

1 **STATE SMALL BUSINESS CREDIT INITIATIVE**

2 **PROGRAM FUND AMENDMENTS**

3 2022 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Carol Spackman Moss**

6 Senate Sponsor: Ronald M. Winterton

8 **LONG TITLE**

9 **General Description:**

10 This bill addresses the State Small Business Credit Initiative Program Fund.

11 **Highlighted Provisions:**

12 This bill:

13 ▸ transfers the administration of the State Small Business Credit Initiative Program
14 Fund from the Department of Workforce Services to the Governor's Office of
15 Economic Opportunity; and

16 ▸ makes technical changes.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 This bill provides a special effective date.

21 **Utah Code Sections Affected:**

22 **RENUMBERS AND AMENDS:**

23 **63N-3-801**, (Renumbered from 35A-8-1201, as renumbered and amended by Laws of
24 Utah 2012, Chapter 212)

25 **63N-3-802**, (Renumbered from 35A-8-1202, as last amended by Laws of Utah 2012,
26 Chapter 347 and renumbered and amended by Laws of Utah 2012, Chapter 212)

27 **63N-3-803**, (Renumbered from 35A-8-1203, as last amended by Laws of Utah 2014,
28 Chapter 371)

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

31 Section 1. Section **63N-3-801**, which is renumbered from Section 35A-8-1201 is
32 renumbered and amended to read:

33 **Part 8. State Small Business Credit Initiative Program Fund**

34 ~~[35A-8-1201].~~ **63N-3-801. Creation and administration.**

35 (1) There is created an enterprise fund known as the "State Small Business Credit
36 Initiative Program Fund" administered by the [~~director of the division or the director's~~
37 ~~designee~~] office.

38 (2) The [~~division~~] executive director or the executive director's designee is the
39 administrator of the fund.

40 (3) Revenues deposited into the fund shall consist of:

41 (a) grants, pay backs, bonuses, entitlements, and other money received from the federal
42 government to implement the State Small Business Credit Initiative; and

43 (b) transfers, grants, gifts, bequests, and other money made available from any source
44 to implement this part.

45 (4) (a) The state treasurer shall invest the money in the fund according to the
46 procedures and requirements of Title 51, Chapter 7, State Money Management Act.

47 (b) Interest and other earnings derived from the fund money shall be deposited in the
48 fund.

49 (5) The [~~division~~] office may use fund money for administration of the fund, but not to
50 exceed 4% of the annual receipts to the fund.

51 Section 2. Section **63N-3-802**, which is renumbered from Section 35A-8-1202 is
52 renumbered and amended to read:

53 ~~[35A-8-1202].~~ **63N-3-802. Distribution of fund money.**

54 (1) (a) The [~~director~~] office shall make loans and loan guarantees from the fund for the
55 Small Business Credit Initiative created under the [~~federal government's~~] Small Business Jobs
56 Act of 2010, 12 U.S.C. Sec. 5701 et seq., as amended, to use federal money for programs that
57 leverage private lending to help finance small businesses and manufacturers that are

58 creditworthy but not receiving the loans needed to expand and create jobs.

59 (b) In making loans and loan guarantees under this part, the [director] office shall give
60 due consideration to small businesses in underserved communities throughout the state that
61 have been deeply impacted by recession and not seen a comparable resurgence in their
62 economies.

63 (2) The [director] office shall distribute federal money in the fund according to the
64 procedures, conditions, and restrictions placed upon the use of the money by the federal
65 government.

66 [~~(3) The director may, with the approval of the executive director of the department:~~]

67 (3) The office may:

68 (a) enact rules to establish procedures for the loan and loan guarantee process by
69 following the procedures and requirements of Title 63G, Chapter 3, Utah Administrative
70 Rulemaking Act; and

71 (b) service or contract, under Title 63G, Chapter 6a, Utah Procurement Code, for the
72 servicing of loans made by the fund.

73 Section 3. Section **63N-3-803**, which is renumbered from Section 35A-8-1203 is
74 renumbered and amended to read:

75 [~~35A-8-1203~~]. **63N-3-803. Annual accounting.**

76 (1) The [director] office shall monitor the activities of recipients of the loans and loan
77 guarantees issued under this part on a yearly basis to ensure compliance with the terms and
78 conditions imposed on the recipient by the [director] office under this part.

79 (2) An entity receiving a loan or loan guarantee under this part shall provide the
80 [director] office with an annual accounting of how the money it received from the fund was
81 spent.

82 [~~(3) The director shall provide the following information to the department for
83 inclusion in the department's annual written report described in Section 35A-1-109:~~]

84 (3) The office shall include the following information in the office's annual written
85 report described in Section 63N-1a-306:

- 86 (a) an accounting of expenditures made from the fund; and
- 87 (b) an evaluation of the effectiveness of the loan and loan guarantee program.
- 88 Section 4. **Effective date.**
- 89 This bill takes effect on July 1, 2022.