

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: _____

LONG TITLE

General Description:

This bill addresses state innovation.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ creates the Strategic Innovation Grant Pilot Program (pilot program) within the Governor's Office of Economic Opportunity (GO Utah office), for awarding grants to businesses to implement projects that address air quality or water conservation;
- ▶ requires the GO Utah office to consult with 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:



26 None

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **63I-1-263**, as last amended by Laws of Utah 2021, Chapters 70, 72, 84, 90, 171, 196,
30 260, 280, 282, 345, 382, 401, 421 and last amended by Coordination Clause, Laws
31 of Utah 2021, Chapter 382

32 ENACTS:

33 **63N-3-801**, Utah Code Annotated 1953

34 **63N-3-802**, Utah Code Annotated 1953

35

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

37 Section 1. Section **63I-1-263** is amended to read:

38 **63I-1-263. Repeal dates, Titles 63A to 63N.**

39 (1) In relation to the Utah Transparency Advisory Board, on January 1, 2025:

40 (a) Section **63A-16-102** is repealed;

41 (b) Section **63A-16-201** is repealed; and

42 (c) Section **63A-16-202** is repealed.

43 (2) Subsection **63A-5b-405(5)**, relating to prioritizing and allocating capital
44 improvement funding, is repealed July 1, 2024.

45 (3) Section **63A-5b-1003**, State Facility Energy Efficiency Fund, is repealed July 1,
46 2023.

47 (4) Sections **63A-9-301** and **63A-9-302**, related to the Motor Vehicle Review
48 Committee, are repealed July 1, 2023.

49 (5) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July
50 1, 2028.

51 (6) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1,
52 2025.

53 (7) Title 63C, Chapter 12, Snake Valley Aquifer Advisory Council, is repealed July 1,
54 2024.

55 (8) Title 63C, Chapter 17, Point of the Mountain Development Commission Act, is
56 repealed July 1, 2023.

57 (9) Title 63C, Chapter 18, Behavioral Health Crisis Response Commission, is repealed
58 July 1, 2023.

59 (10) Title 63C, Chapter 23, Education and Mental Health Coordinating Council, is
60 repealed July 1, 2026.

61 (11) Title 63A, Chapter 16, Part 7, Data Security Management Council, is repealed
62 July 1, 2025.

63 (12) Section [63G-6a-805](#), which creates the Purchasing from Persons with Disabilities
64 Advisory Board, is repealed July 1, 2026.

65 (13) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed July 1,
66 2025.

67 (14) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1,
68 2024.

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

70 (16) Subsection [63J-1-602.1\(17\)](#), Nurse Home Visiting Restricted Account is repealed
71 July 1, 2026.

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

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

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

79 (19) Subsection [63J-1-602.2\(6\)](#), referring to the Trip Reduction Program, is repealed
80 July 1, 2022.

81 (20) Subsection [63J-1-602.2\(24\)](#), related to the Utah Seismic Safety Commission, is
82 repealed January 1, 2025.

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

85 (22) In relation to the advisory committee created in Subsection [63L-11-305\(3\)](#), on July
86 1, 2022:

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

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

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

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

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

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

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

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

98 "(2) The commission shall:

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

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

103 (24) The Crime Victim Reparations and Assistance Board, created in Section
104 63M-7-504, is repealed July 1, 2027.

105 (25) Title 63M, Chapter 7, Part 6, Utah Council on Victims of Crime, is repealed July
106 1, 2022.

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

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

110 [~~(28)~~ (27) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.

111 [~~(29)~~ (28) Section 63N-2-512, related to the Hotel Impact Mitigation Fund, is repealed
112 July 1, 2028.

113 [~~(30)~~ (29) (a) Title 63N, Chapter 2, Part 6, Utah Small Business Jobs Act, is repealed
114 January 1, 2021.

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

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

119 (i) the person is entitled to a tax credit under Section 59-9-107 on or before December
120 31, 2020; and

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

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

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

127 (32) Title 63N, Chapter 7, Part 1, Board of Tourism Development, is repealed July 1,
128 2025.

129 (33) Title 63N, Chapter 9, Part 2, Outdoor Recreational Infrastructure Grant Program,
130 is repealed January 1, 2028.

131 Section 2. Section 63N-3-801 is enacted to read:

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

133 **63N-3-801. Definitions.**

134 As used in this part:

135 (1) "Applicable agency" means:

136 (a) for a project related to air quality, the Division of Air Quality created in Section
137 19-1-105; or

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

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

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

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

144 Section 3. Section 63N-3-802 is enacted to read:

145 **63N-3-802. Strategic Innovation Grant Pilot Program.**

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

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

149 (a) air quality in the state; or

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

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

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

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

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

157 (i) specify:

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

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

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

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

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

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

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

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

170 (6) (a) Before the office may award a grant to a business entity under the pilot program,
171 the office, in consultation with the applicable agency, shall enter into a written agreement with
172 the business entity.

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

174 (i) specify the amount of the grant;

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

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

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

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

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

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

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

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

188 (c) In awarding grants under this section, the office, in consultation with each
189 applicable agency, shall prioritize projects that:

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

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

192 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
193 office, in consultation with each applicable agency, shall make rules to administer the pilot
194 program.

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

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

200 (b) a description of the projects for which the office awarded grants under the pilot
201 program;

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

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