

Representative Greg J. Curtis proposes the following substitute bill:

**RESOLUTION - EXCEPTION TO
SUBSCRIBING TO STOCK PROHIBITION**

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: Greg J. Curtis

LONG TITLE

General Description:

This joint resolution proposes to amend the Utah Constitution to modify a provision relating to a prohibition against subscribing to stock.

Highlighted Provisions:

This joint resolution proposes to amend the Utah Constitution to:

- ▶ provide that a subscription to stock does not include the state's acquisition or a public institution of postsecondary education's acquisition of an equity interest in exchange for certain intellectual property; and
- ▶ authorize the regulation or prohibition by statute of that acquisition.

Special Clauses:

This resolution directs the lieutenant governor to submit this proposal to voters.

This resolution provides an effective date.

Utah Constitution Sections Affected:

AMENDS:

ARTICLE VI, SECTION 29

Be it resolved by the Legislature of the state of Utah, two-thirds of all members elected to each of the two houses voting in favor thereof:



26 Section 1. It is proposed to amend Utah Constitution Article VI, Section 29, to read:

27 **Article VI, Section 29. [Lending public credit and subscribing to stock or bonds**
28 **forbidden -- Exception.]**

29 (1) The Legislature may not authorize the State, or any county, city, town, school
30 district, or other political subdivision of the State to lend its credit or subscribe to stock or
31 bonds in aid of any railroad, telegraph, or other private individual or corporate enterprise or
32 undertaking, except as provided in Article X, Section 5.

33 (2) (a) It is not a subscription to stock for the State or a public institution of
34 postsecondary education to acquire an equity interest in a private business entity as
35 consideration for the sale, license, or other transfer to the private business entity of intellectual
36 property developed in whole or in part by the State or the public institution of postsecondary
37 education.

38 (b) The acquisition of an equity interest, as described in Subsection (2)(a), may be
39 regulated or prohibited by statute.

40 Section 2. **Submittal to voters.**

41 The lieutenant governor is directed to submit this proposed amendment to the voters of
42 the state at the next regular general election in the manner provided by law.

43 Section 3. **Effective date.**

44 If the amendment proposed by this joint resolution is approved by a majority of those
45 voting on it at the next regular general election, the amendment shall take effect on January 1,
46 2005.