

Senator L. Alma Mansell proposes the following substitute bill:

U STAR INITIATIVE

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: L. Alma Mansell

House Sponsor: David Clark

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ defines the intended scope of the Utah Science Technology and Research Project, including:
 - construction of research buildings at Utah State University and the University of Utah;
 - the creation of a technology outreach program delivered at strategic locations around Utah;
 - the funding of research teams to conduct science and technology research; and
 - requirements governing how revenues generated from the project will be allocated between the state, Utah State University, and the University of Utah;
- ▶ creates the Utah Science Technology and Research Governing Authority, defines its membership and its powers and duties;



- 26 ▶ creates the Utah Science Technology and Research Governing Authority Advisory
- 27 Council and defines its membership and its powers and duties;
- 28 ▶ authorizes the Utah Science Technology and Research Governing Authority to hold
- 29 title to its property;
- 30 ▶ modifies the Bonding Code by authorizing the issuance and sale of \$111,100,000 in
- 31 general obligation bonds by the State Bonding Commission for construction of a
- 32 Bio Innovations Research Institute at Utah State University and a Neuroscience and
- 33 Biomedical Technology Research Building at the University of Utah;
- 34 ▶ specifies the use of the general obligation bond proceeds and the manner of
- 35 issuance;
- 36 ▶ provides expressions of legislative intent; and
- 37 ▶ establishes a salary range for the executive director of the Utah Science Technology
- 38 and Research Governing Authority.

39 **Monies Appropriated in this Bill:**

40 This bill appropriates:

- 41 ▶ \$50,000,000 from income tax revenues for fiscal year 2007 only, to the Utah
- 42 Science Technology and Research Governing Authority;
- 43 ▶ as an ongoing appropriation subject to future budget constraints, \$19,250,000 from
- 44 the General Fund for fiscal year 2006-07, to the Utah Science Technology and
- 45 Research Governing Authority; and
- 46 ▶ redirects the ongoing appropriations made to Utah State University and the
- 47 University of Utah for research teams to the Utah Science Technology and Research
- 48 Governing Authority beginning in fiscal year 2007.

49 **Other Special Clauses:**

50 This bill takes effect on July 1, 2006.

51 **Utah Code Sections Affected:**

52 AMENDS:

53 **63A-5-204**, as last amended by Chapter 34, Laws of Utah 2004

54 **67-22-2 (Effective 07/01/06)**, as last amended by Chapter 8, Laws of Utah 2005, First

55 Special Session

56 ENACTS:

- 57 **63-38g-101**, Utah Code Annotated 1953
- 58 **63-38g-102**, Utah Code Annotated 1953
- 59 **63-38g-201**, Utah Code Annotated 1953
- 60 **63-38g-202**, Utah Code Annotated 1953
- 61 **63-38g-203**, Utah Code Annotated 1953
- 62 **63-38g-204**, Utah Code Annotated 1953
- 63 **63-38g-301**, Utah Code Annotated 1953
- 64 **63-38g-302**, Utah Code Annotated 1953
- 65 **63-38g-303**, Utah Code Annotated 1953
- 66 **63B-15-101**, Utah Code Annotated 1953



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

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

70 **CHAPTER 38g. UTAH SCIENCE TECHNOLOGY AND RESEARCH**
71 **GOVERNING AUTHORITY ACT**

72 **Part 1. General Provisions**

73 **63-38g-101. Title.**

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

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

77 **63-38g-102. Definitions.**

78 As used in this chapter:

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

81 (2) "Commercialization revenues " means license fees, royalty fees, and other revenues
82 received by a university as a result of commercial applications developed from the project, less:

83 (a) the portion of those revenues allocated to the inventor; and

84 (b) expenditures incurred by the university to legally protect the intellectual property.

85 (3) "Governing authority" means the Utah Science Technology and Research
86 Governing Authority created in Section 63-38g-301.

87 (4) "Project" means the Utah Science Technology and Research Project.

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

89 (6) "Research universities" means the University of Utah and Utah State University.

90 (7) "Technology outreach program" means the program required by Section
91 63-38g-202.

92 (8) "Utah Science Technology and Research Project" means the buildings and activities
93 described in Part 2, Utah Science Technology and Research Project.

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

95 **Part 2. Utah Science Technology and Research Project**

96 **63-38g-201. Science technology research buildings.**

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

99 (a) construct at Utah State University:

100 (i) a Bio Innovations Research Institute;

101 (ii) an Infectious Disease Research Center; and

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

103 (b) construct at the University of Utah:

104 (i) a Neuroscience and Biomedical Technology Research Building; and

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

106 (2) The governing authority shall, subject to any restrictions or directions established
107 by the Legislature, plan, design, and construct the buildings.

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

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

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

113 (5) The governing authority may:

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

115 (b) require research teams to generate a certain amount of revenue from grants or other
116 sources to contribute to the project; and

117 (c) unless prohibited by law, deposit lease payments and other monies received from
118 the universities and research teams with the state treasurer for deposit into the sinking funds

119 created under Section 63B-1a-301 for debt service on the bonds issued to fund planning,
120 design, and construction of the research buildings.

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

122 **63-38g-202. Technology outreach program.**

123 (1) As funding becomes available from the Legislature or other sources, the Utah
124 Science Technology and Research Governing Authority created in Part 3 shall establish a
125 technology outreach program at up to five locations distributed strategically throughout Utah.

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

128 (i) broker ideas, new technologies, and services to entrepreneurs and businesses
129 throughout a defined service area;

130 (ii) engage local entrepreneurs and professors at applied technology centers, colleges,
131 and universities by connecting them to Utah's research universities;

132 (iii) screen business ideas and new technologies to ensure that the ones with the highest
133 growth potential receive the most targeted services and attention;

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

136 (v) assist businesses, applied technology centers, colleges, and universities in
137 developing commercial applications for their research; and

138 (vi) disseminate and share discoveries and technologies emanating from Utah's
139 research universities to local entrepreneurs, businesses, applied technology centers, colleges,
140 and universities.

141 (b) In designing and operating the technology outreach program, the governing
142 authority shall work cooperatively with the Technology Commercialization Offices at Utah
143 State University and the University of Utah.

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

145 **63-38g-203. Research teams.**

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

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

151 **63-38g-204. Financial participation agreement.**

152 (1) In consideration of the monies and services provided or agreed to be provided, the
153 state of Utah, Utah State University, and the University of Utah covenant and agree that they
154 will allocate commercialization revenues as follows:

155 (a) for the first \$15,000,000 received:

156 (i) \$10,000,000 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 (ii) \$5,000,000 to the Governor's Office of Economic Development for the Centers of
160 Excellence program created by Chapter 38f, Part 7, Centers of Excellence Act; and

161 (b) for all subsequent monies received:

162 (i) 50% to Utah State University and the University of Utah, with the monies
163 distributed proportionately based upon which university conducted the research that generated
164 the license fees and royalty fees; and

165 (ii) 50% to the governing authority or other entity designated by the state to be used
166 for:

167 (A) the Centers of Excellence program created by Chapter 38f, Part 7, Centers of
168 Excellence Act;

169 (B) replacement of equipment in the research buildings;

170 (C) recruiting and paying additional research teams; and

171 (D) construction of additional research buildings.

172 (2) The Governor's Office of Economic Development shall:

173 (a) distribute that portion of the \$5,000,000 allocated to the Centers of Excellence
174 program by Subsection (1)(a)(ii) to Utah State University and the University of Utah based
175 upon which institution performed the research that generated the commercialization revenues;
176 and

177 (b) credit those amounts to the universities as matching funds under Subsection
178 63-38f-701(2).

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

180 **Part 3. Utah Science Technology and Research Governing Authority**

181 63-38g-301. The Utah Science Technology and Research Governing Authority --
182 Creation -- Membership -- Meetings -- Staff.

183 (1) There is created the Utah Science Technology and Research Governing Authority
184 consisting of the state treasurer and the following eight members appointed as follows with the
185 consent of the Senate:

186 (a) three appointed by the governor;

187 (b) one appointed by the president of the Senate;

188 (c) two appointed by the speaker of the House of Representatives; and

189 (d) two appointed by the commissioner of higher education.

190 (2) (a) (i) The eight appointed members shall serve four-year staggered terms.

191 (ii) The appointed members may not serve more than two full consecutive terms.

192 (b) Notwithstanding Subsection (2)(a)(i), the terms of the first members of the
193 governing authority shall be staggered by lot so that half of the initial members serve two-year
194 terms and half serve four-year terms.

195 (3) Vacancies in the appointed positions on the governing authority shall be filled by
196 the appointing authority with consent of the Senate for the unexpired term.

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

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

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

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

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

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

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

211 (ii) The executive director is an at-will employee who may be terminated without cause

212 by the governor or by majority vote of the governing authority.

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

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

216 **63-38g-302. Governing authority powers.**

217 (1) The governing authority shall:

218 (a) ensure that funds appropriated and received for research and development at the
219 research universities and for the technology outreach program are used appropriately,

220 effectively, and efficiently in accordance with the intent of the Legislature;

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

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

226 (d) review state and local economic development plans and appropriations to ensure
227 that the project and appropriations do not duplicate existing or planned programs;

228 (e) establish economic development objectives for the project;

229 (f) by following the procedures and requirements of Title 63, Chapter 46a, Utah
230 Administrative Rulemaking Act, make rules for allocating monies appropriated to it for
231 research teams and for the commercialization of new technology between Utah State
232 University and the University of Utah;

233 (g) verify that the project is being enhanced by research grants and that it is meeting the
234 governing authority's economic development objectives;

235 (h) monitor all research plans that are part of the project at the research universities to
236 determine that appropriations are being spent in accordance with legislative intent and to
237 maximize the benefit and return to the state;

238 (i) develop methods and incentives to encourage investment in and contributions to the
239 project from the private sector; and

240 (j) annually report and make recommendations to:

241 (i) the governor;

242 (ii) the Executive Appropriations Committee; and

- 243 (iii) the Economic Development Appropriations Subcommittee.
- 244 (2) The governing authority may:
- 245 (a) in addition to monies received by it from the Legislature, receive contributions from
- 246 any source in the form of money, property, labor, or other things of value for the project;
- 247 (b) subject to any restrictions imposed by the donation, appropriations, or bond
- 248 authorizations, allocate monies received by it among the research universities, technology
- 249 outreach program, and technology transfer offices to support commercialization and technology
- 250 transfer to the private sector; or
- 251 (c) enter into agreements necessary to obtain private equity investment in the project.

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

253 **63-38g-303. Utah Science Technology and Research Governing Authority**
254 **Advisory Council -- Chair -- Meetings.**

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

- 257 (a) one member appointed by the director of the Governor's Office of Economic
- 258 Development;
- 259 (b) one member appointed by the Utah Information Technology Association;
- 260 (c) one member appointed by the Utah Nanotechnology Initiative;
- 261 (d) one member appointed by the Economic Development Corporation of Utah;
- 262 (e) one member appointed by the Utah Life Science Association;
- 263 (f) one member appointed by the Salt Lake Area Chamber of Commerce;
- 264 (g) one member appointed by the Provo-Orem Chamber of Commerce;
- 265 (h) one member appointed by the Davis Area Chamber of Commerce;
- 266 (i) one member appointed by the Ogden-Weber Chamber of Commerce;
- 267 (j) one member appointed by the Cache Chamber of Commerce;
- 268 (k) one member appointed by the St. George Area Chamber of Commerce; and
- 269 (l) one member appointed by the Vernal Chamber of Commerce.

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

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

273 (4) The advisory council shall convene whenever the governing authority requests a

274 meeting for consultation.

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

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

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

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

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

287 **63A-5-204. Specific powers and duties of director.**

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

290 (2) (a) The director shall:

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

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

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

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

304 (v) adopt and use a common seal, of a form and design determined by the director, and

305 of which courts shall take judicial notice;

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

307 (vii) collect and maintain all deeds, abstracts of title, and all other documents

308 evidencing title to or interest in property belonging to the state or any of its departments, except

309 institutions of higher education and the School and Institutional Trust Lands Administration;

310 (viii) report all properties acquired by the state, except those acquired by institutions of

311 higher education, to the director of the Division of Finance for inclusion in the state's financial

312 records;

313 (ix) before charging a rate, fee, or other amount for services provided by the division's

314 internal service fund to an executive branch agency, or to a subscriber of services other than an

315 executive branch agency:

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

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

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

319 (x) conduct a market analysis by July 1, 2005, and periodically thereafter, of proposed

320 rates and fees, which analysis shall include a comparison of the division's rates and fees with

321 the fees of other public or private sector providers where comparable services and rates are

322 reasonably available; and

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

324 (b) Legislative approval is not required for acquisitions by the division that cost less

325 than \$250,000.

326 (3) (a) The director shall direct or delegate maintenance and operations, preventive

327 maintenance, and facilities inspection programs and activities for any department, commission,

328 institution, or agency, except:

329 (i) the State Capitol Preservation Board; and

330 (ii) state institutions of higher education.

331 (b) The director may choose to delegate responsibility for these functions only when

332 the director determines that:

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

334 (ii) the department or agency has the necessary resources and skills to comply with

335 facility maintenance standards approved by the State Building Board; and

- 336 (iii) the delegation would result in net cost savings to the state as a whole.
- 337 (c) The State Capitol Preservation Board and state institutions of higher education are
338 exempt from Division of Facilities Construction and Management oversight.
- 339 (d) Each state institution of higher education shall comply with the facility
340 maintenance standards approved by the State Building Board.
- 341 (e) Except for the State Capitol Preservation Board, agencies and institutions that are
342 exempt from division oversight shall annually report their compliance with the facility
343 maintenance standards to the division in the format required by the division.
- 344 (f) The division shall:
- 345 (i) prescribe a standard format for reporting compliance with the facility maintenance
346 standards;
- 347 (ii) report agency and institution compliance or noncompliance with the standards to
348 the Legislature; and
- 349 (iii) conduct periodic audits of exempt agencies and institutions to ensure that they are
350 complying with the standards.
- 351 (4) (a) In making any allocations of space under Subsection (2), the director shall:
- 352 (i) conduct studies to determine the actual needs of each department, commission,
353 institution, or agency; and
- 354 (ii) comply with the restrictions contained in this Subsection (4).
- 355 (b) The supervision and control of the legislative area is reserved to the Legislature.
- 356 (c) The supervision and control of the judicial area is reserved to the judiciary for trial
357 courts only.
- 358 (d) The director may not supervise or control the allocation of space for entities in the
359 public and higher education systems.
- 360 (e) The supervision and control of capitol hill facilities and capitol hill grounds is
361 reserved to the State Capitol Preservation Board.
- 362 (5) The director may:
- 363 (a) hire or otherwise procure assistance and services, professional, skilled, or
364 otherwise, that are necessary to carry out the director's responsibilities, and may expend funds
365 provided for that purpose either through annual operating budget appropriations or from
366 nonlapsing project funds;

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

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

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

374 (a) the Office of Trust Administrator;

375 (b) the Department of Transportation;

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

377 (d) the Department of Natural Resources;

378 (e) the Utah National Guard;

379 (f) any area vocational center or other institution administered by the State Board of
380 Education; ~~and~~

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

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

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

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

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

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

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

394 **CHAPTER 15. 2006 FINANCING AUTHORIZATIONS**

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

396 **63B-15-101. Capital facilities bonds -- Utah Science Technology and Research**
397 **Governing Authority -- Maximum amount -- Projects authorized.**

398 (1) (a) The total amount of bonds issued under this section may not exceed
 399 \$111,100,000.

400 (b) When Utah State University certifies to the commission that the university has
 401 obtained reliable commitments, convertible to cash, of \$10,000,000 or more in nonstate funds
 402 to construct the Bio Innovations Research Institute, the commission may issue and sell general
 403 obligation bonds in a total amount not to exceed \$40,400,000.

404 (c) When the University of Utah certifies to the commission that the university has
 405 obtained reliable commitments, convertible to cash, of \$30,000,000 or more in nonstate funds
 406 to construct the Neuroscience and Biomedical Technology Research Building, the commission
 407 may issue and sell general obligation bonds in a total amount not to exceed \$70,700,000.

408 (2) (a) Proceeds from the issuance of bonds shall be provided to the Utah Science
 409 Technology and Research Governing Authority to provide funds to pay all or part of the cost of
 410 acquiring and constructing the projects listed in this Subsection (2).

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

417 (c) For the Utah Science Technology and Research Governing Authority, proceeds
 418 shall be provided for the following:

419 -----

420 CAPITAL DEVELOPMENT PROJECTS

<u>Project Description</u>	<u>Estimated Operations and Maintenance</u>	<u>Amount Funded</u>
<u>Bio Innovations Research Institute --</u>		
<u>Utah State University</u>	<u>\$0</u>	<u>\$40,000,000</u>
<u>Neuroscience and Biomedical Technology</u>		
<u>Research Building -- University of Utah</u>	<u>\$0</u>	<u>\$70,000,000</u>
<u>TOTAL CAPITAL DEVELOPMENT PROJECTS</u>		<u>\$110,000,000</u>

429 -----
 430 TOTAL GENERAL OBLIGATION BOND AUTHORIZATION
 431 FOR CAPITAL DEVELOPMENT PROJECTS \$110,000,000
 432 -----

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

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

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

441 (4) The Utah Science Technology and Research Governing Authority may enter into
 442 agreements related to the project before the receipt of proceeds of bonds issued under this
 443 chapter.

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

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

448 (7) The Utah Science Technology and Research Governing Authority shall contract
 449 with the Division of Facilities Construction and Management to oversee construction of the
 450 buildings.

451 (8) The Utah Science Technology and Research Governing Authority may not delegate
 452 authority over construction of the capitol development projects identified in this section to any
 453 entity other than the Division of Facilities Construction and Management.

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

455 **67-22-2 (Effective 07/01/06). Compensation -- Other state officers.**

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

State Officer	Salary Range
Commissioner of Agriculture and Food	\$66,800 - \$90,600

460	Commissioner of Insurance	\$66,800 - \$90,600
461	Commissioner of the Labor Commission	\$66,800 - \$90,600
462	Director, Alcoholic Beverage Control	
463	Commission	\$66,800 - \$90,600
464	Commissioner, Department of	
465	Financial Institutions	\$66,800 - \$90,600
466	Members, Board of Pardons and Parole	\$66,800 - \$90,600
467	Executive Director, Department	
468	of Commerce	\$66,800 - \$90,600
469	Executive Director, Commission on	
470	Criminal and Juvenile Justice	\$66,800 - \$90,600
471	Adjutant General	\$66,800 - \$90,600
472	Chair, Tax Commission	\$72,400 - \$97,600
473	Commissioners, Tax Commission	\$72,400 - \$97,600
474	Executive Director, Department of	
475	Community and Culture	\$72,400 - \$97,600
476	Executive Director, Tax Commission	\$72,400 - \$97,600
477	Chair, Public Service Commission	\$72,400 - \$97,600
478	Commissioners, Public Service	
479	Commission	\$72,400 - \$97,600
480	Executive Director, Department	
481	of Corrections	\$78,700 - \$106,200
482	Commissioner, Department of Public Safety	\$78,700 - \$106,200
483	Executive Director, Department of	
484	Natural Resources	\$78,700 - \$106,200
485	Director, Governor's Office of Planning	
486	and Budget	\$78,700 - \$106,200
487	Executive Director, Department of	
488	Administrative Services	\$78,700 - \$106,200
489	Executive Director, Department of	
490	Environmental Quality	\$78,700 - \$106,200

491	Director, Governor's Office	
492	of Economic Development	\$78,700 - \$106,200
493	<u>Executive Director, Utah Science</u>	
494	<u>Technology and Research</u>	
495	<u>Governing Authority</u>	<u>\$78,700 - \$106,200</u>
496	Executive Director, Department of	
497	Workforce Services	\$85,700 - \$115,700
498	Executive Director, Department of	
499	Health	\$85,700 - \$115,700
500	Executive Director, Department	
501	of Human Services	\$85,700 - \$115,700
502	Executive Director, Department	
503	of Transportation	\$85,700 - \$115,700
504	Executive Director, Department	
505	of Information Technology	
506	Services	\$85,700 - \$115,700

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

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

513 (ii) health insurance;

514 (iii) dental insurance;

515 (iv) basic life insurance;

516 (v) unemployment compensation;

517 (vi) workers' compensation;

518 (vii) required employer contribution to Social Security;

519 (viii) long-term disability income insurance;

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

- 522 (x) the same severance pay available to other noncareer service employees;
- 523 (xi) the same sick leave, converted sick leave, educational allowances, and holidays
524 granted to Schedule B state employees, and the same annual leave granted to Schedule B state
525 employees with more than ten years of state service;
- 526 (xii) the option to convert accumulated sick leave to cash or insurance benefits as
527 provided by law or rule upon resignation or retirement according to the same criteria and
528 procedures applied to Schedule B state employees;
- 529 (xiii) the option to purchase additional life insurance at group insurance rates according
530 to the same criteria and procedures applied to Schedule B state employees; and
- 531 (xiv) professional memberships if being a member of the professional organization is a
532 requirement of the position.
- 533 (b) Each department shall pay the cost of additional state-paid life insurance for its
534 executive director from its existing budget.
- 535 (3) The Legislature fixes the following additional benefits:
- 536 (a) for the executive director of the State Tax Commission a vehicle for official and
537 personal use;
- 538 (b) for the executive director of the Department of Transportation a vehicle for official
539 and personal use;
- 540 (c) for the executive director of the Department of Natural Resources a vehicle for
541 commute and official use;
- 542 (d) for the Commissioner of Public Safety:
- 543 (i) an accidental death insurance policy if POST certified; and
544 (ii) a public safety vehicle for official and personal use;
- 545 (e) for the executive director of the Department of Corrections:
- 546 (i) an accidental death insurance policy if POST certified; and
547 (ii) a public safety vehicle for official and personal use;
- 548 (f) for the Adjutant General a vehicle for official and personal use; and
- 549 (g) for each member of the Board of Pardons and Parole a vehicle for commute and
550 official use.
- 551 (4) (a) The governor has the discretion to establish a specific salary for each office
552 listed in Subsection (1), and, within that discretion, may provide salary increases within the

553 range fixed by the Legislature.

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

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

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

561 Section 13. **Appropriation.**

562 (1) (a) There is appropriated \$50,000,000 from the General Fund, for fiscal year 2007
563 only, to the Utah Science Technology and Research Governing Authority to construct a Bio
564 Innovations Research Institute at Utah State University and a Neuroscience and Biomedical
565 Technology Research Building at the University of Utah.

566 (b) The Legislature intends that:

567 (i) notwithstanding Subsections (1)(b)(ii) and (1)(b)(iii), the Utah Science Technology
568 and Research Governing Authority may expend monies to plan and design the Bio Innovations
569 Research Institute and the Neuroscience and Biomedical Technology Research Building before
570 the universities certify that they have obtained the required matching funds;

571 (ii) when Utah State University certifies to the Utah Science Technology and Research
572 Governing Authority that the university has obtained reliable commitments, convertible to
573 cash, of \$10,000,000 or more in nonstate funds to construct the Bio Innovations Research
574 Institute, the authority may expend up to \$20,000,000 for the construction of the Bio
575 Innovations Research Institute;

576 (iii) when the University of Utah certifies to the Utah Science Technology and
577 Research Governing Authority that the university has obtained reliable commitments,
578 convertible to cash, of \$30,000,000 or more in nonstate funds to construct the Neuroscience
579 and Biomedical Technology Research Building, the authority may expend up to \$30,000,000
580 for the construction of the Neuroscience and Biomedical Technology Research Building;

581 (iv) the match required by the universities under this Subsection(1)(b) is not in addition
582 to the match required by Section 63B-15-101;

583 (v) the Utah Science Technology and Research Governing Authority comply with the

584 requirements of Subsection 63B-15-101(8) in the planning, design, and construction of the
585 capitol development projects identified in this section; and

586 (vi) this appropriation is nonlapsing.

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

591 (b) The Legislature intends that the authority:

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

593 (ii) when Utah State University or the University of Utah certify to the authority that
594 one or more research teams have committed to transfer to their institution, allocate up to
595 \$11,000,000 to Utah State University and the University of Utah to fund research teams and the
596 commercialization of new technology developed from the work of the research teams
597 according to criteria established by the board under Subsection 63-38g-302(1)(g); and

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

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

600 (3) (a) (i) As an ongoing appropriation subject to future budget constraints, there is
601 appropriated from the General Fund for fiscal year 2006-07, \$4,000,000 to the Utah Science
602 Technology and Research Authority to provide funding for the Utah Science Technology and
603 Research Project.

604 (b) There is appropriated (\$1,600,000) from the ongoing General Fund appropriation to
605 Utah State University for fiscal year 2007.

606 (c) There is appropriated (\$2,400,000) from the ongoing General Fund appropriation to
607 the University of Utah for fiscal year 2007.

608 (d) The Legislature intends that this appropriation is nonlapsing.

609 **Section 14. Effective date.**

610 This bill takes effect on July 1, 2006.

AMENDED NOTE

State Impact

Passage of this bill will require an appropriation of \$50 million one-time in FY 2007 and a net appropriation of \$15.25 million ongoing (\$19.25 million, with transfers from ongoing General Fund appropriations to Utah State University and University of Utah of \$1.6 million and \$2.4 million, respectively) from the General Fund to the Utah Science Technology and Research Governing Authority.

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	\$19,250,000	\$19,250,000	\$0	\$0
General Fund	(\$4,000,000)	(\$4,000,000)	\$0	\$0
General Fund, 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.

Office of the Legislative Fiscal Analyst