

11-17-1.5 Purpose of chapter.

- (1)
 - (a) The purposes of this chapter are to stimulate the economic growth of the state, to promote employment and achieve greater industrial development in the state, to maintain or enlarge domestic or foreign markets for Utah industrial products, to authorize municipalities and counties in the state to facilitate capital formation, finance, acquire, own, lease, or sell projects for the purpose of reducing, abating, or preventing pollution and to protect and promote the health, welfare, and safety of the citizens of the state and to improve local health and the general welfare by inducing corporations, persons, or entities engaged in health care services, including hospitals, nursing homes, extended care facilities, facilities for the care of persons with a physical or mental disability, and administrative and support facilities, to locate, relocate, modernize, or expand in this state and to assist in the formation of investment capital with respect thereto.
 - (b) The Legislature declares that the acquisition or financing, or both, of projects under the Utah Industrial Facilities and Development Act and the issuance of bonds under it constitutes a proper public purpose.
- (2)
 - (a) It is declared that the policy of the state is to encourage the development of free enterprise and entrepreneurship for the purpose of the expansion of employment opportunities and economic development.
 - (b) It is declared that there exists in the state an inadequate amount of locally managed, pooled venture capital in the private sector available to invest in early stage businesses having high growth potential and that can provide jobs for Utah citizens.
 - (c) It is found that venture capital is required for healthy economic development of sectors of the economy having high growth and employment potential.
 - (d) It is further found that the public economic development purposes of the state and its counties and municipalities can be fostered by the sale of industrial revenue bonds for the purpose of providing funding for locally managed, pooled new venture and economic development funds in accordance with the provisions of this chapter.
 - (e) It is declared that in order to assure adequate investment of private capital for these uses, cooperation between private enterprise and state and local government is necessary and in the public interest and that the facilitation of capital accumulation is the appropriate activity of the counties and municipalities of this state and also of the Governor's Office of Economic Development.
 - (f) It is found that venture capital funds historically, because of the more intensive nature of their relationship with companies in which they invest, tend to concentrate their investments within a relatively close geographical area to their headquarters location.
 - (g) It is found and declared that investors in economic development or new venture investment funds require for the overall security of their investments reasonable diversification of investment portfolios and that, in the course of this diversification, investments are often syndicated or jointly made among several financial institutions or funds. It is expressly found and declared that an economic development or new venture investment fund shall from time to time for its optimal profitability and efficiency (which are important for the security and profit of bond purchasers providing funds therefor) cooperate with others who may be located outside of Utah or the county or municipality where the fund is headquartered in the making of investments and that the fund shall be free in the interests of reciprocal relationships with other financial institutions and diversification of risks to invest from time to time in enterprises that are located outside of Utah or the counties or municipalities. It is specifically found

that such activity by a locally managed fund, funded in whole or in part with the proceeds of bonds sold under this chapter, is within the public purposes of the state and any county or municipality offering the bonds, provided that the fund locates within Utah or the county or municipality its headquarters where its actual investment decisions and management functions occur and limits the aggregate amount of its investments in companies located outside of Utah to an amount that in the aggregate does not exceed the aggregate amount of investments made by institutions and funds located outside of Utah in Utah companies, that the locally managed fund has sponsored or in which it has invested and that it has brought to the attention of investors outside of Utah.

Amended by Chapter 378, 2010 General Session