

ECONOMIC DEVELOPMENT INCENTIVE AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kraig Powell

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to the Rural Fast Track Program.

Highlighted Provisions:

This bill:

► modifies which companies may qualify to receive incentives under the Rural Fast Track Program, including companies located in counties of the third, fourth, fifth, and sixth class under certain circumstances.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63M-1-904, as last amended by Laws of Utah 2014, Chapter 371

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

Section 1. Section **63M-1-904** is amended to read:

63M-1-904. Rural Fast Track Program -- Creation -- Funding -- Qualifications for program participation -- Awards -- Reports.

(1) (a) There is created the Rural Fast Track Program.



28 (b) The program is a funded component of the economically disadvantaged rural areas
29 designation in Subsection 63M-1-903(1)(a).

30 (2) The purpose of the program is to provide an efficient way for small companies in
31 rural areas of the state to receive incentives for creating high paying jobs in those areas of the
32 state.

33 (3) (a) Twenty percent of the unencumbered amount in the Industrial Assistance
34 Account created in Subsection 63M-1-903(1) at the beginning of each fiscal year shall be used
35 to fund the program.

36 (b) The 20% referred to in Subsection (3)(a) is not in addition to but is a part of the up
37 to 50% designation for economically disadvantaged rural areas referred to in Subsection
38 63M-1-903(1)(a).

39 (c) If any of the 20% allocation referred to in Subsection (3)(a) has not been used in the
40 program by the end of the third quarter of each fiscal year, that money may be used for any
41 other loan, grant, or assistance program offered through the Industrial Assistance Account
42 during the fiscal year.

43 (4) (a) To qualify for participation in the program a company [~~shall~~]:

44 (i) shall complete and file with the office an application for participation in the
45 program, signed by an officer of the company;

46 (ii) shall be located and conduct its business operations in a county in the state [~~that~~
47 ~~has: (A) a population of less than 30,000; and~~] of the third, fourth, fifth, or sixth class as
48 described in Section 17-50-501;

49 [~~(B) an average household income of less than \$60,000 as reflected in the most recently~~
50 ~~available data collected and reported by the United States Census Bureau;~~]

51 (iii) which is located and conducts its business operations in a third class county as
52 described in Section 17-50-501, may not be located and conduct its business operations within
53 a city that has a:

54 (A) population of more than 20,000; or

55 (B) median household income of more than \$70,000 as reflected in the most recently
56 available data collected and reported by the United States Census Bureau;

57 [~~(iii)~~] (iv) shall have been in business in the state for at least two years; and

58 [~~(iv)~~] (v) shall have at least two employees.

59 (b) (i) The office shall verify an applicant's qualifications under Subsection (4)(a).

60 (ii) The application must be approved by the administrator in order for a company to
61 receive an incentive or other assistance under this section.

62 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
63 administrator may make rules governing:

64 (i) the content of the application form referred to in Subsection (4)(a)(i);

65 (ii) who qualifies as an employee under Subsection (4)(a)(iv); and

66 (iii) the verification procedure referred to in Subsection (4)(b).

67 (5) (a) The administrator shall make incentive cash awards to small companies under
68 this section based on the following criteria:

69 (i) \$1,000 for each new incremental job that pays over 110% of the county's [~~average~~]
70 median annual wage;

71 (ii) \$1,250 for each incremental job that pays over 115% of the county's [~~average~~]
72 median annual wage; and

73 (iii) \$1,500 for each incremental job that pays over 125% of the county's [~~average~~]
74 median annual wage.

75 (b) The administrator shall make a cash award under Subsection (5)(a) when a new
76 incremental job has been in place for at least 12 months.

77 (c) The creation of a new incremental job by a company is based on the number of
78 employees at the company during the previous 24 months.

79 (d) (i) A small company may also apply for grants, loans, or other financial assistance
80 under the program to help develop its business in rural Utah and may receive up to \$50,000
81 under the program if approved by the administrator.

82 (ii) The board must approve a distribution that exceeds the \$50,000 cap under
83 Subsection (5)(d)(i).

84 (6) The administrator shall make a quarterly report to the board of the awards made by
85 the administrator under this section and submit a report to the office on the awards and their
86 impact on economic development in the state's rural areas for inclusion in the office's annual
87 written report described in Section [63M-1-206](#).

Legislative Review Note
as of 1-14-15 5:03 PM

Office of Legislative Research and General Counsel