

# 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

The State of Utah administers various revolving loan programs to promote economic development within the state. These revolving loan funds are typically funded with General Fund appropriations, and are sometimes supplemented from other funding sources, including federal funds and private contributions. Revolving loan funds may be enhanced through one-time transfers from the General Fund or other funding. 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 necessary for economic growth. Other revolving loan programs include low-interest loans for agricultural development, low-income housing development, or other authorized purposes. Some revolving loan programs may provide grants.

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

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

Table 42, Revolving Loan Funds, shows all appropriations to revolving loan funds, including new state funds, loan repayments (shown as either dedicated credits or restricted and trust funds), federal funds, and carry forward balances.

**Table 42**  
**REVOLVING LOAN FUNDS**  
 Funds Available to Loan by Funding Source  
 Three-Year Comparison

	General Fund	Education Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted/Trust Funds	Other Funds	Total Available
<b>Agriculture Resource Development Fund</b>								
Actual FY 2009	\$0	\$0	\$0	\$5,201,500	\$0	\$525,000 (a)	\$0	\$5,726,500
Authorized FY 2010	0	0	0	5,136,800	0	525,000 (a)	0	5,661,800
Appropriated FY 2011	0	0	0	5,756,800	0	525,000 (a)	0	6,281,800
<b>Drinking Water Loan Fund</b>								
Actual FY 2009	0	0	9,136,900	7,017,000	0	3,587,500 (a)	0	19,741,400
Authorized FY 2010	0	0	20,113,300 (b)	8,222,900	0	3,587,500 (a)	0	31,923,700
Appropriated FY 2011	0	0	10,800,000	5,050,000	0	3,587,500 (a)	0	19,437,500
<b>Energy Efficiency Loan Fund</b>								
Actual FY 2009	0	(1,936,400)	0	114,200	0	0	1,822,200	0
Authorized FY 2010	0	(2,500,000)	0	32,100	0	0	2,933,400	465,500
Appropriated FY 2011	0	0	0	51,900	0	0	340,400	392,300
<b>Industrial Assistance Fund (c)</b>								
Actual FY 2009	0	0	0	0	0	0	0	0
Authorized FY 2010	0	0	0	0	0	0	0	0
Appropriated FY 2011	0	0	0	0	0	0	0	0
<b>Olene Walker Housing Loan Fund</b>								
Actual FY 2009	3,136,400	0	3,850,000	0	0	0	0	6,986,400
Authorized FY 2010	2,386,900	0	7,700,000	0	0	0	0	10,086,900
Appropriated FY 2011	2,242,900	0	4,400,000	0	0	0	0	6,642,900
<b>Permanent Community Impact Fund</b>								
Actual FY 2009	0	0	0	0	78,900,000	0	0	78,900,000
Authorized FY 2010	0	0	0	0	78,900,000	0	0	78,900,000
Appropriated FY 2011	0	0	0	0	78,900,000	0	0	78,900,000
<b>State Facility Energy Efficiency Loan Fund</b>								
Actual FY 2009	0	0	0	0	0	2,150,000	0	2,150,000
Authorized FY 2010	0	0	0	0	0	2,219,100	0	2,219,100
Appropriated FY 2011	0	0	0	0	0	2,233,000	0	2,233,000
<b>Water Quality Loan Fund</b>								
Actual FY 2009	0	0	6,527,300	18,422,500	0	3,587,500 (a)	0	28,537,300
Authorized FY 2010	0	0	16,657,100 (b)	16,581,900	0	3,587,500 (a)	0	36,826,500
Appropriated FY 2011	0	0	11,000,000	11,287,500	0	3,587,500 (a)	0	25,875,000
<b>Water Resources Cities Water Loan Fund</b>								
Actual FY 2009	0	0	0	1,959,700	0	0	(1,439,700)	520,000
Authorized FY 2010	0	0	0	1,954,600	0	0	2,063,600	4,018,200
Appropriated FY 2011	0	0	0	1,854,000	0	0	0	1,854,000
<b>Water Resources Conservation and Development Fund</b>								
Actual FY 2009	450,700	0	0	14,430,300	0	15,276,200 (a)	(1,758,900)	28,398,300
Authorized FY 2010	6,500,000	0	0	13,433,000	0	13,400,000 (a)	10,814,100	44,147,100
Appropriated FY 2011	0	0	0	13,761,800	0	13,400,000 (a)	(6,611,000)	20,550,800
<b>Water Resources Construction Fund</b>								
Actual FY 2009	539,100	0	0	2,957,300	0	0	1,550,300	5,046,700
Authorized FY 2010	0	0	0	2,966,300	0	0	8,162,300	11,128,600
Appropriated FY 2011	0	0	0	2,934,100	0	0	3,800,000	6,734,100
<b>TOTAL REVOLVING LOAN FUND APPROPRIATIONS</b>								
Actual FY 2009	\$4,126,200	(\$1,936,400)	\$19,514,200	\$50,102,500	\$78,900,000	\$25,126,200	\$173,900	\$176,006,600
Authorized FY 2010	8,886,900	(2,500,000)	44,470,400	48,327,600	78,900,000	23,319,100	23,973,400	225,377,400
Appropriated FY 2011	2,242,900	0	26,200,000	40,696,100	78,900,000	23,333,000	(2,470,600)	168,901,400

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**Table 42 (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 cap associated with the 1/16th of 1.0 percent sales tax. The distribution of funds below \$17,500,000 remains the same. Revenue above the \$17,500,000 will be distributed 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>The variance is due to American Recovery and Reinvestment Act (ARRA) of 2009 funds carried into the next fiscal year.</i></p> <p>(c) <i>This fund has balances that are not appropriated for use in these years, therefore the opening and closing balances offset each other, giving the appearance of zero funds available.</i></p> <p><i>Continued from previous page</i></p>
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*Table 42 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.*