



## Staff Report

**To:** Summit County Council

**From:** Jeffrey B. Jones, AICP, Econ. Development & Housing Director

**Re:** Staff Report (For Possible Action): Resolution No. 2020-13, a Resolution by the Summit County Council Creating the Summit County Economic Development Advisory Board.

**Meeting Date:** Wednesday, July 29, 2020

**Recommendation:** Staff recommends to the Summit County Council that they adopt Resolution No. 2020-13.

**Proposed Motion:** Move to adopt Resolution No. 2020-13, a Resolution by the Summit County Council Creating the Summit County Economic Development Advisory Board.

### **PROBLEM/ISSUE STATEMENT:**

The Summit County Council has provided staff direction to facilitate the creation of a standing committee, to be called the Summit County Economic Development Advisory Board. In response, staff has drafted Resolution 2020-13 for that purpose.

### **BACKGROUND/EXISTING CONDITIONS:**

On July 1, 2020, the Summit County Council discussed Senate Bill 95 that created the Rural County Grant Program. Under the program, Rural counties in the State of Utah are eligible to apply for the Rural County Grant.

The Rural County Grant Program's purpose is to award grants to address the economic development needs of rural counties, which needs may include

- Business recruitment
- Development and expansion
- Workforce training and development; and
- Business infrastructure and capital facilities improvements

One of the qualifying requirements to making application for the grant is that the County must form and have a functioning County Economic Development Advisory Board (CED Board) as described in [Utah Code Section 17-54-104](#).

The County's Economic Development Advisory Board must include at least the following members appointed by the county's legislative body:

- A county representative
- A representative of a municipality in the county
- A workforce development representative
- A private-sector representative; and
- A member of the public who lives in the county

The county legislative body may also appoint additional members with experience or expertise in economic development matters. In appointing members of the CED board, the county legislative body may consider gender and socioeconomic diversity.

### **Roles and Responsibilities**

Each CED board shall assist and advise the county legislative body on:

1. Applying for a Rural County Grant
2. What projects should be funded by grant money provided to a rural county under the program; and
3. Preparing reporting requirements for grant money received by a rural county under the program

County Economic Development Advisory Boards (CED Boards) are subject to the Utah Open and Public Meetings Act and are expected to abide by ethics in governance and conflict of interest practices.

### **Appointment and Terms of CED Board Members**

- The county legislative body shall appoint each new member or reappointed member to a four-year term. It is encouraged that an appointed member of the CED Board be limited to serving two (2) consecutive terms.
- The county legislative body shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of advisory committee members appointed by the county legislative body are staggered so that approximately half of the appointed advisory committee members are appointed every two years.

- The CED Board shall elect a chair of the advisory board. It is encouraged that a CED Board Chair serves for no more than two (2) consecutive years. The CED Board shall elect annually a vice chair from the advisory board's members.
- When a vacancy occurs in the membership for any reason, the county legislative body shall appoint the replacement for the unexpired term.
- A majority of the CED Board constitutes a quorum for the purpose of conducting advisory board business and the action of a majority of a quorum constitutes the action of the advisory committee.

Resolution 2020-13 is consistent with these requirements.

### **REPORTING:**

The Summit County Economic Development Advisory Board shall assist and advise the Summit County Council in preparing reporting requirements for grant money received and as required by the Governor's Rural Partnership Board.

A written report shall be presented to the Governor's Rural Partnership Board on or before September 1 of each year that describes:

- The amount of grant money the county has received;
- How grant money has been distributed by the county, including
  - what companies or entities have utilized grant money,
  - how much grant money each company or entity has received, and
  - how each company or entity has used the money;
  - an evaluation of the effectiveness of awarded grants in improving economic development in the county, including
    - The number of jobs created
    - Infrastructure that has been created, and
    - Capital improvements in the county;
    - How much matching money has been utilized by the county and what entities have provided the matching money; and
    - Any other reporting, auditing, or post-performance requirements established by the Office of Rural Development in collaboration with the rural partnership board.

It is anticipated that Summit County shall receive \$95,000 for FY2020, if an eligible project can be identified for funding.

**ATTACHMENTS:**

- S.B. 95 (Enrolled Copy)
- July 1 Staff Report (County Council Work Session)
- Resolution 2020-13
- PowerPoint Presentation: Summit County Economic Development Advisory Board

**ECONOMIC DEVELOPMENT AMENDMENTS**

2020 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Scott D. Sandall**

House Sponsor: Carl R. Albrecht

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to economic development.

**Highlighted Provisions:**

This bill:

- ▶ defines terms, including "rural county";
- ▶ creates the Rural County Grant Program (grant program);
- ▶ describes the requirements for a rural county to apply for a grant under the grant program;
- ▶ requires each rural county that seeks to participate in the grant program to create a County Economic Development Advisory Board (CED board) and describes the membership and duties of a CED board;
- ▶ describes the requirements of the Governor's Rural Partnership Board and the Office of Rural Development in administering the grant program;
- ▶ moves the provisions of the Recycling Market Development Zone Act from the Governor's Office of Economic Development (GOED) to the Department of Environmental Quality;
- ▶ repeals provisions of the Utah Science Technology and Research Governing Authority Act;
- ▶ creates the Rural Speculative Industrial Building Program within GOED;
- ▶ modifies provisions related to certain GOED administered economic development programs;

- 29           ▶ repeals provisions related to certain GOED administered economic development
- 30 programs, which has the effect of ending those programs; and
- 31           ▶ makes technical changes.

**32 Money Appropriated in this Bill:**

33           This bill appropriates in fiscal year 2020:

- 34           ▶ to the General Fund, as a one-time appropriation:
  - 35           • from Nonlapsing Balances -- USTAR -- Support Programs, \$1,436,200;
- 36           ▶ to the General Fund, as a one-time appropriation:
  - 37           • from Nonlapsing Balances -- USTAR -- Grant Programs, \$1,765,200;
- 38           ▶ to the Utah Science Technology and Research Governing Authority -- USTAR
- 39 Administration, as a one-time appropriation:
  - 40           • from the General Fund, (\$1,512,500); and
- 41           ▶ to the General Fund Restricted -- Workforce Development Restricted Account, as a
- 42 one-time appropriation:
  - 43           • from the General Fund, (\$11,931,000).

44           This bill appropriates in fiscal year 2021:

- 45           ▶ to the Utah Science Technology and Research Governing Authority -- USTAR
- 46 Administration, as an ongoing appropriation:
  - 47           • from the General Fund, (\$1,788,400);
- 48           ▶ to the Utah Science Technology and Research Governing Authority -- Support
- 49 Programs, as an ongoing appropriation:
  - 50           • from the General Fund, (\$31,600);
- 51           ▶ to the General Fund Restricted -- Workforce Development Restricted Account, as
- 52 an ongoing appropriation:
  - 53           • from the General Fund, (\$14,636,900);
- 54           ▶ to the Governor's Office of Economic Development -- Rural County Grant Program,
- 55 as an ongoing appropriation:

- 56           • from the General Fund, \$4,600,000;
- 57           ▶ to the Governor's Office of Economic Development -- Rural County Grants
- 58 Program, as a one-time appropriation:
- 59           • from the General Fund, \$3,400,000;
- 60           ▶ to the Governor's Office of Economic Development -- Rural Coworking and
- 61 Innovation Center Grant Program, as an ongoing appropriation:
- 62           • from the General Fund, \$250,000;
- 63           ▶ to the Governor's Office of Economic Development -- Rural Coworking and
- 64 Innovation Center Grant Program, as a one-time appropriation:
- 65           • from the General Fund, \$2,000,000;
- 66           ▶ to the Governor's Office of Economic Development -- Business Development --
- 67 Rural Speculative Industrial Building Program, as an ongoing appropriation:
- 68           • from the General Fund, \$250,000;
- 69           ▶ to the Governor's Office of Economic Development -- Pass-through, as an ongoing
- 70 appropriation:
- 71           • from the General Fund, (\$385,600); and
- 72           • from Dedicated Credits Revenue, (\$16,100); and
- 73           ▶ to the Governor's Office of Economic Development -- SBIR/STTR Center, as an
- 74 ongoing appropriation:
- 75           • from the General Fund, \$385,600; and
- 76           • from Dedicated Credits Revenue, \$16,100.

**77 Other Special Clauses:**

- 78           This bill provides retrospective operation.
- 79           This bill provides a special effective date.
- 80           This bill provides coordination clauses.

**81 Utah Code Sections Affected:**

82 AMENDS:

- 83           **53B-17-1101**, as enacted by Laws of Utah 2018, Chapter 453
- 84           **53B-18-1601**, as enacted by Laws of Utah 2018, Chapter 453
- 85           **59-7-610**, as last amended by Laws of Utah 2019, Chapter 247
- 86           **59-10-1007**, as last amended by Laws of Utah 2019, Chapter 247
- 87           **63A-3-110**, as last amended by Laws of Utah 2019, Chapter 211
- 88           **63A-5-305**, as last amended by Laws of Utah 2016, Chapter 240
- 89           **63C-10-103**, as last amended by Laws of Utah 2018, Chapter 204
- 90           **63I-1-263**, as last amended by Laws of Utah 2019, Chapters 89, 246, 311, 414, 468,
- 91 469, 482 and last amended by Coordination Clause, Laws of Utah 2019, Chapter
- 92 246
- 93           **63J-1-602.2**, as last amended by Laws of Utah 2019, Chapters 136, 326, 468, and 469
- 94           **63N-1-501**, as renumbered and amended by Laws of Utah 2015, Chapter 283
- 95           **63N-2-203**, as last amended by Laws of Utah 2017, Chapter 252
- 96           **63N-2-204**, as last amended by Laws of Utah 2016, Chapter 11
- 97           **63N-2-208**, as renumbered and amended by Laws of Utah 2015, Chapter 283
- 98           **63N-2-213**, as last amended by Laws of Utah 2019, Chapter 247
- 99           **63N-4-104**, as renumbered and amended by Laws of Utah 2015, Chapter 283
- 100          **67-19-15**, as last amended by Laws of Utah 2018, Chapters 39 and 415

101 ENACTS:

- 102          **17-54-101**, Utah Code Annotated 1953
- 103          **17-54-102**, Utah Code Annotated 1953
- 104          **17-54-103**, Utah Code Annotated 1953
- 105          **17-54-104**, Utah Code Annotated 1953
- 106          **63N-4-701**, Utah Code Annotated 1953
- 107          **63N-4-702**, Utah Code Annotated 1953
- 108          **63N-4-703**, Utah Code Annotated 1953
- 109          **63N-4-704**, Utah Code Annotated 1953



110 RENUMBERS AND AMENDS:

111 **19-13-101**, (Renumbered from 63N-2-401, as renumbered and amended by Laws of  
112 Utah 2015, Chapter 283)

113 **19-13-102**, (Renumbered from 63N-2-402, as last amended by Laws of Utah 2015,  
114 Chapter 30 and renumbered and amended by Laws of Utah 2015, Chapter 283)

115 **19-13-103**, (Renumbered from 63N-2-403, as renumbered and amended by Laws of  
116 Utah 2015, Chapter 283)

117 **19-13-104**, (Renumbered from 63N-2-404, as renumbered and amended by Laws of  
118 Utah 2015, Chapter 283)

119 **19-13-105**, (Renumbered from 63N-2-405, as renumbered and amended by Laws of  
120 Utah 2015, Chapter 283)

121 **19-13-106**, (Renumbered from 63N-2-406, as renumbered and amended by Laws of  
122 Utah 2015, Chapter 283)

123 **19-13-107**, (Renumbered from 63N-2-407, as renumbered and amended by Laws of  
124 Utah 2015, Chapter 283)

125 **19-13-108**, (Renumbered from 63N-2-408, as renumbered and amended by Laws of  
126 Utah 2015, Chapter 283)

127 **19-13-109**, (Renumbered from 63N-2-409, as renumbered and amended by Laws of  
128 Utah 2015, Chapter 283)

129 **19-13-110**, (Renumbered from 63N-2-410, as renumbered and amended by Laws of  
130 Utah 2015, Chapter 283)

131 **19-13-111**, (Renumbered from 63N-2-411, as renumbered and amended by Laws of  
132 Utah 2015, Chapter 283)

133 REPEALS:

134 **13-1-14**, as last amended by Laws of Utah 2019, Chapter 352

135 **59-7-614.11**, as enacted by Laws of Utah 2017, Chapter 252

136 **59-10-1039**, as enacted by Laws of Utah 2017, Chapter 252

- 137            **63M-2-101**, as last amended by Laws of Utah 2015, Chapter 283
  - 138            **63M-2-102**, as last amended by Laws of Utah 2019, Chapter 352
  - 139            **63M-2-301**, as last amended by Laws of Utah 2019, Chapters 246 and 352
  - 140            **63M-2-302**, as last amended by Laws of Utah 2019, Chapter 352
  - 141            **63M-2-302.5**, as last amended by Laws of Utah 2019, Chapter 352
  - 142            **63M-2-304**, as last amended by Laws of Utah 2019, Chapter 352
  - 143            **63M-2-501**, as enacted by Laws of Utah 2016, Chapter 240
  - 144            **63M-2-502**, as last amended by Laws of Utah 2019, Chapter 352
  - 145            **63M-2-503**, as last amended by Laws of Utah 2019, Chapter 352
  - 146            **63M-2-504**, as last amended by Laws of Utah 2019, Chapter 352
  - 147            **63M-2-601**, as enacted by Laws of Utah 2016, Chapter 240
  - 148            **63M-2-602**, as last amended by Laws of Utah 2018, Chapter 453
  - 149            **63M-2-701**, as enacted by Laws of Utah 2016, Chapter 240
  - 150            **63M-2-703**, as last amended by Laws of Utah 2019, Chapter 352
  - 151            **63M-2-801**, as enacted by Laws of Utah 2016, Chapter 240
  - 152            **63M-2-802**, as last amended by Laws of Utah 2019, Chapter 352
  - 153            **63M-2-803**, as last amended by Laws of Utah 2019, Chapter 352
  - 154            **63N-2-213.5**, as enacted by Laws of Utah 2017, Chapter 252
  - 155            **63N-3-104**, as last amended by Laws of Utah 2019, Chapter 499
  - 156            **63N-3-104.5**, as last amended by Laws of Utah 2019, Chapter 499
  - 157            **Utah Code Sections Affected by Coordination Clause:**
  - 158            **59-7-610**, as last amended by Laws of Utah 2019, Chapter 247
  - 159            **59-10-1007**, as last amended by Laws of Utah 2019, Chapter 247
  - 160            **63I-1-263**, as last amended by Laws of Utah 2019, Chapters 89, 246, 311, 414, 468,
  - 161            469, 482 and last amended by Coordination Clause, Laws of Utah 2019, Chapter
  - 162            246
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164 *Be it enacted by the Legislature of the state of Utah:*

165 Section 1. Section **17-54-101** is enacted to read:

166 **CHAPTER 54. RURAL COUNTY GRANT PROGRAM**

167 **17-54-101. Title.**

168 This chapter is known as the "Rural County Grant Program."

169 Section 2. Section **17-54-102** is enacted to read:

170 **17-54-102. Definitions.**

171 (1) "CED board" means a County Economic Development Advisory Board as  
172 described in Section [17-54-104](#).

173 (2) "Grant" means a grant available under the Rural County Grant Program created in  
174 Section [17-54-103](#).

175 (3) "Grant program" means the Rural County Grant Program created in Section  
176 [17-54-103](#).

177 (4) "Office of Rural Development" means the Office of Rural Development created  
178 within the Governor's Office of Economic Development in Section [63N-4-102](#).

179 (5) "Rural county" means a county of the third, fourth, fifth, or sixth class.

180 (6) "Rural partnership board" means the Governor's Rural Partnership Board created in  
181 Section [63C-10-102](#).

182 Section 3. Section **17-54-103** is enacted to read:

183 **17-54-103. Rural County Grant Program.**

184 (1) There is created the Rural County Grant Program.

185 (2) The grant program shall be overseen by the rural partnership board and  
186 administered by the Office of Rural Development.

187 (3) (a) In overseeing the grant program, the rural partnership board shall recommend  
188 the awarding of grants to rural counties to address the economic development needs of rural  
189 counties, in accordance with the provisions of this chapter, which needs may include:

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

191 (ii) workforce training and development; and  
192 (iii) infrastructure, industrial building development, and capital facilities improvements  
193 for business development.

194 (b) After reviewing the recommendations of the rural partnership board, the executive  
195 director of the Governor's Office of Economic Development shall award grants to rural  
196 counties in accordance with the provisions of this chapter.

197 (4) Subject to appropriations from the Legislature and subject to the reporting and  
198 other requirements of this chapter, grant money shall be distributed:

199 (a) equally between all rural counties that have created a CED board, in an amount up  
200 to and including \$200,000 annually per county; and

201 (b) for grant money that is available after \$200,000 has been provided annually to each  
202 eligible rural county, through the process described in Subsection (6).

203 (5) Beginning in 2021, a rural county may not receive an additional grant under this  
204 chapter unless the rural county:

205 (a) demonstrates a funding match, which may include a funding match provided by any  
206 combination of a community reinvestment agency, redevelopment agency, community  
207 development and renewal agency, private-sector entity, nonprofit entity, federal matching  
208 grant, county or municipality general fund match, or in-kind match, and that totals:

209 (i) a 10% match for a county of the sixth class;

210 (ii) a 20% match for a county of the fifth class;

211 (iii) a 30% match for a county of the fourth class; and

212 (iv) a 40% match for a county of the third class; and

213 (b) has complied with the reporting requirements required by the rural partnership  
214 board and the reporting requirements described in Subsection (9) for all previous years that the  
215 county has received a grant.

216 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
217 Office of Rural Development in collaboration with the rural partnership board shall make rules

218 establishing the eligibility and reporting criteria for a rural county to receive grant money under  
219 Subsection (4)(b), including:

220 (a) the form and process for a county to submit an application to the rural partnership  
221 board for a grant;

222 (b) the method of scoring and prioritizing grant program applications from rural  
223 counties;

224 (c) the reporting, auditing, and post-performance requirements for a rural county that  
225 receives grant money; and

226 (d) any deadlines that shall be met by a rural county when applying for a grant.

227 (7) In determining the award of grant money under Subsection (4)(b), the rural  
228 partnership board may not recommend the awarding of more than \$800,000 annually to a rural  
229 county.

230 (8) In determining the recommended award of grant money under Subsection (4)(b),  
231 the rural partnership board may prioritize applications that demonstrate any combination of the  
232 following:

233 (a) that the county has or is actively pursuing the creation of an effective strategic  
234 economic development plan;

235 (b) consistency with local economic development priorities;

236 (c) economic need;

237 (d) utilization of local financial or in-kind resources in combination with a grant;

238 (e) evidence that jobs will be created; and

239 (f) evidence that there will be a positive return on investment.

240 (9) On or before September 1 of each year, a county that has received a grant under this  
241 chapter in the previous 12 months shall provide a written report to the rural partnership board  
242 that describes:

243 (a) the amount of grant money the county has received;

244 (b) how grant money has been distributed by the county, including what companies or

245 entities have utilized grant money, how much grant money each company or entity has  
246 received, and how each company or entity has used the money;

247 (c) an evaluation of the effectiveness of awarded grants in improving economic  
248 development in the county, including the number of jobs created, infrastructure that has been  
249 created, and capital improvements in the county;

250 (d) how much matching money has been utilized by the county and what entities have  
251 provided the matching money; and

252 (e) any other reporting, auditing, or post-performance requirements established by the  
253 Office of Rural Development in collaboration with the rural partnership board under  
254 Subsection (6).

255 (10) The Office of Rural Development shall compile the reported information and  
256 provide a written report to the Governor's Office of Economic Development for inclusion in the  
257 Governor's Office of Economic Development's annual written report described in Section  
258 [63N-1-301](#).

259 Section 4. Section **17-54-104** is enacted to read:

260 **17-54-104. County Economic Development Advisory Board.**

261 (1) (a) Each rural county that seeks to obtain a grant under this chapter, shall create a  
262 CED board composed of at least the following members appointed by the county legislative  
263 body:

- 264 (i) a county representative;
- 265 (ii) a representative of a municipality in the county;
- 266 (iii) a workforce development representative;
- 267 (iv) a private-sector representative; and
- 268 (v) a member of the public who lives in the county.

269 (b) The county legislative body may also appoint additional members with experience  
270 or expertise in economic development matters.

271 (c) In appointing members of the CED board, the county legislative body may consider

272 gender and socioeconomic diversity.

273 (2) Each CED board shall assist and advise the county legislative body on:

274 (a) applying for a grant under this chapter;

275 (b) what projects should be funded by grant money provided to a rural county under  
276 this chapter; and

277 (c) preparing reporting requirements for grant money received by a rural county under  
278 this chapter.

279 Section 5. Section **19-13-101**, which is renumbered from Section 63N-2-401 is  
280 renumbered and amended to read:

281 **CHAPTER 13. RECYCLING MARKET DEVELOPMENT ZONE ACT**

282 ~~[63N-2-401].~~ **19-13-101. Title.**

283 This part is known as the "Recycling Market Development Zone Act."

284 Section 6. Section **19-13-102**, which is renumbered from Section 63N-2-402 is  
285 renumbered and amended to read:

286 ~~[63N-2-402].~~ **19-13-102. Definitions.**

287 As used in this part:

288 (1) "Composting" means the controlled decay of landscape waste or sewage sludge and  
289 organic industrial waste, or a mixture of these, by the action of bacteria, fungi, molds, and other  
290 organisms.

291 (2) "Postconsumer waste material" means any product generated by a business or  
292 consumer that has served its intended end use, and that has been separated from solid waste for  
293 the purposes of collection, recycling, and disposition and that does not include secondary waste  
294 material.

295 (3) (a) "Recovered materials" means waste materials and by-products that have been  
296 recovered or diverted from solid waste.

297 (b) "Recovered materials" does not include those materials and by-products generated  
298 from, and commonly reused within, an original manufacturing process.

299 (4) (a) "Recycling" means the diversion of materials from the solid waste stream and  
300 the beneficial use of the materials and includes a series of activities by which materials that  
301 would become or otherwise remain waste are diverted from the waste stream for collection,  
302 separation, and processing, and are used as raw materials or feedstocks in lieu of or in addition  
303 to virgin materials in the manufacture of goods sold or distributed in commerce or the reuse of  
304 the materials as substitutes for goods made from virgin materials.

305 (b) "Recycling" does not include burning municipal solid waste for energy recovery.

306 (5) "Recycling market development zone" or "zone" means an area designated by the  
307 office as meeting the requirements of this part.

308 (6) (a) "Secondary waste material" means industrial by-products that go to disposal  
309 facilities and waste generated after completion of a manufacturing process.

310 (b) "Secondary waste material" does not include internally generated scrap commonly  
311 returned to industrial or manufacturing processes, such as home scrap and mill broke.

312 (7) "Tax incentive" means a nonrefundable tax credit available under Section [59-7-610](#)  
313 or [59-10-1007](#).

314 Section 7. Section **19-13-103**, which is renumbered from Section 63N-2-403 is  
315 renumbered and amended to read:

316 ~~[63N-2-403]~~. **19-13-103. Duties of the department.**

317 The ~~[office]~~ department shall:

318 (1) facilitate recycling development zones through state support of county incentives  
319 ~~[which]~~ that encourage development of manufacturing enterprises that use recycling materials  
320 currently collected;

321 (2) evaluate an application from a county or municipality executive authority to be  
322 designated as a recycling market development zone and determine if the county or municipality  
323 qualifies for that designation;

324 (3) provide technical assistance to municipalities and counties in developing  
325 applications for designation as a recycling market development zone;



326 (4) assist counties and municipalities designated as recycling market development  
327 zones in obtaining assistance from the federal government and agencies of the state;

328 (5) assist a qualified business in obtaining the benefits of an incentive or inducement  
329 program authorized by this part; and

330 (6) monitor the implementation and operation of this part and conduct a continuing  
331 evaluation of the progress made in the recycling market development zone~~[; and]~~.

332 ~~[(7) include in the annual written report described in Section 63N-2-301, an evaluation  
333 of the effectiveness of the program and recommendations for legislation.]~~

334 Section 8. Section **19-13-104**, which is renumbered from Section 63N-2-404 is  
335 renumbered and amended to read:

336 ~~[63N-2-404].~~ **19-13-104. Criteria for recycling market development zone --**  
337 **Application process and fees.**

338 (1) An area may be designated as a recycling market development zone only if:

339 (a) the county or municipality agrees to make a qualifying local contribution under  
340 Section ~~[63N-2-405]~~ 19-13-105; and

341 (b) the county or municipality provides for postconsumer waste collection for recycling  
342 within the county or municipality.

343 (2) The executive authority of any municipality or county desiring to be designated as a  
344 recycling market development zone shall:

345 (a) obtain the written approval of the municipality or county's legislative body; and

346 (b) file an application with the ~~[office]~~ department demonstrating the county or  
347 municipality meets the requirements of this part.

348 (3) The application shall be in a form prescribed by the ~~[office]~~ department, and shall  
349 include:

350 (a) a plan developed by the county or municipality that identifies local contributions  
351 meeting the requirements of Section ~~[63N-2-405]~~ 19-13-105;

352 (b) a county or municipality development plan that outlines:

- 353 (i) the specific investment or development reasonably expected to take place;
- 354 (ii) any commitments obtained from businesses to participate, and in what capacities
- 355 regarding recycling markets;
- 356 (iii) the county's or municipality's economic development plan and demonstration of
- 357 coordination between the zone and the county or municipality in overall development goals;
- 358 (iv) zoning requirements demonstrating that sufficient portions of the proposed zone
- 359 area are zoned as appropriate for the development of commercial, industrial, or manufacturing
- 360 businesses;
- 361 (v) the county's or municipality's long-term waste management plan and evidence that
- 362 the zone will be adequately served by the plan; and
- 363 (vi) the county or municipality postconsumer waste collection infrastructure;
- 364 (c) the county's or municipality's proposed means of assessing the effectiveness of the
- 365 development plan or other programs implemented within the zone;
- 366 (d) state whether within the zone either of the following will be established:
- 367 (i) commercial manufacturing or industrial processes that will produce end products
- 368 that consist of not less than 50% recovered materials, of which not less than 25% is
- 369 postconsumer waste material; or
- 370 (ii) commercial composting;
- 371 (e) any additional information required by the ~~[office]~~ department; and
- 372 (f) any additional information the county or municipality considers relevant to its
- 373 designation as a recycling market development zone.
- 374 (4) A county or municipality applying for designation as a recycling market
- 375 development zone shall pay to the ~~[office]~~ department an application fee determined under
- 376 Section [63J-1-504](#).

377 Section 9. Section **19-13-105**, which is renumbered from Section 63N-2-405 is

378 renumbered and amended to read:

379 ~~[63N-2-405]~~. **19-13-105. Qualifying local contributions.**

380 Qualifying local contributions to the recycling market development zone may vary  
381 depending on available resources, and may include:

- 382 (1) simplified procedures for obtaining permits;
- 383 (2) dedication of available government grants;
- 384 (3) waiver of business license or permit fees;
- 385 (4) infrastructure improvements;
- 386 (5) private contributions;
- 387 (6) utility rate concessions;
- 388 (7) suspension or relaxation of locally originated zoning laws or general plans; and
- 389 (8) other proposed local contributions as the ~~[office]~~ department finds promote the  
390 purposes of this part.

391 Section 10. Section **19-13-106**, which is renumbered from Section 63N-2-406 is  
392 renumbered and amended to read:

393 ~~[63N-2-406]~~. **19-13-106. Eligibility review.**

394 (1) The ~~[office]~~ department shall:

395 (a) review and evaluate an application submitted under Section ~~[63N-2-404]~~

396 19-13-104; and

397 (b) determine whether the municipality or county is eligible for designation as a  
398 recycling market development zone.

399 (2) In designating recycling market development zones, the ~~[office]~~ department shall  
400 consider:

401 (a) whether the current waste management practices and conditions of the county or  
402 municipality are favorable to the development of postconsumer waste material markets;

403 (b) whether the creation of the zone is necessary to assist in attracting private sector  
404 recycling investments to the area; and

405 (c) the amount of available landfill capacity to serve the zone.

406 Section 11. Section **19-13-107**, which is renumbered from Section 63N-2-407 is

407 renumbered and amended to read:

408 ~~[63N-2-407]~~. **19-13-107. Quarterly consideration.**

409 The [office] department shall take action quarterly on any application requesting  
410 designation as a recycling market development zone.

411 Section 12. Section **19-13-108**, which is renumbered from Section 63N-2-408 is  
412 renumbered and amended to read:

413 ~~[63N-2-408]~~. **19-13-108. Duration of designation.**

414 A recycling market development zone designation ends five years from the date the  
415 [office] department designates the area as a recycling market development zone, at the end of  
416 which the county or municipality may reapply for the designation.

417 Section 13. Section **19-13-109**, which is renumbered from Section 63N-2-409 is  
418 renumbered and amended to read:

419 ~~[63N-2-409]~~. **19-13-109. Revocation of designations.**

420 (1) The [office] department may revoke the designation of a recycling market  
421 development zone if no businesses utilize the tax incentives during any calendar year.

422 (2) Before revocation of the zone, the [office] department shall conduct a public  
423 hearing within a reasonable distance of the zone to determine reasons for inactivity and explore  
424 possible alternative actions.

425 Section 14. Section **19-13-110**, which is renumbered from Section 63N-2-410 is  
426 renumbered and amended to read:

427 ~~[63N-2-410]~~. **19-13-110. Recycling market development zone credit.**

428 For a taxpayer within a recycling market development zone, there are allowed the  
429 nonrefundable credits against tax as provided by Sections [59-7-610](#) and [59-10-1007](#).

430 Section 15. Section **19-13-111**, which is renumbered from Section 63N-2-411 is  
431 renumbered and amended to read:

432 ~~[63N-2-411]~~. **19-13-111. Annual report.**

433 (1) A county or municipality designated as a recycling market development zone shall

434 report by no later than July 31 of each year to the [~~office~~] department regarding the economic  
435 activity that has occurred in the zone following the designation.

436 (2) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
437 [~~office~~] department may make rules providing for the form and content of the annual reports.

438 Section 16. Section **53B-17-1101** is amended to read:

439 **53B-17-1101. Definitions.**

440 As used in this part:

441 (1) "Researcher" means an individual who:

442 (a) on May 8, 2018, is employed, alone or as part of a research team, by the university;

443 (b) before May 8, 2018, received funding from USTAR for some or all of the  
444 researcher's startup costs or salary;

445 (c) was recruited to become a member of the university's faculty; and

446 (d) after May 8, 2018, receives some or all of the researcher's start up costs or salary  
447 from a legislative appropriation to the university for that purpose.

448 (2) "University" means the University of Utah.

449 (3) "USTAR" means the Utah Science Technology and Research Initiative [~~created in~~  
450 ~~Section 63M-2-301~~], which was repealed in 2020.

451 Section 17. Section **53B-18-1601** is amended to read:

452 **53B-18-1601. Definitions.**

453 As used in this part:

454 (1) "Researcher" means an individual who:

455 (a) on May 8, 2018, is employed, alone or as part of a research team, by the university;

456 (b) before May 8, 2018, received funding from USTAR for some or all of the  
457 researcher's startup costs or salary;

458 (c) was recruited to become a member of the university's faculty; and

459 (d) after May 8, 2018, receives some or all of the researcher's start up costs or salary  
460 from a legislative appropriation to the university for that purpose.

461 (2) "University" means Utah State University.

462 (3) "USTAR" means the Utah Science Technology and Research Initiative [~~created in~~  
463 ~~Section 63M-2-301~~], which was repealed in 2020.

464 Section 18. Section **59-7-610** is amended to read:

465 **59-7-610. Recycling market development zones tax credits.**

466 (1) Subject to other provisions of this section, a taxpayer that is a business operating in  
467 a recycling market development zone as defined in Section [~~63N-2-402~~] 19-13-102 may claim  
468 the following nonrefundable tax credits:

469 (a) a tax credit of 5% of the purchase price paid for machinery and equipment used  
470 directly in:

471 (i) commercial composting; or

472 (ii) manufacturing facilities or plant units that:

473 (A) manufacture, process, compound, or produce recycled items of tangible personal  
474 property for sale; or

475 (B) reduce or reuse postconsumer waste material; and

476 (b) a tax credit equal to the lesser of:

477 (i) 20% of net expenditures to third parties for rent, wages, supplies, tools, test  
478 inventory, and utilities made by the taxpayer for establishing and operating recycling or  
479 composting technology in [~~Utah~~] the state; and

480 (ii) \$2,000.

481 (2) (a) To claim a tax credit described in Subsection (1), the taxpayer shall receive  
482 from the [~~Governor's Office of Economic Development~~] Department of Environmental Quality  
483 a written certification, on a form approved by the commission, that includes:

484 (i) a statement that the taxpayer is operating a business within the boundaries of a  
485 recycling market development zone;

486 (ii) for [~~claims~~] a claim of the tax credit described in Subsection (1)(a):

487 (A) the type of the machinery and equipment that the taxpayer purchased;

- 488 (B) the date that the taxpayer purchased the machinery and equipment;
- 489 (C) the purchase price for the machinery and equipment;
- 490 (D) the total purchase price for all machinery and equipment for which the taxpayer is
- 491 claiming a tax credit;
- 492 (E) a statement that the machinery and equipment are integral to the composting or
- 493 recycling process; and
- 494 (F) the amount of the taxpayer's tax credit; and

495 (iii) for ~~[claims]~~ a claim of the tax credit described in Subsection (1)(b):

- 496 (A) the type of net expenditure that the taxpayer made to a third party;
- 497 (B) the date that the taxpayer made the payment to a third party;
- 498 (C) the amount that the taxpayer paid to each third party;
- 499 (D) the total amount that the taxpayer paid to all third parties;
- 500 (E) a statement that the net expenditures support the establishment and operation of
- 501 recycling or composting technology in ~~[Utah]~~ the state; and
- 502 (F) the amount of the taxpayer's tax credit.

503 (b) (i) The ~~[Governor's Office of Economic Development]~~ Department of

504 Environmental Quality shall provide a taxpayer seeking to claim a tax credit under Subsection

505 (1) with a copy of the written certification.

506 (ii) The taxpayer shall retain a copy of the written certification for the same period of

507 time that a person is required to keep books and records under Section [59-1-1406](#).

508 (c) The ~~[Governor's Office of Economic Development]~~ Department of Environmental

509 Quality shall submit to the commission an electronic list that includes:

- 510 (i) the name and identifying information of each taxpayer to which the ~~[office]~~
- 511 Department of Environmental Quality issues a written certification; and
- 512 (ii) for each taxpayer, the amount of each tax credit listed on the written certification.

513 (3) A taxpayer may not claim a tax credit under Subsection (1)(a), Subsection (1)(b), or

514 both that exceeds 40% of the taxpayer's state income tax liability as the tax liability is

515 calculated:

516 (a) for the taxable year in which the taxpayer made the purchases or payments;

517 (b) before any other tax credits the taxpayer may claim for the taxable year; and

518 (c) before the taxpayer [~~claiming~~] claims a tax credit authorized by this section.

519 (4) The commission shall make rules governing what information a taxpayer shall file  
520 with the commission to verify the entitlement to and amount of a tax credit.

521 (5) Except as provided in Subsections (6) through (8), a taxpayer may carry forward, to  
522 the next three taxable years, the amount of [~~the tax credit that exceeds the taxpayer's income~~  
523 ~~tax liability~~] a tax credit described in Subsection (1)(a) that the taxpayer does not use for the  
524 taxable year.

525 (6) A taxpayer may not claim or carry forward a tax credit described in Subsection  
526 (1)(a) in a taxable year during which the taxpayer claims or carries forward a tax credit under  
527 Section [63N-2-213](#).

528 (7) A taxpayer may not claim [~~or carry forward~~] a tax credit described in Subsection  
529 (1)(b) in a taxable year during which the taxpayer claims or carries forward a tax credit under  
530 Section [63N-2-213](#).

531 (8) A taxpayer may not claim or carry forward a tax credit under this section for a  
532 taxable year during which the taxpayer claims the targeted business income tax credit under  
533 Section [59-7-624](#).

534 Section 19. Section **59-10-1007** is amended to read:

535 **59-10-1007. Recycling market development zones tax credits.**

536 (1) Subject to other provisions of this section, a claimant, estate, or trust in a recycling  
537 market development zone as defined in Section [~~63N-2-402~~] [19-13-102](#) may claim the  
538 following nonrefundable tax credits:

539 (a) a tax credit of 5% of the purchase price paid for machinery and equipment used  
540 directly in:

541 (i) commercial composting; or



- 542 (ii) manufacturing facilities or plant units that:
- 543 (A) manufacture, process, compound, or produce recycled items of tangible personal
- 544 property for sale; or
- 545 (B) reduce or reuse postconsumer waste material; and
- 546 (b) a tax credit equal to the lesser of:
- 547 (i) 20% of net expenditures to third parties for rent, wages, supplies, tools, test
- 548 inventory, and utilities made by the claimant, estate, or trust for establishing and operating
- 549 recycling or composting technology in [~~Utah~~] the state; and
- 550 (ii) \$2,000.
- 551 (2) (a) To claim a tax credit described in Subsection (1), the claimant, estate, or trust
- 552 shall receive from the [~~Governor's Office of Economic Development~~] Department of
- 553 Environmental Quality a written certification, on a form approved by the commission, that
- 554 includes:
- 555 (i) a statement that the claimant, estate, or trust is operating within the boundaries of a
- 556 recycling market development zone;
- 557 (ii) for [~~claims~~] a claim of the tax credit described in Subsection (1)(a):
- 558 (A) the type of the machinery and equipment that the claimant, estate, or trust
- 559 purchased;
- 560 (B) the date that the claimant, estate, or trust purchased the machinery and equipment;
- 561 (C) the purchase price for the machinery and equipment;
- 562 (D) the total purchase price for all machinery and equipment for which the claimant,
- 563 estate, or trust is claiming a tax credit;
- 564 (E) the amount of the claimant's, estate's, or trust's tax credit; and
- 565 (F) a statement that the machinery and equipment are integral to the composting or
- 566 recycling process; and
- 567 (iii) for [~~claims~~] a claim of the tax credit described in Subsection (1)(b):
- 568 (A) the type of net expenditure that the claimant, estate, or trust made to a third party;

569 (B) the date that the claimant, estate, or trust made the payment to a third party;

570 (C) the amount that the claimant, estate, or trust paid to each third party;

571 (D) the total amount that the claimant, estate, or trust paid to all third parties;

572 (E) a statement that the net expenditures support the establishment and operation of  
573 recycling or composting technology in [~~Utah~~] the state; and

574 (F) the amount of the claimant's, estate's, or trust's tax credit.

575 (b) (i) The [~~Governor's Office of Economic Development~~] Department of  
576 Environmental Quality shall provide a claimant, estate, or trust seeking to claim a tax credit  
577 under Subsection (1) with a copy of the written certification.

578 (ii) The claimant, estate, or trust shall retain a copy of the written certification for the  
579 same period of time that a person is required to keep books and records under Section  
580 [59-1-1406](#).

581 (c) The [~~Governor's Office of Economic Development~~] Department of Environmental  
582 Quality shall submit to the commission an electronic list that includes:

583 (i) the name and identifying information of each claimant, estate, or trust to which the  
584 [~~office~~] Department of Environmental Quality issues a written certification; and

585 (ii) for each claimant, estate, or trust, the amount of each tax credit listed on the written  
586 certification.

587 (3) A claimant, estate, or trust may not claim a tax credit under Subsection (1)(a),  
588 Subsection (1)(b), or both that exceeds 40% of the claimant's, estate's, or trust's state income  
589 tax liability as the tax liability is calculated:

590 (a) for the taxable year in which the claimant, estate, or trust made the purchases or  
591 payments;

592 (b) before any other tax credits the claimant, estate, or trust may claim for the taxable  
593 year; and

594 (c) before the claimant, estate, or trust [~~claiming~~] claims a tax credit authorized by this  
595 section.

596 (4) The commission shall make rules governing what information a claimant, estate, or  
 597 trust shall file with the commission to verify the entitlement to and amount of a tax credit.

598 (5) Except as provided in Subsections (6) through (8), a claimant, estate, or trust may  
 599 carry forward, to the next three taxable years, the amount of [~~the tax credit that exceeds the~~  
 600 ~~taxpayer's income tax liability~~] a tax credit described in Subsection (1)(a) that the claimant,  
 601 estate, or trust does not use for the taxable year.

602 (6) A claimant, estate, or trust may not claim or carry forward a tax credit described in  
 603 Subsection (1)(a) in a taxable year during which the claimant, estate, or trust claims or carries  
 604 forward a tax credit under Section 63N-2-213.

605 (7) A claimant, estate, or trust may not claim a tax credit described in Subsection (1)(b)  
 606 in a taxable year during which the claimant, estate, or trust claims or carries forward a tax  
 607 credit under Section 63N-2-213.

608 (8) A claimant, estate, or trust may not claim or carry forward a tax credit [~~available~~]  
 609 under this section for a taxable year during which the claimant, estate, or trust claims the  
 610 targeted business income tax credit under Section 59-10-1112.

611 Section 20. Section 63A-3-110 is amended to read:

612 **63A-3-110. Personal use expenditures for state officers and employees.**

613 (1) As used in this section:

614 (a) "Employee" means a person who is not an elected or appointed officer and who is  
 615 employed on a full- or part-time basis by a governmental entity.

616 (b) "Governmental entity" means:

617 (i) an executive branch agency of the state, the offices of the governor, lieutenant  
 618 governor, state auditor, attorney general, and state treasurer, the State Board of Education, and  
 619 the State Board of Regents;

620 (ii) the Office of the Legislative Auditor General, the Office of the Legislative Fiscal  
 621 Analyst, the Office of Legislative Research and General Counsel, the Legislature, and  
 622 legislative committees;

623 (iii) courts, the Judicial Council, the Administrative Office of the Courts, and similar  
624 administrative units in the judicial branch; or

625 (iv) independent state entities created under Title 63H, Independent State Entities~~[, or]~~.  
626 ~~[(v) the Utah Science Technology and Research Governing Authority created under~~  
627 ~~Section 63M-2-301.]~~

628 (c) "Officer" means a person who is elected or appointed to an office or position within  
629 a governmental entity.

630 (d) (i) "Personal use expenditure" means an expenditure made without the authority of  
631 law that:

632 (A) is not directly related to the performance of an activity as a state officer or  
633 employee;

634 (B) primarily furthers a personal interest of a state officer or employee or a state  
635 officer's or employee's family, friend, or associate; and

636 (C) would constitute taxable income under federal law.

637 (ii) "Personal use expenditure" does not include:

638 (A) a de minimis or incidental expenditure; or

639 (B) a state vehicle or a monthly stipend for a vehicle that an officer or employee uses to  
640 travel to and from the officer or employee's official duties, including a minimal allowance for a  
641 detour as provided by the state.

642 (e) "Public funds" means the same as that term is defined in Section 51-7-3.

643 (2) A state officer or employee may not:

644 (a) use public funds for a personal use expenditure; or

645 (b) incur indebtedness or liability on behalf of, or payable by, a governmental entity for  
646 a personal use expenditure.

647 (3) If the Division of Finance or the responsible governmental entity determines that a  
648 state officer or employee has intentionally made a personal use expenditure in violation of  
649 Subsection (2), the governmental entity shall:

650 (a) require the state officer or employee to deposit the amount of the personal use  
651 expenditure into the fund or account from which:

652 (i) the personal use expenditure was disbursed; or

653 (ii) payment for the indebtedness or liability for a personal use expenditure was  
654 disbursed;

655 (b) require the state officer or employee to remit an administrative penalty in an  
656 amount equal to 50% of the personal use expenditure to the Division of Finance; and

657 (c) deposit the money received under Subsection (3)(b) into the General Fund.

658 (4) (a) Any state officer or employee who has been found by a governmental entity to  
659 have made a personal use expenditure in violation of Subsection (2) may appeal the finding of  
660 the governmental entity.

661 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
662 Division of Finance shall make rules regarding an appeal process for an appeal made under  
663 Subsection (4)(a), including the designation of an appeal authority.

664 (5) (a) Subject to Subsection (5)(b), the Division of Finance may withhold all or a  
665 portion of the wages of a state officer or employee who has violated Subsection (2) until the  
666 requirements of Subsection (3) have been met.

667 (b) If the state officer or employee has requested an appeal under Subsection (4), the  
668 Division of Finance may only withhold the wages of the officer or employee after the appeal  
669 authority described in Subsection (4)(b) has confirmed that the officer or employee violated  
670 Subsection (2).

671 (6) Nothing in this chapter immunizes a state officer or employee from or precludes  
672 any criminal prosecution or civil or employment action for an unlawful personal use  
673 expenditure.

674 (7) A state officer or employee who is convicted of misusing public money or public  
675 property under Section 76-8-402 may not disburse public funds or access public accounts.

676 Section 21. Section 63A-5-305 is amended to read:

677           **63A-5-305. Leasing by higher education institutions.**

678           (1) The Board of Regents shall establish written policies and procedures governing  
679 leasing by higher education institutions.

680           (2) Except as provided in [~~Sections~~] Section 53B-2a-113 [~~and 63M-2-602~~], a higher  
681 education institution shall comply with the procedures and requirements of the Board of  
682 Regents' policies before signing or renewing a lease.

683           Section 22. Section **63C-10-103** is amended to read:

684           **63C-10-103. Duties.**

685           (1) The board shall:

686           (a) serve as an advisory board to:

687           (i) the governor on rural economic and planning issues; and

688           (ii) the Governor's Office of Economic Development on rural economic development  
689 issues;

690           (b) prepare an annual strategic plan that:

691           (i) identifies rural economic development, planning, and leadership training challenges,  
692 opportunities, priorities, and objectives; and

693           (ii) includes a work plan for accomplishing the objectives referred to in Subsection  
694 (1)(b)(i);

695           (c) identify local, regional, and statewide rural economic development and planning  
696 priorities;

697           (d) study and take input on issues relating to local, regional, and statewide rural  
698 economic development, including challenges, opportunities, best practices, policy, planning,  
699 and collaboration;

700           (e) advocate for rural needs, programs, policies, opportunities, and other issues relating  
701 to rural economic development and planning;

702           (f) oversee the Rural County Grant Program created in Section 17-54-103; and

703           ~~[(f) review projects in enterprise zones proposed by nonprofit corporations~~

704 ~~headquartered in enterprise zones as described in Subsection 63N-2-213.5(6);]~~  
 705  ~~[(g) review applications for cash awards, grants, loans, or other financial assistance~~  
 706  ~~under:]~~  
 707  ~~[(i) the Rural Fast Track Program described in Section 63N-3-104; and]~~  
 708  ~~[(ii) the Business Expansion and Retention Initiative described in Section~~  
 709  ~~63N-3-104.5; and]~~  
 710  ~~[(h)]~~ (g) no later than October 1 of each year, submit to the governor, the Legislature,  
 711 and the Economic Development and Workforce Services Interim Committee an annual report,  
 712 in accordance with Section 68-3-14, that provides:  
 713 (i) an overview of the rural economy in the state;  
 714 (ii) a summary of current issues and policy matters relating to rural economic  
 715 development; and  
 716 (iii) a statement of the board's initiatives, programs, and economic development  
 717 priorities.  
 718 (2) The board may engage in activities necessary to fulfill the board's duties, including:  
 719 (a) propose or support rural economic development legislation; and  
 720 (b) create one or more subcommittees.  
 721 Section 23. Section 63I-1-263 is amended to read:  
 722 **63I-1-263. Repeal dates, Titles 63A to 63N.**  
 723 (1) In relation to the Utah Transparency Advisory Board, on January 1, 2025:  
 724 (a) Subsection 63A-1-201(1) is repealed;  
 725 (b) Subsection 63A-1-202(2)(c), the language that states "using criteria established by  
 726 the board" is repealed;  
 727 (c) Section 63A-1-203 is repealed;  
 728 (d) Subsections 63A-1-204(1) and (2), the language that states "After consultation with  
 729 the board, and" is repealed; and  
 730 (e) Subsection 63A-1-204(1)(b), the language that states "using the standards provided

- 731 in Subsection 63A-1-203(3)(c)" is repealed.
- 732 (2) Subsection 63A-5-228(2)(h), relating to prioritizing and allocating capital  
733 improvement funding, is repealed [on] July 1, 2024.
- 734 (3) Section 63A-5-603, State Facility Energy Efficiency Fund, is repealed July 1, 2023.
- 735 (4) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July  
736 1, 2028.
- 737 (5) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1,  
738 2025.
- 739 (6) Title 63C, Chapter 16, Prison Development Commission Act, is repealed July 1,  
740 2020.
- 741 (7) Title 63C, Chapter 17, Point of the Mountain Development Commission Act, is  
742 repealed July 1, 2021.
- 743 (8) Title 63C, Chapter 18, Mental Health Crisis Line Commission, is repealed July 1,  
744 2023.
- 745 (9) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed July 1,  
746 2025.
- 747 (10) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1,  
748 2020.
- 749 (11) In relation to the State Fair Corporation Board of Directors, on January 1, 2025:
- 750 (a) Subsection 63H-6-104(2)(c), related to a Senate appointment, is repealed;
- 751 (b) Subsection 63H-6-104(2)(d), related to a House appointment, is repealed;
- 752 (c) in Subsection 63H-6-104(2)(e), the language that states ", of whom only one may  
753 be a legislator, in accordance with Subsection (3)(e)," is repealed;
- 754 (d) Subsection 63H-6-104(3)(a)(i) is amended to read:
- 755 "(3)(a)(i) Except as provided in Subsection (3)(a)(ii), a board member appointed under  
756 Subsection (2)(e) or (f) shall serve a term that expires on the December 1 four years after the  
757 year that the board member was appointed.";



758 (e) in Subsections 63H-6-104(3)(a)(ii), (c)(ii), and (d), the language that states "the  
759 president of the Senate, the speaker of the House, the governor," is repealed and replaced with  
760 "the governor"; and

761 (f) Subsection 63H-6-104(3)(e), related to limits on the number of legislators, is  
762 repealed.

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

764 (13) Section 63M-7-212 is repealed [on] December 31, 2019.

765 (14) On July 1, 2025:

766 (a) in Subsection 17-27a-404(3)(c)(ii), the language that states "the Resource  
767 Development Coordinating Committee," is repealed;

768 (b) Subsection 23-14-21(2)(c) is amended to read "(c) provide notification of proposed  
769 sites for the transplant of species to local government officials having jurisdiction over areas  
770 that may be affected by a transplant.";

771 (c) in Subsection 23-14-21(3), the language that states "and the Resource Development  
772 Coordinating Committee" is repealed;

773 (d) in Subsection 23-21-2.3(1), the language that states "the Resource Development  
774 Coordinating Committee created in Section 63J-4-501 and" is repealed;

775 (e) in Subsection 23-21-2.3(2), the language that states "the Resource Development  
776 Coordinating Committee and" is repealed;

777 (f) Subsection 63J-4-102(1) is repealed and the remaining subsections are renumbered  
778 accordingly;

779 (g) Subsections 63J-4-401(5)(a) and (c) are repealed;

780 (h) Subsection 63J-4-401(5)(b) is renumbered to Subsection 63J-4-401(5)(a) and the  
781 word "and" is inserted immediately after the semicolon;

782 (i) Subsection 63J-4-401(5)(d) is renumbered to Subsection 63J-4-401(5)(b);

783 (j) Sections 63J-4-501, 63J-4-502, 63J-4-503, 63J-4-504, and 63J-4-505 are repealed;

784 and

785 (k) Subsection 63J-4-603(1)(e)(iv) is repealed and the remaining subsections are  
786 renumbered accordingly.

787 (15) Subsection 63J-1-602.1(13), Nurse Home Visiting Restricted Account is repealed  
788 July 1, 2026.

789 (16) Subsection 63J-1-602.2(4), referring to dedicated credits to the Utah Marriage  
790 Commission, is repealed July 1, 2023.

791 (17) Subsection 63J-1-602.2(5), referring to the Trip Reduction Program, is repealed  
792 July 1, 2022.

793 (18) (a) Subsection 63J-1-602.1[~~(53)~~](55), relating to the Utah Statewide Radio System  
794 Restricted Account, is repealed July 1, 2022.

795 (b) When repealing Subsection 63J-1-602.1[~~(53)~~](55), the Office of Legislative  
796 Research and General Counsel shall, in addition to the office's authority under Subsection  
797 36-12-12(3), make necessary changes to subsection numbering and cross references.

798 (19) Subsection 63J-1-602.2[~~(23)~~](24), related to the Utah Seismic Safety  
799 Commission, is repealed January 1, 2025.

800 (20) Subsection 63J-4-708(1), in relation to the Talent Ready Utah Board, on January  
801 1, 2023, is amended to read:

802 "(1) On or before October 1, the board shall provide an annual written report to the  
803 Social Services Appropriations Subcommittee and the Economic Development and Workforce  
804 Services Interim Committee."

805 (21) In relation to the Utah Substance Use and Mental Health Advisory Council, on  
806 January 1, 2023:

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

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

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

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

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

814 "(2) The commission shall:

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

817 (b) coordinate the implementation of Section 77-18-1.1 and related provisions in  
818 Subsections 77-18-1(5)(b)(iii) and (iv).".

819 (22) The Crime Victim Reparations and Assistance Board, created in Section  
820 63M-7-504, is repealed July 1, 2027.

821 (23) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2021.

822 (24) Subsection 63N-1-301(4)(c), related to the Talent Ready Utah Board, is repealed  
823 on January 1, 2023.

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

825 ~~[(26) (a) Title 63N, Chapter 2, Part 4, Recycling Market Development Zone Act, is  
826 repealed January 1, 2021.]~~

827 ~~[(b) Subject to Subsection (26)(c), Sections 59-7-610 and 59-10-1007 regarding tax  
828 credits for certain persons in recycling market development zones, are repealed for taxable  
829 years beginning on or after January 1, 2021.]~~

830 ~~[(c) A person may not claim a tax credit under Section 59-7-610 or 59-10-1007:]~~

831 ~~[(i) for the purchase price of machinery or equipment described in Section 59-7-610 or  
832 59-10-1007, if the machinery or equipment is purchased on or after January 1, 2021; or]~~

833 ~~[(ii) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), if  
834 the expenditure is made on or after January 1, 2021.]~~

835 ~~[(d) Notwithstanding Subsections (26)(b) and (c), a person may carry forward a tax  
836 credit in accordance with Section 59-7-610 or 59-10-1007 if:]~~

837 ~~[(i) the person is entitled to a tax credit under Section 59-7-610 or 59-10-1007; and]~~

838 ~~[(ii) (A) for the purchase price of machinery or equipment described in Section~~

839 ~~59-7-610 or 59-10-1007~~, the machinery or equipment is purchased on or before December 31,  
840 2020; or]

841 [~~(B)~~ for an expenditure described in Subsection ~~59-7-610(1)(b) or 59-10-1007(1)(b)~~,  
842 the expenditure is made on or before December 31, 2020.]

843 [~~(27)~~] (26) Section 63N-2-512 is repealed [on] July 1, 2021.

844 [~~(28)~~] (27) (a) Title 63N, Chapter 2, Part 6, Utah Small Business Jobs Act, is repealed  
845 January 1, 2021.

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

848 (c) Notwithstanding Subsection [~~(28)~~] (27)(b), an entity may carry forward a tax credit  
849 in accordance with Section 59-9-107 if:

850 (i) the person is entitled to a tax credit under Section 59-9-107 on or before December  
851 31, 2020; and

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

854 [~~(29)~~] (28) Subsections 63N-3-109(2)(e) and 63N-3-109(2)(f)(i) are repealed July 1,  
855 2023.

856 [~~(30)~~] (29) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is  
857 repealed July 1, 2023.

858 [~~(31)~~] (30) Title 63N, Chapter 9, Part 2, Outdoor Recreational Infrastructure Grant  
859 Program, is repealed January 1, 2023.

860 [~~(32)~~] (31) In relation to the Pete Suazo Utah Athletic Commission, on January 1,  
861 2021:

862 (a) Subsection 63N-10-201(2)(a) is amended to read:

863 "(2) (a) The governor shall appoint five commission members with the advice and  
864 consent of the Senate.";

865 (b) Subsection 63N-10-201(2)(b), related to legislative appointments, is repealed;

866 (c) in Subsection 63N-10-201(3)(a), the language that states ", president, or speaker,  
867 respectively," is repealed; and

868 (d) Subsection 63N-10-201(3)(d) is amended to read:

869 "(d) The governor may remove a commission member for any reason and replace the  
870 commission member in accordance with this section."

871 [~~33~~] (32) In relation to the Talent Ready Utah Board, on January 1, 2023:

872 (a) Subsection 9-22-102(16) is repealed;

873 (b) in Subsection 9-22-114(2), the language that states "Talent Ready Utah," is  
874 repealed; and

875 (c) in Subsection 9-22-114(5), the language that states "representatives of Talent Ready  
876 Utah," is repealed.

877 [~~34~~] (33) Title 63N, Chapter 12, Part 5, Talent Ready Utah Center, is repealed  
878 January 1, 2023.

879 Section 24. Section 63J-1-602.2 is amended to read:

880 **63J-1-602.2. List of nonlapsing appropriations to programs.**

881 Appropriations made to the following programs are nonlapsing:

882 (1) The Legislature and its committees.

883 (2) The Percent-for-Art Program created in Section 9-6-404.

884 (3) The LeRay McAllister Critical Land Conservation Program created in Section  
885 11-38-301.

886 (4) Dedicated credits accrued to the Utah Marriage Commission as provided under  
887 Subsection 17-16-21(2)(d)(ii).

888 (5) The Trip Reduction Program created in Section 19-2a-104.

889 (6) The Division of Wildlife Resources for the appraisal and purchase of lands under  
890 the Pelican Management Act, as provided in Section 23-21a-6.

891 (7) The primary care grant program created in Section 26-10b-102.

892 (8) Sanctions collected as dedicated credits from Medicaid provider under Subsection

- 893 26-18-3(7).
- 894 (9) The Utah Health Care Workforce Financial Assistance Program created in Section
- 895 26-46-102.
- 896 (10) The Rural Physician Loan Repayment Program created in Section 26-46a-103.
- 897 (11) The Opiate Overdose Outreach Pilot Program created in Section 26-55-107.
- 898 (12) Funds that the Department of Alcoholic Beverage Control retains in accordance
- 899 with Subsection 32B-2-301(7)(a) or (b).
- 900 (13) The General Assistance program administered by the Department of Workforce
- 901 Services, as provided in Section 35A-3-401.
- 902 (14) A new program or agency that is designated as nonlapsing under Section
- 903 36-24-101.
- 904 (15) The Utah National Guard, created in Title 39, Militia and Armories.
- 905 (16) The State Tax Commission under Section 41-1a-1201 for the:
- 906 (a) purchase and distribution of license plates and decals; and
- 907 (b) administration and enforcement of motor vehicle registration requirements.
- 908 (17) The Search and Rescue Financial Assistance Program, as provided in Section
- 909 53-2a-1102.
- 910 (18) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- 911 (19) The State Board of Regents for teacher preparation programs, as provided in
- 912 Section 53B-6-104.
- 913 (20) The Medical Education Program administered by the Medical Education Council,
- 914 as provided in Section 53B-24-202.
- 915 (21) The State Board of Education, as provided in Section 53F-2-205.
- 916 (22) The Division of Services for People with Disabilities, as provided in Section
- 917 62A-5-102.
- 918 (23) The Division of Fleet Operations for the purpose of upgrading underground
- 919 storage tanks under Section 63A-9-401.

- 920 (24) The Utah Seismic Safety Commission, as provided in Section 63C-6-104.
- 921 (25) Appropriations to the Department of Technology Services for technology  
922 innovation as provided under Section 63F-4-202.
- 923 (26) The Office of Administrative Rules for publishing, as provided in Section  
924 63G-3-402.
- 925 ~~[(27) The Utah Science Technology and Research Initiative created in Section~~  
926 ~~63M-2-301.]~~
- 927 ~~[(28)~~ (27) The Governor's Office of Economic Development to fund the Enterprise  
928 Zone Act, as provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.
- 929 ~~[(29)~~ (28) Appropriations to fund the Governor's Office of Economic Development's  
930 Rural Employment Expansion Program, as described in Title 63N, Chapter 4, Part 4, Rural  
931 Employment Expansion Program.
- 932 ~~[(30)~~ (29) The Department of Human Resource Management user training program, as  
933 provided in Section 67-19-6.
- 934 ~~[(31)~~ (30) A public safety answering point's emergency telecommunications service  
935 fund, as provided in Section 69-2-301.
- 936 ~~[(32)~~ (31) The Traffic Noise Abatement Program created in Section 72-6-112.
- 937 ~~[(33)~~ (32) The Judicial Council for compensation for special prosecutors, as provided  
938 in Section 77-10a-19.
- 939 ~~[(34)~~ (33) A state rehabilitative employment program, as provided in Section  
940 78A-6-210.
- 941 ~~[(35)~~ (34) The Utah Geological Survey, as provided in Section 79-3-401.
- 942 ~~[(36)~~ (35) The Bonneville Shoreline Trail Program created under Section 79-5-503.
- 943 ~~[(37)~~ (36) Adoption document access as provided in Sections 78B-6-141, 78B-6-144,  
944 and 78B-6-144.5.
- 945 ~~[(38)~~ (37) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent  
946 Defense Commission.

947           ~~[(39)]~~ (38) The program established by the Division of Facilities Construction and  
948 Management under Subsection 63A-5-228(3) under which state agencies receive an  
949 appropriation and pay lease payments for the use and occupancy of buildings owned by the  
950 Division of Facilities Construction and Management.

951           Section 25. Section 63N-1-501 is amended to read:

952           **63N-1-501. Governor's Economic Development Coordinating Council --**  
953 **Membership -- Expenses.**

954           (1) There is created in the office the Governor's Economic Development Coordinating  
955 Council, consisting of the following 11 members:

956           (a) the executive director, who shall serve as chair of the council;

957           (b) the chair of the board or the chair's designee;

958           ~~[(c) the chair of the Utah Science Technology and Research Governing Authority~~  
959 ~~created in Section 63M-2-301 or the chair's designee;]~~

960           ~~[(d)]~~ (c) the chair of the Governor's Rural Partnership Board created in Section  
961 63C-10-102 or the chair's designee;

962           ~~[(e)]~~ (d) the chair of the board of directors of the Utah Capital Investment Corporation  
963 created in Section 63N-6-301 or the chair's designee;

964           ~~[(f)]~~ (e) the chair of the Economic Development Corporation of Utah or its successor  
965 organization or the chair's designee;

966           ~~[(g)]~~ (f) the chair of the World Trade Center Utah or its successor organization or the  
967 chair's designee; and

968           ~~[(h)]~~ (g) ~~[four]~~ five members appointed by the governor, with the consent of the  
969 Senate, who have expertise in business, economic development, entrepreneurship, or the  
970 raising of venture or seed capital for research and business growth.

971           (2) (a) The ~~[four]~~ five members appointed by the governor may serve for no more than  
972 two consecutive two-year terms.

973           (b) The governor shall appoint a replacement if a vacancy occurs from the membership



974 appointed under Subsection (1)[~~(h)~~](g).

975 (3) Six members of the council constitute a quorum for the purpose of conducting  
976 council business and the action of a majority of a quorum constitutes the action of the council.

977 (4) A member may not receive compensation or benefits for the member's service on  
978 the council, but may receive per diem and travel expenses in accordance with:

979 (a) Sections 63A-3-106 and 63A-3-107; and

980 (b) rules made by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

981 (5) The office shall provide office space and administrative staff support for the  
982 council.

983 (6) The council, as a governmental entity, has all the rights, privileges, and immunities  
984 of a governmental entity of the state and its meetings are subject to Title 52, Chapter 4, Open  
985 and Public Meetings Act.

986 Section 26. Section 63N-2-203 is amended to read:

987 **63N-2-203. Powers of the office.**

988 The office shall:

989 (1) monitor the implementation and operation of this part and conduct a continuing  
990 evaluation of the progress made in the enterprise zones;

991 (2) evaluate an application for designation as an enterprise zone from a county  
992 applicant or a municipal applicant and determine if the applicant qualifies for that designation;

993 (3) provide technical assistance to county applicants and municipal applicants in  
994 developing applications for designation as enterprise zones;

995 (4) assist county applicants and municipal applicants designated as enterprise zones in  
996 obtaining assistance from the federal government and agencies of the state;

997 (5) assist a qualified business entity in obtaining the benefits of an incentive or  
998 inducement program authorized by this part; and

999 (6) as part of the annual written report described in Section 63N-1-301, prepare an  
1000 annual evaluation that provides:

- 1001 (a) based on data from the State Tax Commission, the total amount of tax credits
- 1002 claimed under this part;
- 1003 (b) the total amount awarded in tax credits for each development zone;
- 1004 (c) the number of new full-time employee positions reported to obtain tax credits in
- 1005 each development zone;
- 1006 (d) the amount of tax credits awarded for rehabilitating a building in each development
- 1007 zone;
- 1008 (e) the amount of tax credits awarded for investing in a plant, equipment, or other
- 1009 depreciable property in each development zone; and
- 1010 ~~[(f) the list of approved projects under Section 63N-2-213.5 and the aggregate value of~~
- 1011 ~~the tax credit certificates issued related to contributions to those approved projects; and]~~
- 1012 ~~[(g)]~~ (f) recommendations regarding the effectiveness of the program and any
- 1013 suggestions for legislation.

1014 Section 27. Section **63N-2-204** is amended to read:

1015 **63N-2-204. Criteria for designation of enterprise zones -- Application.**

1016 (1) A county applicant seeking designation as an enterprise zone shall file an

1017 application with the office that, in addition to complying with the other requirements of this

1018 part:

- 1019 (a) verifies that the county has a population of not more than 70,000; and
- 1020 (b) provides clear evidence of the need for development in the county.

1021 (2) A municipal applicant seeking designation as an enterprise zone shall file an

1022 application with the office that, in addition to complying with other requirements of this part:

- 1023 (a) verifies that the municipality has a population that does not exceed 20,000;
- 1024 (b) verifies that the municipality is within a county that has a population of not more
- 1025 than 70,000; and

1026 (c) provides clear evidence of the need for development in the municipality.

1027 (3) An application filed under Subsection (1) or (2) shall be in a form and in

1028 accordance with procedures approved by the office, and shall include the following  
1029 information:

1030 (a) a plan developed by the county applicant or municipal applicant that identifies local  
1031 contributions meeting the requirements of Section 63N-2-205;

1032 (b) the county applicant or municipal applicant has a development plan that outlines:

1033 (i) the types of investment and development within the zone that the county applicant  
1034 or municipal applicant expects to take place if the incentives specified in this part are provided;

1035 (ii) the specific investment or development reasonably expected to take place;

1036 (iii) any commitments obtained from businesses;

1037 (iv) the projected number of jobs that will be created and the anticipated wage level of  
1038 those jobs;

1039 (v) any proposed emphasis on the type of jobs created, including any affirmative action  
1040 plans; and

1041 (vi) a copy of the county applicant's or municipal applicant's economic development  
1042 plan to demonstrate coordination between the zone and overall county or municipal goals;

1043 (c) the county applicant's or municipal applicant's proposed means of assessing the  
1044 effectiveness of the development plan or other programs within the zone once they have been  
1045 implemented within the zone;

1046 (d) any additional information required by the office; and

1047 (e) any additional information the county applicant or municipal applicant considers  
1048 relevant to its designation as an enterprise zone.

1049 (4) On or after January 1, 2021, no new enterprise zones shall be designated.

1050 Section 28. Section 63N-2-208 is amended to read:

1051 **63N-2-208. Duration of designation.**

1052 (1) Each enterprise zone has a duration of five years~~[, at the end of which the county~~  
1053 ~~may reapply for the designation]~~.

1054 (2) On or after January 1, 2021, neither a municipality nor a county may reapply for an

1055 enterprise zone designation for an enterprise zone that has reached the end of the enterprise  
1056 zone's five-year duration.

1057 Section 29. Section **63N-2-213** is amended to read:

1058 **63N-2-213. State tax credits.**

1059 (1) The office shall certify a business entity's eligibility for a tax credit described in this  
1060 section.

1061 (2) A business entity seeking to receive a tax credit as provided in this section shall  
1062 provide the office with:

1063 (a) an application for a tax credit certificate in a form approved by the office, including  
1064 a certification, by an officer of the business entity, of a signature on the application; and

1065 (b) documentation that demonstrates the business entity has met the requirements to  
1066 receive the tax credit.

1067 (3) If, after review of an application and documentation provided by a business entity  
1068 as described in Subsection (2), the office determines that the application and documentation are  
1069 inadequate to provide a reasonable justification for authorizing the tax credit, the office shall:

1070 (a) deny the tax credit; or

1071 (b) inform the business entity that the application or documentation was inadequate  
1072 and ask the business entity to submit additional documentation.

1073 (4) If, after review of an application and documentation provided by a business entity  
1074 as described in Subsection (2), the office determines that the application and documentation  
1075 provide reasonable justification for authorizing a tax credit, the office shall:

1076 (a) determine the amount of the tax credit to be granted to the business entity;

1077 (b) issue a tax credit certificate to the business entity; and

1078 (c) provide a duplicate copy of the tax credit certificate to the State Tax Commission.

1079 (5) A business entity may not claim a tax credit under this section unless the business  
1080 entity has a tax credit certificate issued by the office.

1081 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

1082 office shall make rules describing:

1083 (a) the form and content of an application for a tax credit under this section;

1084 (b) the documentation requirements for a business entity to receive a tax credit  
1085 certificate under this section; and

1086 (c) administration of the program, including relevant timelines and deadlines.

1087 (7) Subject to the limitations of Subsections (8) through (10), and if the requirements  
1088 of this part are met, the following nonrefundable tax credits against a tax under Title 59,  
1089 Chapter 7, Corporate Franchise and Income Taxes, or Title 59, Chapter 10, Individual Income  
1090 Tax Act, are applicable in an enterprise zone:

1091 (a) a tax credit of \$750 may be claimed by a business entity for each new full-time  
1092 employee position created within the enterprise zone;

1093 (b) an additional \$500 tax credit may be claimed if the new full-time employee position  
1094 created within the enterprise zone pays at least 125% of:

1095 (i) the county average monthly nonagricultural payroll wage for the respective industry  
1096 as determined by the Department of Workforce Services; or

1097 (ii) if the county average monthly nonagricultural payroll wage is not available for the  
1098 respective industry, the total average monthly nonagricultural payroll wage in the respective  
1099 county where the enterprise zone is located;

1100 (c) an additional tax credit of \$750 may be claimed if the new full-time employee  
1101 position created within the enterprise zone is in a business entity that adds value to agricultural  
1102 commodities through manufacturing or processing;

1103 (d) an additional tax credit of \$200 may be claimed [~~for two consecutive years~~] for  
1104 each new full-time employee position created within the enterprise zone that is filled by an  
1105 employee who is insured under an employer-sponsored health insurance program if the  
1106 employer pays at least 50% of the premium cost for the year for which the credit is claimed;

1107 (e) a tax credit of 25% of the first \$200,000 spent on rehabilitating a building in the  
1108 enterprise zone that has been vacant for two years or more, including that the building has had

1109 or contained no occupants, tenants, furniture, or personal property for two years or more, in the  
1110 time period immediately before the rehabilitation; and

1111 (f) an annual investment tax credit [~~of 10%~~] may be claimed in an amount equal to 5%  
1112 of the first [\$250,000 in investment, and 5% of the next \$1,000,000] \$750,000 qualifying  
1113 investment in plant, equipment, or other depreciable property.

1114 (8) (a) Subject to the limitations of Subsection (8)(b), a business entity claiming a tax  
1115 credit under Subsections (7)(a) through (d) may claim the tax credit for no more than 30  
1116 full-time employee positions in a taxable year.

1117 (b) A business entity that received a tax credit for one or more new full-time employee  
1118 positions under Subsections (7)(a) through (d) in a prior taxable year may claim a tax credit for  
1119 a new full-time employee position in a subsequent taxable year under Subsections (7)(a)  
1120 through (d) if:

1121 (i) the business entity has created a new full-time position within the enterprise zone;  
1122 and

1123 (ii) the total number of [~~full-time~~] employee positions at the business entity at any  
1124 point during the tax year for which the tax credit is being claimed is greater than the highest  
1125 number of [~~full-time~~] employee positions that existed at the business entity in the previous  
1126 [~~three~~] taxable [~~years~~] year.

1127 (c) Construction jobs are not eligible for the tax credits under Subsections (7)(a)  
1128 through (d).

1129 (9) If the amount of a tax credit under this section exceeds a business entity's tax  
1130 liability under this chapter for a taxable year, the business entity may carry forward the amount  
1131 of the tax credit exceeding the liability for a period that does not exceed the next three taxable  
1132 years.

1133 (10) Tax credits under Subsections (7)(a) through (f) may not be claimed by a business  
1134 entity primarily engaged in retail trade or by a public utilities business.

1135 (11) A business entity that has no employees:

1136 (a) may not claim tax credits under Subsections (7)(a) through (d); and

1137 (b) may claim tax credits under Subsections (7)(e) through (f).

1138 (12) (a) A business entity may not claim or carry forward a tax credit available under  
 1139 this part for a taxable year during which the business entity has claimed the targeted business  
 1140 income tax credit available under Section 63N-2-304.

1141 (b) A business entity may not claim or carry forward a tax credit available under this  
 1142 section for a taxable year during which the business entity claims or carries forward a tax credit  
 1143 available under Section 59-7-610 or 59-10-1007.

1144 (13) (a) On or before November 30, 2018, and every three years after 2018, the  
 1145 Revenue and Taxation Interim Committee shall review the tax credits provided by this section  
 1146 and make recommendations concerning whether the tax credits should be continued, modified,  
 1147 or repealed.

1148 (b) In conducting the review required by Subsection (13)(a), the Revenue and Taxation  
 1149 Interim Committee shall:

1150 (i) schedule time on at least one committee agenda to conduct the review;

1151 (ii) invite state agencies, individuals, and organizations concerned with the credits  
 1152 under review to provide testimony;

1153 (iii) ensure that the recommendations described in this section include an evaluation of:

1154 (A) the cost of the tax credits to the state;

1155 (B) the purpose and effectiveness of the tax credits; and

1156 (C) the extent to which the state benefits from the tax credits; and

1157 (iv) undertake other review efforts as determined by the chairs of the Revenue and  
 1158 Taxation Interim Committee.

1159 Section 30. Section 63N-4-104 is amended to read:

1160 **63N-4-104. Duties.**

1161 (1) The Office of Rural Development shall:

1162 (a) provide staff support to the Governor's Rural Partnership Board in accordance with

1163 Subsection [63C-10-102](#)(6);

1164 (b) facilitate within GOED the implementation of the strategic plan prepared under  
1165 Subsection [63C-10-103](#)(1)(b);

1166 (c) work to enhance the capacity of GOED to address rural economic development,  
1167 planning, and leadership training challenges and opportunities by establishing partnerships and  
1168 positive working relationships with appropriate public and private sector entities, individuals,  
1169 and institutions;

1170 (d) work with the Governor's Rural Partnership Board to coordinate and focus  
1171 available resources in ways that address the economic development, planning, and leadership  
1172 training challenges and priorities in rural Utah; ~~[and]~~

1173 (e) assist the Governor's Rural Partnership Board in administering the Rural County  
1174 Grant Program created in Section [17-54-103](#), including, as described in Subsection  
1175 [17-54-103](#)(10), compiling reported information regarding the program for inclusion in GOED's  
1176 annual written report described in Section [63N-1-301](#); and

1177 ~~[(e)]~~ (f) in accordance with economic development and planning policies set by state  
1178 government, coordinate relations between:

1179 (i) the state;

1180 (ii) rural governments;

1181 (iii) other public and private groups engaged in rural economic planning and  
1182 development; and

1183 (iv) federal agencies.

1184 (2) (a) The Office of Rural Development may:

1185 (i) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
1186 make rules necessary to carry out its duties;

1187 (ii) accept gifts, grants, devises, and property, in cash or in kind, for the benefit of rural  
1188 Utah citizens; and

1189 (iii) use those gifts, grants, devises, and property received under Subsection (2)(a)(ii)



1190 for the use and benefit of rural citizens within the state.

1191 (b) All resources received under Subsection (2)(a)(ii) shall be deposited in the General  
1192 Fund as dedicated credits to be used as directed in Subsection (2)(a)(iii).

1193 Section 31. Section **63N-4-701** is enacted to read:

1194 **Part 7. Rural Speculative Industrial Building Program**

1195 **63N-4-701. Title.**

1196 This part is known as the "Rural Speculative Industrial Building Program."

1197 Section 32. Section **63N-4-702** is enacted to read:

1198 **63N-4-702. Definitions.**

1199 As used in this part:

1200 (1) "Entity" means a county, city, or private company.

1201 (2) "Lease" means a legal contract entered into by the office and a lessor of a rural  
1202 speculative industrial building before the construction of a rural speculative industrial building.

1203 (3) "Program" means the Rural Speculative Industrial Building Program created in  
1204 Section [63N-4-703](#).

1205 (4) "Rural speculative industrial building" means an industrial facility that is  
1206 constructed with the support of the program in a rural area and that does not have a private  
1207 entity tenant at the time construction begins.

1208 (5) "Rural area" means any area in a county of the state, except for an area in Salt Lake,  
1209 Utah, Davis, Weber, Washington, Cache, Tooele, or Summit counties.

1210 Section 33. Section **63N-4-703** is enacted to read:

1211 **63N-4-703. Creation and purpose of the Rural Speculative Industrial Building  
1212 Program.**

1213 (1) There is created the Rural Speculative Industrial Building Program administered by  
1214 the office.

1215 (2) In administering the program, the office shall encourage the construction of rural  
1216 speculative industrial buildings by private developers in one or more rural areas to attract new

1217 or expanding businesses into rural areas.

1218 Section 34. Section **63N-4-704** is enacted to read:

1219 **63N-4-704. Requirements for entering into a lease.**

1220 (1) In accordance with the provisions of this part and in accordance with Title 63G,  
1221 Chapter 3, Utah Administrative Rulemaking Act, the office shall make rules establishing the  
1222 eligibility and reporting criteria for an applicant to participate in the program as a lessor of a  
1223 rural speculative industrial building, including:

1224 (a) the form and process of submitting an application to the office;

1225 (b) the eligibility requirements of an applicant;

1226 (c) the method and formula for determining lease terms between the office and a lessor  
1227 of a rural speculative industrial building; and

1228 (d) the reporting requirements of participants in the program.

1229 (2) In determining whether to approve an application for participation in the program,  
1230 the office may prioritize a project:

1231 (a) that will serve underprivileged or underserved communities, including communities  
1232 with high unemployment or low median incomes;

1233 (b) where an applicant demonstrates comprehensive planning of the project, including  
1234 a business case;

1235 (c) where the applicant, as determined by the office, is likely to have success in  
1236 attracting a tenant to assume the office's lease of a rural speculative industrial building in a  
1237 short amount of time; and

1238 (d) that maximizes economic development opportunities in accordance with the  
1239 economic development needs or plans of a county or a municipality.

1240 (3) Subject to legislative appropriation, a lease may only be entered into by the office  
1241 if:

1242 (a) the executive director, after consultation with the board, approves entering into the  
1243 lease;

1244 (b) the local municipal entity supports the program through the provision of local  
1245 incentives, reduced impact fees, or other monetary support for the rural speculative industrial  
1246 building; and

1247 (c) the lease terms are not more than \$100,000 per year with a maximum five-year  
1248 lease term.

1249 (4) The office shall include in the annual written report described in Section  
1250 63N-1-301:

1251 (a) an overview of each lease entered into under this program; and

1252 (b) the success of this program in attracting new or expanding businesses into rural  
1253 areas.

1254 Section 35. Section **67-19-15** is amended to read:

1255 **67-19-15. Career service -- Exempt positions -- Schedules for civil service**  
1256 **positions -- Coverage of career service provisions.**

1257 (1) Except as otherwise provided by law or by rules and regulations established for  
1258 federally aided programs, the following positions are exempt from the career service provisions  
1259 of this chapter and are designated under the following schedules:

1260 (a) schedule AA includes the governor, members of the Legislature, and all other  
1261 elected state officers;

1262 (b) schedule AB includes appointed executives and board or commission executives  
1263 enumerated in Section [67-22-2](#);

1264 (c) schedule AC includes all employees and officers in:

1265 (i) the office and at the residence of the governor;

1266 [~~(ii) the Utah Science Technology and Research Initiative (USTAR);~~]

1267 [~~(iii)~~] (ii) the Public Lands Policy Coordinating Council;

1268 [~~(iv)~~] (iii) the Office of the State Auditor; and

1269 [~~(v)~~] (iv) the Office of the State Treasurer;

1270 (d) schedule AD includes employees who:

- 1271 (i) are in a confidential relationship to an agency head or commissioner; and  
1272 (ii) report directly to, and are supervised by, a department head, commissioner, or  
1273 deputy director of an agency or its equivalent;
- 1274 (e) schedule AE includes each employee of the State Board of Education that the State  
1275 Board of Education designates as exempt from the career service provisions of this chapter;
- 1276 (f) schedule AG includes employees in the Office of the Attorney General who are  
1277 under their own career service pay plan under Sections 67-5-7 through 67-5-13;
- 1278 (g) schedule AH includes:
- 1279 (i) teaching staff of all state institutions; and  
1280 (ii) employees of the Utah Schools for the Deaf and the Blind who are:
- 1281 (A) educational interpreters as classified by the department; or  
1282 (B) educators as defined by Section 53E-8-102;
- 1283 (h) schedule AN includes employees of the Legislature;
- 1284 (i) schedule AO includes employees of the judiciary;
- 1285 (j) schedule AP includes all judges in the judiciary;
- 1286 (k) schedule AQ includes:
- 1287 (i) members of state and local boards and councils appointed by the governor and  
1288 governing bodies of agencies;
- 1289 (ii) a water commissioner appointed under Section 73-5-1;
- 1290 (iii) other local officials serving in an ex officio capacity; and  
1291 (iv) officers, faculty, and other employees of state universities and other state  
1292 institutions of higher education;
- 1293 (l) schedule AR includes employees in positions that involve responsibility:
- 1294 (i) for determining policy;
- 1295 (ii) for determining the way in which a policy is carried out; or  
1296 (iii) of a type not appropriate for career service, as determined by the agency head with  
1297 the concurrence of the executive director;

- 1298 (m) schedule AS includes any other employee:
- 1299 (i) whose appointment is required by statute to be career service exempt;
- 1300 (ii) whose agency is not subject to this chapter; or
- 1301 (iii) whose agency has authority to make rules regarding the performance,
- 1302 compensation, and bonuses for its employees;
- 1303 (n) schedule AT includes employees of the Department of Technology Services,
- 1304 designated as executive/professional positions by the executive director of the Department of
- 1305 Technology Services with the concurrence of the executive director;
- 1306 (o) schedule AU includes patients and inmates employed in state institutions;
- 1307 (p) employees of the Department of Workforce Services, designated as schedule AW:
- 1308 (i) who are temporary employees that are federally funded and are required to work
- 1309 under federally qualified merit principles as certified by the director; or
- 1310 (ii) for whom substantially all of their work is repetitive, measurable, or transaction
- 1311 based, and who voluntarily apply for and are accepted by the Department of Workforce
- 1312 Services to work in a pay for performance program designed by the Department of Workforce
- 1313 Services with the concurrence of the executive director; and
- 1314 (q) for employees in positions that are temporary, seasonal, time limited, funding
- 1315 limited, or variable hour in nature, under schedule codes and parameters established by the
- 1316 department by administrative rule.
- 1317 (2) The civil service shall consist of two schedules as follows:
- 1318 (a) (i) Schedule A is the schedule consisting of positions under Subsection (1).
- 1319 (ii) Removal from any appointive position under schedule A, unless otherwise
- 1320 regulated by statute, is at the pleasure of the appointing officers without regard to tenure.
- 1321 (b) Schedule B is the competitive career service schedule, consisting of:
- 1322 (i) all positions filled through competitive selection procedures as defined by the
- 1323 executive director; or
- 1324 (ii) positions filled through a department approved on-the-job examination intended to

1325 appoint a qualified person with a disability, or a veteran in accordance with Title 71, Chapter  
1326 10, Veterans Preference.

1327 (3) (a) The executive director, after consultation with the heads of concerned executive  
1328 branch departments and agencies and with the approval of the governor, shall allocate positions  
1329 to the appropriate schedules under this section.

1330 (b) Agency heads shall make requests and obtain approval from the executive director  
1331 before changing the schedule assignment and tenure rights of any position.

1332 (c) Unless the executive director's decision is reversed by the governor, when the  
1333 executive director denies an agency's request, the executive director's decision is final.

1334 (4) (a) Compensation for employees of the Legislature shall be established by the  
1335 directors of the legislative offices in accordance with Section [36-12-7](#).

1336 (b) Compensation for employees of the judiciary shall be established by the state court  
1337 administrator in accordance with Section [78A-2-107](#).

1338 (c) Compensation for officers, faculty, and other employees of state universities and  
1339 institutions of higher education shall be established as provided in Title 53B, Chapter 1,  
1340 Governance, Powers, Rights, and Responsibilities, and Title 53B, Chapter 2, Institutions of  
1341 Higher Education.

1342 (d) Unless otherwise provided by law, compensation for all other schedule A  
1343 employees shall be established by their appointing authorities, within ranges approved by, and  
1344 after consultation with the executive director of the Department of Human Resource  
1345 Management.

1346 (5) An employee who is in a position designated schedule AC and who holds career  
1347 service status on June 30, 2010, shall retain the career service status if the employee:

1348 (a) remains in the position that the employee is in on June 30, 2010; and

1349 (b) does not elect to convert to career service exempt status in accordance with a rule  
1350 made by the department.

1351 Section 36. **Repealer.**

- 1352 This bill repeals:
- 1353 Section **13-1-14, Workforce Development Restricted Account.**
- 1354 Section **59-7-614.11, Nonrefundable nonprofit contribution tax credit.**
- 1355 Section **59-10-1039, Nonrefundable nonprofit contribution tax credit.**
- 1356 Section **63M-2-101, Title.**
- 1357 Section **63M-2-102, Definitions.**
- 1358 Section **63M-2-301, The Utah Science Technology and Research Initiative --**
- 1359 **Governing authority -- Program director.**
- 1360 Section **63M-2-302, USTAR powers and duties.**
- 1361 Section **63M-2-302.5, USTAR requirements.**
- 1362 Section **63M-2-304, Background checks for employees.**
- 1363 Section **63M-2-501, Title.**
- 1364 Section **63M-2-502, Principal researchers -- Agreement requirements --**
- 1365 **Discontinuing funding.**
- 1366 Section **63M-2-503, USTAR grant programs.**
- 1367 Section **63M-2-504, Other USTAR support.**
- 1368 Section **63M-2-601, Title.**
- 1369 Section **63M-2-602, Lease agreement for a research building -- Requirements for**
- 1370 **lease agreement.**
- 1371 Section **63M-2-701, Title.**
- 1372 Section **63M-2-703, Reporting requirements for private entities.**
- 1373 Section **63M-2-801, Title.**
- 1374 Section **63M-2-802, USTAR annual report.**
- 1375 Section **63M-2-803, Audit requirements.**
- 1376 Section **63N-2-213.5, State tax credits for contributions to a nonprofit corporation.**
- 1377 Section **63N-3-104, Rural Fast Track Program -- Creation -- Funding --**
- 1378 **Qualifications for program participation -- Awards -- Reports.**

1379 Section **63N-3-104.5, Business Expansion and Retention Initiative -- Creation --**  
1380 **Funding -- Qualifications for program participation -- Awards -- Reports.**

1381 Section 37. **Appropriation.**

1382 Subsection 37(a). **Appropriation for fiscal year 2020.**

1383 The following sums of money are appropriated for the fiscal year beginning July 1,  
1384 2019, and ending June 30, 2020. These are additions to amounts previously appropriated for  
1385 fiscal year 2020.

1386 The Legislature authorizes the State Division of Finance to transfer the following  
1387 amounts to the unrestricted General Fund, Education Fund, or Uniform School Fund, as  
1388 indicated, from the restricted funds or accounts indicated. Expenditures and outlays from the  
1389 General Fund, Education Fund, or Uniform School Fund must be authorized by an  
1390 appropriation.

1391 ITEM 1

1392 To General Fund

1393 From Nonlapsing Balances -- USTAR -- Support Programs \$1,436,200

1394 Schedule of Programs:

1395 General Fund, One-time \$1,436,200

1396 ITEM 2

1397 To General Fund

1398 From Nonlapsing Balances -- USTAR -- Grant Programs \$1,765,200

1399 Schedule of Programs:

1400 General Fund, One-time \$1,765,200

1401 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the  
1402 Legislature appropriates the following sums of money from the funds or accounts indicated for  
1403 the use and support of the government of the state of Utah.

1404 ITEM 3

1405 To Utah Science Technology and Research Governing Authority -- USTAR



1406	<u>Administration</u>	
1407	<u>From General Fund, One-time</u>	<u>(\$1,512,500)</u>
1408	<u>Schedule of Programs:</u>	
1409	<u>Administration</u>	<u>(\$330,300)</u>
1410	<u>Project Management &amp; Compliance</u>	<u>(\$1,182,200)</u>
1411	<u>ITEM 4</u>	
1412	<u>To General Fund Restricted -- Workforce Development Restricted Account</u>	
1413	<u>From General Fund, One-time</u>	<u>(\$11,931,000)</u>
1414	<u>Schedule of Programs:</u>	
1415	<u>Workforce Development Restricted Account</u>	<u>(\$11,931,000)</u>
1416	<b>Subsection 37(b). Appropriation for fiscal year 2021.</b>	
1417	<u>The following sums of money are appropriated for the fiscal year beginning July 1,</u>	
1418	<u>2020, and ending June 30, 2021. These are additions to amounts previously appropriated for</u>	
1419	<u>fiscal year 2021. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures</u>	
1420	<u>Act, the Legislature appropriates the following sums of money from the funds or accounts</u>	
1421	<u>indicated for the use and support of the government of the state of Utah.</u>	
1422	<u>ITEM 1</u>	
1423	<u>To Utah Science Technology and Research Governing Authority -- USTAR</u>	
1424	<u>Administration</u>	
1425	<u>From General Fund</u>	<u>(\$1,788,400)</u>
1426	<u>Schedule of Programs:</u>	
1427	<u>Administration</u>	<u>(\$606,200)</u>
1428	<u>Project Management &amp; Compliance</u>	<u>(\$1,182,200)</u>
1429	<u>ITEM 2</u>	
1430	<u>To Utah Science Technology and Research Governing Authority -- Support Programs</u>	
1431	<u>From General Fund</u>	<u>(\$31,600)</u>
1432	<u>Schedule of Programs:</u>	

**S.B. 95****Enrolled Copy**

1433	<u>Regional Outreach</u>	<u>(\$13,100)</u>
1434	<u>SBIR/STTR Assistance Center</u>	<u>(\$7,900)</u>
1435	<u>Incubation Programs</u>	<u>(\$10,600)</u>
1436	<u>ITEM 3</u>	
1437	<u>To General Fund Restricted -- Workforce Development Restricted Account</u>	
1438	<u>From General Fund</u>	<u>(\$14,636,900)</u>
1439	<u>Schedule of Programs:</u>	
1440	<u>Workforce Development Restricted Account</u>	<u>(\$14,636,900)</u>
1441	<u>ITEM 4</u>	
1442	<u>To Governor's Office of Economic Development -- Rural County Grant Program</u>	
1443	<u>From General Fund</u>	<u>\$4,600,000</u>
1444	<u>Schedule of Programs:</u>	
1445	<u>Rural County Grant Program</u>	<u>\$4,600,000</u>
1446	<u>ITEM 5</u>	
1447	<u>To Governor's Office of Economic Development -- Rural County Grant Program</u>	
1448	<u>From General Fund, One-time</u>	<u>\$3,400,000</u>
1449	<u>Schedule of Programs:</u>	
1450	<u>Rural County Grant Program</u>	<u>\$3,400,000</u>
1451	<u>ITEM 6</u>	
1452	<u>To Governor's Office of Economic Development -- Rural Coworking and Innovation</u>	
1453	<u>Center Grant Program</u>	
1454	<u>From General Fund</u>	<u>\$250,000</u>
1455	<u>Schedule of Programs:</u>	
1456	<u>Rural Coworking and Innovation Center Grant</u>	
1457	<u>Program</u>	<u>\$250,000</u>
1458	<u>ITEM 7</u>	
1459	<u>To Governor's Office of Economic Development -- Rural Coworking and Innovation</u>	

1460	<u>Center Grant Program</u>	
1461	<u>From General Fund, One-time</u>	<u>\$2,000,000</u>
1462	<u>Schedule of Programs:</u>	
1463	<u>Rural Coworking and Innovation Center Grant</u>	
1464	<u>Program</u>	<u>\$2,000,000</u>
1465	<u>ITEM 8</u>	
1466	<u>To Governor's Office of Economic Development -- Business Development</u>	
1467	<u>From General Fund</u>	<u>\$250,000</u>
1468	<u>Schedule of Programs:</u>	
1469	<u>Rural Speculative Industrial Building Program</u>	<u>\$250,000</u>
1470	<u>ITEM 9</u>	
1471	<u>To Governor's Office of Economic Development -- Pass-through</u>	
1472	<u>From General Fund</u>	<u>(\$385,600)</u>
1473	<u>From Dedicated Credits Revenue</u>	<u>(\$16,100)</u>
1474	<u>Schedule of Programs:</u>	
1475	<u>Pass-through</u>	<u>(\$401,700)</u>
1476	<u>ITEM 10</u>	
1477	<u>To Governor's Office of Economic Development -- SBIR/STTR Center</u>	
1478	<u>From General Fund</u>	<u>\$385,600</u>
1479	<u>From Dedicated Credits Revenue</u>	<u>\$16,100</u>
1480	<u>Schedule of Programs:</u>	
1481	<u>SBIR/STTR Center</u>	<u>\$401,700</u>
1482	<u>The Legislature intends that any remaining money in the Workforce Development</u>	
1483	<u>Restricted Account and any remaining money in USTAR accounts that has not been</u>	
1484	<u>specifically appropriated for other purposes in fiscal year 2021 be deposited into the General</u>	
1485	<u>Fund.</u>	
1486	<b>Section 38. Retrospective operation.</b>	

1487           The repeal of Sections [59-7-614.11](#), [59-10-1039](#), and [63N-2-213.5](#) in this bill have  
1488 retrospective operation for a taxable year beginning on or after January 1, 2020.

1489           Section 39. **Effective date.**

1490           (1) Except as provided in Subsection (2), this bill takes effect on July 1, 2020.

1491           (2) Uncodified Subsection 37(a), Appropriation for Fiscal Year 2020, takes effect on  
1492 May 12, 2020.

1493           Section 40. **Coordinating S.B. 95 with S.B. 72 -- Substantive and technical**  
1494 **amendments.**

1495           If this S.B. 95 and S.B. 72, Revisor's Technical Corrections to Utah Code, both pass  
1496 and become law, it is the intent of the Legislature that on July 1, 2020, the amendments to  
1497 Sections [59-7-610](#) and [59-10-1007](#) in this bill supersede the amendments to Sections [59-7-610](#)  
1498 and [59-10-1007](#) in S.B. 72, when the Office of Legislative Research and General Counsel  
1499 prepares the Utah Code database for publication.

1500           Section 41. **Coordinating S.B. 95 with H.B. 179 -- Substantive and technical**  
1501 **amendments.**

1502           If this S.B. 95 and H.B. 179, Recycling Market Development Zone Tax Credit  
1503 Amendments, both pass and become law, it is the intent of the Legislature that on July 1, 2020,  
1504 the amendments to Section [63I-1-263](#) in this bill supersede the amendments to Section  
1505 [63I-1-263](#) in H.B. 179, when the Office of Legislative Research and General Counsel prepares  
1506 the Utah Code database for publication.



## Staff Report

**To:** Summit County Council

**From:** Jeffrey B. Jones, AICP, Econ. Development & Housing Director

**Re:** S.B. 95 Economic Development Amendments/Rural County Grant

**Type of Item:** Work Session

**Meeting Date:** Wednesday, July 1, 2020

### BACKGROUND/EXISTING CONDITIONS

The state's Rural County Grant Program was established by the passage of Senate Bill 95 ([State of Utah code 17-54-101](#)) during the 2020 General Session of the Legislature. That measure – sponsored by Sen. Scott Sandall, R-Tremonton – was intended to address a widening gulf in commercial growth between Utah's rural and metropolitan areas.

To begin adjusting the balance of Utah's economic development, Senate Bill 95 created the Rural County Grant Program. Under the program, Rural counties in the State of Utah of the **third (Summit County)**, fourth, fifth, or sixth class are eligible to apply for the Rural County Grant. Under the grant, Utah's 24 counties would be eligible receive at least \$200,000, with the option to compete for up to \$1 million that would go toward locally developed projects.

Effective July 1, 2020, the Utah Governor's Office of Economic Development (GOED), through the Office of Rural Development (ORD), will administer the Rural County Grant Program. Oversight for the grant program will be by the Governor's Rural Partnership Board.

Rural County Grants are awarded to rural counties by the executive director of the Governor's Office of Economic Development after review and recommendation of the Governor's Rural Partnership Board.

Funding for the Rural County Grant Program is being reallocated from the now-defunct Utah Science, Technology and Research Initiative (USTAR).

The Rural County Grant Program is designed to address the economic development needs of rural counties, which needs may include:

- Business recruitment, development and expansion
- Workforce training and development; and,
- infrastructure and capital facilities improvements for business development

The Rural County Grant Program consists of two distinct parts. They are:

- **Part A:** Annual Distribution—grant funding of up to and including \$200,000 annually, distributed equally to each qualifying rural county, and
- **Part B:** Competitive Award—grant funding, obtained by competitive application, which exceeds the \$200,000 Annual Distribution, up to an overall amount not to exceed \$800,000 per year for a single county.

**However, the COVID-19 pandemic has negatively impacted State budgets for 2020. As such, the part A distribution for 2020 has been reduced from \$200,000 to \$95,000 and there will be zero dollars allocated in support of Part B.**

Part A: grant funds are distributed equally to each qualifying rural county on the state fiscal year calendar of July 1 through June 30.

QUALIFYING REQUIREMENTS For Part A: Annual Distribution:

- A rural county **must form and have a functioning County Economic Development Advisory Board (CED Board)**
- A formal application must be submitted by the county legislative body through the Governor’s Office of Economic Development;
- The application must include a description of anticipated economic development projects and activities approved by the legislative body, based upon recommendation of the CED Board, to include:
  - Scope of Work
  - Project and Activities Budget
  - Deliverables and Outcomes

For the **initial** Part A grant offering there will be no matching fund or reporting requirements by the applying rural county. However, beginning in 2021, and in subsequent years, a rural county may not receive an additional Rural County Grant Part A unless the rural county:

- Demonstrates a funding match, which may be provided by any combination of:
  - A community reinvestment agency

- Redevelopment agency
- Community development and renewal agency
- Private-sector entity
- Nonprofit entity
- Federal matching grant
- County or municipality general fund match, or in-kind match; and that totals:
  - 10% match for a county of the sixth class;
  - 20% match for a county of the fifth class;
  - 30% match for a county of the fourth class; and
  - **40% match for a county of the third class;**
- Has complied with the reporting requirements of the Governor's Rural Partnership Board, and
- Has complied with reporting requirement for all previous years the county has received a grant.

### **County Economic Development Advisory Board (CED Board)**

"CED board" means a County Economic Development Advisory Board as described in [Utah Code Section 17-54-104](#).

Each rural county that seeks to obtain a Rural County Grant shall create a CED board composed of at least the following members appointed by the county legislative body:

- A county representative;
- A representative of a municipality in the county;
- A workforce development representative;
- A private-sector representative; and
- A member of the public who lives in the county

The county legislative body may also appoint additional members with experience or expertise in economic development matters. In appointing members of the CED board, the county legislative body may consider gender and socioeconomic diversity.

### **Roles and Responsibilities**

Each CED board shall assist and advise the county legislative body on:

1. Applying for a Rural County Grant;
2. What projects should be funded by grant money provided to a rural county under the program; and
3. Preparing reporting requirements for grant money received by a rural county under the program.

County Economic Development Advisory Boards (CED Boards) are subject to the Utah Open and Public Meetings Act (52-4-101-104, 201-210, 301-304), and are expected to abide by ethics in governance, and conflict of interest practices.

### **Appointment and Terms of CED Board Members**

- The county legislative body shall appoint each new member or reappointed member to a four-year term. It is encouraged that an appointed member of the CED Board be limited to serving two (2) consecutive terms.
- The county legislative body shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of advisory committee members appointed by the county legislative body are staggered so that approximately half of the appointed advisory committee members are appointed every two years.
- The CED Board shall elect a chair of the advisory board. It is encouraged that a CED Board Chair serves for no more than two (2) consecutive years. The CED Board shall elect annually a vice chair from the advisory board's members.
- When a vacancy occurs in the membership for any reason, the county legislative body shall appoint the replacement for the unexpired term.
- A majority of the CED Board constitutes a quorum for the purpose of conducting advisory board business and the action of a majority of a quorum constitutes the action of the advisory committee.

### **APPLICATION**

A county may apply for Part A: Annual Distribution two (2) months prior to the beginning of each fiscal year. Applicants will be encouraged to design new economic development projects and activities, and budget grant funding based on the economic development needs of the county, including the needs of cities and towns within its boundaries.

Counties are required to provide a project description and a scope of work, a budget, and expected deliverables and outcomes. The county applicant will also propose measurable standards for reporting the use of the grant funds.

Upon application approval, the State of Utah and the applying rural county will enter into an agreement for the Rural County Grant Program Part A: Annual Distribution. The terms of an agreement under Part A are set to match the



state's fiscal year, beginning July 1 of one year and ending June 30 of the following year.

Applications are to be reviewed and approved so that counties may use the grant funds as soon as the fiscal year begins.

## **REPORTING**

Each CED board within a county shall assist and advise the county legislative body in preparing reporting requirements for grant money received by a rural county under the program, and as required by the Governor's Rural Partnership Board.

Required by the Governor's Rural Partnership Board On or before September 1 of each year, a county that has received a grant under this program, including a Rural County Grant Part A, in the previous 12 months shall provide a written report to the rural partnership board that describes:

- The amount of grant money the county has received;
- How grant money has been distributed by the county, including
  - what companies or entities have utilized grant money,
  - how much grant money each company or entity has received, and
  - how each company or entity has used the money;
  - an evaluation of the effectiveness of awarded grants in improving economic development in the county, including
    - The number of jobs created
    - Infrastructure that has been created, and
    - Capital improvements in the county;
    - How much matching money has been utilized by the county and what entities have provided the matching money; and
    - Any other reporting, auditing, or post-performance requirements established by the Office of Rural Development in collaboration with the rural partnership board.

## **DIRECTION TO STAFF**

If Summit County wishes to participate in the Rural County Grant program, The County will need to establish a County Economic Development Advisory Board (CED Board), file the required application and select an eligible project. Staff is requesting direction from the County Council with regards to moving forward with the Rural Grant Program and establishing the required County Economic Development Advisory Board (CED Board).

## **ATTACHMENTS**

- S.B. 95 (Enrolled Copy)
- PowerPoint Presentation

**RESOLUTION #2020-13**

**A RESOLUTION BY THE SUMMIT COUNTY COUNCIL CREATING THE SUMMIT COUNTY ECONOMIC DEVELOPMENT ADVISORY BOARD**

**WHEREAS**, pursuant to Utah Code Annotated, Section 17-54-101, et. seq. "Rural County Grant Program", a county must create a County Economic Development Advisory Board in order to be eligible for the Rural County Grant Program; and

**WHEREAS**, the Rural County Grant Program's purpose is to award grants to address the economic development needs of rural counties, which needs may include business recruitment, development and expansion; workforce training and development; and business infrastructure and capital facilities improvements; and

**WHEREAS**, Summit County qualifies as a Class 3 rural county and desires to participate in the Rural County Grant Program to promote opportunities for investors, employers and those seeking to diversity the economy and strengthen the existing industries in the County; and

**WHEREAS**, Summit County desires to build leaders and inspire the next generation of sustainable business owners and entrepreneurs; and

**WHEREAS**, Summit County seeks input from County residents, business leaders and elected officials to prioritize economic development projects and opportunities in the County.

**NOW, THEREFORE, BE IT RESOLVED**, that Summit County, State of Utah, hereby creates the Summit County Economic Development Advisory Board as follows:

**SUMMIT COUNTY ECONOMIC DEVELOPMENT ADVISORY BOARD**

1. The Summit County Council hereby creates the "Summit County Economic Development Advisory Board" (the "Board") which shall act in an advisory capacity to the Summit County Council related to the duties set forth in Section (A)(6) below. There shall be no actual or apparent authority vested in this Board except for the authority granted herein.
2. The Board will be composed of at least the following members who will be appointed by the Summit County Council:
  - a. A County representative
  - b. A representative of a municipality in the County,
  - c. A workforce development representative,
  - d. A private-sector representative,
  - e. A county resident
3. The Summit County Council may also appoint additional members with experience or expertise in economic development matters.

4. In appointing members of the Board, the Summit County Council may consider gender and socioeconomic diversity.
5. Pursuant to Utah Code Annotated, Section 17-54-1 et. seq. (as amended), the Board shall assist and advise the Summit County Council on (a) applying for Rural County Grants; (b) what projects should be funded by grant money provided to the County under the Rural County Grant Program; and (c) preparing reporting requirements for grant money received by Summit County under the Rural County Grant Program.

## **B. APPOINTMENT AND TERMS OF BOARD MEMBERS**

1. The Summit County Council shall appoint each member of the Board.
2. In appointing initial members of the Board, the Summit County Council shall assign to half, or roughly half, of the initial Board members an initial term of two years. The Summit County Council shall assign to the other half, or roughly half, of the initial Board members an initial term of four years.
3. After the initial Board members' initial terms, all Board members shall serve four-year terms.
4. A person appointed to the Board is limited to serving two consecutive terms.
5. When a vacancy occurs in the membership of the Board for any reason other than the expiration of the Board member's term, the Summit County Council shall appoint a replacement to fill the unexpired term.
6. Members of the Board serve at the pleasure of the Summit County Council and may be removed and replaced at any time.

## **C. CONDUCTING OF BOARD BUSINESS**

1. The Board shall elect from its members a chair of the Board, who shall preside over and conduct all meetings. A person may not serve as chair of the Board for more than two consecutive years.
2. The Board shall elect annually from its members a vice-chair of the Board, who shall act as chair in the chair's absence.
3. A majority of the Board shall constitute a quorum for the purpose of conducting Board business, and the action of a majority of a quorum shall constitute the action of the Board.
4. The Board shall meet as needed. A notice of the time and place of each meeting shall be given to Board members not less than three (3) days in advance of the meeting.
5. All meetings of Board shall comply with the Utah open meetings laws as found in Utah Code Annotated, Section 52-4-101 et seq. (as amended).

6. Executive closed sessions may be scheduled whenever the chair deems such action permissible under the Utah open meetings act, and with the concurrence of the County attorney.
7. Written minutes of each open meeting shall be prepared, preserved and made available for public inspection.
8. Board members shall attend all meetings unless their absence is excused by the chair.
9. All decisions and recommendations to the County Council shall be made at a public meeting by motion, made and seconded and by a voice vote.

**D. INDEMNIFICATION:**

1. The county shall provide for the indemnification of any and all of the Board members against actual damages necessarily incurred by them in connection with the defense of any action, suit or proceeding, in which they or any one of them are made parties or a party, by reason of having been a Board member. If any Board member shall be adjudged in any action, suit or proceeding, to be liable for negligence or misconduct in the performance of their duties, there shall be no indemnification for that action and/or to such matters as shall be settled by agreement predicated on the existence of such liability for negligence or misconduct.

**E. CONDUCT OF BOARD MEMBERS:**

1. Ethical Principles: The following ethical principles shall guide the actions of the Board and its members in carrying out the powers and duties described above:
  - a. Serve the Public Interest: The primary obligation of the Board and each member is to serve the public interest.
  - b. Support Citizen Participation in Decision Making: The Board shall ensure a forum for meaningful citizen participation and expression in the process and assist in the clarification of community goals, objectives, and policies.
  - c. Recognize the Comprehensive and Long-Range Nature of Decisions: The Board and its members shall continuously gather and consider all relevant facts, alternatives and means of accomplishing them, and explicitly evaluate all consequences before making a recommendation or decision.
  - d. Facilitate Coordination Through the Process: The Board shall ensure that individuals and public and private agencies possibly affected by a prospective decision receive adequate information far enough in advance of the decision.
  - e. Avoid Conflict of Interest: Board members shall avoid conflicts of interest and even the appearance of impropriety. At the commencement of any matter

before the Board, members shall divulge in public, any past, present, or expected relationship with any party affiliated with such matter. A member with a potential conflict of interest shall abstain from voting on the matter, not participate in any deliberations on the matter, and leave the table, but may remain in the chamber. The member shall also not discuss the matter privately with any other official voting on the matter.

- f. **Render Thorough and Diligent Service:** If a Board member has not sufficiently reviewed relevant facts and advice affecting a public decision, that member should not participate in that decision.
- g. **Not Seek or Offer Favors:** A Board member must not directly or indirectly solicit any gift or accept or receive any gift (whether in money, services, loans, travel, entertainment, hospitality, promises, or in some other form) under circumstances in which it could be reasonably inferred that the gift was intended or could reasonably be expected to influence them in the performance of their duties or was intended as a reward for any recommendation or decision on their part.
- h. **Not Disclose or Improperly Use Confidential Information For Financial Gain:** A Board member shall not disclose or improperly use confidential information for financial gain, and must not disclose to others confidential information acquired in the course of their duties or use it to further a personal interest.
- i. **Ensure Full Disclosure at Public Meetings:** The Board shall ensure that the presentation of information on behalf of any party to a question occurs only at the scheduled public meeting on the question, not in private, unofficially, or with other interested parties absent, and must make partisan information regarding the question received in the mail or by telephone or other communication part of the public record.
- j. **Maintain Public Confidence:** A Board member must conduct himself/herself publicly so as to maintain public confidence in the public body, and the member's performance of the public trust.
- k. **Respect for and Courtesy to Other Board Members, Public and Staff:** Each Board member has the same rights and privileges as any other member. Any member has the right to be heard and to hear what others have to say about items being considered by the Board.

APPROVED AND ADOPTED this 29th day of July 2020.

SUMMIT COUNTY COUNCIL  
SUMMIT COUNTY, UTAH

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Doug Clyde, Council Chair

ATTEST:

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Kent Jones, County Clerk