

1 **U STAR INITIATIVE**

2 2006 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: L. Alma Mansell**

5 House Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill establishes a process for a Utah Science and Technology Research Initiative,
10 authorizes the issuance of general obligation bonds for the construction of research
11 buildings at Utah State University and the University of Utah, and appropriates monies
12 for construction, administration, and operations.

13 **Highlighted Provisions:**

14 This bill:

- 15 ▶ defines the intended scope of the Utah Science Technology Research Project,
16 including:
- 17 • construction of research buildings at Utah State University and the University of
18 Utah;
 - 19 • the creation of a technology outreach program delivered at strategic locations
20 around Utah;
 - 21 • the funding of research teams to conduct science and technology research; and
 - 22 • requirements governing how license fees and royalty fees generated from the
23 project will be allocated between the state, Utah State University, and the
24 University of Utah;
- 25 ▶ creates the Utah Science Technology and Research Governing Authority, defines its
26 membership and its powers and duties;
- 27 ▶ creates the Utah Science Technology and Research Governing Authority Advisory



28 Council and defines its membership and its powers and duties;

29 ▶ authorizes the Utah Science Technology and Research Governing Authority to hold
30 title to its property;

31 ▶ modifies the Bonding Code by authorizing the issuance and sale of \$111,100,000 in
32 general obligation bonds by the State Bonding Commission for construction of a
33 Life Science Research Center at Utah State University and a Neuroscience Research
34 Center at the University of Utah;

35 ▶ specifies the use of the general obligation bond proceeds and the manner of
36 issuance;

37 ▶ provides expressions of legislative intent; and

38 ▶ establishes a salary range for the executive director of the Utah Science Technology
39 Governing Authority.

40 **Monies Appropriated in this Bill:**

41 This bill appropriates:

42 ▶ \$50,000,000 from income tax revenues for fiscal year 2007 only, to the Division of
43 Facilities Construction and Management; and

44 ▶ as an ongoing appropriation subject to future budget constraints, \$15,250,000 from
45 the General Fund for fiscal year 2006-07, to the Utah Science Technology and
46 Research Governing Authority.

47 **Other Special Clauses:**

48 This bill takes effect on July 1, 2006.

49 **Utah Code Sections Affected:**

50 AMENDS:

51 **63A-5-204**, as last amended by Chapter 34, Laws of Utah 2004

52 **67-22-2 (Effective 07/01/06)**, as last amended by Chapter 8, Laws of Utah 2005, First
53 Special Session

54 ENACTS:

55 **63-38g-101**, Utah Code Annotated 1953

56 **63-38g-102**, Utah Code Annotated 1953

57 **63-38g-201**, Utah Code Annotated 1953

58 **63-38g-202**, Utah Code Annotated 1953

- 59 **63-38g-203**, Utah Code Annotated 1953
- 60 **63-38g-204**, Utah Code Annotated 1953
- 61 **63-38g-301**, Utah Code Annotated 1953
- 62 **63-38g-302**, Utah Code Annotated 1953
- 63 **63-38g-303**, Utah Code Annotated 1953
- 64 **63B-15-101**, Utah Code Annotated 1953

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

67 Section 1. Section **63-38g-101** is enacted to read:

68 **CHAPTER 38g. UTAH SCIENCE TECHNOLOGY AND RESEARCH**
69 **GOVERNING AUTHORITY ACT**

70 **Part 1. General Provisions**

71 **63-38g-101. Title.**

72 This chapter is known as the "Utah Science Technology and Research Governing
73 Authority Act."

74 Section 2. Section **63-38g-102** is enacted to read:

75 **63-38g-102. Definitions.**

76 As used in this chapter:

77 (1) "Executive director" means the person appointed by the governing authority under
78 Section 63-38g-201.

79 (2) "Governing authority" means the Utah Science Technology and Research
80 Governing Authority created in Section 63-38g-301.

81 (3) "Project" means the Utah Science Technology and Research Project.

82 (4) "Research buildings" means any of the buildings listed in Section 63-38g-201.

83 (5) "Research universities" means the University of Utah and Utah State University.

84 (6) "Technology outreach program" means the program required by Section
85 63-38g-202.

86 (7) "Utah Science and Technology Research Project" means the buildings and activities
87 described in Part 2, Utah Science Technology Research Project.

88 Section 3. Section **63-38g-201** is enacted to read:

89 **Part 2. Utah Science Technology Research Project**

90 **63-38g-201. Science technology research buildings.**

91 (1) As funding becomes available from the Legislature or other sources, the Utah
92 Science and Technology Research Governing Authority created in Part 3 shall:

93 (a) construct at Utah State University:

94 (i) a Life Sciences Research Center;

95 (ii) an Infectious Disease Research Center; and

96 (iii) an Informatics/Computing Research Center; and

97 (b) construct at the University of Utah:

98 (i) a Neuroscience Research Center; and

99 (ii) an Information Technology and Bioinformatics Research Center.

100 (2) The Division of Facilities Construction and Management shall:

101 (a) subject to any restrictions or directions established by the Legislature, plan, design,
102 and construct the buildings; and

103 (b) report progress to the authority, and where appropriate, solicit its comments.

104 (3) (a) Utah State University shall provide the land for the construction of science
105 technology research buildings on its campus.

106 (b) The University of Utah shall provide the land for the construction of science
107 technology research buildings on its campus.

108 (4) The governing authority shall hold title to the research buildings.

109 (5) The governing authority may:

110 (a) lease the buildings to Utah State University and the University of Utah;

111 (b) require research teams to generate a certain amount of income from grants or other
112 sources to contribute to the project; and

113 (c) unless prohibited by law, deposit lease payments and other monies received from
114 the universities and research teams with the state treasurer for deposit into the sinking funds
115 created under Section 63B-1a-301 for debt service on the bonds issued to fund planning,
116 design, and construction of the research buildings.

117 Section 4. Section **63-38g-202** is enacted to read:

118 **63-38g-202. Technology outreach program.**

119 (1) As funding becomes available from the Legislature or other sources, the Utah
120 Science and Technology Research Governing Authority created in Part 3 shall establish a

121 technology outreach program at up to five locations distributed strategically throughout Utah.

122 (2) The governing authority shall ensure that the technology outreach program acts as a
123 resource to:

124 (a) broker ideas, new technologies, and services to entrepreneurs and businesses
125 throughout a defined service area;

126 (b) engage local entrepreneurs and professors at applied technology centers, colleges,
127 and universities by connecting them to Utah's research universities;

128 (c) screen business ideas and new technologies to ensure that the ones with the highest
129 growth potential receive the most targeted services and attention;

130 (d) connect market ideas and technologies in new or existing businesses or industries
131 or in regional colleges and universities with the expertise of Utah's research universities;

132 (e) assist businesses, applied technology centers, colleges, and universities in
133 developing commercial applications for their research; and

134 (f) disseminate and share discoveries and technologies emanating from Utah's research
135 universities to local entrepreneurs, businesses, applied technology centers, colleges, and
136 universities.

137 Section 5. Section **63-38g-203** is enacted to read:

138 **63-38g-203. Research teams.**

139 As funding becomes available from the Legislature or other sources, and subject to any
140 restrictions or directions established by the Legislature, the governing authority shall allocate
141 monies to Utah State University and the University of Utah to provide funding for research
142 teams to conduct science and technology research.

143 Section 6. Section **63-38g-204** is enacted to read:

144 **63-38g-204. Financial participation agreement.**

145 In consideration of the monies and services agreed to be provided under this chapter,
146 the state of Utah, Utah State University, and the University of Utah covenant and agree that
147 they will allocate license fees and royalty fees received from commercial applications
148 developed from the project as follows:

149 (1) for the first \$15,000,000 received:

150 (a) \$10,000,000 to Utah State University and the University of Utah, with the monies
151 distributed proportionately based upon which university conducted the research that generated

152 the license fees and royalty fees; and
 153 (b) \$5,000,000 to the Centers of Excellence program created by Chapter 38f, Part 7,
 154 Centers of Excellence Act; and
 155 (2) for all subsequent monies received:
 156 (a) 50% to Utah State University and the University of Utah, with the monies
 157 distributed proportionately based upon which university conducted the research that generated
 158 the license fees and royalty fees; and
 159 (b) 50% to the governing authority or other entity designated by the state to be used
 160 for:
 161 (i) the Centers of Excellence program created by Chapter 38f, Part 7, Centers of
 162 Excellence Act;
 163 (ii) replacement of equipment in the research buildings;
 164 (iii) recruiting and paying additional research teams; and
 165 (iv) construction of additional research buildings.

166 Section 7. Section **63-38g-301** is enacted to read:

167 **Part 3. Utah Science Technology and Research Governing Authority**
 168 **63-38g-301. The Utah Science Technology and Research Governing Authority --**
 169 **Creation -- Membership -- Meetings -- Staff.**

170 (1) There is created the Utah Science Technology and Research Governing Authority
 171 consisting of the state treasurer and the following eight members appointed as follows with the
 172 consent of the Senate:
 173 (a) three appointed by the governor;
 174 (b) one appointed by the president of the Senate;
 175 (c) two appointed by the speaker of the House of Representatives; and
 176 (d) two appointed by the commissioner of higher education.
 177 (2) (a) (i) The eight appointed members shall serve four-year staggered terms.
 178 (ii) The appointed members may not serve more than two full consecutive terms.
 179 (b) Notwithstanding Subsection (2)(a)(i), the terms of the first members of the
 180 governing authority shall be staggered by lot so that half of the initial members serve two-year
 181 terms and half serve four-year terms.
 182 (3) Vacancies in the appointed positions on the governing authority shall be filled by

183 the appointing authority with consent of the Senate for the unexpired term.

184 (4) (a) The governor shall select the chair of the governing authority to serve a one-year
185 term.

186 (b) The president of the Senate and the speaker of the House of Representatives shall
187 jointly select the vice chair of the governing authority to serve a one-year term.

188 (5) The governing authority shall meet at least monthly and may meet more frequently
189 at the request of a majority of the members of the governing authority.

190 (6) Five members of the governing authority are a quorum.

191 (7) (a) Members who are not government employees shall receive no compensation or
192 benefits for their services, but may receive per diem and expenses incurred in the performance
193 of the member's official duties at the rates established by the Division of Finance under
194 Sections 63A-3-106 and 63A-3-107.

195 (b) Members may decline to receive per diem and expenses for their service.

196 (8) (a) (i) The governing authority shall hire a full-time executive director to provide
197 staff support for the governing authority.

198 (ii) The executive director is an at-will employee who may be terminated without cause
199 by the governor or by majority vote of the governing authority.

200 (b) The Governor's Office of Economic Development shall provide office space and
201 administrative support for the executive director.

202 Section 8. Section **63-38g-302** is enacted to read:

203 **63-38g-302. Governing authority powers.**

204 (1) The governing authority shall:

205 (a) ensure that funds appropriated and received for research and development at the
206 research universities and for the technology outreach program are used appropriately,
207 effectively, and efficiently in accordance with the intent of the Legislature;

208 (b) in cooperation with the universities' administrations, expand key research at the two
209 research universities;

210 (c) enhance technology transfer and commercialization of research and technologies
211 developed at the research universities to create high-quality jobs and new industries in the
212 private sector in Utah;

213 (d) review state and local economic development plans and appropriations to ensure

214 that the project and appropriations do not duplicate existing or planned programs;

215 (e) receive reports from the Division of Facilities, Construction and Management about
216 the development, construction, and operation of project research buildings and make
217 recommendations about the development, construction, and operation of those buildings;

218 (f) establish economic development objectives for the project;

219 (g) by following the procedures and requirements of Title 63, Chapter 46a, Utah
220 Administrative Rulemaking Act, make rules for allocating monies appropriated to it for
221 research teams and for the commercialization of new technology between Utah State
222 University and the University of Utah;

223 (h) verify that the project is being enhanced by research grants and that it is meeting the
224 governing authority's economic development objectives;

225 (i) monitor all research plans that are part of the project at the research universities to
226 determine that appropriations are being spent in accordance with legislative intent and to
227 maximize the benefit and return to the state;

228 (j) develop methods and incentives to encourage investment in and contributions to the
229 project from the private sector; and

230 (k) annually report and make recommendations to:

231 (i) the governor;

232 (ii) the Executive Appropriations Committee; and

233 (iii) the Economic Development Appropriations Subcommittee.

234 (2) The governing authority may:

235 (a) in addition to monies received by it from the Legislature, receive contributions from
236 any source in the form of money, property, labor, or other things of value for the project;

237 (b) subject to any restrictions imposed by the donation, appropriations, or bond
238 authorizations, allocate monies received by it among the research universities, technology
239 outreach program, and technology transfer offices to support commercialization and technology
240 transfer to the private sector; or

241 (c) enter into agreements necessary to obtain private equity investment in the project.

242 Section 9. Section **63-38g-303** is enacted to read:

243 **63-38g-303. Utah Science Technology and Research Governing Authority**

244 **Advisory Council -- Chair -- Meetings.**

245 (1) There is created the Utah Science Technology and Research Governing Authority
246 Advisory Council consisting of 12 members appointed as follows:

247 (a) one member appointed by the director of the Governor's Office of Economic
248 Development;

249 (b) one member appointed by the Utah Information Technology Association;

250 (c) one member appointed by the Utah Nanotechnology Initiative;

251 (d) one member appointed by the Economic Development Corporation of Utah;

252 (e) one member appointed by the Utah Life Science Association;

253 (f) one member appointed by the Salt Lake Area Chamber of Commerce;

254 (g) one member appointed by the Provo-Orem Chamber of Commerce;

255 (h) one member appointed by the Davis Area Chamber of Commerce;

256 (i) one member appointed by the Ogden-Weber Chamber of Commerce;

257 (j) one member appointed by the Cache Chamber of Commerce;

258 (k) one member appointed by the St. George Area Chamber of Commerce; and

259 (l) one member appointed by the Vernal Chamber of Commerce.

260 (2) The governing authority shall consult with the advisory council about the project.

261 (3) The advisory council shall select a chair from among its members to serve a
262 two-year term.

263 (4) The advisory council shall convene whenever the governing authority requests a
264 meeting for consultation.

265 (5) (a) (i) Members who are not government employees shall receive no compensation
266 or benefits for their services, but may receive per diem and expenses incurred in the
267 performance of the member's official duties at the rates established by the Division of Finance
268 under Sections 63A-3-106 and 63A-3-107.

269 (ii) Members may decline to receive per diem and expenses for their service.

270 (b) (i) State government officer and employee members who do not receive salary, per
271 diem, or expenses from their agency for their service may receive per diem and expenses
272 incurred in the performance of their official duties from the committee at the rates established
273 by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

274 (ii) State government officer and employee members may decline to receive per diem
275 and expenses for their service.

276 Section 10. Section **63A-5-204** is amended to read:

277 **63A-5-204. Specific powers and duties of director.**

278 (1) As used in this section, "capitol hill facilities" and "capitol hill grounds" have the
279 same meaning as provided in Section 63C-9-102.

280 (2) (a) The director shall:

281 (i) recommend rules to the executive director for the use and management of facilities
282 and grounds owned or occupied by the state for the use of its departments and agencies;

283 (ii) supervise and control the allocation of space, in accordance with legislative
284 directive through annual appropriations acts or other specific legislation, to the various
285 departments, commissions, institutions, and agencies in all buildings or space owned, leased, or
286 rented by or to the state, except capitol hill facilities and capitol hill grounds and except as
287 otherwise provided by law;

288 (iii) comply with the procedures and requirements of Title 63A, Chapter 5, Part 3,
289 Division of Facilities Construction and Management Leasing;

290 (iv) except as provided in Subsection (2)(b), acquire, as authorized by the Legislature
291 through the appropriations act or other specific legislation, and hold title to, in the name of the
292 division, all real property, buildings, fixtures, or appurtenances owned by the state or any of its
293 agencies;

294 (v) adopt and use a common seal, of a form and design determined by the director, and
295 of which courts shall take judicial notice;

296 (vi) file a description and impression of the seal with the Division of Archives;

297 (vii) collect and maintain all deeds, abstracts of title, and all other documents
298 evidencing title to or interest in property belonging to the state or any of its departments, except
299 institutions of higher education and the School and Institutional Trust Lands Administration;

300 (viii) report all properties acquired by the state, except those acquired by institutions of
301 higher education, to the director of the Division of Finance for inclusion in the state's financial
302 records;

303 (ix) before charging a rate, fee, or other amount for services provided by the division's
304 internal service fund to an executive branch agency, or to a subscriber of services other than an
305 executive branch agency:

306 (A) submit the proposed rates, fees, and cost analysis to the Rate Committee

307 established in Section 63A-1-114; and

308 (B) obtain the approval of the Legislature as required by Section 63-38-3.5;

309 (x) conduct a market analysis by July 1, 2005, and periodically thereafter, of proposed
310 rates and fees, which analysis shall include a comparison of the division's rates and fees with
311 the fees of other public or private sector providers where comparable services and rates are
312 reasonably available; and

313 (xi) take all other action necessary for carrying out the purposes of this chapter.

314 (b) Legislative approval is not required for acquisitions by the division that cost less
315 than \$250,000.

316 (3) (a) The director shall direct or delegate maintenance and operations, preventive
317 maintenance, and facilities inspection programs and activities for any department, commission,
318 institution, or agency, except:

319 (i) the State Capitol Preservation Board; and

320 (ii) state institutions of higher education.

321 (b) The director may choose to delegate responsibility for these functions only when
322 the director determines that:

323 (i) the department or agency has requested the responsibility;

324 (ii) the department or agency has the necessary resources and skills to comply with
325 facility maintenance standards approved by the State Building Board; and

326 (iii) the delegation would result in net cost savings to the state as a whole.

327 (c) The State Capitol Preservation Board and state institutions of higher education are
328 exempt from Division of Facilities Construction and Management oversight.

329 (d) Each state institution of higher education shall comply with the facility
330 maintenance standards approved by the State Building Board.

331 (e) Except for the State Capitol Preservation Board, agencies and institutions that are
332 exempt from division oversight shall annually report their compliance with the facility
333 maintenance standards to the division in the format required by the division.

334 (f) The division shall:

335 (i) prescribe a standard format for reporting compliance with the facility maintenance
336 standards;

337 (ii) report agency and institution compliance or noncompliance with the standards to

338 the Legislature; and

339 (iii) conduct periodic audits of exempt agencies and institutions to ensure that they are
340 complying with the standards.

341 (4) (a) In making any allocations of space under Subsection (2), the director shall:

342 (i) conduct studies to determine the actual needs of each department, commission,
343 institution, or agency; and

344 (ii) comply with the restrictions contained in this Subsection (4).

345 (b) The supervision and control of the legislative area is reserved to the Legislature.

346 (c) The supervision and control of the judicial area is reserved to the judiciary for trial
347 courts only.

348 (d) The director may not supervise or control the allocation of space for entities in the
349 public and higher education systems.

350 (e) The supervision and control of capitol hill facilities and capitol hill grounds is
351 reserved to the State Capitol Preservation Board.

352 (5) The director may:

353 (a) hire or otherwise procure assistance and services, professional, skilled, or
354 otherwise, that are necessary to carry out the director's responsibilities, and may expend funds
355 provided for that purpose either through annual operating budget appropriations or from
356 nonlapsing project funds;

357 (b) sue and be sued in the name of the division; and

358 (c) hold, buy, lease, and acquire by exchange or otherwise, as authorized by the
359 Legislature, whatever real or personal property that is necessary for the discharge of the
360 director's duties.

361 (6) Notwithstanding the provisions of Subsection (2)(a)(iv), the following entities may
362 hold title to any real property, buildings, fixtures, and appurtenances held by them for purposes
363 other than administration that are under their control and management:

364 (a) the Office of Trust Administrator;

365 (b) the Department of Transportation;

366 (c) the Division of Forestry, Fire and State Lands;

367 (d) the Department of Natural Resources;

368 (e) the Utah National Guard;

369 (f) any area vocational center or other institution administered by the State Board of
370 Education; [and]

371 (g) any institution of higher education[-]; and

372 (h) the Utah Science Technology and Research Governing Authority.

373 (7) The director shall ensure that any firm performing testing and inspection work
374 governed by the American Society for Testing Materials Standard E-329 on public buildings
375 under the director's supervision shall:

376 (a) fully comply with the American Society for Testing Materials standard
377 specifications for agencies engaged in the testing and inspection of materials known as ASTM
378 E-329; and

379 (b) carry a minimum of \$1,000,000 of errors and omissions insurance.

380 (8) Notwithstanding Subsections (2)(a)(iii) and (iv), the School and Institutional Trust
381 Lands Administration may hold title to any real property, buildings, fixtures, and appurtenances
382 held by it that are under its control.

383 Section 11. Section **63B-15-101** is enacted to read:

384 **CHAPTER 15. 2006 FINANCING AUTHORIZATIONS**

385 **Part 1. 2006 General Obligation Bonds**

386 **63B-15-101. Capital facilities bonds -- Utah Science Technology and Research**
387 **Governing Authority -- Maximum amount -- Projects authorized.**

388 (1) (a) The total amount of bonds issued under this section may not exceed
389 \$111,100,000.

390 (b) When Utah State University certifies to the commission that the university has
391 obtained reliable commitments, convertible to cash, of \$10,000,000 or more in nonstate funds
392 to construct the Life Science Research Center, the commission may issue and sell general
393 obligation bonds in a total amount not to exceed \$40,400,000.

394 (c) When the University of Utah certifies to the commission that the university has
395 obtained reliable commitments, convertible to cash, of \$30,000,000 or more in nonstate funds
396 to construct the Neuroscience Research Center, the commission may issue and sell general
397 obligation bonds in a total amount not to exceed \$70,700,000.

398 (2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide
399 funds to pay all or part of the cost of acquiring and constructing the projects listed in this

400 Subsection (2).

401 (b) These costs may include the cost of acquiring easements and rights-of-way,
402 improving sites, and acquiring, constructing, equipping, and furnishing facilities and all
403 structures, roads, parking facilities, utilities, and improvements necessary, incidental, or
404 convenient to the facilities, interest estimated to accrue on these bonds during the period to be
405 covered by construction of the projects plus a period of six months after the end of the
406 construction period, and all related engineering, architectural, and legal fees.

407 (c) For the division, proceeds shall be provided for the following:

408 -----

409 CAPITAL DEVELOPMENT PROJECTS

<u>Project Description</u>	<u>Estimated Operations and Maintenance</u>	<u>Amount Funded</u>
<u>Life Science Research Center -- Utah State University</u>	<u>\$0</u>	<u>\$40,000,000</u>
<u>Neuroscience Research Center -- University of Utah</u>	<u>\$0</u>	<u>\$70,000,000</u>
<u>TOTAL CAPITAL DEVELOPMENT PROJECTS</u>		<u>\$110,000,000</u>

416 -----

417 TOTAL GENERAL OBLIGATION BOND AUTHORIZATION

418 FOR CAPITAL DEVELOPMENT PROJECTS \$110,000,000

419 -----

420 (d) The Legislature intends that the Utah Science Technology and Research Governing
421 Authority pay the operations and maintenance costs on the research buildings authorized by
422 this section.

423 (3) (a) The amounts funded as listed in Subsection (2) are estimates only and do not
424 constitute a limitation on the amount that may be expended for the projects.

425 (b) The commission, by resolution and in consultation with the Utah Science
426 Technology and Research Governing Authority, may delete the project if the inclusion of that
427 project could be construed to violate state law or federal law or regulation.

428 (4) (a) The division may enter into agreements related to the project before the receipt
429 of proceeds of bonds issued under this chapter.

430 (b) The division shall make those expenditures from unexpended and unencumbered

431 building funds already appropriated to the Capital Projects Fund.

432 (c) The division shall reimburse the Capital Projects Fund upon receipt of the proceeds
 433 of bonds issued under this chapter.

434 (d) The commission or the state treasurer may make any statement of intent relating to
 435 that reimbursement that is necessary or desirable to comply with federal tax law.

436 (e) The commission may not issue or execute bonds authorized by this section that
 437 have a maturity date or dates of more than 20 years after the date of delivery of the bonds.

438 (5) Notwithstanding Subsection 63A-5-206(4), the State Building Board may not
 439 delegate control of the capitol development projects identified in this section.

440 Section 12. Section **67-22-2 (Effective 07/01/06)** is amended to read:

441 **67-22-2 (Effective 07/01/06). Compensation -- Other state officers.**

442 (1) The governor shall establish salaries for the following state officers within the
 443 following salary ranges fixed by the Legislature:

State Officer	Salary Range
445 Commissioner of Agriculture and Food	\$66,800 - \$90,600
446 Commissioner of Insurance	\$66,800 - \$90,600
447 Commissioner of the Labor Commission	\$66,800 - \$90,600
448 Director, Alcoholic Beverage Control	
449 Commission	\$66,800 - \$90,600
450 Commissioner, Department of	
451 Financial Institutions	\$66,800 - \$90,600
452 Members, Board of Pardons and Parole	\$66,800 - \$90,600
453 Executive Director, Department	
454 of Commerce	\$66,800 - \$90,600
455 Executive Director, Commission on	
456 Criminal and Juvenile Justice	\$66,800 - \$90,600
457 Adjutant General	\$66,800 - \$90,600
458 Chair, Tax Commission	\$72,400 - \$97,600
459 Commissioners, Tax Commission	\$72,400 - \$97,600
460 Executive Director, Department of	
461 Community and Culture	\$72,400 - \$97,600

462	Executive Director, Tax Commission	\$72,400 - \$97,600
463	Chair, Public Service Commission	\$72,400 - \$97,600
464	Commissioners, Public Service	
465	Commission	\$72,400 - \$97,600
466	Executive Director, Department	
467	of Corrections	\$78,700 - \$106,200
468	Commissioner, Department of Public Safety	\$78,700 - \$106,200
469	Executive Director, Department of	
470	Natural Resources	\$78,700 - \$106,200
471	Director, Governor's Office of Planning	
472	and Budget	\$78,700 - \$106,200
473	Executive Director, Department of	
474	Administrative Services	\$78,700 - \$106,200
475	Executive Director, Department of	
476	Environmental Quality	\$78,700 - \$106,200
477	Director, Governor's Office	
478	of Economic Development	\$78,700 - \$106,200
479	<u>Executive Director, Utah Science</u>	
480	<u> Technology and Research</u>	
481	<u> Governing Authority</u>	<u>\$78,700 - \$106,200</u>
482	Executive Director, Department of	
483	Workforce Services	\$85,700 - \$115,700
484	Executive Director, Department of	
485	Health	\$85,700 - \$115,700
486	Executive Director, Department	
487	of Human Services	\$85,700 - \$115,700
488	Executive Director, Department	
489	of Transportation	\$85,700 - \$115,700
490	Executive Director, Department	
491	of Information Technology	
492	Services	\$85,700 - \$115,700

493 (2) (a) The Legislature fixes benefits for the state offices outlined in Subsection (1) as
494 follows:

495 (i) the option of participating in a state retirement system established by Title 49, Utah
496 State Retirement and Insurance Benefit Act, or in a deferred compensation plan administered
497 by the State Retirement Office in accordance with the Internal Revenue Code and its
498 accompanying rules and regulations;

499 (ii) health insurance;

500 (iii) dental insurance;

501 (iv) basic life insurance;

502 (v) unemployment compensation;

503 (vi) workers' compensation;

504 (vii) required employer contribution to Social Security;

505 (viii) long-term disability income insurance;

506 (ix) the same additional state-paid life insurance available to other noncareer service
507 employees;

508 (x) the same severance pay available to other noncareer service employees;

509 (xi) the same sick leave, converted sick leave, educational allowances, and holidays
510 granted to Schedule B state employees, and the same annual leave granted to Schedule B state
511 employees with more than ten years of state service;

512 (xii) the option to convert accumulated sick leave to cash or insurance benefits as
513 provided by law or rule upon resignation or retirement according to the same criteria and
514 procedures applied to Schedule B state employees;

515 (xiii) the option to purchase additional life insurance at group insurance rates according
516 to the same criteria and procedures applied to Schedule B state employees; and

517 (xiv) professional memberships if being a member of the professional organization is a
518 requirement of the position.

519 (b) Each department shall pay the cost of additional state-paid life insurance for its
520 executive director from its existing budget.

521 (3) The Legislature fixes the following additional benefits:

522 (a) for the executive director of the State Tax Commission a vehicle for official and
523 personal use;

524 (b) for the executive director of the Department of Transportation a vehicle for official
525 and personal use;

526 (c) for the executive director of the Department of Natural Resources a vehicle for
527 commute and official use;

528 (d) for the Commissioner of Public Safety:

529 (i) an accidental death insurance policy if POST certified; and

530 (ii) a public safety vehicle for official and personal use;

531 (e) for the executive director of the Department of Corrections:

532 (i) an accidental death insurance policy if POST certified; and

533 (ii) a public safety vehicle for official and personal use;

534 (f) for the Adjutant General a vehicle for official and personal use; and

535 (g) for each member of the Board of Pardons and Parole a vehicle for commute and
536 official use.

537 (4) (a) The governor has the discretion to establish a specific salary for each office
538 listed in Subsection (1), and, within that discretion, may provide salary increases within the
539 range fixed by the Legislature.

540 (b) The governor shall apply the same overtime regulations applicable to other FLSA
541 exempt positions.

542 (c) The governor may develop standards and criteria for reviewing the performance of
543 the state officers listed in Subsection (1).

544 (5) Salaries for other Schedule A employees, as defined in Section 67-19-15, which are
545 not provided for in this chapter, or in Title 67, Chapter 8, Utah Executive and Judicial Salary
546 Act, shall be established as provided in Section 67-19-15.

547 **Section 13. Appropriation.**

548 (1) (a) There is appropriated \$50,000,000 from the General Fund, for fiscal year 2007
549 only, to the Division of Facilities, Construction and Management to construct a Life Science
550 Research Center at Utah State University and a Neuroscience Research Center at the University
551 of Utah.

552 (b) The Legislature intends that:

553 (i) when Utah State University certifies to the division that the university has obtained
554 reliable commitments, convertible to cash, of \$10,000,000 or more in nonstate funds to

555 construct the Life Science Research Center, the division may expend up to \$20,000,000 for the
556 planning, design, and construction of the Life Science Research Center;

557 (ii) when the University of Utah certifies to the commission that the university has
558 obtained reliable commitments, convertible to cash, of \$30,000,000 or more in nonstate funds
559 to construct the Neuroscience Research Center, the division may expend up to \$30,000,000 for
560 the planning, design, and construction of the Neuroscience Research Center;

561 (iii) the division comply with the requirements of Subsection 63B-15-101(5) in the
562 planning, design, and construction of the capitol development projects identified in this
563 section; and

564 (iv) this appropriation is nonlapsing.

565 (2) (a) As an ongoing appropriation subject to future budget constraints, there is
566 appropriated from the General Fund for fiscal year 2006-07, \$15,250,000 to the Utah Science
567 Technology and Research Governing Authority to provide funding for the Utah Science and
568 Technology Research Project.

569 (b) The Legislature intends that the authority:

570 (i) use up to \$250,000 to fund the authority's administrative costs;

571 (ii) when Utah State University or the University of Utah certify to the authority that
572 one or more research teams have committed to transfer to their institution, allocate up to
573 \$11,000,000 to Utah State University and the University of Utah to fund research teams and the
574 commercialization of new technology developed from the work of the research teams
575 according to criteria established by the board under Subsection 63-38g-302(1)(g); and

576 (iii) use up to \$4,000,000 to provide funding for the technology outreach program.

577 (c) The Legislature intends that this appropriation is nonlapsing.

578 **Section 14. Effective date.**

579 This bill takes effect on July 1, 2006.

Legislative Review Note

as of 1-20-06 11:28 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

State Impact

Passage of this bill would appropriate \$50 million from income tax revenues one-time in FY 2007 to the Division of Facilities, Construction, and Management for the construction of two research centers (one at Utah State University, the other at the University of Utah). The bill also creates the Utah Science Technology and Research Governing Authority and appropriates to it \$15.25 million ongoing from the General Fund for the USTAR project.

A general obligation bond of \$110 million will be issued for facilities (plus issuance costs) when the University of Utah and Utah State University meet conditions of the bill. Assuming a standard six-year repayment period with flattened payments at today's interest rates, there will be six annual payments of approximately \$20.6 million. The actual debt service schedule will vary according to how the bond is structured.

	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2007</u> <u>Revenue</u>	<u>FY 2008</u> <u>Revenue</u>
General Fund	\$15,250,000	\$15,250,000	\$0	\$0
Income Tax, One-Time	\$50,000,000	\$0	\$0	\$0
Dedicated Credits	\$0	\$0	\$110,000,000	\$0
TOTAL	\$65,250,000	\$15,250,000	\$110,000,000	\$0

Individual and Business Impact

Passage of this bill could enhance high technology and research development throughout the state. Entrepreneurs and businesses may benefit from the technology outreach program the bill creates.
