

Senator Sheldon L. Killpack proposes the following substitute bill:

**UTAH SCIENCE TECHNOLOGY AND
RESEARCH INITIATIVE AMENDMENTS**

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Sheldon L. Killpack

House Sponsor: Kevin S. Garn

LONG TITLE

General Description:

This bill modifies provisions relating to the Utah Science Technology and Research Governing Authority.

Highlighted Provisions:

This bill:

- ▶ adds the executive director of the Governor's Office of Economic Development as a member and the vice chair of the Utah Science Technology and Research Governing Authority;
- ▶ makes all money appropriated to the governing authority nonlapsing;
- ▶ provides a one-time appropriation to the governing authority;
- ▶ requires the governing authority to make certain reports; and
- ▶ makes technical corrections.

Monies Appropriated in this Bill:

This bill appropriates \$33,000,000 from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th Congress) for fiscal year 2009-10 only.

Other Special Clauses:

This bill takes effect on July 1, 2009.



26 This bill coordinates with H.B. 391, Budgetary Procedures Act Revisions, by providing
27 substantive and technical amendments.

28 **Utah Code Sections Affected:**

29 AMENDS:

30 **63M-2-301**, as renumbered and amended by Laws of Utah 2008, Chapter 382

31 **63M-2-302**, as renumbered and amended by Laws of Utah 2008, Chapter 382

32

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

34 Section 1. Section **63M-2-301** is amended to read:

35 **63M-2-301. The Utah Science Technology and Research Governing Authority --**
36 **Creation -- Membership -- Meetings -- Staff.**

37 (1) There is created the Utah Science Technology and Research Governing Authority
38 consisting of the state treasurer, the executive director of the Governor's Office of Economic
39 Development, and the following [~~eight~~] seven members appointed as follows with the consent
40 of the Senate:

41 (a) [~~three~~] two appointed by the governor;

42 (b) two appointed by the president of the Senate;

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

44 (d) one appointed by the commissioner of higher education.

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

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

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

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

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

54 (b) The [~~president of the Senate and the speaker of the House of Representatives~~]
55 executive director of the Governor's Office of Economic Development shall [~~jointly select~~]
56 serve as the vice chair of the governing authority [~~to serve a one-year term~~].

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

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

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

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

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

67 (ii) The executive director is an at-will employee who may be terminated without cause
68 by the governor or by majority vote of the governing authority.

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

71 Section 2. Section **63M-2-302** is amended to read:

72 **63M-2-302. Governing authority powers.**

73 (1) The governing authority shall:

74 (a) ensure that funds appropriated and received for research and development at the
75 research universities and for the technology outreach program are used appropriately,
76 effectively, and efficiently in accordance with the intent of the Legislature;

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

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

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

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

85 (f) by following the procedures and requirements of Title 63G, Chapter 3, Utah
86 Administrative Rulemaking Act, make rules for allocating monies appropriated to it for
87 research teams and for the commercialization of new technology between Utah State

88 University and the University of Utah;

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

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

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

96 (j) annually report and make recommendations to:

97 (i) the governor;

98 (ii) the Executive Appropriations Committee; and

99 (iii) the Economic Development Appropriations Subcommittee.

100 (2) The governing authority may:

101 (a) in addition to monies received by it from the Legislature, receive contributions from
102 any source in the form of money, property, labor, or other things of value for the project;

103 (b) subject to any restrictions imposed by the donation, appropriations, or bond
104 authorizations, allocate monies received by it among the research universities, technology
105 outreach program, and technology transfer offices to support commercialization and technology
106 transfer to the private sector; or

107 (c) enter into agreements necessary to obtain private equity investment in the project.

108 (3) All money appropriated to the governing authority is nonlapsing.

109 (4) The governing authority shall report to the Economic Development and Revenue
110 Appropriations Subcommittee and to the Legislative Executive Appropriations Committee by
111 November 1 of each year on its activities, including:

112 (a) the achievement of the objectives and duties provided under this part;

113 (b) its annual expenditure of funds; and

114 (c) nonlapsing balances retained by the governing authority.

115 **Section 3. One-time appropriation.**

116 (1) There is appropriated from Federal Funds - American Recovery and Reinvestment
117 Act (H.R. 1, 111th Congress) for fiscal year 2009-10 only, \$33,000,000 to the Utah Science
118 Technology and Research Governing Authority established under Title 63M, Chapter 2, Utah

119 Science Technology and Research Governing Authority Act.

120 (2) It is the intent of the Legislature that the appropriation described under Subsection

121 (1) shall be:

122 (a) used for the operations of the Utah Science Technology and Research Governing

123 Authority, including funding for research teams to conduct science and technology research;

124 (b) used in the 2009-10 and 2010-11 fiscal years;

125 (c) nonlapsing; and

126 (d) expended, to the extent possible, prior to any other funding available to the Utah

127 Science Technology and Research Governing Authority.

128 Section 4. **Effective date.**

129 This bill takes effect on July 1, 2009.

130 Section 5. **Coordinating S.B. 240 with H.B. 391-- Substantive and technical**

131 **amendments.**

132 If this S.B. 240 and H.B. 391, Budgetary Procedures Act Revisions, both pass, it is the

133 intent of the Legislature that, the Office of Legislative Research and General Counsel in

134 preparing the Utah Code database for publication, do the following:

135 (1) insert a new Subsection 63J-1-602 (1)(kkkk) to read:

136 "(kkkk) appropriations to the Utah Science Technology and Research Governing

137 Authority, created under Section 63M-2-301, as provided under Section 63M-3-302;"

138 (2) the existing Subsection 63J-1-602 (1)(kkkk) be renumbered to 63J-1-602 (1)(llll);

139 and

140 (3) the remaining subsections of Subsection 63J-1-602 (1) be renumbered accordingly.

Fiscal Note**S.B. 240 1st Sub. (Green) - Utah Science Technology and Research Initiative
Amendments**

2009 General Session

State of Utah

State Impact

Enactment of this bill appropriates \$33,000,000 one-time from Federal Funds - American Recovery and Reinvestment Act to the Utah Science and Technology Research (USTAR) Governing Authority. This bill extends blanket nonlapsing authority to USTAR.

	<u>2009</u> <u>Approp.</u>	<u>2010</u> <u>Approp.</u>	<u>2011</u> <u>Approp.</u>	<u>2009</u> <u>Revenue</u>	<u>2010</u> <u>Revenue</u>	<u>2011</u> <u>Revenue</u>
Federal Funds	\$0	\$33,000,000	\$0	\$0	\$0	\$0
Total	\$0	\$33,000,000	\$0	\$0	\$0	\$0

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
