

Representative Douglas V. Sagers proposes the following substitute bill:

ECONOMIC DEVELOPMENT MODIFICATIONS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Douglas V. Sagers

Senate Sponsor: _____

LONG TITLE

General Description:

This bill creates the Utah Strategic Growth Revolving Loan Fund.

Highlighted Provisions:

This bill:

- ▶ provides definitions;
- ▶ creates the Utah Strategic Growth Revolving Loan Fund;
- ▶ specifies revenue sources for the Utah Strategic Growth Revolving Loan Fund;
- ▶ provides that certain sales and use tax revenues shall be deposited in the Utah Strategic Growth Revolving Loan Fund;
- ▶ specifies how revenue in the Utah Strategic Growth Revolving Loan Fund shall be used;
- ▶ specifies eligibility, qualifications, application procedures, and loan requirements for loans provided from the Utah Strategic Growth Revolving Loan Fund; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **59-12-103**, as last amended by Laws of Utah 2017, Chapters 234, 421, and 422

29 **59-12-1201**, as last amended by Laws of Utah 2016, Chapters 184, 291, and 291

30 **63B-1b-202**, as last amended by Laws of Utah 2017, Chapter 345

31 ENACTS:

32 **63N-3-501**, Utah Code Annotated 1953

33 **63N-3-502**, Utah Code Annotated 1953

34 **63N-3-503**, Utah Code Annotated 1953

35 **63N-3-504**, Utah Code Annotated 1953

36 **63N-3-505**, Utah Code Annotated 1953

37 **63N-3-506**, Utah Code Annotated 1953

38 **63N-3-507**, Utah Code Annotated 1953

39 **63N-3-508**, Utah Code Annotated 1953



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

42 Section 1. Section **59-12-103** is amended to read:

43 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
44 **tax revenues.**

45 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or
46 sales price for amounts paid or charged for the following transactions:

47 (a) retail sales of tangible personal property made within the state;

48 (b) amounts paid for:

49 (i) telecommunications service, other than mobile telecommunications service, that
50 originates and terminates within the boundaries of this state;

51 (ii) mobile telecommunications service that originates and terminates within the
52 boundaries of one state only to the extent permitted by the Mobile Telecommunications
53 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

54 (iii) an ancillary service associated with a:

55 (A) telecommunications service described in Subsection (1)(b)(i); or

56 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

57 (c) sales of the following for commercial use:

58 (i) gas;

59 (ii) electricity;

60 (iii) heat;

61 (iv) coal;

62 (v) fuel oil; or

63 (vi) other fuels;

64 (d) sales of the following for residential use:

65 (i) gas;

66 (ii) electricity;

67 (iii) heat;

68 (iv) coal;

69 (v) fuel oil; or

70 (vi) other fuels;

71 (e) sales of prepared food;

72 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
73 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
74 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
75 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
76 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
77 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
78 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
79 horseback rides, sports activities, or any other amusement, entertainment, recreation,
80 exhibition, cultural, or athletic activity;

81 (g) amounts paid or charged for services for repairs or renovations of tangible personal
82 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

83 (i) the tangible personal property; and

84 (ii) parts used in the repairs or renovations of the tangible personal property described
85 in Subsection (1)(g)(i), regardless of whether:

86 (A) any parts are actually used in the repairs or renovations of that tangible personal
87 property; or

88 (B) the particular parts used in the repairs or renovations of that tangible personal
89 property are exempt from a tax under this chapter;

90 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
91 assisted cleaning or washing of tangible personal property;

92 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
93 accommodations and services that are regularly rented for less than 30 consecutive days;

94 (j) amounts paid or charged for laundry or dry cleaning services;

95 (k) amounts paid or charged for leases or rentals of tangible personal property if within
96 this state the tangible personal property is:

97 (i) stored;

98 (ii) used; or

99 (iii) otherwise consumed;

100 (l) amounts paid or charged for tangible personal property if within this state the
101 tangible personal property is:

102 (i) stored;

103 (ii) used; or

104 (iii) consumed; and

105 (m) amounts paid or charged for a sale:

106 (i) (A) of a product transferred electronically; or

107 (B) of a repair or renovation of a product transferred electronically; and

108 (ii) regardless of whether the sale provides:

109 (A) a right of permanent use of the product; or

110 (B) a right to use the product that is less than a permanent use, including a right:

111 (I) for a definite or specified length of time; and

112 (II) that terminates upon the occurrence of a condition.

113 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
114 is imposed on a transaction described in Subsection (1) equal to the sum of:

115 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

116 (A) 4.70%; and

117 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
118 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211

119 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
120 State Sales and Use Tax Act; and

121 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
122 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
123 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
124 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

125 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
126 transaction under this chapter other than this part.

127 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
128 on a transaction described in Subsection (1)(d) equal to the sum of:

129 (i) a state tax imposed on the transaction at a tax rate of 2%; and

130 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
131 transaction under this chapter other than this part.

132 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
133 on amounts paid or charged for food and food ingredients equal to the sum of:

134 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
135 a tax rate of 1.75%; and

136 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
137 amounts paid or charged for food and food ingredients under this chapter other than this part.

138 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
139 tangible personal property other than food and food ingredients, a state tax and a local tax is
140 imposed on the entire bundled transaction equal to the sum of:

141 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

142 (I) the tax rate described in Subsection (2)(a)(i)(A); and

143 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
144 Sales and Use Tax Act, if the location of the transaction as determined under Sections
145 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
146 Additional State Sales and Use Tax Act; and

147 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
148 Sales and Use Tax Act, if the location of the transaction as determined under Sections

149 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which

150 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

151 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
152 described in Subsection (2)(a)(ii).

153 (ii) If an optional computer software maintenance contract is a bundled transaction that
154 consists of taxable and nontaxable products that are not separately itemized on an invoice or
155 similar billing document, the purchase of the optional computer software maintenance contract
156 is 40% taxable under this chapter and 60% nontaxable under this chapter.

157 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled
158 transaction described in Subsection (2)(d)(i) or (ii):

159 (A) if the sales price of the bundled transaction is attributable to tangible personal
160 property, a product, or a service that is subject to taxation under this chapter and tangible
161 personal property, a product, or service that is not subject to taxation under this chapter, the
162 entire bundled transaction is subject to taxation under this chapter unless:

163 (I) the seller is able to identify by reasonable and verifiable standards the tangible
164 personal property, product, or service that is not subject to taxation under this chapter from the
165 books and records the seller keeps in the seller's regular course of business; or

166 (II) state or federal law provides otherwise; or

167 (B) if the sales price of a bundled transaction is attributable to two or more items of
168 tangible personal property, products, or services that are subject to taxation under this chapter
169 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
170 higher tax rate unless:

171 (I) the seller is able to identify by reasonable and verifiable standards the tangible
172 personal property, product, or service that is subject to taxation under this chapter at the lower
173 tax rate from the books and records the seller keeps in the seller's regular course of business; or

174 (II) state or federal law provides otherwise.

175 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the
176 seller's regular course of business includes books and records the seller keeps in the regular
177 course of business for nontax purposes.

178 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
179 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
180 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental

181 of tangible personal property, other property, a product, or a service that is not subject to
182 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
183 the seller, at the time of the transaction:

184 (A) separately states the portion of the transaction that is not subject to taxation under
185 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

186 (B) is able to identify by reasonable and verifiable standards, from the books and
187 records the seller keeps in the seller's regular course of business, the portion of the transaction
188 that is not subject to taxation under this chapter.

189 (ii) A purchaser and a seller may correct the taxability of a transaction if:

190 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
191 the transaction that is not subject to taxation under this chapter was not separately stated on an
192 invoice, bill of sale, or similar document provided to the purchaser because of an error or
193 ignorance of the law; and

194 (B) the seller is able to identify by reasonable and verifiable standards, from the books
195 and records the seller keeps in the seller's regular course of business, the portion of the
196 transaction that is not subject to taxation under this chapter.

197 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps
198 in the seller's regular course of business includes books and records the seller keeps in the
199 regular course of business for nontax purposes.

200 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
201 personal property, products, or services that are subject to taxation under this chapter at
202 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
203 unless the seller, at the time of the transaction:

204 (A) separately states the items subject to taxation under this chapter at each of the
205 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

206 (B) is able to identify by reasonable and verifiable standards the tangible personal
207 property, product, or service that is subject to taxation under this chapter at the lower tax rate
208 from the books and records the seller keeps in the seller's regular course of business.

209 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the
210 seller's regular course of business includes books and records the seller keeps in the regular
211 course of business for nontax purposes.

212 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax
213 rate imposed under the following shall take effect on the first day of a calendar quarter:

- 214 (i) Subsection (2)(a)(i)(A);
- 215 (ii) Subsection (2)(b)(i);
- 216 (iii) Subsection (2)(c)(i); or
- 217 (iv) Subsection (2)(d)(i)(A)(I).

218 (h) (i) A tax rate increase takes effect on the first day of the first billing period that
219 begins on or after the effective date of the tax rate increase if the billing period for the
220 transaction begins before the effective date of a tax rate increase imposed under:

- 221 (A) Subsection (2)(a)(i)(A);
- 222 (B) Subsection (2)(b)(i);
- 223 (C) Subsection (2)(c)(i); or
- 224 (D) Subsection (2)(d)(i)(A)(I).

225 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
226 statement for the billing period is rendered on or after the effective date of the repeal of the tax
227 or the tax rate decrease imposed under:

- 228 (A) Subsection (2)(a)(i)(A);
- 229 (B) Subsection (2)(b)(i);
- 230 (C) Subsection (2)(c)(i); or
- 231 (D) Subsection (2)(d)(i)(A)(I).

232 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is
233 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
234 change in a tax rate takes effect:

- 235 (A) on the first day of a calendar quarter; and
- 236 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

237 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:

- 238 (A) Subsection (2)(a)(i)(A);
- 239 (B) Subsection (2)(b)(i);
- 240 (C) Subsection (2)(c)(i); or
- 241 (D) Subsection (2)(d)(i)(A)(I).

242 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

243 the commission may by rule define the term "catalogue sale."

244 (3) (a) The following state taxes shall be deposited into the General Fund:

245 (i) the tax imposed by Subsection (2)(a)(i)(A);

246 (ii) the tax imposed by Subsection (2)(b)(i);

247 (iii) the tax imposed by Subsection (2)(c)(i); or

248 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

249 (b) The following local taxes shall be distributed to a county, city, or town as provided
250 in this chapter:

251 (i) the tax imposed by Subsection (2)(a)(ii);

252 (ii) the tax imposed by Subsection (2)(b)(ii);

253 (iii) the tax imposed by Subsection (2)(c)(ii); and

254 (iv) the tax imposed by Subsection (2)(d)(i)(B).

255 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
256 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
257 through (g):

258 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

259 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

260 (B) for the fiscal year; or

261 (ii) \$17,500,000.

262 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
263 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
264 Department of Natural Resources to:

265 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
266 protect sensitive plant and animal species; or

267 (B) award grants, up to the amount authorized by the Legislature in an appropriations
268 act, to political subdivisions of the state to implement the measures described in Subsections
269 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

270 (ii) Money transferred to the Department of Natural Resources under Subsection
271 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
272 person to list or attempt to have listed a species as threatened or endangered under the
273 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

274 (iii) At the end of each fiscal year:

275 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
276 Conservation and Development Fund created in Section 73-10-24;

277 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
278 Program Subaccount created in Section 73-10c-5; and

279 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
280 Program Subaccount created in Section 73-10c-5.

281 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
282 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
283 created in Section 4-18-106.

284 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
285 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
286 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
287 water rights.

288 (ii) At the end of each fiscal year:

289 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
290 Conservation and Development Fund created in Section 73-10-24;

291 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
292 Program Subaccount created in Section 73-10c-5; and

293 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
294 Program Subaccount created in Section 73-10c-5.

295 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
296 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and
297 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

298 (ii) In addition to the uses allowed of the Water Resources Conservation and
299 Development Fund under Section 73-10-24, the Water Resources Conservation and
300 Development Fund may also be used to:

301 (A) conduct hydrologic and geotechnical investigations by the Division of Water
302 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
303 quantifying surface and ground water resources and describing the hydrologic systems of an
304 area in sufficient detail so as to enable local and state resource managers to plan for and

305 accommodate growth in water use without jeopardizing the resource;

306 (B) fund state required dam safety improvements; and

307 (C) protect the state's interest in interstate water compact allocations, including the
308 hiring of technical and legal staff.

309 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
310 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount
311 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

312 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
313 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount
314 created in Section 73-10c-5 for use by the Division of Drinking Water to:

315 (i) provide for the installation and repair of collection, treatment, storage, and
316 distribution facilities for any public water system, as defined in Section 19-4-102;

317 (ii) develop underground sources of water, including springs and wells; and

318 (iii) develop surface water sources.

319 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
320 2006, the difference between the following amounts shall be expended as provided in this
321 Subsection (5), if that difference is greater than \$1:

322 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
323 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

324 (ii) \$17,500,000.

325 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

326 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
327 credits; and

328 (B) expended by the Department of Natural Resources for watershed rehabilitation or
329 restoration.

330 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
331 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
332 created in Section 73-10-24.

333 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
334 remaining difference described in Subsection (5)(a) shall be:

335 (A) transferred each fiscal year to the Division of Water Resources as dedicated

336 credits; and

337 (B) expended by the Division of Water Resources for cloud-seeding projects
338 authorized by Title 73, Chapter 15, Modification of Weather.

339 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
340 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
341 created in Section 73-10-24.

342 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
343 remaining difference described in Subsection (5)(a) shall be deposited into the Water
344 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
345 Division of Water Resources for:

346 (i) preconstruction costs:

347 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
348 26, Bear River Development Act; and

349 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
350 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

351 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
352 Chapter 26, Bear River Development Act;

353 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
354 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

355 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
356 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

357 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
358 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be
359 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
360 incurred for employing additional technical staff for the administration of water rights.

361 (f) At the end of each fiscal year, any unexpended dedicated credits described in
362 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development
363 Fund created in Section 73-10-24.

364 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the
365 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection
366 (1) for the fiscal year shall be deposited as follows:

367 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)
 368 shall be deposited into the Transportation Investment Fund of 2005 created by Section
 369 [72-2-124](#);

370 (b) for fiscal year 2017-18 only:

371 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the
 372 Transportation Investment Fund of 2005 created by Section [72-2-124](#); and

373 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the
 374 Water Infrastructure Restricted Account created by Section [73-10g-103](#);

375 (c) for fiscal year 2018-19 only:

376 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the
 377 Transportation Investment Fund of 2005 created by Section [72-2-124](#); and

378 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the
 379 Water Infrastructure Restricted Account created by Section [73-10g-103](#);

380 (d) for fiscal year 2019-20 only:

381 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the
 382 Transportation Investment Fund of 2005 created by Section [72-2-124](#); and

383 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the
 384 Water Infrastructure Restricted Account created by Section [73-10g-103](#);

385 (e) for fiscal year 2020-21 only:

386 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the
 387 Transportation Investment Fund of 2005 created by Section [72-2-124](#); and

388 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the
 389 Water Infrastructure Restricted Account created by Section [73-10g-103](#); and

390 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described
 391 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account
 392 created by Section [73-10g-103](#).

393 (7) [~~(a)~~] Notwithstanding Subsection (3)(a)[~~;~~] and in addition to the amounts deposited
 394 in Subsection (6), [~~and subject to Subsection (7)(b);~~] for a fiscal year beginning on or after July
 395 1, [~~2012~~] 2018, the Division of Finance shall deposit into the Transportation Investment Fund
 396 of 2005 created by Section [72-2-124](#)[~~;(i)~~] a portion of the taxes listed under Subsection (3)(a)
 397 in an amount equal to [~~8.3%~~] 17% of the revenues collected from the following taxes, which

398 represents ~~[a portion of]~~ the approximately 17% of sales and use tax revenues generated
399 annually by the sales and use tax on vehicles and vehicle-related products:

400 ~~[(A)]~~ (a) the tax imposed by Subsection (2)(a)(i)(A);

401 ~~[(B)]~~ (b) the tax imposed by Subsection (2)(b)(i);

402 ~~[(C)]~~ (c) the tax imposed by Subsection (2)(c)(i); and

403 ~~[(D)]~~ (d) the tax imposed by Subsection (2)(d)(i)(A)(I) ~~[- plus]~~;

404 ~~[(ii) an amount equal to 30% of the growth in the amount of revenues collected in the~~
405 ~~current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through~~
406 ~~(D) that exceeds the amount collected from the sales and use taxes described in Subsections~~
407 ~~(7)(a)(i)(A) through (D) in the 2010-11 fiscal year.]~~

408 ~~[(b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of~~
409 ~~the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total~~
410 ~~lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)~~
411 ~~generated in the current fiscal year than the total percentage of sales and use taxes deposited in~~
412 ~~the previous fiscal year, the Division of Finance shall deposit an amount under Subsection~~
413 ~~(7)(a) equal to the product of:]~~

414 ~~[(A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the~~
415 ~~previous fiscal year; and]~~

416 ~~[(B) the total sales and use tax revenue generated by the taxes described in Subsections~~
417 ~~(7)(a)(i)(A) through (D) in the current fiscal year.]~~

418 ~~[(ii) In any fiscal year in which the portion of the sales and use taxes deposited under~~
419 ~~Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes~~
420 ~~described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of~~
421 ~~Finance shall deposit 17% of the revenues collected from the sales and use taxes described in~~
422 ~~Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).]~~

423 ~~[(iii) In all subsequent fiscal years after a year in which 17% of the revenues collected~~
424 ~~from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited~~
425 ~~under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues~~
426 ~~collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the~~
427 ~~current fiscal year under Subsection (7)(a).]~~

428 (8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited

429 under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall
430 deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into
431 the Transportation Investment Fund of 2005 created by Section 72-2-124.

432 (b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under
433 Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit
434 \$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the
435 Transportation Investment Fund of 2005 created by Section 72-2-124.

436 (c) (i) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
437 Subsections (6) and (7), and subject to Subsection (8)(c)(ii), for a fiscal year beginning on or
438 after July 1, 2018, the commission shall annually deposit into the Transportation Investment
439 Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)
440 in an amount equal to 3.68% of the revenues collected from the following taxes:

- 441 (A) the tax imposed by Subsection (2)(a)(i)(A);
- 442 (B) the tax imposed by Subsection (2)(b)(i);
- 443 (C) the tax imposed by Subsection (2)(c)(i); and
- 444 (D) the tax imposed by Subsection (2)(d)(i)(A)(I).

445 (ii) For a fiscal year beginning on or after July 1, 2019, the commission shall annually
446 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(c)(i)
447 by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year
448 by the portion of the tax imposed on motor and special fuel that is sold, used, or received for
449 sale or use in this state that exceeds 29.4 cents per gallon.

450 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
451 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
452 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

453 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),
454 in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17
455 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund
456 of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on
457 the transactions described in Subsection (1).

458 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in
459 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance

460 shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the
461 amount of revenue described as follows:

462 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%
463 tax rate on the transactions described in Subsection (1);

464 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%
465 tax rate on the transactions described in Subsection (1);

466 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%
467 tax rate on the transactions described in Subsection (1);

468 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a
469 .05% tax rate on the transactions described in Subsection (1); and

470 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%
471 tax rate on the transactions described in Subsection (1).

472 (c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not
473 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts
474 paid or charged for food and food ingredients, except for tax revenue generated by a bundled
475 transaction attributable to food and food ingredients and tangible personal property other than
476 food and food ingredients described in Subsection (2)(d).

477 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
478 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that
479 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of
480 Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue
481 generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund,
482 created in Section 63N-2-512.

483 (12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the
484 Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed
485 under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

486 (b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division of
487 Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under
488 Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

489 (13) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
490 2018, the commission shall annually deposit into the Utah Strategic Growth Revolving Loan

491 Fund created by Section [63N-3-504](#) a portion of the taxes listed under Subsection (3)(a) in an
 492 amount equal to 1.3% of the revenues collected from the following taxes:

493 (a) the tax imposed by Subsection (2)(a)(i)(A);

494 (b) the tax imposed by Subsection (2)(b)(i);

495 (c) the tax imposed by Subsection (2)(c)(i); and

496 (d) the tax imposed by Subsection (2)(d)(i)(A)(I).

497 ~~[(13)]~~ (14) Notwithstanding Subsections (4) through ~~[(12)]~~ (13), an amount required to
 498 be expended or deposited in accordance with Subsections (4) through ~~[(12)]~~ (13) may not
 499 include an amount the Division of Finance deposits in accordance with Section [59-12-103.2](#).

500 Section 2. Section **59-12-1201** is amended to read:

501 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**
 502 **collection, and enforcement of tax -- Administrative charge -- Deposits.**

503 (1) (a) Except as provided in Subsection (3), there is imposed a tax of 2.5% on all
 504 short-term leases and rentals of motor vehicles not exceeding 30 days.

505 (b) The tax imposed in this section is in addition to all other state, county, or municipal
 506 fees and taxes imposed on rentals of motor vehicles.

507 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax
 508 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

509 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall
 510 take effect on the first day of the first billing period:

511 (A) that begins after the effective date of the tax rate increase; and

512 (B) if the billing period for the transaction begins before the effective date of a tax rate
 513 increase imposed under Subsection (1).

514 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax
 515 rate decrease shall take effect on the first day of the last billing period:

516 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
 517 and

518 (B) if the billing period for the transaction begins before the effective date of the repeal
 519 of the tax or the tax rate decrease imposed under Subsection (1).

520 (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

521 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

522 (b) the motor vehicle is rented as a personal household goods moving van; or
523 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily
524 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an
525 insurance agreement.

526 (4) (a) (i) The tax authorized under this section shall be administered, collected, and
527 enforced in accordance with:

528 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,
529 Tax Collection; and

530 (B) Chapter 1, General Taxation Policies.

531 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to
532 Subsections [59-12-103\(4\)](#) through (10), [Subsection 59-12-103\(13\)](#), or Section [59-12-107.1](#) or
533 [59-12-123](#).

534 (b) The commission shall retain and deposit an administrative charge in accordance
535 with Section [59-1-306](#) from the revenues the commission collects from a tax under this part.

536 (c) Except as provided under Subsection (4)(b), all revenue received by the
537 commission under this section shall be deposited daily with the state treasurer and credited
538 monthly to the Marda Dillree Corridor Preservation Fund under Section [72-2-117](#).

539 Section 3. Section **63B-1b-202** is amended to read:

540 **63B-1b-202. Custodial officer -- Powers and duties.**

541 (1) (a) There is created within the Division of Finance an officer responsible for the
542 care, custody, safekeeping, collection, and accounting of all bonds, notes, contracts, trust
543 documents, and other evidences of indebtedness:

544 (i) owned or administered by the state or any of its agencies; and

545 (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.

546 (b) Notwithstanding Subsection (1)(a), the officer described in Subsection (1)(a) is not
547 responsible for the care, custody, safekeeping, collection, and accounting of a bond, note,
548 contract, trust document, or other evidence of indebtedness relating to the:

549 (i) Agriculture Resource Development Fund, created in Section [4-18-106](#);

550 (ii) Utah Rural Rehabilitation Fund, created in Section [4-19-105](#);

551 (iii) Petroleum Storage Tank Trust Fund, created in Section [19-6-409](#);

552 (iv) Olene Walker Housing Loan Fund, created in Section [35A-8-502](#); [~~and~~]

553 (v) Brownfields Fund, created in Section [19-8-120](#)[?]; and
554 (vi) Utah Strategic Growth Revolving Loan Fund, created in Section [63N-3-504](#).

555 (2) (a) Each authorizing agency shall deliver to this officer for the officer's care,
556 custody, safekeeping, collection, and accounting all bonds, notes, contracts, trust documents,
557 and other evidences of indebtedness:

558 (i) owned or administered by the state or any of its agencies; and
559 (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.

560 (b) This officer shall:

561 (i) establish systems, programs, and facilities for the care, custody, safekeeping,
562 collection, and accounting for the bonds, notes, contracts, trust documents, and other evidences
563 of indebtedness submitted to the officer under this Subsection (2); and

564 (ii) shall make available updated reports to each authorizing agency as to the status of
565 loans under their authority.

566 (3) The officer described in Section [63B-1b-201](#) shall deliver to the officer described in
567 Subsection (1)(a) for the care, custody, safekeeping, collection, and accounting by the officer
568 described in Subsection (1)(a) of all bonds, notes, contracts, trust documents, and other
569 evidences of indebtedness closed as provided in Subsection [63B-1b-201](#)(2)(b).

570 Section 4. Section [63N-3-501](#) is enacted to read:

571 **Part 5. Utah Strategic Growth Revolving Loan Fund Act**

572 **63N-3-501. Title.**

573 This part is known as the "Utah Strategic Growth Revolving Loan Fund Act."

574 Section 5. Section [63N-3-502](#) is enacted to read:

575 **63N-3-502. Purpose.**

576 This part is enacted to:

577 (1) meet critical state objectives, including diversifying rural economies, providing
578 critical infrastructure, reducing poverty, improving public health or safety, or increasing
579 educational opportunities for Utah children;

580 (2) foster and develop industry in the state, to provide additional employment
581 opportunities for Utah's citizens, and to improve the state's economy;

582 (3) address the opportunity of prospective high paying jobs, the lack of new economic
583 growth, and the corresponding lack of incremental new state and local revenues to the state

584 caused by the lack of financial resources to take advantage of economic opportunities;

585 (4) provide loans to attract new commercial projects, new jobs, capital investment, and
586 economic activity in strategic areas and industries in the state; and

587 (5) provide a cooperative and unified working relationship between state and local
588 economic development efforts and the private sector.

589 Section 6. Section **63N-3-503** is enacted to read:

590 **63N-3-503. Definitions.**

591 As used in this part:

592 (1) "Administrator" means the executive director or the executive director's designee.

593 (2) "Business entity" means a person that enters into an agreement with the office to
594 initiate an economic opportunity or a new commercial project in Utah that will qualify the
595 person to receive a loan under Section [63N-3-505](#).

596 (3) "Economic opportunity" means a unique business situation or community
597 circumstance that furthers the economic interests of the state by providing a catalyst or stimulus
598 to the growth or retention, or both, of commerce and industry in the state, including the
599 retention of a company whose relocation outside the state would have a significant detrimental
600 economic impact on the state as a whole, regions of the state, or specific components of the
601 state as determined by the board.

602 (4) "Fund" means the Utah Strategic Growth Revolving Loan Fund created in Section
603 [63N-3-504](#).

604 (5) "High paying jobs" means:

605 (a) with respect to a business entity, the aggregate average annual gross wages, not
606 including health care or other paid or unpaid benefits, of newly created full-time employment
607 positions in a business entity that are at least 100% of the average wage of a community in
608 which the employment positions will exist;

609 (b) with respect to a county, the aggregate average annual gross wages, not including
610 health care or other paid or unpaid benefits, of newly created full-time employment positions in
611 a new commercial project within the county that are at least 100% of the average wage of the
612 county in which the employment positions will exist; or

613 (c) with respect to a city or town, the aggregate average annual gross wages, not
614 including health care or other paid or unpaid benefits of newly created full-time employment

615 positions in a new commercial project within the city or town that are at least 100% of the
616 average wages of the city or town in which the employment positions will exist.

617 (6) "Local government entity" means a county, city, town, local district, special service
618 district, or an entity created by an interlocal agreement under Title 11, Chapter 13, Interlocal
619 Cooperation Act.

620 (7) "New commercial project" means an economic development opportunity that
621 involves new or expanded industrial, manufacturing, distribution, or business services in Utah.

622 (8) (a) "New incremental jobs" means full-time employment positions that are filled by
623 employees who work at least 30 hours per week and that are:

624 (i) with respect to a business entity, created in addition to the baseline count of
625 employment positions that existed within the business entity before the new commercial
626 project;

627 (ii) with respect to a county, created as a result of a new commercial project with
628 respect to which the county seeks to claim a loan under Section [63N-3-505](#); or

629 (iii) with respect to a city or town, created as a result of a new commercial project with
630 respect to which the city or town seeks to obtain a loan under Section [63N-3-505](#).

631 (b) "New incremental jobs" may include full-time equivalent positions that are filled by
632 more than one employee, if each employee who works less than 30 hours per week is provided
633 benefits comparable to a full-time employee.

634 (c) "New incremental jobs" does not include jobs that are shifted from one jurisdiction
635 in the state to another jurisdiction in the state.

636 (9) "New state revenues" means:

637 (a) with respect to a business entity:

638 (i) incremental new state sales and use tax revenues that a business entity pays under
639 Title 59, Chapter 12, Sales and Use Tax Act, as a result of a new commercial project;

640 (ii) incremental new state tax revenues that a business entity pays as a result of a new
641 commercial project under:

642 (A) Title 59, Chapter 7, Corporate Franchise and Income Taxes;

643 (B) Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and
644 Information;

645 (C) Title 59, Chapter 10, Part 2, Trusts and Estates;

646 (D) Title 59, Chapter 10, Part 4, Withholding of Tax; or
647 (E) a combination of Subsections (9)(a)(ii)(A) through (D);
648 (iii) incremental new state tax revenues paid as individual income taxes under Title 59,
649 Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information, by
650 employees of a new or expanded industrial, manufacturing, distribution, or business service
651 within a new commercial project as evidenced by payroll records that indicate the amount of
652 employee income taxes withheld and transmitted to the State Tax Commission by the new or
653 expanded industrial, manufacturing, distribution, or business service within the new
654 commercial project; or
655 (iv) a combination of Subsections (9)(a)(i) through (iii); or
656 (b) with respect to a local government entity:
657 (i) incremental new state sales and use tax revenues that are collected under Title 59,
658 Chapter 12, Sales and Use Tax Act, as a result of a new commercial project;
659 (ii) incremental new state tax revenues that are collected as a result of a new
660 commercial project under:
661 (A) Title 59, Chapter 7, Corporate Franchise and Income Taxes;
662 (B) Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and
663 Information;
664 (C) Title 59, Chapter 10, Part 2, Trusts and Estates;
665 (D) Title 59, Chapter 10, Part 4, Withholding of Tax; or
666 (E) a combination of Subsections (9)(b)(ii)(A) through (D);
667 (iii) incremental new state tax revenues paid as individual income taxes under Title 59,
668 Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information, by
669 employees of a new or expanded industrial, manufacturing, distribution, or business service
670 within a new commercial project as evidenced by payroll records that indicate the amount of
671 employee income taxes withheld and transmitted to the State Tax Commission by the new or
672 expanded industrial, manufacturing, distribution, or business service within the new
673 commercial project; or
674 (iv) a combination of Subsections (9)(b)(i) through (iii).
675 Section 7. Section **63N-3-504** is enacted to read:
676 **63N-3-504. Utah Strategic Growth Revolving Loan Fund -- Deposits and contents**

677 -- Use of fund money.

678 (1) There is created an enterprise fund known as the "Utah Strategic Growth
679 Revolving Loan Fund."

680 (2) The fund consists of money generated from the following revenue sources:

681 (a) all amounts transferred to the fund under Subsection 59-12-103(13);

682 (b) any voluntary contributions received;

683 (c) appropriations made to the fund by the Legislature; and

684 (d) all amounts received from the repayment of loans made by the administrator under

685 Section 63N-3-505.

686 (3) (a) The administrator shall administer the fund under the policy direction of the
687 board.

688 (b) The administrator may hire appropriate support staff to perform the duties required
689 under this part.

690 (4) The costs of administering the fund shall be paid from money in the fund.

691 (5) Interest accrued from the investment of money in the fund shall remain in the fund.

692 Section 8. Section **63N-3-505** is enacted to read:

693 **63N-3-505. Administration of fund -- Eligibility for loans.**

694 (1) The administrator shall:

695 (a) make loans from the fund for economic opportunities or new commercial projects
696 within the state;

697 (b) administer the fund in a manner that will keep the fund revolving;

698 (c) determine provisions for repayment of loans;

699 (d) establish criteria for awarding loans; and

700 (e) establish criteria for determining eligibility for loan assistance under this section.

701 (2) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
702 the office shall make rules establishing the requirements for a business entity or local
703 government entity to qualify for a loan for an economic opportunity or new commercial project
704 under this part.

705 (b) The office shall ensure that the requirements described in Subsection (2)(a) include:

706 (i) a requirement that the economic opportunity or new commercial project meets one
707 of the following:

708 (A) the economic opportunity or new commercial project includes direct investment
709 within the geographic boundaries of Utah;

710 (B) the new commercial project brings new incremental jobs to Utah;

711 (C) the new commercial project includes the creation of high paying jobs in the state,
712 significant capital investment in the state, or significant purchases from vendors, contractors, or
713 service providers in the state, or a combination of these three economic factors; or

714 (D) the new commercial project generates new state revenues;

715 (ii) a requirement that the economic opportunity or new commercial project meets one
716 or more critical state objectives, including:

717 (A) diversifying rural economies;

718 (B) providing critical infrastructure;

719 (C) reducing poverty;

720 (D) improving public health or safety; or

721 (E) increasing educational opportunities for Utah children; and

722 (iii) a requirement that the business entity or local government entity complies with the
723 requirements of Section [63N-3-506](#).

724 (3) (a) The office, after consultation with the board, may enter into a written agreement
725 with a business entity or local government entity authorizing a loan to the business entity or
726 local government entity if the business entity or local government entity meets the requirements
727 described in this section.

728 (b) (i) With respect to a new commercial project, the office may authorize a loan to a
729 business entity or a local government entity, but not both.

730 (ii) In determining whether to authorize a loan with respect to a new commercial
731 project to a business entity or a local government entity, the office shall authorize the loan in a
732 manner that the office determines will result in providing the most effective incentive for the
733 new commercial project.

734 Section 9. Section **63N-3-506** is enacted to read:

735 **63N-3-506. Application procedures -- Loan repayment.**

736 (1) The office shall certify a business entity's or local government entity's eligibility for
737 a loan as provided in this part.

738 (2) A business entity or local government entity seeking to receive a loan as provided

739 in this part shall:

740 (a) provide the office with an application for a loan, including a certification, by an
741 officer of the business entity, of any signature on the application;

742 (b) demonstrate to the satisfaction of the administrator that the business entity or local
743 government entity will expend funds in Utah with employees, vendors, subcontractors, or other
744 businesses for a minimum period of five years beginning on the date the loan is granted or
745 approved;

746 (c) demonstrate to the satisfaction of the administrator the applicant's ability to sustain
747 economic activity in the state sufficient to repay the loan provided by the fund;

748 (d) (i) for a business entity, provide the office documentation of the new state revenues
749 from the business entity's new commercial project that were paid during the preceding calendar
750 year; or

751 (ii) for a local government entity, provide the office documentation of the new state
752 revenues from the new commercial project within the area of the local government entity that
753 were paid during the preceding calendar year;

754 (e) (i) with respect to a business entity, provide the office with a document that
755 expressly directs and authorizes the State Tax Commission to disclose to the office the
756 business entity's returns and other information that would otherwise be subject to
757 confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code;

758 (ii) with respect to a local government entity that seeks to obtain a loan under this part:

759 (A) provide the office with a document that expressly directs and authorizes the State
760 Tax Commission to disclose to the office the local government entity's returns and other
761 information that would otherwise be subject to confidentiality under Section 59-1-403 or
762 Section 6103, Internal Revenue Code; and

763 (B) if the new state revenues collected as a result of a new commercial project are
764 attributable in whole or in part to a new or expanded industrial, manufacturing, distribution, or
765 business service within a new commercial project within the area of the local government
766 entity, provide the office with a document signed by an authorized representative of the new or
767 expanded industrial, manufacturing, distribution, or business service that:

768 (I) expressly directs and authorizes the State Tax Commission to disclose to the office
769 the returns of the new or expanded industrial, manufacturing, distribution, or business service

770 and other information that would otherwise be subject to confidentiality under Section
771 59-1-403 or Section 6103, Internal Revenue Code; and

772 (II) lists the taxpayer identification number of the new or expanded industrial,
773 manufacturing, distribution, or business service; and

774 (f) satisfy other criteria the administrator considers appropriate.

775 (3) (a) Subject to Subsection (3)(b), the administrator has authority to determine the
776 structure, amount, and nature of any loan from the fund.

777 (b) A loan made under this part shall be structured so the intended repayment or return
778 to the state equals at least the amount of the loan assistance together with an annual interest
779 charge as negotiated by the administrator.

780 (c) The administrator shall ensure that repayment terms are evidenced by bonds, notes,
781 or other obligations of the appropriate business entity or local government entity issued to the
782 board and payable from the net revenues of an economic opportunity or new commercial
783 project.

784 (d) The administrator may restructure or forgive all or part of a business entity's or
785 local government entity's obligation to repay a loan made under this part for extenuating
786 circumstances.

787 (4) A cash loan repayment or other cash recovery from a loan issued under this part,
788 including interest, shall be deposited into the fund.

789 Section 10. Section **63N-3-507** is enacted to read:

790 **63N-3-507. Agreements.**

791 The administrator shall enter into agreements with each successful applicant that have
792 specific terms and conditions for each loan, including:

793 (1) repayment schedules;

794 (2) interest rates;

795 (3) specific economic activity required to qualify for the loan;

796 (4) collateral or security, if any; and

797 (5) other terms and conditions considered appropriate by the administrator.

798 Section 11. Section **63N-3-508** is enacted to read:

799 **63N-3-508. Reports to board.**

800 The administrator shall make a quarterly report to the board of the loans made by the

801 administrator under this part and submit a report to the office on the loans and their impact on
802 economic development in the state for inclusion in the office's annual written report described
803 in Section [63N-1-301](#).

804 Section 12. **Effective date.**

805 This bill takes effect on July 1, 2018.