

Senator Curtis S. Bramble proposes the following substitute bill:

AMENDMENTS TO THE FUND OF FUNDS

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jim Bird

Senate Sponsor: Curtis S. Bramble

6	Cosponsors:	Melvin R. Brown	Curtis Oda
7	Jacob L. Anderegg	James A. Dunnigan	Dixon M. Pitcher
8	Johnny Anderson	Gage Froerer	Larry B. Wiley
9	Stewart Barlow	John Knotwell	

LONG TITLE

General Description:

This bill amends Title 63M, Chapter 1, Part 12, the Utah Venture Capital Enhancement Act.

Highlighted Provisions:

This bill:

- ▶ ~~§→ [amends the membership of the Utah Capital Investment Board by adding a member of the Senate and a member of the House of Representatives;] ←§~~
- ▶ amends the quorum requirements of the Utah Capital Investment Board;
- ▶ requires that the annual report and the annual audit for the Utah fund of funds be completed on or before September 1 for the previous calendar year;
- ▶ describes additional information required in the annual report and audit;
- ▶ provides that the aggregate outstanding certificates may not exceed a total of \$150,000,000 for a loan guarantee;



118 (3) Appointed members of the board may not serve more than two full consecutive
 119 terms except ~~[where]~~ when the ~~§→~~ ~~[[~~ governor ~~]]~~ ~~[appointing authority]~~ ~~←§~~ determines that an
 119a additional
 120 term is in the best interest of the state.

121 (4) ~~[Three]~~ (a) Four members of the board constitute a quorum for conducting
 122 business and exercising board power~~[-, provided that a minimum of three affirmative votes is~~
 123 ~~required for board action and at least one of the affirmative votes is cast by either the director~~
 124 ~~or the director's designee or the state treasurer].~~

125 (b) If a quorum is present, the action of a majority of members present is the action of
 126 the board.

127 (5) ~~§→~~ ~~[(a)]~~ ~~←§~~ A member ~~§→~~ ~~[who is not a legislator]~~ ~~←§~~ may not receive compensation
 127a or benefits for
 128 the member's service, but may receive per diem and travel expenses in accordance with:

129 ~~§→~~ ~~[[~~ (a) ~~[(i)]~~ ~~←§~~ Section 63A-3-106;

130 ~~§→~~ ~~[[~~ (b) ~~[(ii)]~~ ~~←§~~ Section 63A-3-107; and

131 ~~§→~~ ~~[[~~ (c) ~~[(iii)]~~ ~~←§~~ rules made by the Division of Finance ~~[pursuant]~~ according to
 131a Sections
 132 63A-3-106 and 63A-3-107.

133 ~~§→~~ ~~[(b) Compensation and expenses of a board member who is a legislator are governed by~~
 134 ~~Section 36-2-2 and Legislative Joint Rules, Title 5, Legislative Compensation and Expenses.]~~ ~~←§~~

135 ~~[(6) Members of the board shall be selected on the basis of demonstrated expertise and~~
 136 ~~competence in:]~~

137 ~~[(a) the supervision of investment managers;]~~

138 ~~[(b) the fiduciary management of investment funds; or]~~

139 ~~[(c) the management and administration of tax credit allocation programs.]~~

140 ~~[(7)]~~ (6) The board and its members are considered to be a governmental entity with all
 141 of the rights, privileges, and immunities of a governmental entity of the state, including all of
 142 the rights and benefits conferred under Title 63G, Chapter 7, Governmental Immunity Act of
 143 Utah.

144 ~~[(8)]~~ (7) Meetings of the board, except to the extent necessary to protect the
 145 information identified in Subsection 63M-1-1224(3), are subject to Title 52, Chapter 4, Open
 146 and Public Meetings Act.

147 Section 3. Section 63M-1-1206 is amended to read:

148 **63M-1-1206. Board duties and powers.**

242 funds, including management and placement fees;

243 ~~[(ii)]~~ (ix) review the progress of the investment fund allocation manager in
 244 implementing its investment plan and provide a general description of the investment plan;

245 ~~[and]~~

246 (x) for each individual fund that the Utah fund of funds is invested in that represents at
 247 least 5% of the net assets of the Utah fund of funds, include the name of the fund, the total
 248 value of the fund, the fair market value of the Utah fund of funds' investment in the fund, and
 249 the percentage of the total value of the fund held by the Utah fund of funds;

250 ~~(xi) **§→ [include a list of each company in the state where an investment was made from a**~~
 251 ~~**fund that the Utah fund of funds is invested in, and] include the number of companies in Utah**~~
 251a ~~**where an investment was made from a fund that the Utah fund of funds is invested in, and**~~ ←**§**
 251b provide an aggregate count of new full-time

252 employees in the state added by all companies where investments were made by funds that the
 253 Utah fund of funds is invested in;

254 (xii) include an aggregate total value for all funds the Utah fund of funds is invested in,
 255 and an aggregate total amount of money invested in the state by the funds the Utah fund of
 256 funds is invested in;

257 ~~[(iii)]~~ (xiii) describe any redemption or transfer of a certificate issued under this part[-];

258 (xiv) include actual and estimated potential appropriations the Legislature will be
 259 required to provide as a result of redeemed certificates or tax credits during the following five
 260 years;

261 (xv) include an evaluation of the state's progress in accomplishing the purposes stated
 262 in Section [63M-1-1202](#); and

263 (xvi) be directly accessible to the public via a link from the main page of the Utah fund
 264 of fund's website.

265 (c) The annual report may not identify ~~[any]~~ a specific designated investor who has
 266 redeemed or transferred a certificate.

267 ~~[(d) (i) Beginning July 1, 2006, and thereafter every two years, the board shall publish~~
 268 ~~a progress report which shall evaluate the progress of the state in accomplishing the purposes~~
 269 ~~stated in Section [63M-1-1202](#).]~~

270 ~~[(ii) The board shall give a copy of the report to the Legislature.]~~

271 Section 4. Section **63M-1-1214** is amended to read:

272 **63M-1-1214. Compensation from the Utah fund of funds to the corporation --**