

Jerry W. Stevenson proposes the following substitute bill:

**Throughput Infrastructure Funding Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jerry W. Stevenson**

House Sponsor: Casey Snider

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**LONG TITLE**

**General Description:**

This bill addresses financial assistance that is funded through the Throughput Infrastructure Fund.

**Highlighted Provisions:**

This bill:

- provides for the Legislature appropriating money from the Throughput Infrastructure Fund;
- modifies the Permanent Community Impact Fund Board's authority related to the Throughput Infrastructure Fund and a bulk commodities ocean terminal project;
- addresses the provision of financial assistance to an industry within mining; and
- makes technical and conforming amendments.

**Money Appropriated in this Bill:**

This bill appropriates \$11,000,000 in restricted fund and account transfers for fiscal year 2025, all of which is from the various sources as detailed in this bill.

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**35A-8-308**, as last amended by Laws of Utah 2021, Chapter 367

**35A-8-309**, as last amended by Laws of Utah 2021, Chapter 367

**63N-3-105**, as last amended by Laws of Utah 2024, Chapter 159

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

Section 1. Section **35A-8-308** is amended to read:

**35A-8-308 . Throughput Infrastructure Fund.**

- 29 (1) There is created an enterprise fund known as the "Throughput Infrastructure Fund."  
 30 (2) The fund consists of money generated from the following revenue sources:  
 31 (a) ~~all~~ amounts transferred to the fund by statute;  
 32 (b) any voluntary contributions received;  
 33 (c) appropriations made to the fund by the Legislature; and  
 34 (d) all amounts received from the repayment of loans made by the impact board under  
 35 Section 35A-8-309.
- 36 (3) The state treasurer shall:  
 37 (a) invest the money in the fund by following the procedures and requirements of Title  
 38 51, Chapter 7, State Money Management Act; and  
 39 (b) deposit ~~all~~ the interest or other earnings derived from those investments into the  
 40 fund.
- 41 (4) The Legislature may appropriate money from the fund to the Industrial Assistance  
 42 Account, created in Section 63N-3-103, to provide for financial assistance under  
 43 Subsection 63N-3-105(5) to an entity that offers an economic opportunity in a  
 44 community that is economically impacted by the leasing of minerals under the Leasing  
 45 Act.
- 46 Section 2. Section **35A-8-309** is amended to read:  
 47 **35A-8-309 . Throughput Infrastructure Fund administered by impact board --**  
 48 **Uses -- Review by board -- Annual report -- First project.**
- 49 (1) The impact board shall:  
 50 (a) make grants and loans from the Throughput Infrastructure Fund created in Section  
 51 35A-8-308 for a throughput infrastructure project;  
 52 (b) use money transferred to the Throughput Infrastructure Fund in accordance with  
 53 statute to provide a loan or grant to finance the cost of acquisition or construction of a  
 54 throughput infrastructure project to one or more local political subdivisions,  
 55 including a Utah interlocal agency created under Title 11, Chapter 13, Interlocal  
 56 Cooperation Act;  
 57 (c) administer the Throughput Infrastructure Fund in a manner that will keep a portion of  
 58 the ~~fund~~ Throughput Infrastructure Fund revolving;  
 59 (d) determine provisions for repayment of loans;  
 60 (e) establish criteria for awarding loans and grants; and  
 61 (f) establish criteria for determining eligibility for assistance under this section.
- 62 (2) The cost of acquisition or construction of a throughput infrastructure project includes

- 63 amounts for working capital, reserves, transaction costs, and other amounts determined  
64 by the impact board to be allocable to a throughput infrastructure project.
- 65 (3) The impact board may restructure or forgive all or part of a local political subdivision's  
66 or interlocal agency's obligation to repay loans for extenuating circumstances.
- 67 (4) To receive assistance under this section, a local political subdivision or an interlocal  
68 agency shall submit a formal application containing the information that the impact  
69 board requires.
- 70 (5)(a) The impact board shall:
- 71 (i) review the proposed uses of the Throughput Infrastructure Fund for a loan or grant  
72 before approving the loan or grant and may condition its approval on whatever  
73 assurances the impact board considers necessary to ensure that proceeds of the  
74 loan or grant will be used in accordance with this section;
- 75 (ii) ensure that each loan specifies terms for interest deferments, accruals, and  
76 scheduled principal repayment; and
- 77 (iii) ensure that repayment terms are evidenced by bonds, notes, or other obligations  
78 of the appropriate local political subdivision or interlocal agency issued to the  
79 impact board and payable from the net revenues of a throughput infrastructure  
80 project.
- 81 (b) An instrument described in Subsection (5)(a)(iii) may be:
- 82 (i) non-recourse to the local political subdivision or interlocal agency; and  
83 (ii) limited to a pledge of the net revenues from a throughput infrastructure project.
- 84 (6)(a) Subject to the restriction in Subsection (6)(b), the impact board shall allocate from  
85 the Throughput Infrastructure Fund to the board those amounts that are appropriated  
86 by the Legislature for the administration of the Throughput Infrastructure Fund.
- 87 (b) The amount described in Subsection (6)(a) may not exceed 2% of the annual receipts  
88 to the ~~[fund]~~ Throughput Infrastructure Fund.
- 89 (7) The board shall include in the annual written report described in Section 35A-1-109:
- 90 (a) the number and type of loans and grants made under this section; and  
91 (b) a list of local political subdivisions or interlocal agencies that received assistance  
92 under this section.
- 93 (8)(a) The first throughput infrastructure project considered by the impact board shall be  
94 a bulk commodities ocean terminal project.
- 95 (b) Upon receipt of an application from an interlocal agency created for the sole purpose  
96 of undertaking a throughput infrastructure project that is a bulk commodities ocean

97 terminal project, the impact board [shall] may:

- 98 (i) grant up to 2% of the money in the Throughput Infrastructure Fund to the  
 99 interlocal agency to pay or reimburse costs incurred by the interlocal agency  
 100 preliminary to its acquisition of the throughput infrastructure project; and  
 101 (ii) fund the interlocal agency's application if the application meets all criteria  
 102 established by the impact board.

103 Section 3. Section **63N-3-105** is amended to read:

104 **63N-3-105 . Qualification for assistance -- Application requirements.**

105 (1) Subject to the requirements of this part, the administrator may provide loans, grants, or  
 106 other financial assistance from the restricted account to an entity offering an economic  
 107 opportunity if that entity:

- 108 (a) applies to the administrator in a form approved by the administrator; and  
 109 (b) meets the qualifications of Subsection (2).

110 (2) As part of an application for receiving financial assistance under this part, an applicant  
 111 shall demonstrate the following to the satisfaction of the administrator:

- 112 (a) the nature of the economic opportunity and the related benefit to the economic  
 113 well-being of the state by providing evidence documenting the expenditure of money  
 114 necessitated by the economic opportunity;  
 115 (b) how the economic opportunity will act in concert with other state, federal, or local  
 116 agencies to achieve the economic benefit;  
 117 (c) that the applicant will expend funds in the state with employees, vendors,  
 118 subcontractors, or other businesses in an amount proportional with money provided  
 119 from the restricted account at a minimum ratio of one to one per year or other more  
 120 stringent requirements as established on a per project basis by the administrator;  
 121 (d) for an application for a loan, the applicant's ability to sustain economic activity in the  
 122 state sufficient to repay, by means of cash or appropriate credits, the loan provided by  
 123 the restricted account; and  
 124 (e) any other criteria the administrator considers appropriate.

125 (3)(a) The administrator may exempt an applicant from any of the requirements of  
 126 Subsection (2) if:

- 127 (i) the applicant is part of a targeted industry; or  
 128 (ii) the applicant is a quasi-public corporation organized under Title 16, Chapter 6a,  
 129 Utah Revised Nonprofit Corporation Act, or Title 63E, Chapter 2, Independent  
 130 Corporations Act, and the applicant's operations, as demonstrated to the

131 satisfaction of the administrator, will provide significant economic stimulus to the  
132 growth of commerce and industry in the state.

133 (b) The administrator may not exempt the applicant from the requirement under  
134 Subsection 63N-3-106(1)(b) that the loan be structured so that the repayment or  
135 return to the state equals at least the amount of the assistance together with an annual  
136 interest charge.

137 (4) Before awarding any money under this part, the administrator shall:

138 (a) make findings as to whether an applicant has satisfied the requirements of Subsection  
139 (2);

140 (b) establish benchmarks and timeframes in which progress toward the completion of the  
141 agreed upon activity is to occur;

142 (c) monitor compliance by an applicant with any contract or agreement entered into by  
143 the applicant and the state as provided by Section 63N-3-107; and

144 (d) make funding decisions based upon appropriate findings and compliance.

145 (5)(a) The administrator shall exempt an applicant that mines or intends to mine  
146 fluorspar or gallium from the requirements of Subsection (2) and provide an  
147 applicant financial assistance under this section if the applicant demonstrates to the  
148 satisfaction of the administrator that the applicant:

149 (i) has the required permits to engage in the mining activity of fluorspar or gallium;

150 (ii) will engage in the mining activity in a community within the state that is  
151 economically impacted by the Mineral Lands Leasing Act of 1920, 30 U.S.C. Sec.  
152 181 et seq.;

153 (iii) will draw money from the financial assistance provided to the applicant under  
154 this Subsection (5) by no later than two years from the day on which the  
155 administrator awards the financial assistance; and

156 (iv) agrees to reimburse the restricted account in staggered payments during a period  
157 beginning three years from the day on which the administrator awards the  
158 financial assistance and ending seven years from the day on which the  
159 administrator awards the financial assistance.

160 (b) The applicant shall pay interest at a rate of not more than 4.5%.

161 (c) The administrator may enter into an agreement with the applicant as provided in  
162 Section 63N-3-107 to provide for the process of drawing money from the financial  
163 assistance, the payment of interest, and reimbursing the restricted account.

164 (d) The administrator shall deposit money reimbursed by the applicant into the restricted

165 account and may use that money for any purpose authorized by this part.  
 166 (e) If an applicant fails to pay money owed under the agreement described under  
 167 Subsection (5)(c), the administrator may bring an action against the assets of the  
 168 applicant to recover the money owed under the agreement.

169 **Section 4. FY 2025 Appropriations.**

170 The following sums of money are appropriated for the fiscal year beginning July 1,  
 171 2024, and ending June 30, 2025. These are additions to amounts previously appropriated for  
 172 fiscal year 2025.

173 Subsection 4(a). **Restricted Fund and Account Transfers**

174 The Legislature authorizes the State Division of Finance to transfer the following  
 175 amounts between the following funds or accounts as indicated. Expenditures and outlays from  
 176 the funds to which the money is transferred must be authorized by an appropriation.

177	ITEM 1	To General Fund Restricted - Industrial Assistance Account	
178		From Throughput Infrastructure Fund, One-time	11,000,000
179		Schedule of Programs:	
180		General Fund Restricted - Industrial Assistance	
181		Account	11,000,000

182 The Legislature intends that the Governor's  
 183 Office of Economic Opportunity use the \$11,000,000  
 184 appropriated in this section to provide an applicant  
 185 financial assistance in accordance with Subsection  
 186 63N-3-105(5).

187 **Section 5. Effective Date.**

188 This bill takes effect:

- 189 (1) except as provided in Subsection (2), May 7, 2025; or
- 190 (2) if approved by two-thirds of all members elected to each house:
  - 191 (a) upon approval by the governor;
  - 192 (b) without the governor's signature, the day following the constitutional time limit of
  - 193 Utah Constitution, Article VII, Section 8; or
  - 194 (c) in the case of a veto, the date of veto override.