

State of Utah

Revolving Loan Funds

This section explains revolving loan funds and includes a table of appropriations given to each revolving loan fund.





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REVOLVING LOAN FUNDS

Overview

Numerous revolving loan programs have been established by the State of Utah to promote economic development within the State. These loan funds are typically established with General Fund appropriations. Some loan funds receive periodic one-time transfers from the General Fund to enhance the loan programs. In addition, some loan programs receive federal funds and private contributions. Once a loan program is established, loan repayments generally remain within the loan programs in order to provide additional monies for future loans. Thus, a revolving and self-sustaining source of funding is provided.

Several revolving loan programs equip city and county governments with low-interest loans to finance water and sewer systems or other vital infrastructure that is necessary for economic growth. Other revolving loan programs include low-interest loans for agricultural development in the State, or loans and grants for low-income housing development.

The Industrial Assistance Fund (IAF) provides low-interest loans to businesses that provide new jobs in rural Utah. If a business which receives an IAF loan creates an established number of new jobs, it is not required to repay all or part of the loan.

Since the fund balances within loan programs are not a source of operating or capital funding for state departments, the budgets and other financial information relating to revolving loan programs are not included in departmental budget tables. However, some loan programs have the option of using a portion of the interest from loan repayments to administer the loan program.

Table 40, Revolving Loan Funds, shows all appropriations to revolving loan funds, including new state funds, loan repayments (shown as either dedicated credits or restricted/trust funds), federal funds, and carryforward balances.

Table 40
REVOLVING LOAN FUNDS
 Funds Available to Loan by Funding Source
 Three-Year Comparison

	General Fund	Education Fund	Transportation Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted/Trust Funds	Other Funds	Total Available
Agriculture Resource Development Fund									
Actual FY 2008	\$0	\$0	\$0	\$0	\$0	\$0	\$525,000 ^(a)	\$0	\$525,000
Authorized FY 2009	0	0	0	0	0	0	525,000 ^(a)	0	525,000
Appropriated FY 2010	0	0	0	0	0	0	525,000 ^(a)	0	525,000
Drinking Water Loan Fund									
Actual FY 2008	0	0	0	6,562,700	4,162,400	0	3,587,500 ^(a)	0	14,312,600
Authorized FY 2009	0	0	0	26,161,000 ^(b)	4,200,000	0	3,587,500 ^(a)	0	33,948,500
Appropriated FY 2010	0	0	0	1,610,000	3,100,000	0	3,587,500 ^(a)	0	8,297,500
Energy Efficiency Loan Fund									
Actual FY 2008	0	5,000,000	0	0	0	0	0	(5,000,000)	0
Authorized FY 2009	0	(1,936,400)	0	0	0	0	0	2,500,000	563,600
Appropriated FY 2010	0	(2,500,000)	0	0	47,300	0	0	2,500,000	47,300
Industrial Assistance Fund									
Actual FY 2008	1,513,000	0	0	0	0	0	0	0	1,513,000
Authorized FY 2009	0	0	0	0	0	0	0	0	0
Appropriated FY 2010	0	0	0	0	0	0	0	0	0
Olene Walker Housing Loan Fund									
Actual FY 2008	2,636,400	0	0	3,606,000	0	0	0	0	6,242,400
Authorized FY 2009	3,136,400	0	0	3,850,000	0	0	0	0	6,986,400
Appropriated FY 2010	2,386,900	0	0	7,700,000	0	0	0	0	10,086,900
Permanent Community Impact Fund									
Actual FY 2008	0	0	0	0	0	55,606,800	0	0	55,606,800
Authorized FY 2009	0	0	0	0	0	78,900,000	0	0	78,900,000
Appropriated FY 2010	0	0	0	0	0	78,900,000	0	0	78,900,000
State Facility Energy Efficiency Loan Fund ^(c)									
Actual FY 2008	0	0	0	0	0	0	0	0	0
Authorized FY 2009	0	0	0	0	0	0	2,150,000	0	2,150,000
Appropriated FY 2010	0	0	0	0	0	0	2,184,600	0	2,184,600
Water Quality Loan Fund									
Actual FY 2008	0	0	0	3,521,700	11,019,800	0	3,587,500 ^(a)	0	18,129,000
Authorized FY 2009	0	0	0	24,490,700 ^(b)	11,050,000	0	3,587,500 ^(a)	0	39,128,200
Appropriated FY 2010	0	0	0	3,421,700	6,750,000	0	3,587,500 ^(a)	0	13,759,200
Water Resources Cities Water Loan Fund									
Actual FY 2008	0	0	0	0	1,877,500	0	0	(1,647,300)	230,200
Authorized FY 2009	0	0	0	0	1,991,000	0	0	623,900	2,614,900
Appropriated FY 2010	0	0	0	0	2,052,700	0	0	0	2,052,700
Water Resources Conservation and Development Fund									
Actual FY 2008	1,043,200	0	0	0	13,749,900	0	15,946,800 ^(a)	(11,123,100)	19,616,800
Authorized FY 2009	450,700	0	0	0	12,037,800	0	15,842,600 ^(a)	(7,383,800)	20,947,300
Appropriated FY 2010	6,500,000	0	0	0	13,365,300	0	15,101,600 ^(a)	(6,608,100)	28,358,800
Water Resources Construction Fund									
Actual FY 2008	539,100	0	0	0	3,593,200	0	0	5,118,800	9,251,100
Authorized FY 2009	539,100	0	0	0	3,395,800	0	0	3,912,600	7,847,500
Appropriated FY 2010	0	0	0	0	3,342,400	0	0	3,800,000	7,142,400
TOTAL REVOLVING LOAN FUND APPROPRIATIONS									
Actual FY 2008	\$5,731,700	\$5,000,000	\$0	\$13,690,400	\$34,402,800	\$55,606,800	\$23,646,800	(\$12,651,600)	\$125,426,900
Authorized FY 2009	4,126,200	(1,936,400)	0	54,501,700	32,674,600	78,900,000	25,692,600	(347,300)	193,611,400
Appropriated FY 2010	8,886,900	(2,500,000)	0	12,731,700	28,657,700	78,900,000	24,986,200	(308,100)	151,354,400

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Table 40 (Continued)
REVOLVING LOAN FUNDS
 Funds Available to Loan by Funding Source
 Three-Year Comparison

<p>(a) <i>These restricted funds come from the 1/16th of 1.0 percent state sales tax designated by law to go to these loan funds. House Bill 6004, Sales and Use Tax Amendments (Curtis), which passed in the 2002 Sixth Special Session, limited the distribution of the 1/16th of 1.0 percent state sales tax to the lower of the actual amount collected or \$17,500,000. Not reflected in the above table is \$2,450,000 that is transferred to the Department of Natural Resources for endangered species and \$175,000 transferred to the Division of Water Rights. These amounts are shown in the Natural Resources operating table.</i></p> <p><i>House Bill 47, Sales Tax Diversion for Water Projects and Water Financing (Ure), which passed in the 2006 General Session, removed the \$17,500,000 will be distributes as follows: \$500,000 to the Department of Natural Resources for watershed rehabilitation and restoration; \$150,000 to the Division of Water Resources for the cloud seeding program; 6.0 percent of the remaining funds to Water Rights for operating expenses; and 94 percent of the remaining funds to the Department of Water Resources Conservation and Development Fund for preconstruction costs of large state water development projects.</i></p> <p>(b) <i>Funding was provided in these sections by the American Recovery and Reinvestment Act (ARRA) of 2009. The Drinking Water Loan Fund received \$19,651,000 and the Water Quality Loan Fund received \$20,969,000.</i></p> <p>(c) <i>This loan fund was created by HB 198, State Agency Energy Efficiency (Hunsaker), in the 2008 General Session. State agencies are the recipients of these funds.</i></p> <p><i>Continued from previous page</i></p>

Table 40 shows funding available to loan from each appropriated revolving loan fund. The appropriations for revolving loan funds are not included in departmental budget tables since they do not provide operating or capital funds for use by departments. The available funds are loaned or granted to local governmental entities, private businesses, or individuals.

