appointed under Subsection (2)(f) shall serve a term of four years.

257 (c) Notwithstanding Subsection (3)(b), for members appointed under Subsection (2)(f),
258 the governor shall, at the time of appointment or reappointment, adjust the length of terms to
259 ensure that the terms of subcommittee members are staggered so that approximately half of the
260 subcommittee members appointed under Subsection (2)(f) are appointed every two years.

261 ~~[(b)]~~ (d) Members appointed under Subsection (2)(f) may be removed by the governor
262 for cause.

263 ~~[(e)]~~ (e) A member appointed under Subsection (2)(f) shall be removed from the
264 subcommittee and replaced by the governor if the member is absent for three consecutive
265 meetings of the subcommittee without being excused by the chair of the subcommittee.

266 ~~[(f)]~~ (f) A member serves until the member's successor is appointed and qualified.

267 (4) In appointing the members under Subsection (2)(f), the governor shall:

268 (a) take into account the geographical makeup of the subcommittee; and

269 (b) strive to appoint members who are knowledgeable or have an interest in issues
270 related to women in the economy.

271 (5) (a) The subcommittee shall select two members who are legislators to serve as
272 cochairs, ~~[one of which shall be a legislator]~~ of which:

273 (i) one cochair shall be a member of the Senate; and

274 (ii) one cochair shall be a member of the House of Representatives.

275 (b) Subject to the other provisions of this Subsection (5), the cochairs are responsible
276 for the call and conduct of meetings.

277 (c) The cochairs shall call and hold meetings of the subcommittee at least [~~every two~~
278 ~~months~~] four times per year.

279 [~~(d) One of the bimonthly meetings described in Subsection (5)(c) shall be held while~~
280 ~~the Legislature is convened in the Legislature's annual general session.]~~

281 [~~(e) One or more additional meetings may be called upon request by a majority of the~~
282 ~~subcommittee's members.]~~

283 (6) (a) A majority of the members of the subcommittee constitutes a quorum.

284 (b) The action of a majority of a quorum constitutes the action of the subcommittee.

285 (7) (a) A member of the subcommittee described in Subsection (2)(e) or (f) may not
286 receive compensation or benefits for the member's service, but may receive per diem and travel
287 expenses in accordance with:

288 (i) Section [63A-3-106](#);

289 (ii) Section [63A-3-107](#); and

290 (iii) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
291 [63A-3-107](#).

292 (b) Compensation and expenses of a member who is a legislator are governed by
293 Section [36-2-2](#) and Legislative Joint Rules, Title 5, Legislative Compensation and Expenses.

294 (8) The office shall provide staff support to the subcommittee.

295 Section 4. Section **63N-1b-403** is amended to read:

296 **63N-1b-403. Purpose -- Powers and duties of the subcommittee.**

297 (1) The subcommittee's purpose is to:

298 (a) increase public and government understanding of the current and future impact and
299 needs of the state's women in the economy and how those needs may be most effectively and
300 efficiently met;

301 (b) identify and recommend implementation of specific policies, procedures, and
302 programs to respond to the rights, needs, and impact of women in the economy; and

303 (c) facilitate coordination of the functions of public and private entities concerned with
304 women in the economy.

- 305 (2) The subcommittee shall:
- 306 (a) facilitate the communication and coordination of public and private entities that
- 307 provide services to women or protect the rights of women;
- 308 (b) study, evaluate, and report on the status and effectiveness of policies, procedures,
- 309 and programs that provide services to women or protect the rights of women;
- 310 (c) study and evaluate the policies, procedures, and programs implemented by other
- 311 states that address the needs of women in the economy or protect the rights of women;
- 312 (d) facilitate and conduct the research and study of issues related to women in the
- 313 economy;
- 314 (e) provide a forum for public comment on issues related to women in the economy;
- 315 (f) provide public information on women in the economy and the services available to
- 316 women; and
- 317 (g) encourage state and local governments to analyze, plan, and prepare for the impact
- 318 of women in the economy on services and operations.
- 319 (3) To accomplish the subcommittee's duties, the subcommittee may:
- 320 (a) request and receive from a state or local government agency or institution summary
- 321 information relating to women in the economy, including:
- 322 (i) reports;
- 323 (ii) audits;
- 324 (iii) projections; and
- 325 (iv) statistics;
- 326 (b) in coordination with the office, apply for and accept grants or donations for uses
- 327 consistent with the duties of the subcommittee from public or private sources; and
- 328 (c) appoint one or more working groups to advise and assist the subcommittee.
- 329 (4) Money received by the office under Subsection (3)(b) shall be:
- 330 (a) accounted for and expended in compliance with the requirements of federal and
- 331 state law; and
- 332 (b) continuously available to the subcommittee to carry out the subcommittee's duties.
- 333 (5) (a) A member of a working group described in Subsection (3)(c):
- 334 (i) shall be appointed by the subcommittee;
- 335 (ii) may be:

336 (A) a member of the subcommittee; or
337 (B) an individual from the private or public sector; and
338 (iii) notwithstanding Section 35A-11-201, may not receive reimbursement or pay for
339 any work done in relation to the working group.

340 (b) A working group described in Subsection (3)(c) shall report to the subcommittee on
341 the progress of the working group.

342 Section 5. Section 63N-1b-404 is amended to read:

343 **63N-1b-404. Annual report.**

344 (1) The subcommittee shall annually prepare a report for inclusion in the [office's
345 ~~annual written report described in Section 63N-1a-306~~] commission's report to the office under
346 Subsection 63N-1a-202(3).

347 (2) The report described in Subsection (1) shall:

348 (a) describe how the subcommittee fulfilled the subcommittee's statutory purposes and
349 duties during the year; and

350 (b) contain recommendations on how the state should act to address issues relating to
351 women in the economy.

352 Section 6. Section 63N-2-104.3 is amended to read:

353 **63N-2-104.3. Limitations on tax credit amount.**

354 (1) Except as provided in Subsection (2)(a), for a new commercial project that is
355 located within the boundary of a county of the first or second class, the office may not
356 authorize a tax credit that exceeds:

357 (a) 50% of the new state revenues from the new commercial project in any given year;

358 (b) 30% of the new state revenues from the new commercial project over [the lesser of
359 ~~the life of a new commercial project or~~] a period of up to 20 years; or

360 (c) 35% of the new state revenues from the new commercial project over [the lesser of
361 ~~the life of a new commercial project or~~] a period of up to 20 years, if:

362 (i) the new commercial project brings 2,500 or more new incremental jobs to the state;

363 (ii) the amount of capital expenditures associated with the new commercial project is
364 \$1,000,000,000 or more; and

365 (iii) the commission approves the tax credit.

366 (2) If the office authorizes a tax credit for a new commercial project located within the

367 boundary of:

368 (a) a municipality with a population of 10,000 or less located within a county of the
 369 second class and that is experiencing economic hardship as determined by the office, the office
 370 ~~[shall]~~ may authorize a tax credit of up to 50% of new state revenues from the new commercial
 371 project over ~~[the lesser of the life of the new commercial project or]~~ a period of up to 20 years;

372 (b) a county of the third class, the office ~~[shall]~~ may authorize a tax credit of up to 50%
 373 of new state revenues from the new commercial project over ~~[the lesser of the life of the new~~
 374 ~~commercial project or]~~ a period of up to 20 years; and

375 (c) a county of the fourth, fifth, or sixth class, the office ~~[shall]~~ may authorize a tax
 376 credit of 50% of new state revenues from the new commercial project over ~~[the lesser of the~~
 377 ~~life of the new commercial project or]~~ a period of up to 20 years.

378 Section 7. Section **63N-3-102** is amended to read:

379 **63N-3-102. Definitions.**

380 As used in this part:

381 (1) "Administrator" means the executive director or the executive director's designee.

382 (2) "Economic opportunities" means ~~[unique]~~ business situations or community
 383 circumstances~~[, including the development of recreation infrastructure and the promotion of the~~
 384 ~~high tech sector in the state,]~~ which lend themselves to the furtherance of the economic
 385 interests of the state by providing a catalyst or stimulus to the growth or retention, or both, of
 386 commerce and industry in the state, including retention of companies whose relocation outside
 387 the state would have a significant detrimental economic impact on the state as a whole, regions
 388 of the state, or specific components of the state ~~[as determined by the GO Utah board].~~

389 (3) "Restricted Account" means the restricted account known as the Industrial
 390 Assistance Account created in Section [63N-3-103](#).

391 (4) "Talent development grant" means a grant awarded under Section [63N-3-112](#).

392 Section 8. Section **63N-3-105** is amended to read:

393 **63N-3-105. Qualification for assistance -- Application requirements.**

394 ~~[(1)(a) Except as provided in Section [63N-3-109](#), the administrator, in consultation~~
 395 ~~with the GO Utah board, shall determine which industries, companies, and individuals qualify~~
 396 ~~to receive money from the Industrial Assistance Account.]~~

397 ~~[(b) Except as provided by Subsection (2), to qualify for financial assistance from the~~

398 ~~restricted account, an applicant shall:]~~

399 ~~[(i) demonstrate to the satisfaction of the administrator that the applicant will expend~~
400 ~~funds in the state with employees, vendors, subcontractors, or other businesses in an amount~~
401 ~~proportional with money provided from the restricted account at a minimum ratio of one to one~~
402 ~~per year or other more stringent requirements as established on a per project basis by the~~
403 ~~administrator;]~~

404 ~~[(ii) demonstrate to the satisfaction of the administrator the applicant's ability to sustain~~
405 ~~economic activity in the state sufficient to repay, by means of cash or appropriate credits, the~~
406 ~~loan provided by the restricted account; and]~~

407 ~~[(iii) satisfy other criteria the administrator considers appropriate.]~~

408 ~~[(2) (a) The administrator may exempt an applicant from the requirements of~~
409 ~~Subsection (1)(a) or (b) if:]~~

410 ~~[(i) the applicant is part of a targeted industry;]~~

411 ~~[(ii) the applicant is a quasi-public corporation organized under Title 16, Chapter 6a,~~
412 ~~Utah Revised Nonprofit Corporation Act, or Title 63E, Chapter 2, Independent Corporations~~
413 ~~Act, and its operations, as demonstrated to the satisfaction of the administrator, will provide~~
414 ~~significant economic stimulus to the growth of commerce and industry in the state; or]~~

415 ~~[(iii) the applicant is an entity offering an economic opportunity under Section~~
416 ~~63N-3-109;]~~

417 ~~[(b) The administrator may not exempt the applicant from the requirement under~~
418 ~~Subsection 63N-3-106(2)(b) that the loan be structured so that the repayment or return to the~~
419 ~~state equals at least the amount of the assistance together with an annual interest charge.]~~

420 (1) Subject to the requirements of this part, the administrator may provide loans,
421 grants, or other financial assistance from the restricted account to an entity offering an
422 economic opportunity if that entity:

423 (a) applies to the administrator in a form approved by the administrator; and

424 (b) meets the qualifications of Subsection (2).

425 (2) As part of an application for receiving financial assistance under this part, an
426 applicant shall demonstrate the following to the satisfaction of the administrator:

427 (a) the nature of the economic opportunity and the related benefit to the economic
428 well-being of the state by providing evidence documenting the expenditure of money

429 necessitated by the economic opportunity;

430 (b) how the economic opportunity will act in concert with other state, federal, or local
431 agencies to achieve the economic benefit;

432 (c) that the applicant will expend funds in the state with employees, vendors,
433 subcontractors, or other businesses in an amount proportional with money provided from the
434 restricted account at a minimum ratio of one to one per year or other more stringent
435 requirements as established on a per project basis by the administrator;

436 (d) for an application for a loan, the applicant's ability to sustain economic activity in
437 the state sufficient to repay, by means of cash or appropriate credits, the loan provided by the
438 restricted account; and

439 (e) any other criteria the administrator considers appropriate.

440 (3) (a) The administrator may exempt an applicant from any of the requirements of
441 Subsection (2) if:

442 (i) the applicant is part of a targeted industry;

443 (ii) the applicant is a quasi-public corporation organized under Title 16, Chapter 6a,
444 Utah Revised Nonprofit Corporation Act, or Title 63E, Chapter 2, Independent Corporations
445 Act, and the applicant's operations, as demonstrated to the satisfaction of the administrator, will
446 provide significant economic stimulus to the growth of commerce and industry in the state; or

447 (iii) the GO Utah board recommends awarding a grant to the applicant.

448 (b) The administrator may not exempt the applicant from the requirement under
449 Subsection [63N-3-106\(1\)\(b\)](#) that the loan be structured so that the repayment or return to the
450 state equals at least the amount of the assistance together with an annual interest charge.

451 ~~(3)~~ (4) The GO Utah board shall make recommendations to the administrator
452 regarding applications for loans, grants, or other financial assistance from the Industrial
453 Assistance Account.

454 (5) Before awarding any money under this part, the administrator shall:

455 (a) make findings as to whether an applicant has satisfied the requirements of
456 Subsection (2);

457 (b) establish benchmarks and timeframes in which progress toward the completion of
458 the agreed upon activity is to occur;

459 (c) monitor compliance by an applicant with any contract or agreement entered into by

460 the applicant and the state as provided by Section 63N-3-107; and

461 (d) make funding decisions based upon appropriate findings and compliance.

462 [~~(4) The administrator shall:~~]

463 [~~(a) for applicants not described in Subsection (2)(a):~~]

464 [~~(i) make findings as to whether or not each applicant has satisfied each of the~~
465 ~~conditions set forth in Subsection (1); and]~~

466 [~~(ii) monitor the continued compliance by each applicant with each of the conditions~~
467 ~~set forth in Subsection (1) for five years;]~~

468 [~~(b) consider the GO Utah board's recommendations with respect to each application;]~~

469 [~~(c) monitor the compliance by each applicant with the provisions of any contract or~~
470 ~~agreement entered into between the applicant and the state as provided in Section 63N-3-107;~~
471 ~~and]~~

472 [~~(d) make funding decisions based upon appropriate findings and compliance.]~~

473 Section 9. Section 63N-3-106 is amended to read:

474 **63N-3-106. Structure of loans, grants, and assistance -- Repayment -- Earned**
475 **credits.**

476 [(1) (a) A company that qualifies under Section 63N-3-105 may receive loans, grants,
477 or other financial assistance from the Industrial Assistance Account for expenses related to
478 establishment, relocation, or development of industry in Utah.]

479 [(b) An entity offering an economic opportunity that qualifies under Section 63N-3-109
480 may:]

481 [(i) receive loans, grants, or other financial assistance from the restricted account for
482 expenses related to the establishment, relocation, retention, or development of industry in the
483 state; and]

484 [(ii) include infrastructure or other economic development precursor activities that act
485 as a catalyst and stimulus for economic activity likely to lead to the maintenance or
486 enlargement of the state's tax base.]

487 [(2)] (1) (a) Subject to Subsection [(2)(b)] (1)(b), the administrator has authority to
488 determine the structure, amount, and nature of any loan, grant, or other financial assistance
489 from the restricted account.

490 (b) Loans made under [Subsection (2)(a)] this part shall be structured so the intended

491 repayment or return to the state, including cash or credit, equals at least the amount of the
492 assistance together with an annual interest charge as negotiated by the administrator.

493 (c) Payments resulting from grants awarded from the restricted account shall be made
494 only after the administrator has determined that the company has satisfied the conditions upon
495 which the payment or earned credit was based.

496 ~~[(3)]~~ (2) ~~[(a)-(i)]~~ (a) ~~[Except as provided in Subsection (3)(b), the]~~ The administrator
497 may provide for a system of earned credits that may be used to support grant payments or in
498 lieu of cash repayment of a restricted account loan obligation.

499 ~~[(ii)]~~ (b) The value of the credits described in Subsection ~~[(3)(a)(i)]~~ (2)(a) shall be
500 based on factors determined by the administrator, including:

501 ~~[(A)]~~ (i) the number of Utah jobs created;

502 ~~[(B)]~~ (ii) the increased economic activity in Utah; or

503 ~~[(C)]~~ (iii) other events and activities that occur as a result of the restricted account
504 assistance.

505 ~~[(b)-(i)]~~ The administrator shall provide for a system of credits to be used to support
506 grant payments or in lieu of cash repayment of a restricted account loan when loans are made to
507 a company creating an economic impediment.]

508 ~~[(ii)]~~ The value of the credits described in Subsection (3)(b)(i) shall be based on factors
509 determined by the administrator, including:]

510 ~~[(A)]~~ the number of Utah jobs created;]

511 ~~[(B)]~~ the increased economic activity in Utah; or]

512 ~~[(C)]~~ other events and activities that occur as a result of the restricted account
513 assistance.]

514 ~~[(4)]~~ (3) (a) A cash loan repayment or other cash recovery from a company receiving
515 assistance under this section, including interest, shall be deposited into the restricted account.

516 (b) The administrator and the Division of Finance shall determine the manner of
517 recognizing and accounting for the earned credits used in lieu of loan repayments or to support
518 grant payments as provided in Subsection ~~[(3)]~~ (2).

519 ~~[(5)]~~ (4) (a) (i) At the end of each fiscal year, the Division of Finance shall set aside the
520 balance of the General Fund revenue surplus as defined in Section [63J-1-312](#) after the transfers
521 of General Fund revenue surplus described in Subsection ~~[(5)(b)]~~ (4)(b) to the Industrial

522 Assistance Account in an amount equal to any credit that has accrued under this part.

523 (ii) The set aside under Subsection [~~(5)(a)(i)~~] (4)(a)(i) shall be capped at \$50,000,000,
524 at which time no subsequent contributions may be made and any interest accrued above the
525 \$50,000,000 cap shall be deposited into the General Fund.

526 (b) The set aside required by Subsection [~~(5)(a)~~] (4)(a) shall be made after the transfer
527 of surplus General Fund revenue surplus is made:

528 (i) to the Medicaid Growth Reduction and Budget Stabilization Restricted Account, as
529 provided in Section 63J-1-315;

530 (ii) to the General Fund Budget Reserve Account, as provided in Section 63J-1-312;
531 and

532 (iii) to the Wildland Fire Suppression Fund or State Disaster Recovery Restricted
533 Account, as provided in Section 63J-1-314.

534 (c) These credit amounts may not be used for purposes of the restricted account as
535 provided in this part until appropriated by the Legislature.

536 Section 10. Section 63N-3-107 is amended to read:

537 **63N-3-107. Agreements.**

538 The administrator shall enter into agreements with each successful applicant that have
539 specific terms and conditions for each loan, grant, or financial assistance under this part,
540 including:

541 (1) for a loan:

542 [~~(1)~~] (a) repayment schedules;

543 [~~(2)~~] (b) interest rates;

544 [~~(3)~~] (c) specific economic activity required to qualify for the loan [~~or assistance~~] or for
545 repayment credits;

546 [~~(4)~~] (d) collateral or security, if any; and

547 [~~(5)~~] (e) other terms and conditions considered appropriate by the administrator[-]; and

548 (2) for a grant or other financial assistance:

549 (a) requirements for compliance monitoring, for a period of five years;

550 (b) repayment for nonperformance or departure from the state;

551 (c) collateral or security, if any; and

552 (d) other terms and conditions considered appropriate by the administrator.

553 Section 11. Section **63N-3-111** is amended to read:

554 **63N-3-111. Annual policy considerations.**

555 (1) (a) The office shall make recommendations to state and federal agencies, local
556 governments, the governor, and the Legislature regarding policies and initiatives that promote
557 the economic development of targeted industries.

558 (b) The office may create one or more voluntary advisory committees that may include
559 public and private stakeholders to solicit input on policy guidance and best practices in
560 encouraging the economic development of targeted industries.

561 (2) In evaluating the economic impact of applications for assistance, the GO Utah
562 board shall use an econometric cost-benefit model.

563 (3) The GO Utah board may establish:

564 (a) minimum interest rates to be applied to loans granted that reflect a fair social rate of
565 return to the state comparable to prevailing market-based rates such as the prime rate, U.S.
566 Government T-bill rate, or bond coupon rate as paid by the state, adjusted by social indicators
567 such as the rate of unemployment; and

568 (b) minimum applicant expense ratios, as long as they are at least equal to those
569 required under Subsection [~~63N-3-105(1)(b)~~] 63N-3-105(2).

570 Section 12. Section **63N-3-801** is amended to read:

571 **63N-3-801. Creation and administration.**

572 (1) There is created an enterprise fund known as the "State Small Business Credit
573 Initiative Program Fund" administered by the office.

574 (2) The executive director or the executive director's designee is the administrator of
575 the fund.

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

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

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

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

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

584 fund.

585 (5) The office may use fund money for administration of the fund~~[-but not to exceed~~
586 ~~4% of the annual receipts to the fund].~~

587 Section 13. Section **63N-3-802** is amended to read:

588 **63N-3-802. Distribution of fund money.**

589 ~~[(1)(a) The office shall make loans and loan guarantees from the fund for the Small~~
590 ~~Business Credit Initiative created under the Small Business Jobs Act of 2010, 12 U.S.C. Sec.~~
591 ~~5701 et seq., as amended, to use federal money for programs that leverage private lending to~~
592 ~~help finance small businesses and manufacturers that are creditworthy but not receiving the~~
593 ~~loans needed to expand and create jobs.]~~

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

597 ~~[(2)]~~ (1) The office shall distribute federal money in the fund according to the
598 procedures, conditions, and restrictions placed upon the use of the money by the federal
599 government under the Small Business Jobs Act of 2010, 12 U.S.C. Sec. 5701 et seq., as
600 amended.

601 ~~[(3)]~~ (2) The office may:

602 (a) enact rules to establish procedures for the ~~[loan and loan guarantee process]~~
603 distribution of fund money by following the procedures and requirements of Title 63G, Chapter
604 3, Utah Administrative Rulemaking Act; and

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

607 Section 14. Section **63N-3-1002** is amended to read:

608 **63N-3-1002. Creation of Economic Assistance Grant Program -- Requirements --**
609 **Rulemaking -- Annual report.**

610 (1) There is created the Economic Assistance Grant Program administered by the
611 office.

612 (2) Subject to appropriations from the Legislature, the office may award one or more
613 grants to a business entity to provide funding for projects that:

614 (a) promote and support economic opportunities in the state; and

615 (b) provide a service in the state related to industry, education, community
616 development, or infrastructure.

617 (3) In awarding grants, the office may prioritize projects:

618 [~~(a) that create new jobs in the state;~~]

619 [~~(b)~~] (a) that develop targeted industries in the state;

620 [~~(c)~~] (b) where an applicant identifies clear metrics to measure the progress,
621 effectiveness, and scope of the project;

622 [~~(d) where an applicant secures funding from other sources to help finance the project;~~]

623 [~~(e)~~] (c) where an applicant demonstrates comprehensive planning of the project; and

624 [~~(f)~~] (d) that require one-time funds.

625 (4) Before a business entity may receive a grant, the business entity shall enter into a
626 written agreement with the office that specifies:

627 (a) the amount of the grant;

628 (b) the time period for distributing the grant;

629 (c) the terms and conditions that the business entity shall meet to receive the grant;

630 (d) the structure of the grant; and

631 (e) the expenses for which the business entity may expend the grant.

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

634 (6) The office shall include in the annual written report described in Section
635 [63N-1a-306](#) a report on the grant program[, including a description and the amount of any
636 grants awarded].

637 Section 15. Section [63N-3-1201](#) is enacted to read:

638 **Part 12. Redevelopment Matching Grant Program**

639 **63N-3-1201. Definitions.**

640 As used in this part:

641 (1) "American Rescue Plan Act" means the American Rescue Plan Act, Pub. L. 117-2.

642 (2) "Grant" means a financial grant awarded as part of the Redevelopment Matching
643 Grant Program created in Section [63N-3-1202](#).

644 (3) "Grant program" means the Redevelopment Matching Grant Program created in
645 Section [63N-3-1202](#).

646 (4) "Local government" means a county or municipality.

647 Section 16. Section **63N-3-1202** is enacted to read:

648 **63N-3-1202. Creation of Redevelopment Matching Grant Program -- Eligibility**
649 **and program requirements -- Rulemaking -- Reporting.**

650 (1) There is created the Redevelopment Matching Grant Program administered by the
651 office.

652 (2) Subject to appropriations from the Legislature, the office shall award grants to:

653 (a) local governments that meet the qualifications described in Subsection (3), to
654 provide support for projects or services that increase the supply of affordable and high quality
655 living units; and

656 (b) water conservancy districts, local districts, and special service districts that meet the
657 qualifications described in Subsection (4), to provide support for projects or services that
658 conserve or develop water assets.

659 (3) To qualify for a grant, a local government shall:

660 (a) demonstrate that the local government has approved a development application
661 after January 1, 2021, that allows for the creation of new or additional affordable housing units,
662 attached or detached, at a density of at least eight units per acre;

663 (b) demonstrate that the project for which grant funds are sought is not subject to a
664 land use referendum or initiative;

665 (c) provide an equal amount of matching funds; and

666 (d) certify that the local government will spend grant funds:

667 (i) on a project or service that increases the supply of affordable and high quality living
668 units;

669 (ii) within six months of receiving the grant; and

670 (iii) in accordance with the American Rescue Plan Act.

671 (4) To qualify for a grant, a water conservancy district, local district, or special service
672 district shall:

673 (a) provide an equal amount of matching funds; and

674 (b) certify that the water conservancy district, local district, or special service district
675 will spend grant funds:

676 (i) on a project or service that conserves or develops water assets; and

677 (ii) in accordance with the American Rescue Plan Act.

678 (5) In awarding grants to local governments, the office may award an initial grant to a
679 local government in an amount of up to \$2,500,000, and an additional grant of up to
680 \$1,500,000, if the project includes a minimum of 1,000 housing units or a minimum of 40 units
681 per acre.

682 (6) The office may not award more than 35% of the total amount of grant funds
683 available for projects to conserve or develop water assets.

684 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
685 office may make rules establishing the eligibility and reporting criteria for grants, including:

686 (a) the form and process of applying for grants;

687 (b) the method and formula for determining grant amounts; and

688 (c) the reporting requirements of grant recipients.

689 (8) The office shall annually prepare and submit a report describing the distribution
690 and uses of grants to the Governor's Office of Planning and Budget and to the Office of the
691 Legislative Fiscal Analyst.

692 (9) In addition to the report described in Subsection (8), the office shall include in the
693 annual written report described in Section 63N-1a-306 a report on the grant program.

694 Section 17. Section **63N-4-801** is amended to read:

695 **63N-4-801. Definitions.**

696 As used in this part:

697 (1) "Advisory committee" means the Rural Opportunity Advisory Committee created
698 in Section [63N-4-804](#).

699 (2) "Association of governments" means an association of political subdivisions of the
700 state, established pursuant to an interlocal agreement under Title 11, Chapter 13, Interlocal
701 Cooperation Act.

702 ~~[(2)]~~ (3) (a) "Business entity" means a sole proprietorship, partnership, association,
703 joint venture, corporation, firm, trust, foundation, or other organization or entity used in
704 carrying on a business.

705 (b) "Business entity" does not include a business primarily engaged in the following:

706 (i) construction;

707 (ii) staffing;

708 (iii) retail trade; or

709 (iv) public utility activities.

710 [~~3~~] (4) "CEO board" means a County Economic Opportunity Advisory Board as
711 described in Section [63N-4-803](#).

712 [~~4~~] (5) "Fund" means the Rural Opportunity Fund created in Section [63N-4-805](#).

713 [~~5~~] (6) "Qualified asset" means a physical asset that provides or supports an essential
714 public service.

715 [~~6~~] (7) "Qualified project" means a project to build or improve one or more qualified
716 assets for a rural community, including:

717 (a) telecom and high-speed Internet infrastructure;

718 (b) power and energy infrastructure;

719 (c) water and sewerage infrastructure;

720 (d) healthcare infrastructure; or

721 (e) other infrastructure as defined by rule made by the office in accordance with Title
722 63G, Chapter 3, Utah Administrative Rulemaking Act.

723 [~~7~~] (8) "Rural community" means a rural county or rural municipality.

724 [~~8~~] (9) "Rural county" means a county of the third, fourth, fifth, or sixth class.

725 [~~9~~] (10) "Rural municipality" means a city, town, or metro township located within
726 the boundaries of:

727 (a) a county of the third, fourth, fifth, or sixth class; or

728 (b) a county of the second class, if the municipality has a population of 10,000 or less.

729 [~~10~~] (11) "Rural Opportunity Program" or "program" means the Rural Opportunity
730 Program created in Section [63N-4-802](#).

731 Section 18. Section **63N-4-802** is amended to read:

732 **63N-4-802. Creation of Rural Opportunity Program -- Awarding of grants and**
733 **loans -- Rulemaking -- Reporting.**

734 (1) There is created the Rural Opportunity Program.

735 (2) The program shall be overseen by the advisory committee and administered by the
736 office.

737 (3) (a) In overseeing the program, the advisory committee shall make recommendations
738 to the office on the awarding of grants and loans under this section.

739 (b) After reviewing the recommendations of the advisory committee, and subject to
740 appropriations from the Legislature, the office shall:

741 (i) award grants to rural communities and business entities in accordance with
742 Subsection (4) and rules made by the center under Subsection (6); and

743 (ii) award loans to rural communities in accordance with Subsection (5) and rules made
744 by the center under Subsection (6).

745 (4) (a) The office shall annually distribute an equal amount of grant money to all rural
746 counties that have created a CEO board and apply for a grant, in an amount up to and including
747 \$200,000 annually per county.

748 (b) In addition to the grant money distributed to rural counties under Subsection (4)(a),
749 the office may use program funds to:

750 (i) award grants to rural communities that demonstrate a funding match, in an amount
751 established by rule under Subsection (6); [~~and~~]

752 (ii) award grants to business entities that create new jobs within rural communities[~~;~~];
753 and

754 (iii) award grants to associations of governments, subject to Subsection (4)(e).

755 (c) The office shall award grants under this Subsection (4) to address the economic
756 development needs of rural communities, which needs may include:

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

758 (ii) workforce training and development; and

759 (iii) infrastructure, industrial building development, and capital facilities improvements
760 for business development.

761 (d) In awarding grants under this Subsection (4), the office:

762 (i) shall prioritize applications in accordance with rules made by the office under
763 Subsection (6); [~~and~~]

764 (ii) may not award more than \$800,000 annually to a rural community or business
765 entity[~~;~~]; and

766 (iii) may not award more than 20% of the total amount of grant funds made available
767 each year to associations of governments.

768 (e) An association of governments may not receive a grant from the program unless the
769 association of governments demonstrates to the office that each county belonging to the

770 association of governments has approved the request for grant funds.

771 (5) (a) In addition to the awarding of grants under Subsection (4), the office may use
772 program funds to award loans to rural communities to provide financing for qualified projects.

773 (b) (i) A rural community may not receive a loan from the program for a qualified
774 project unless:

775 (A) the rural community demonstrates to the office that the rural community has
776 exhausted all other means of securing funding from the state for the qualified project; and

777 (B) the rural community enters into a loan contract with the office.

778 (ii) A loan contract under Subsection (5)(b)(i)(B):

779 (A) shall be secured by legally issued bonds, notes, or other evidence of indebtedness
780 validly issued under state law, including pledging all or any portion of a revenue source
781 controlled by the rural community to the repayment of the loan; and

782 (B) may provide that a portion of the proceeds of the loan may be applied to fund a
783 reserve fund to secure the repayment of the loan.

784 (c) A loan under this Subsection (5) shall bear interest at a rate:

785 (i) not less than bond market interest rates available to the state; and

786 (ii) not more than .5% above bond market interest rates available to the state.

787 (d) Before a rural community may receive a loan from the office, the rural community
788 shall:

789 (i) publish the rural community's intention to obtain the loan at least once in
790 accordance with the publication and notice requirements described in Section [11-14-316](#); and

791 (ii) adopt an ordinance or resolution authorizing the loan.

792 (e) (i) If a rural community that receives a loan from the office fails to comply with the
793 terms of the loan contract, the office may seek any legal or equitable remedy to obtain
794 compliance or payment of damages.

795 (ii) If a rural community fails to make loan payments when due, the state shall, at the
796 request of the office, withhold an amount of money due to the rural community and deposit the
797 withheld money into the fund to pay the amount due under the contract.

798 (iii) The office may elect when to take any action or request the withholding of money
799 under this Subsection (5)(e).

800 (f) All loan contracts, bonds, notes, or other evidence of indebtedness securing any

801 loans shall be collected and accounted for in accordance with Section [63B-1b-202](#).

802 (6) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
803 and in collaboration with the advisory committee, the office shall make rules to administer the
804 program.

805 (b) The rules under Subsection (6)(a) shall establish:

806 (i) eligibility criteria for a rural community or business entity to receive a grant or loan
807 under the program;

808 (ii) application requirements;

809 (iii) funding match requirements for a rural community to receive a grant under
810 Subsection (4)(b);

811 (iv) a process for prioritizing grant and loan applications; and

812 (v) reporting requirements.

813 (7) The office shall include the following information in the annual written report
814 described in Section [63N-1a-306](#):

815 (a) the total amount of grants and loans the office awarded to rural communities and
816 business entities under the program;

817 (b) a description of the projects for which the office awarded a grant or loan under the
818 program;

819 (c) the total amount of outstanding debt service that is being repaid by a grant or loan
820 awarded under the program;

821 (d) whether the grants and loans awarded under the program have resulted in economic
822 development within rural communities; and

823 (e) the office's recommendations regarding the effectiveness of the program and any
824 suggestions for legislation.

825 Section 19. Section **63N-8-102** is amended to read:

826 **63N-8-102. Definitions.**

827 As used in this chapter:

828 (1) "Digital media company" means a company engaged in the production of a digital
829 media project.

830 (2) "Digital media project" means all or part of a production of interactive
831 entertainment or animated production that is produced for distribution in commercial or

832 educational markets, which shall include projects intended for Internet or wireless distribution.

833 (3) "Dollars left in the state" means expenditures made in the state for a state-approved
834 production, including:

835 (a) an expenditure that is subject to:

836 (i) a corporate franchise or income tax under Title 59, Chapter 7, Corporate Franchise
837 and Income Taxes;

838 (ii) an individual income tax under Title 59, Chapter 10, Individual Income Tax Act;
839 and

840 (iii) a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act,
841 notwithstanding any sales and use tax exemption allowed by law; or

842 (iv) a combination of Subsections (3)(a)(i), (ii), and (iii);

843 (b) payments made to a nonresident only to the extent of the income tax paid to the
844 state on the payments, the amount of per diems paid in the state, and other direct
845 reimbursements transacted in the state; and

846 (c) payments made to a payroll company or loan-out corporation that is registered to do
847 business in the state, only to the extent of the amount of withholding under Section [59-10-402](#).

848 (4) "Loan-out corporation" means a corporation owned by one or more artists that
849 provides services of the artists to a third party production company.

850 (5) "Motion picture company" means a company engaged in the production of:

851 (a) motion pictures;

852 (b) television series; or

853 (c) made-for-television movies.

854 (6) "Motion picture incentive" means either a cash rebate from the Motion Picture
855 Incentive Account or a refundable tax credit under Section [59-7-614.5](#) or [59-10-1108](#).

856 (7) "New state revenues" means:

857 (a) incremental new state sales and use tax revenues generated as a result of a digital
858 media project that a digital media company pays under Title 59, Chapter 12, Sales and Use Tax
859 Act;

860 (b) incremental new state tax revenues that a digital media company pays as a result of
861 a digital media project under:

862 (i) Title 59, Chapter 7, Corporate Franchise and Income Taxes;

- 863 (ii) Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and
864 Information;
- 865 (iii) Title 59, Chapter 10, Part 2, Trusts and Estates;
- 866 (iv) Title 59, Chapter 10, Part 4, Withholding of Tax; or
- 867 (v) a combination of Subsections (7)(b)(i), (ii), (iii), and (iv);
- 868 (c) incremental new state revenues generated as individual income taxes under Title
869 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information, paid by
870 employees of the new digital media project as evidenced by payroll records from the digital
871 media company; or
- 872 (d) a combination of Subsections (7)(a), (b), and (c).
- 873 (8) "Payroll company" means a business entity that handles the payroll and becomes
874 the employer of record for the staff, cast, and crew of a motion picture production.
- 875 (9) "Refundable tax credit" means a refundable motion picture tax credit authorized
876 under Section [63N-8-103](#) and claimed under Section [59-7-614.5](#) or [59-10-1108](#).
- 877 (10) "Restricted account" means the Motion Picture Incentive Account created in
878 Section [63N-8-103](#).
- 879 (11) "Rural production" means a state-approved production in which at least 75% of
880 the total number of production days occur within:
- 881 (a) a county of the third, fourth, fifth, or sixth class[-]; or
882 (b) a county of the second class that has a national park within or partially within the
883 county's boundaries.
- 884 (12) "State-approved production" means a production under Subsections (2) and (5)
885 that is:
- 886 (a) approved by the office and ratified by the GO Utah board; and
- 887 (b) produced in the state by a motion picture company.
- 888 (13) "Tax credit amount" means the amount the office lists as a tax credit on a tax
889 credit certificate for a taxable year.
- 890 (14) "Tax credit certificate" means a certificate issued by the office that:
- 891 (a) lists the name of the applicant;
- 892 (b) lists the applicant's taxpayer identification number;
- 893 (c) lists the amount of tax credit that the office awards the applicant for the taxable

894 year; and

895 (d) may include other information as determined by the office.

896 Section 20. Section **63N-8-103** is amended to read:

897 **63N-8-103. Motion Picture Incentive Account created -- Cash rebate incentives --**
898 **Refundable tax credit incentives.**

899 (1) (a) There is created within the General Fund a restricted account known as the
900 Motion Picture Incentive Account, which the office shall use to provide cash rebate incentives
901 for state-approved productions by a motion picture company.

902 (b) All interest generated from investment of money in the restricted account shall be
903 deposited in the restricted account.

904 (c) The restricted account shall consist of an annual appropriation by the Legislature.

905 (d) The office shall:

906 (i) with the advice of the GO Utah board, administer the restricted account; and

907 (ii) make payments from the restricted account as required under this section.

908 (e) The cost of administering the restricted account shall be paid from money in the
909 restricted account.

910 (2) (a) A motion picture company or digital media company seeking disbursement of
911 an incentive allowed under an agreement with the office shall follow the procedures and
912 requirements of this Subsection (2).

913 (b) The motion picture company or digital media company shall provide the office with
914 an incentive request form, provided by the office, identifying and documenting the dollars left
915 in the state and new state revenues generated by the motion picture company or digital media
916 company for state-approved production, including any related tax returns by the motion picture
917 company, payroll company, digital media company, or loan-out corporation under Subsection
918 (2)(d).

919 (c) For a motion picture company, an independent certified public accountant shall:

920 (i) review the incentive request form submitted by the motion picture company; and

921 (ii) provide a report on the accuracy and validity of the incentive request form,
922 including the amount of dollars left in the state, in accordance with the agreed upon procedures
923 established by the office by rule.

924 (d) The motion picture company, digital media company, payroll company, or loan-out

925 corporation shall provide the office with a document that expressly directs and authorizes the
926 State Tax Commission to disclose the entity's tax returns and other information concerning the
927 entity that would otherwise be subject to confidentiality under Section 59-1-403 or Section
928 6103, Internal Revenue Code, to the office.

929 (e) The office shall submit the document described in Subsection (2)(d) to the State
930 Tax Commission.

931 (f) Upon receipt of the document described in Subsection (2)(d), the State Tax
932 Commission shall provide the office with the information requested by the office that the
933 motion picture company, digital media company, payroll company, or loan-out corporation
934 directed or authorized the State Tax Commission to provide to the office in the document
935 described in Subsection (2)(d).

936 (g) Subject to Subsection (3), for a motion picture company the office shall:

937 (i) review the incentive request form from the motion picture company described in
938 Subsection (2)(b) and verify that the incentive request form was reviewed by an independent
939 certified public accountant as described in Subsection (2)(c); and

940 (ii) based upon the independent certified public accountant's report under Subsection
941 (2)(c), determine the amount of the incentive that the motion picture company is entitled to
942 under the motion picture company's agreement with the office.

943 (h) Subject to Subsection (3), for a digital media company, the office shall:

944 (i) ensure the digital media project results in new state revenues; and

945 (ii) based upon review of new state revenues, determine the amount of the incentive
946 that a digital media company is entitled to under the digital media company's agreement with
947 the office.

948 (i) Subject to Subsection (3), if the incentive is in the form of a cash rebate, the office
949 shall pay the incentive from the restricted account to the motion picture company,
950 notwithstanding Subsections 51-5-3(23)(b) and 63J-1-105(6).

951 (j) If the incentive is in the form of a refundable tax credit under Section 59-7-614.5 or
952 59-10-1108, the office shall:

953 (i) issue a tax credit certificate to the motion picture company or digital media
954 company; and

955 (ii) provide a digital record of the tax credit certificate to the State Tax Commission.

956 (k) A motion picture company or digital media company may not claim a motion
957 picture tax credit under Section 59-7-614.5 or 59-10-1108 unless the motion picture company
958 or digital media company has received a tax credit certificate for the claim issued by the office
959 under Subsection (2)(j)(i).

960 (l) A motion picture company or digital media company may claim a motion picture
961 tax credit on the motion picture company's or the digital media company's tax return for the
962 amount listed on the tax credit certificate issued by the office.

963 (m) A motion picture company or digital media company that claims a tax credit under
964 Subsection (2)(l) shall retain the tax credit certificate and all supporting documentation in
965 accordance with Subsection 63N-8-104(6).

966 (3) (a) Subject to this Subsection (3), the office may issue \$6,793,700 in tax credit
967 certificates under this part in each fiscal year.

968 (b) For the fiscal year ending June 30, 2022, the office may issue \$8,393,700 in tax
969 credit certificates under this part.

970 (c) For [~~a fiscal year beginning on or after July 1, 2022~~] fiscal years 2023 and 2024, in
971 addition to the amount of tax credit certificates authorized under Subsection (3)(a), the office
972 may issue \$12,000,000 in tax credit certificates under this part only for rural productions.

973 (d) If the office does not issue tax credit certificates in a fiscal year totaling the amount
974 authorized under this Subsection (3), the office may carry over that amount for issuance in
975 subsequent fiscal years.

976 Section 21. Section 63N-13-101 is amended to read:

977 **63N-13-101. Title -- Projects to assist companies to secure new business with**
978 **federal, state, and local governments.**

979 (1) This chapter is known as "Procurement Programs."

980 (2) The Legislature recognizes that:

981 (a) many Utah companies provide products and services which are routinely procured
982 by a myriad of governmental entities at all levels of government, but that attempting to
983 understand and comply with the numerous certification, registration, proposal, and contract
984 requirements associated with government procurement often raises significant barriers for
985 those companies with no government contracting experience;

986 (b) the costs associated with obtaining a government contract for products or services

987 often prevent most small businesses from working in the governmental procurement market;

988 (c) currently a majority of federal procurement opportunities are contracted to
989 businesses located outside of the state;

990 (d) the office currently administers programs and initiatives that help create and grow
991 companies in Utah and recruit companies to Utah through the use of state employees,
992 public-private partnerships, and contractual services; and

993 (e) there exists a significant opportunity for Utah companies to secure new business
994 with federal, state, and local governments.

995 (3) The office, through its executive director:

996 (a) shall manage and direct the administration of state and federal programs and
997 initiatives whose purpose is to procure federal, state, and local governmental contracts;

998 (b) may require program accountability measures; and

999 (c) may receive and distribute legislative appropriations and public and private grants
1000 for projects and programs that:

1001 (i) are focused on growing Utah companies and positively impacting statewide
1002 revenues by helping these companies secure new business with federal, state, and local
1003 governments;

1004 (ii) provide guidance to Utah companies interested in obtaining new business with
1005 federal, state, and local governmental entities;

1006 (iii) would facilitate marketing, business development, and expansion opportunities for
1007 Utah companies in cooperation with the office's [~~Procurement Technical Assistance Center~~
1008 ~~Program~~] APEX accelerator program and with public, nonprofit, or private sector partners such
1009 as local chambers of commerce, trade associations, or private contractors as determined by the
1010 office's director to successfully match Utah businesses with government procurement
1011 opportunities; and

1012 (iv) may include the following components:

1013 (A) recruitment, individualized consultation, and an introduction to government
1014 contracting;

1015 (B) specialized contractor training for companies located in Utah;

1016 (C) a Utah contractor matching program for government requirements;

1017 (D) experienced proposal and bid support; and

1018 (E) specialized support services.

1019 (4) (a) The office, through its executive director, shall make any distribution referred to
1020 in Subsection (3) on a semiannual basis.

1021 (b) A recipient of money distributed under this section shall provide the office with a
1022 set of standard monthly reports, the content of which shall be determined by the office to
1023 include at least the following information:

1024 (i) consultive meetings with Utah companies;

1025 (ii) seminars or training meetings held;

1026 (iii) government contracts awarded to Utah companies;

1027 (iv) increased revenues generated by Utah companies from new government contracts;

1028 (v) jobs created;

1029 (vi) salary ranges of new jobs; and

1030 (vii) the value of contracts generated.

1031 Section 22. Section **63N-17-202** is amended to read:

1032 **63N-17-202. Infrastructure and broadband coordination.**

1033 (1) The broadband center shall partner with the Utah Geospatial Resource Center
1034 created in Section **63A-16-505** to collect and maintain a database and interactive map that
1035 displays economic development data statewide, including:

1036 (a) voluntarily submitted broadband availability, speeds, and other broadband data;

1037 (b) voluntarily submitted public utility data;

1038 (c) workforce data, including information regarding:

1039 (i) enterprise zones designated under Section **63N-2-206**;

1040 (ii) public institutions of higher education; and

1041 (iii) [~~procurement technical assistance centers~~] APEX accelerators;

1042 (d) transportation data, which may include information regarding railway routes,
1043 commuter rail routes, airport locations, and major highways;

1044 (e) lifestyle data, which may include information regarding state parks, national parks
1045 and monuments, United States Forest Service boundaries, ski areas, golf courses, and hospitals;
1046 and

1047 (f) other relevant economic development data as determined by the office, including
1048 data provided by partner organizations.

- 1049 (2) The broadband center may:
- 1050 (a) make recommendations to state and federal agencies, local governments, the
- 1051 governor, and the Legislature regarding policies and initiatives that promote the development
- 1052 of broadband-related infrastructure in the state and help implement those policies and
- 1053 initiatives;
- 1054 (b) facilitate coordination between broadband providers and public and private entities;
- 1055 (c) collect and analyze data on broadband availability and usage in the state, including
- 1056 Internet speed, capacity, the number of unique visitors, and the availability of broadband
- 1057 infrastructure throughout the state;
- 1058 (d) create a voluntary broadband advisory committee, which shall include broadband
- 1059 providers and other public and private stakeholders, to solicit input on broadband-related policy
- 1060 guidance, best practices, and adoption strategies;
- 1061 (e) work with broadband providers, state and local governments, and other public and
- 1062 private stakeholders to facilitate and encourage the expansion and maintenance of broadband
- 1063 infrastructure throughout the state; and
- 1064 (f) in accordance with the requirements of Title 63J, Chapter 5, Federal Funds
- 1065 Procedures Act, and in accordance with federal requirements:
- 1066 (i) apply for federal grants;
- 1067 (ii) participate in federal programs; and
- 1068 (iii) administer federally funded broadband-related programs.

1069 Section 23. Section **63N-18-102** is amended to read:

1070 **CHAPTER 18. UTAH CENTER FOR IMMIGRATION AND INTEGRATION**

1071 **Part 1. General Provisions**

1072 **63N-18-102. Definitions.**

1073 As used in this chapter:

- 1074 (1) "Center" means the Utah [~~Immigration Assistance Center~~] Center for Immigration
- 1075 and Integration created in Section [63N-18-201](#).
- 1076 (2) "Foreign labor" means one or more individuals from a nation other than the United
- 1077 States who are eligible to participate in visa programs established by the federal government to
- 1078 work in the state.
- 1079 (3) "Foreign labor [~~programs~~—~~means programs~~] program" means a program

1080 established by the United States Department of Labor to bring eligible foreign individuals to
1081 the United States for employment opportunities.

1082 (4) "Immigrant integration" means a dynamic two-way process in which immigrant
1083 communities and host communities work together to build a cohesive and vibrant society that
1084 has respect for unique cultural differences.

1085 Section 24. Section ~~63N-18-201~~, which is renumbered from Section 63N-18-103 is
1086 renumbered and amended to read:

1087 **Part 2. Utah Center for Immigration and Integration**

1088 ~~[63N-18-103]~~. **63N-18-201. Creation of the Utah Center for Immigration**
1089 **and Integration -- Responsibilities of the center.**

1090 (1) There is created within the Governor's Office of Economic Opportunity the Utah
1091 ~~[Immigration Assistance]~~ Center for Immigration and Integration.

1092 (2) The center shall:

1093 ~~[(a) coordinate and provide technical support for businesses in the state that intend to~~
1094 ~~utilize federal foreign labor programs;]~~

1095 ~~[(b) provide outreach and information to businesses that could benefit from foreign~~
1096 ~~labor programs;]~~

1097 ~~[(c) coordinate with state and federal government partners to facilitate the successful~~
1098 ~~use of foreign labor programs on behalf of businesses in the state; and]~~

1099 ~~[(d) coordinate with other entities engaged in international efforts.]~~

1100 (a) assist individuals and businesses in the state with identifying pathways for
1101 recruiting and retaining foreign labor;

1102 (b) coordinate with state agencies in developing and administering policies and
1103 programs related to immigrant integration;

1104 (c) develop and implement a statewide strategy for immigrant integration that promotes
1105 economic opportunities for immigrant communities in the state;

1106 (d) create and convene a task force to review and make recommendations regarding the
1107 state's policies on immigrant integration;

1108 (e) develop sustainable partnerships with local officials, the business sector, and
1109 community organizations serving immigrant communities in the state; and

1110 (f) advise and make recommendations to the governor, state agencies, and the

1111 Legislature regarding immigrant integration and foreign labor issues.

1112 (3) The center may not encourage a business to bypass state residents for the business's
1113 workforce needs.

1114 (4) The center may, in accordance with Title 63G, Chapter 3, Utah Administrative
1115 Rulemaking Act, make rules to carry out the center's responsibilities under this chapter.

1116 Section 25. Section **63N-18-202**, which is renumbered from Section 63N-18-104 is
1117 renumbered and amended to read:

1118 ~~**63N-18-104.**~~ **63N-18-202. Annual report.**

1119 The office shall include in the annual written report described in Section **63N-1a-306**, a
1120 report of the center's operations, including:

1121 (1) a description of the center's activities regarding immigrant integration;

1122 ~~[(1)]~~ (2) the number of businesses that received assistance in utilizing foreign labor
1123 programs;

1124 ~~[(2)]~~ (3) the number of [individuals who were able to work in the state as a result of
1125 foreign labor programs] employment-based immigration visas issued for individuals to secure
1126 employment opportunities in the state, including the primary employers associated with the
1127 visas; and

1128 ~~[(3)]~~ (4) recommendations regarding:

1129 (a) changes that would improve the center; and

1130 (b) the task force described in Subsection **63N-18-201(2)(d)**.

1131 Section 26. **Repealer.**

1132 This bill repeals:

1133 Section **63N-3-109, Financial assistance to entities offering economic opportunities.**

1134 Section **63N-18-101, Title.**