VENTURE CAPITAL FUNDING AMENDMENTS
2005 GENERAL SESSION
STATE OF UTAH
Sponsor: David L. Thomas
LONG TITLE
General Description:
This bill modifies the Utah Venture Capital Enhancement Act.
Highlighted Provisions:
This bill:
<ul> <li>provides that a business relationship or dealing with a local, state, or federal public</li> </ul>
entity does not preclude a private seed or venture capital partnership or entity from
receiving an investment under the Utah Venture Capital Enhancement Act.
Monies Appropriated in this Bill:
None
Other Special Clauses:
None
Utah Code Sections Affected:
AMENDS:
9-2-1913, as last amended by Chapter 4, Laws of Utah 2003, Second Special Session
Be it enacted by the Legislature of the state of Utah:
Section 1. Section 9-2-1913 is amended to read:
9-2-1913. Organization of Utah fund of funds.
(1) The corporation shall organize the Utah fund of funds.
(2) (a) The Utah fund of funds shall make investments in private seed and venture
capital partnerships or entities in a manner and for the following purposes:



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28	[(a)] (i) to encourage the availability of a wide variety of venture capital in the state;
29	[(b)] (ii) to strengthen the economy of the state;
30	[(c)] (iii) to help business in the state gain access to sources of capital;
31	[(d)] (iv) to help build a significant, permanent source of capital available to serve the
32	needs of businesses in the state; and
33	[(e)] (v) to accomplish all these benefits in a way that minimizes the use of contingent
34	tax credits.
35	(b) A business relationship or dealing with a local, state, or federal public entity does
36	not preclude a private seed or venture capital partnership or entity from receiving an investment
37	under Subsection (2)(a).
38	(3) The Utah fund of funds shall be organized:
39	(a) as a limited partnership or limited liability company under Utah law having the
40	corporation as the general partner or manager; and
41	(b) to provide for equity interests for designated investors which provide for a
42	designated scheduled rate of return and a scheduled redemption in accordance with rules made
43	by the board pursuant to Title 63, Chapter 46a, Utah Administrative Rulemaking Act.
44	(4) Public money may not be invested in the Utah fund of funds.

## Legislative Review Note as of 12-17-04 9:46 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

No fiscal impact.

## Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst