

**RELATIONSHIPS WITH VENTURE CAPITAL ENTITIES**

2005 GENERAL SESSION

STATE OF UTAH

**Sponsor: David L. Thomas**

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**LONG TITLE**

**General Description:**

This bill clarifies relationships between higher education institutions and venture capital entities.

**Highlighted Provisions:**

This bill:

- ▶ provides that a state institution of higher education may enter into a business relationship or dealing with a private seed or venture capital partnership or entity;
- and
- ▶ provides that the business relationship or dealing does not preclude the private entity or partnership from receiving benefits from a venture capital program authorized or sanctioned by state law.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**53B-2-101**, as last amended by Chapter 7, Laws of Utah 2000

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

Section 1. Section **53B-2-101** is amended to read:

**53B-2-101. Institutions of higher education -- Corporate bodies -- Powers.**

(1) The following institutions of higher education are bodies politic and corporate with

perpetual succession and with all rights, immunities, and franchises necessary to function as such:

- (a) the University of Utah;
- (b) Utah State University;
- (c) Weber State University;
- (d) Southern Utah University;
- (e) Snow College;
- (f) Dixie State College of Utah;
- (g) the College of Eastern Utah;
- (h) Utah Valley State College; and
- (i) Salt Lake Community College.

(2) (a) Each institution may have and use a corporate seal and may, subject to Section 53B-20-103, take, hold, lease, sell, and convey real and personal property as the interest of the institution requires.

(b) Each institution is vested with all the property, franchises, and endowments of, and is subject to, all the contracts, obligations, and liabilities of its respective predecessor.

(c) (i) Each institution may enter into business relationships or dealings with private seed or venture capital entities or partnerships consistent with Utah Constitution Article VI, Section 29, Subsection (2).

(ii) A business dealing or relationship entered into under Subsection (2)(c)(i) does not preclude the private entity or partnership from participating in or receiving benefits from a venture capital program authorized or sanctioned by the laws of this state, unless otherwise precluded by the specific law that authorizes or sanctions the program.

(iii) Subsections (2)(c)(i) and (ii) also apply to the Utah College of Applied Technology created in Title 53B, Chapter 2a, Utah College of Applied Technology.