

**ECONOMIC DEVELOPMENT GRANT AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Carl R. Albrecht**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies requirements for grant applications to the Governor's Office of Economic Opportunity.

**Highlighted Provisions:**

This bill:

- requires the Governor's Office of Economic Opportunity to consider each application for grant funding on its individual merits, regardless of whether the applicant has previously received a grant or award from the Governor's Office of Economic Opportunity;

- modifies the requirements for a rural employment expansion grant to specify that a business entity applicant shall demonstrate that it has created new full-time employee positions at 100% or greater of average county wages for the county where the business entity is located; and

- makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:



28 [63N-1a-301](#), as last amended by Laws of Utah 2022, Chapters 200, 307

29 [63N-4-404](#), as last amended by Laws of Utah 2022, Chapter 362

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

32 Section 1. Section **63N-1a-301** is amended to read:

33 **63N-1a-301. Creation of office -- Responsibilities.**

34 (1) There is created the Governor's Office of Economic Opportunity.

35 (2) The office is:

36 (a) responsible for implementing the statewide economic development strategy

37 developed by the commission; and

38 (b) the industrial and business promotion authority of the state.

39 (3) The office shall:

40 (a) consistent with the statewide economic development strategy, coordinate and align  
41 into a single effort the activities of the economic opportunity agencies in the field of economic  
42 development;

43 (b) provide support and direction to economic opportunity agencies in establishing  
44 goals, metrics, and activities that align with the statewide economic development strategy;

45 (c) subject to Subsection (6), administer and coordinate state and federal economic  
46 development grant programs;

47 (d) promote and encourage the economic, commercial, financial, industrial,  
48 agricultural, and civic welfare of the state;

49 (e) promote and encourage the employment of workers in the state and the purchase of  
50 goods and services produced in the state by local businesses;

51 (f) act to create, develop, attract, and retain business, industry, and commerce in the  
52 state;

53 (i) in accordance with the statewide economic development plan and commission  
54 directives; and

55 (ii) subject to the restrictions in Section [11-41-103](#);

56 (g) act to enhance the state's economy;

57 (h) act to assist strategic industries that are likely to drive future economic growth;

58 (i) assist communities in the state in developing economic development capacity and

59 coordination with other communities;

60 (j) identify areas of education and workforce development in the state that can be  
61 improved to support economic and business development;

62 (k) consistent with direction from the commission, develop core strategic priorities for  
63 the office, which may include:

64 (i) enhancing statewide access to entrepreneurship opportunities and small business  
65 support;

66 (ii) focusing industry recruitment and expansion of targeted industries;

67 (iii) ensuring that in awarding competitive economic development incentives the office  
68 accurately measures the benefits and costs of the incentives; and

69 (iv) assisting communities with technical support to aid those communities in  
70 improving economic development opportunities;

71 (l) submit an annual written report as described in Section [63N-1a-306](#); and

72 (m) perform other duties as provided by the Legislature.

73 (4) In order to perform its duties under this title, the office may:

74 (a) enter into a contract or agreement with, or make a grant to, a public or private  
75 entity, including a municipality, if the contract or agreement is not in violation of state statute  
76 or other applicable law;

77 (b) except as provided in Subsection (4)(c), receive and expend funds from a public or  
78 private source for any lawful purpose that is in the state's best interest; and

79 (c) solicit and accept a contribution of money, services, or facilities from a public or  
80 private donor, but may not use the contribution for publicizing the exclusive interest of the  
81 donor.

82 (5) Money received under Subsection (4)(c) shall be deposited into the General Fund as  
83 dedicated credits of the office.

84 (6) The office shall consider each application for grant funding under this title on its  
85 individual merits, regardless of whether the applicant has previously received a grant or award  
86 from the office.

87 [~~6~~] (7) (a) The office shall:

88 (i) obtain the advice of the GO Utah board before implementing a change to a policy,  
89 priority, or objective under which the office operates; and

90 (ii) provide periodic updates to the commission regarding the office's efforts under  
91 Subsections (3)(a) and (b).

92 (b) Subsection [~~(6)(a)(i)~~] (7)(a)(i) does not apply to the routine administration by the  
93 office of money or services related to the assistance, retention, or recruitment of business,  
94 industry, or commerce in the state.

95 Section 2. Section **63N-4-404** is amended to read:

96 **63N-4-404. Grant application process.**

97 (1) For a fiscal year beginning on or after July 1, 2018, a business entity seeking to  
98 receive a grant shall provide the office with an application in a form approved by the office that  
99 includes:

100 (a) a certification, by an officer of the business entity, of each signature on the  
101 application;

102 (b) a document that specifies the projected number and anticipated wage level of the  
103 new full-time employee positions that the business entity plans to create as the basis for  
104 qualifying for a grant; and

105 (c) any additional information required by the office.

106 (2) (a) If, after review of an application provided by a business entity as described in  
107 Subsection (1), the office determines that the application is inadequate to provide a reasonable  
108 justification for authorizing the grant, the office shall:

109 (i) deny the application; or

110 (ii) inform the business entity that the application is inadequate and ask the business  
111 entity to submit additional documentation.

112 (b) (i) If the office denies an application, the business entity may appeal the denial to  
113 the office.

114 (ii) The office shall review any appeal within 10 business days and make a final  
115 determination of the business entity's eligibility for a grant.

116 (3) If, after review of an application provided by a business entity as described in  
117 Subsection (1), the office determines that the application provides reasonable justification for  
118 authorizing a grant and if there are available funds for the grant, the office shall enter into a  
119 written agreement with the business entity that:

120 (a) indicates the maximum grant amount the business entity is authorized to receive;

121 (b) includes a document signed by an officer of the business entity that expressly  
122 directs and authorizes the State Tax Commission to disclose to the office the business entity's  
123 tax returns and other information that would otherwise be subject to confidentiality under  
124 Section 59-1-403 or Section 6103, Internal Revenue Code;

125 (c) describes the documentation required to demonstrate that the business entity has  
126 created the new full-time employee positions described in the application provided under  
127 Subsection (1); and

128 (d) specifies the deadlines to provide the documentation described in Subsection (3)(c).

129 (4) (a) Subject to available funds, the office may award a grant to a business entity as  
130 follows:

131 (i) \$4,000 for each new full-time employee position in a county where the average  
132 county wage is equal to or greater than the state average wage;

133 (ii) \$5,000 for each new full-time employee position in a county where the average  
134 county wage is between 85% and 99% of the state average wage; and

135 (iii) \$6,000 for each new full-time employee position in a county where the average  
136 county wage is less than 85% of the state average wage.

137 (b) A business entity may qualify for no more than \$250,000 in grants in any fiscal  
138 year.

139 (5) (a) Subject to available funds, the office shall award a business entity a grant in the  
140 amount allowed under this part if the business entity provides documentation to the office:

141 (i) in a form prescribed by the office under Subsection (3)(c);

142 (ii) before the deadline described in Subsection (3)(d); and

143 (iii) that demonstrates that the business applicant has created new full-time employee  
144 positions at 100% or greater of average county wages for the county where the business entity  
145 is located.

146 (b) If a business entity does not provide the documentation described in Subsection  
147 (3)(c) before the deadline described in Subsection (3)(d), the business entity is ineligible to  
148 receive a grant unless the business entity submits a new application to be reviewed by the  
149 office in accordance with Subsection (1).

150 (6) Nothing in this part prevents a business entity that has received a grant from  
151 concurrently applying for or receiving another grant or incentive administered by the office.

152           (7) If an applicant for a grant is a mining company or mining services company having  
153 business operations within five miles of a rural county, the applicant shall be treated as if the  
154 applicant were located within the adjacent rural county in determining whether the applicant  
155 qualifies for the grant program.

156           Section 3. **Effective date.**

157           This bill takes effect on May 1, 2024.