

1 **RESOLUTION URGING RETIREMENT SYSTEM**
2 **SUPPORT OF ECONOMIC DEVELOPMENT**

3 2004 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Peggy Wallace**

7 **LONG TITLE**

8 **General Description:**

9 This concurrent resolution of the Legislature and the Governor urges the Utah
10 Retirement Systems Board to establish policies and procedures that encourage
11 investment in leading venture capital funds and other funds.

12 **Highlighted Provisions:**

13 This resolution:

- 14 ▶ urges the Utah Retirement Systems Board to establish policies and procedures that
15 encourage investment in leading venture capital funds and other funds that have
16 demonstrated a commitment to Utah and its start-up and emerging growth
17 companies; and
18 ▶ encourages the Utah Retirement Systems Board to report its progress to the
19 Legislature annually.

20 **Special Clauses:**

21 None

23 *Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:*

24 WHEREAS, the availability of capital for the start-up and subsequent expansion of new
25 businesses is critical to the continued growth and development of the economy of Utah;

26 WHEREAS, an increase in capital availability within Utah will strengthen Utah's
27 economy by creating new companies and jobs within Utah, increasing the revenues of Utah



28 companies and increasing the earnings of Utah households, which will consequently enhance
29 the quality of life within the state;

30 WHEREAS, a strengthened Utah economy directly benefits the member beneficiaries
31 of the Utah Retirement Systems;

32 WHEREAS, there exists a substantial gap between available capital resources and the
33 need of Utah businesses for these resources;

34 WHEREAS, investments in start-up and expanding businesses can produce substantial
35 positive returns for long-term investors;

36 WHEREAS, pension funds managed by the Utah Retirement Systems Board constitute
37 a major financial resource in the state of Utah, and a portion of the funds may be prudently
38 invested in start-up and emerging growth businesses in this state under the policies established
39 by the Utah Retirement Systems Board;

40 WHEREAS, the Utah Retirement Systems Board has a fiduciary duty to manage the
41 pension funds of the Utah State Retirement Investment Fund in accordance with the prudent
42 investor rule;

43 WHEREAS, the Utah Retirement Systems Board has a longstanding tradition of careful
44 management of pension funds and a history of making excellent investment decisions;

45 WHEREAS, unlike the policy in some other states, the Utah Retirement Systems Board
46 does not currently manage the pension funds of the Utah State Retirement Investment Fund
47 with a priority to invest in Utah companies and businesses and, accordingly, a relatively small
48 amount of the Utah State Retirement Investment Fund has historically been invested in start-up
49 and emerging growth businesses in Utah; and

50 WHEREAS, the Utah Retirement Systems Board may take a more active role in the
51 growth and development of the Utah economy by actively seeking to make high quality
52 investment in leading venture capital funds and other funds that have demonstrated a
53 commitment to Utah and Utah's start-up and emerging growth companies while still
54 maintaining the same high standard of care, skill, and caution that the Utah Retirement Systems
55 Board employs in making all of its investment decisions:

56 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
57 Governor concurring therein, urge the Utah Retirement Systems Board to establish policies and
58 procedures that encourage investment in leading venture capital funds and other funds that

59 have demonstrated a commitment to Utah and Utah's start-up and emerging growth companies,
60 while continuing its strict compliance with the fiduciary duty that the Board owes to the
61 members and beneficiaries of the Utah State Retirement Investment Fund.

62 BE IT FURTHER RESOLVED that the Legislature and the Governor encourage the
63 Utah Retirement Systems Board to implement policies and procedures in accordance with this
64 resolution and report its progress to the Legislature annually.

65 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the Utah
66 Retirement Systems Board.

Legislative Review Note
as of 2-19-04 1:56 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number HCR016

**Resolution Urging Retirement System Support of Economic
Development**

23-Feb-04
1:53 PM

State Impact

Mailing requirements of this resolution can be handled within existing budgets.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst