

# HB0326S01 compared with HB0326

~~{deleted text}~~ shows text that was in HB0326 but was deleted in HB0326S01.

inserted text shows text that was not in HB0326 but was inserted into HB0326S01.

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Representative Robert M. Spendlove proposes the following substitute bill:

## STATE INNOVATION AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Robert M. Spendlove**

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

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### LONG TITLE

#### General Description:

This bill addresses state innovation.

#### Highlighted Provisions:

This bill:

- ▶ defines terms;
- ~~{~~ → creates the Utah Innovation Lab (innovation lab) within the Utah System of Higher Education for policy research and development;
- describes the duties of the innovation lab;
- requires the innovation lab to submit an annual report to the Utah Board of Higher Education;
- ‡ ▶ creates the Strategic Innovation Grant Pilot Program (pilot program) within the Governor's Office of Economic Opportunity (GO Utah office), for awarding grants

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- to businesses to implement projects that address air quality or water conservation;
- ▶ requires the ~~{GO Utah office}~~ to consult with ~~{the innovation lab,}~~ the Division of Air Quality~~{}~~ and the Division of Water Resources in administering the pilot program;
  - ▶ describes the requirements for a business entity to receive grant money under the pilot program;
  - ▶ requires the ~~{GO Utah office}~~ to make rules and report on the pilot program;
  - ▶ establishes a sunset date for the pilot program; and
  - ▶ includes technical and conforming changes.

### Money Appropriated in this Bill:

None

### Other Special Clauses:

None

### Utah Code Sections Affected:

AMENDS:

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

~~{ **63I-2-253**, as last amended by Laws of Utah 2021, First Special Session, Chapter 14~~

~~}~~ENACTS:

~~{ **53B-33-101**, Utah Code Annotated 1953~~

~~— **53B-33-102**, Utah Code Annotated 1953~~

~~‡ **63N-3-801**, Utah Code Annotated 1953~~

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

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

Section 1. Section ~~{53B-33-101 is enacted to read:~~

~~CHAPTER 33. UTAH INNOVATION LAB~~

~~— **53B-33-101. Definitions:**~~

~~— As used in this chapter:~~

~~— (1) "Innovation District at the Point" means the economic development policy~~

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~~initiative established within the Utah System of Higher Education to address the development of the point of the mountain state land, as defined in Section 11-59-101;~~

~~(2) "Innovation lab" means the Utah Innovation Lab created in Section 53B-33-102.~~

~~(3) "Institution of higher education" means an institution of higher education described in Section 53B-1-102.~~

~~Section 2. Section 53B-33-102 is enacted to read:~~

~~53B-33-102. Creation of Utah Innovation Lab -- Executive director -- Duties -- Annual report:~~

~~(1) There is created the Utah Innovation Lab.~~

~~(2) The executive director of the Innovation District at the Point shall serve as the executive director of the innovation lab.~~

~~(3) The innovation lab shall:~~

~~(a) research and develop innovative solutions for significant public policy challenges affecting the state, including:~~

~~(i) housing affordability;~~

~~(ii) growth, land use, and economic development;~~

~~(iii) technology commercialization;~~

~~(iv) homelessness; and~~

~~(v) air quality, water conservation, and environmental protection;~~

~~(b) provide a place for students, researchers, and policymakers to collaborate, share ideas, and experiment with creative methods;~~

~~(c) use an evidence-based approach for the development of policy solutions;~~

~~(d) coordinate efforts in policy development with institutions of higher education;~~

~~(e) provide resources and expertise to policymakers, state agencies, and other stakeholders; and~~

~~(f) consult with the Governor's Office of Economic Opportunity to meet the requirements of Section 63N-3-802.~~

~~(4) The innovation lab shall submit an annual written report describing the innovation lab's operations to the board.~~

~~Section 3. Section 63I-1-263 is amended to read:~~

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### §63I-1-263 is amended to read:

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

- (1) In relation to the Utah Transparency Advisory Board, on January 1, 2025:
  - (a) Section 63A-16-102 is repealed;
  - (b) Section 63A-16-201 is repealed; and
  - (c) Section 63A-16-202 is repealed.
- (2) Subsection 63A-5b-405(5), relating to prioritizing and allocating capital improvement funding, is repealed July 1, 2024.
- (3) Section 63A-5b-1003, State Facility Energy Efficiency Fund, is repealed July 1, 2023.
- (4) Sections 63A-9-301 and 63A-9-302, related to the Motor Vehicle Review Committee, are repealed July 1, 2023.
- (5) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July 1, 2028.
- (6) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1, 2025.
- (7) Title 63C, Chapter 12, Snake Valley Aquifer Advisory Council, is repealed July 1, 2024.
- (8) Title 63C, Chapter 17, Point of the Mountain Development Commission Act, is repealed July 1, 2023.
- (9) Title 63C, Chapter 18, Behavioral Health Crisis Response Commission, is repealed July 1, 2023.
- (10) Title 63C, Chapter 23, Education and Mental Health Coordinating Council, is repealed July 1, 2026.
- (11) Title 63A, Chapter 16, Part 7, Data Security Management Council, is repealed July 1, 2025.
- (12) Section 63G-6a-805, which creates the Purchasing from Persons with Disabilities Advisory Board, is repealed July 1, 2026.
- (13) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed July 1, 2025.
- (14) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1,

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2024.

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

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

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

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

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

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

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

(21) [~~Title 63J, Chapter 4, Part 5,~~] Title 63L, Chapter 11, Part 4, Resource Development Coordinating Committee, is repealed July 1, 2027.

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

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

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

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

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

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

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

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

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

"(2) The commission shall:

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

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

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

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

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

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

~~[(28)]~~ (27) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.

~~[(29)]~~ (28) Section 63N-2-512, related to the Hotel Impact Mitigation Fund, is repealed July 1, 2028.

~~[(30)]~~ (29) (a) Title 63N, Chapter 2, Part 6, Utah Small Business Jobs Act, is repealed January 1, 2021.

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

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

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

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

(30) Title 63N, Chapter 3, Part 8, Strategic Innovation Grant Pilot Program, is repealed July 1, 2027.

(31) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is repealed July 1, 2023.

(32) Title 63N, Chapter 7, Part 1, Board of Tourism Development, is repealed July 1, 2025.

(33) Title 63N, Chapter 9, Part 2, Outdoor Recreational Infrastructure Grant Program,

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is repealed January 1, 2028.

Section ~~{4}~~2. Section ~~{63I-2-253}~~ is amended to read:

~~———— 63I-2-253. Repeal dates -- Titles 53 through 53G.~~

~~———— (1) Section 53-1-106.1 is repealed January 1, 2022.~~

~~———— (2) (a) Section 53-2a-217, regarding procurement during an epidemic or pandemic emergency, is repealed on December 31, 2021.~~

~~———— (b) When repealing Section 53-2a-217, the Office of Legislative Research and General Counsel shall, in addition to the office's authority under Subsection 36-12-12(3), make necessary changes to subsection numbering and cross references.~~

~~———— (3) Section 53-2a-219, in relation to termination of emergency powers pertaining to COVID-19, is repealed on July 1, 2021.~~

~~———— (4) (a) Subsection 53B-2a-108(5), regarding exceptions to the composition of a technical college board of trustees, is repealed July 1, 2022.~~

~~———— (b) When repealing Subsection 53B-2a-108(5), the Office of Legislative Research and General Counsel shall, in addition to its authority under Subsection 36-12-12(3), make necessary changes to subsection numbering and cross references.~~

~~———— (5) Section 53B-6-105.7 is repealed July 1, 2024.~~

~~———— (6) (a) Subsection 53B-7-705(6)(b)(iii)(A), the language that states "Except as provided in Subsection (6)(b)(iii)(B)," is repealed July 1, 2021.~~

~~———— (b) Subsection 53B-7-705(6)(b)(iii)(B), regarding comparing a technical college's change in performance with the technical college's average performance, is repealed July 1, 2021.~~

~~———— (7) (a) Subsection 53B-7-707(3)(a)(ii), the language that states "Except as provided in Subsection (3)(b)," is repealed July 1, 2021.~~

~~———— (b) Subsection 53B-7-707(3)(b), regarding performance data of a technical college during a fiscal year before fiscal year 2020, is repealed July 1, 2021.~~

~~———— (8) Section 53B-7-707 regarding performance metrics for technical colleges is repealed July 1, 2023.~~

~~———— (9) Section 53B-8-114 is repealed July 1, 2024.~~

~~———— (10) The following sections, regarding the Regents' scholarship program, are repealed on July 1, 2023:~~

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- ~~—— (a) Section 53B-8-202;~~
- ~~—— (b) Section 53B-8-203;~~
- ~~—— (c) Section 53B-8-204; and~~
- ~~—— (d) Section 53B-8-205.~~
- ~~—— (11) Section 53B-10-101 is repealed on July 1, 2027.~~
- ~~—— (12) Title 53B, Chapter 18, Part 14, Uintah Basin Air Quality Research Project, is repealed July 1, 2023.~~
- ~~—— (13) Subsection 53B-33-102(3)(f), which requires the Utah Innovation Lab to consult with the Governor's Office of Economic Opportunity, is repealed July 1, 2027.~~
- ~~—— [(13)] (14) Section 53E-1-202.2, regarding a Public Education Appropriations Subcommittee evaluation and recommendations, is repealed January 1, 2024.~~
- ~~—— [(14)] (15) Section 53E-3-520 is repealed July 1, 2021.~~
- ~~—— [(15)] (16) Subsection 53E-10-309(7), related to the PRIME pilot program, is repealed July 1, 2024.~~
- ~~—— [(16)] (17) In Subsections 53F-2-205(4) and (5), regarding the State Board of Education's duties if contributions from the minimum basic tax rate are overestimated or underestimated, the language that states "or 53F-2-301.5, as applicable" is repealed July 1, 2023.~~
- ~~—— [(17)] (18) Section 53F-2-209, regarding local education agency budgetary flexibility, is repealed July 1, 2024.~~
- ~~—— [(18)] (19) Subsection 53F-2-301(1), relating to the years the section is not in effect, is repealed July 1, 2023.~~
- ~~—— [(19)] (20) Section 53F-2-302.1, regarding the Enrollment Growth Contingency Program, is repealed July 1, 2023.~~
- ~~—— [(20)] (21) Subsection 53F-2-314(4), relating to a one-time expenditure between the at-risk WPU add-on funding and previous at-risk funding, is repealed January 1, 2024.~~
- ~~—— [(21)] (22) Section 53F-2-418, regarding the Supplemental Educator COVID-19 Stipend, is repealed January 1, 2022.~~
- ~~—— [(22)] (23) In Subsection 53F-2-515(1), the language that states "or 53F-2-301.5, as applicable" is repealed July 1, 2023.~~
- ~~—— [(23)] (24) Section 53F-4-207 is repealed July 1, 2022.~~



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~~— [(24)] (25) Subsection 53F-4-401(3)(b), regarding a child enrolled or eligible for enrollment in kindergarten, is repealed July 1, 2022.~~

~~— [(25)] (26) In Subsection 53F-4-404(4)(c), the language that states "Except as provided in Subsection (4)(d)" is repealed July 1, 2022.~~

~~— [(26)] (27) Subsection 53F-4-404(4)(d) is repealed July 1, 2022.~~

~~— [(27)] (28) In Subsection 53F-9-302(3), the language that states "or 53F-2-301.5, as applicable" is repealed July 1, 2023.~~

~~— [(28)] (29) In Subsection 53F-9-305(3)(a), the language that states "or 53F-2-301.5, as applicable" is repealed July 1, 2023.~~

~~— [(29)] (30) In Subsection 53F-9-306(3)(a), the language that states "or 53F-2-301.5, as applicable" is repealed July 1, 2023.~~

~~— [(30)] (31) In Subsection 53G-3-304(1)(c)(i), the language that states "or 53F-2-301.5, as applicable" is repealed July 1, 2023.~~

~~— [(31)] (32) Subsections 53G-10-204(1)(c) through (e), and Subsection 53G-10-204(6), related to the civics engagement pilot program, are repealed on July 1, 2023.~~

~~— [(32)] (33) On July 1, 2023, when making changes in this section, the Office of Legislative Research and General Counsel shall, in addition to the office's authority under Subsection 36-12-12(3), make corrections necessary to ensure that sections and subsections identified in this section are complete sentences and accurately reflect the office's perception of the Legislature's intent.~~

~~— Section 5. Section ~~63N-3-801~~ 63N-3-801 is enacted to read:~~

### **Part 8. Strategic Innovation Grant Pilot Program**

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

As used in this part:

(1) "Applicable agency" means:

(a) for a project related to air quality, the Division of Air Quality created in Section 19-1-105; or

(b) for a project related to water resources, the Division of Water Resources created in Section 73-10-18.

(2) "Business entity" means a for-profit or non-profit business entity.

~~{ — [(3) "Innovation lab" means the Utah Innovation Lab created in Section 53B-33-102.~~

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~~(4)3~~ "Grant" means a grant awarded as part of the pilot program.

~~(5)4~~ "Pilot program" means the Strategic Innovation Grant Pilot Program created in Section 63N-3-802.

Section ~~(6)3~~. Section **63N-3-802** is enacted to read:

### **63N-3-802. Strategic Innovation Grant Pilot Program.**

(1) There is created within the office the Strategic Innovation Grant Pilot Program.

(2) Subject to available funds, the office, in consultation with ~~the innovation lab and~~ each applicable agency, shall award grants to business entities to implement projects to improve:

(a) air quality in the state; or

(b) the conservation or more efficient utilization of water resources in the state.

(3) (a) The office, in consultation with ~~the innovation lab and~~ each applicable agency, shall develop goals and objectives specific to each type of project described in Subsection (2).

(b) The office shall issue a public solicitation for participation in the pilot program that describes the goals and objectives developed for each particular type of project.

(4) (a) A business entity may apply to the office for a grant under the pilot program.

(b) An application under Subsection (4)(a) shall:

(i) specify:

(A) the expected outcomes that the funding would be used to achieve;

(B) how the business entity intends to achieve the expected outcomes;

(C) how the project is expected to meet the goals and objectives developed for that particular type of project under Subsection (3);

(D) the extent to which the project offers a strategic and innovative solution to achieve the expected outcomes;

(E) the date on which the business entity expects to complete the project, subject to Subsection (6)(b)(vii); and

(F) the total amount of money needed for the project; and

(ii) include any other information requested by the office.

(5) The office shall review and make a determination regarding a grant application after consulting with the ~~innovation lab and the~~ applicable agency.

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(6) (a) Before the office may award a grant to a business entity under the pilot program, the office, in consultation with the ~~{innovation lab and the }~~ applicable ~~{entity}~~ agency, shall enter into a written agreement with the business entity.

(b) The written agreement described in Subsection (6)(a) shall:

(i) specify the amount of the grant;

(ii) specify the time period for distributing the grant;

(iii) specify the terms and conditions for receiving the grant, including reporting requirements;

(iv) identify specific targets and benchmarks that align with the grant proposal;

(v) require the business entity to coordinate or partner with the applicable agency in implementing the project;

(vi) require the business entity to submit to independent evaluations by the Kem C. Gardner Policy Institute at the University of Utah over the course of the project's implementation to determine whether the project is meeting:

(A) the targets and benchmarks specified in the written agreement; and

(B) the goals and objectives developed for that particular type of project under Subsection (3); and

(vii) require the business entity to complete the project no later than July 1, 2026.

(c) In awarding grants under this section, the office, in consultation with ~~{the innovation lab and }~~ each applicable agency, shall prioritize projects that:

(i) offer a strategic and innovative solution for achieving the intended outcomes; or

(ii) demonstrate a funding match from a private entity.

(7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office, in consultation with ~~{the innovation lab and }~~ each applicable agency, shall make rules to administer the pilot program.

(8) The office shall, as part of the office's written report under Section 63N-1a-306 submitted in 2026, and if otherwise requested by the Economic Development and Workforce Services Interim Committee, report the following information:

(a) the total amount of grants the office awarded to business entities under the pilot program;

(b) a description of the projects for which the office awarded grants under the pilot

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program;

(c) a summary of the results of the independent evaluations conducted by the Kem C. Gardner Policy Institute; and

(d) the office's recommendations regarding the effectiveness of the pilot program and any suggestions for legislation.