

Utah Code Section 63N-6-301

from

Title 63N, Governor's Office of Economic Development
Chapter 6, Utah Venture Capital Enhancement Act
Part 3, Utah Capital Investment Corporation

(Text is current through the 2015 General Session)

63N-6-301. Utah Capital Investment Corporation -- Powers and purposes.

- (1)
 - (a) There is created an independent quasi-public nonprofit corporation known as the Utah Capital Investment Corporation.
 - (b) The corporation:
 - (i) may exercise all powers conferred on independent corporations under Section 63E-2-106;
 - (ii) is subject to the prohibited participation provisions of Section 63E-2-107; and
 - (iii) is subject to the other provisions of Title 63E, Chapter 2, Independent Corporations Act, except as otherwise provided in this part.
 - (c) The corporation shall file with the Division of Corporations and Commercial Code:
 - (i) articles of incorporation; and
 - (ii) any amendment to its articles of incorporation.
 - (d) In addition to the articles of incorporation, the corporation may adopt bylaws and operational policies that are consistent with this chapter.
 - (e) Except as otherwise provided in this part, this part does not exempt the corporation from the requirements under state law which apply to other corporations organized under Title 63E, Chapter 2, Independent Corporations Act.
- (2) The purposes of the corporation are to:
 - (a) organize the Utah fund of funds;
 - (b) select an investment fund allocation manager to make venture capital and private equity fund investments by the Utah fund of funds;
 - (c) negotiate the terms of a contract with the investment fund allocation manager;
 - (d) execute the contract with the selected investment fund manager on behalf

- of the Utah fund of funds;
 - (e) receive funds paid by designated investors for the issuance of certificates by the board for private investment in the Utah fund of funds;
 - (f) receive investment returns from the Utah fund of funds; and
 - (g) establish the redemption reserve to be used by the corporation to redeem certificates.
- (3) The corporation may not:
- (a) exercise governmental functions;
 - (b) have members;
 - (c) pledge the credit or taxing power of the state or any political subdivision of the state; or
 - (d) make its debts payable out of any money except money of the corporation.
- (4) The obligations of the corporation are not obligations of the state or any political subdivision of the state within the meaning of any constitutional or statutory debt limitations, but are obligations of the corporation payable solely and only from the corporation's funds.
- (5) The corporation may:
- (a) engage consultants and legal counsel;
 - (b) expend funds;
 - (c) invest funds;
 - (d) issue debt and equity, and borrow funds;
 - (e) enter into contracts;
 - (f) insure against loss;
 - (g) hire employees; and
 - (h) perform any other act necessary to carry out its purposes.
- (6) (a) The corporation shall, in consultation with the board, publish on or before September 1 an annual report of the activities conducted by the Utah fund of funds and submit the report to the governor; the Business, Economic Development, and Labor Appropriations Subcommittee; the Business and Labor Interim Committee; and the Retirement and Independent Entities Interim Committee.
- (b) The annual report shall:
- (i) be designed to provide clear, accurate, and accessible information to the public, the governor, and the Legislature;

- (ii) include a copy of the audit of the Utah fund of funds described in Section 63N-6-405;
- (iii) include a detailed balance sheet, revenue and expenses statement, and cash flow statement;
- (iv) include detailed information regarding new fund commitments made during the year, including the amount of money committed;
- (v) include the net rate of return of the Utah fund of funds from the inception of the Utah fund of funds, after accounting for all expenses, including administrative and financing costs;
- (vi) include detailed information regarding:
 - (A) realized gains from investments and any realized losses; and
 - (B) unrealized gains and any unrealized losses based on the net present value of ongoing investments;
- (vii) include detailed information regarding all yearly expenditures, including:
 - (A) administrative, operating, and financing costs;
 - (B) aggregate compensation information for full- and part-time employees, including benefit and travel expenses; and
 - (C) expenses related to the allocation manager;
- (viii) include detailed information regarding all funding sources for administrative, operations, and financing expenses, including expenses charged by or to the Utah fund of funds, including management and placement fees;
- (ix) review the progress of the investment fund allocation manager in implementing its investment plan and provide a general description of the investment plan;
- (x) for each individual fund that the Utah fund of funds is invested in that represents at least 5% of the net assets of the Utah fund of funds, include the name of the fund, the total value of the fund, the fair market value of the Utah fund of funds' investment in the fund, and the percentage of the total value of the fund held by the Utah fund of funds;
- (xi) include the number of companies in Utah where an investment was made from a fund that the Utah fund of funds is invested in, and

- provide an aggregate count of new full-time employees in the state added by all companies where investments were made by funds that the Utah fund of funds is invested in;
- (xii) include an aggregate total value for all funds the Utah fund of funds is invested in, and an aggregate total amount of money invested in the state by the funds the Utah fund of funds is invested in;
 - (xiii) describe any redemption or transfer of a certificate issued under this part;
 - (xiv) include actual and estimated potential appropriations the Legislature will be required to provide as a result of redeemed certificates or tax credits during the following five years;
 - (xv) include an evaluation of the state's progress in accomplishing the purposes stated in Section 63N-6-102; and
 - (xvi) be directly accessible to the public via a link from the main page of the Utah fund of fund's website.
- (c) The annual report may not identify a specific designated investor who has redeemed or transferred a certificate.