Senator Curtis S. Bramble proposes the following substitute bill:

1	AMENDMENTS TO THE FUND OF FUNDS				
2	2014 GENERAL SESSION				
3	STATE OF UTAH				
4	Chief Sponsor: Jim Bird				
5	Senate Sponsor: Curtis S. Bramble				
6	Cosponsors:	Melvin R. Brown	Curtis Oda		
7	Jacob L. Anderegg	James A. Dunnigan	Dixon M. Pitcher		
8	Johnny Anderson	Gage Froerer	Larry B. Wiley		
9	Stewart Barlow	John Knotwell			
10					
11	LONG TITLE				
12	General Description:				
13	This bill amends Title 63M, Chapter 1, Part 12, the Utah Venture Capital Enhancement				
14	Act.				
15	Highlighted Provisions:				
16	This bill:				
17	► Ŝ→ [amends the membership of the Utah Capital Investment Board by adding a				
17a	member				
18	of the Senate and a member	of the House of Representatives;]	Ŝ		
19	amends the quoi	rum requirements of the Utah Capita	Investment Board;		
20	requires that the	annual report and the annual audit for	or the Utah fund of funds be		
21	completed on or before September 1 for the previous calendar year;				
22	 describes additional information required in the annual report and audit; 				
23	 provides that the aggregate outstanding certificates may not exceed a total of 				
24	\$150,000,000 for a loan guarantee;				



87	(b) if that taxpayer is a:		
88	(i) claimant;		
89	(ii) estate; or		
90	(iii) trust.		
91	(14) "Trust" means a nonresident trust or a resident trust.		
92	(15) "Utah fund of funds" means a limited partnership or limited liability company		
93	established under Section 63M-1-1213 in which a designated investor purchases an equity		
94	interest.		
95	Section 2. Section 63M-1-1205 is amended to read:		
96	63M-1-1205. Board members Meetings Expenses.		
97	(1) (a) The board shall consist of [five] the following $\$ \rightarrow [seven]$ five $\leftarrow \$$ members[. (b) Of		
97a	the five		
98	members]:		
99	(i) [one shall be] the state treasurer;		
100	(ii) [one shall be] the director or the director's designee; \$→ [[] and []] ←\$		
101	(iii) three [shall be] members appointed by the governor and confirmed by the		
102	Senate $[\cdot]$ $\hat{S} \rightarrow [\cdot]$ $\underline{\cdot}$		
103	\$→ [(iv) a member of the Senate appointed by the president of the Senate; and		
104	(v) a member of the House of Representatives appointed by the speaker of the House of		
105	<u>Representatives.</u>] ←Ŝ		
106	[(e)] (b) The three members appointed by the governor shall serve four-year staggered		
107	terms with the initial terms of the first three members to be four years for one member, three		
108	years for one member, and two years for one member.		
109	(c) The governor shall appoint members of the board based on demonstrated expertise		
110	and competence in:		
111	(i) the supervision of investment managers;		
112	(ii) the fiduciary management of investment funds; or		
113	(iii) the management and administration of tax credit allocation programs.		
114	(2) When a vacancy occurs in the membership of the board for any reason, the vacancy		
115	shall be:		
116	(a) filled in the same manner as the appointment of the original member; and		
117	(b) for the unexpired term of the board member being replaced.		

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118	(3) Appointed members of the board may not serve more than two full consecutive		
119	terms except [where] when the $\hat{S} \rightarrow [[]$ governor []] [appointing authority] $\leftarrow \hat{S}$ determines that an		
119a	additional		
120	term is in the best interest of the state.		
121	(4) [Three] (a) Four members of the board constitute a quorum for conducting		
122	business and exercising board power[, provided that a minimum of three affirmative votes is		
123	required for board action and at least one of the affirmative votes is cast by either the director		
124	or the director's designee or the state treasurer].		
125	(b) If a quorum is present, the action of a majority of members present is the action of		
126	the board.		
127	(5) $\hat{S} \rightarrow [\underline{(a)}] \leftarrow \hat{S}$ A member $\hat{S} \rightarrow [\underline{who \text{ is not a legislator}}] \leftarrow \hat{S}$ may not receive compensation		
127a	or benefits for		
128	the member's service, but may receive per diem and travel expenses in accordance with:		
129	$\hat{\mathbf{S}} \rightarrow [[] \text{ (a) } [] \stackrel{\text{(i)}}{\longleftarrow} \hat{\mathbf{S}} \text{ Section } 63\text{A}-3-106;$		
130	$\hat{\mathbf{S}} \rightarrow [[] \text{ (b) } [] \leftarrow \hat{\mathbf{S}} \text{ Section 63A-3-107; and}$		
131	\$→ [[] (c) []—(iii)] ←\$ rules made by the Division of Finance [pursuant] according to		
131a	Sections		
132	63A-3-106 and 63A-3-107.		
133	$\hat{S} \rightarrow [\underline{(b)} \ Compensation and expenses of a board member who is a legislator are governed by$		
134	Section 36-2-2 and Legislative Joint Rules, Title 5, Legislative Compensation and Expenses.] ←Ŝ		
135	[(6) Members of the board shall be selected on the basis of demonstrated expertise and		
136	competence in:]		
137	[(a) the supervision of investment managers;]		
138	[(b) the fiduciary management of investment funds; or]		
139	[(c) the management and administration of tax credit allocation programs.]		
140	[(7)] (6) The board and its members are considered to be a governmental entity with all		
141	of the rights, privileges, and immunities of a governmental entity of the state, including all of		
142	the rights and benefits conferred under Title 63G, Chapter 7, Governmental Immunity Act of		
143	Utah.		
144	[(8)] (7) Meetings of the board, except to the extent necessary to protect the		
145	information identified in Subsection 63M-1-1224(3), are subject to Title 52, Chapter 4, Open		
146	and Public Meetings Act.		
147	Section 3. Section 63M-1-1206 is amended to read:		
148	63M-1-1206. Board duties and powers.		

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242	funds, including management and placement fees;
243	[(ii)] (ix) review the progress of the investment fund allocation manager in
244	implementing its investment plan and provide a general description of the investment plan;
245	[and]
246	(x) for each individual fund that the Utah fund of funds is invested in that represents at
247	least 5% of the net assets of the Utah fund of funds, include the name of the fund, the total
248	value of the fund, the fair market value of the Utah fund of funds' investment in the fund, and
249	the percentage of the total value of the fund held by the Utah fund of funds;
250	(xi) \$→ [include a list of each company in the state where an investment was made from a
251	fund that the Utah fund of funds is invested in, and include the number of companies in Utah
251a	where an investment was made from a fund that the Utah fund of funds is invested in, and←Ŝ
251b	provide an aggregate count of new full-time
252	employees in the state added by all companies where investments were made by funds that the
253	Utah fund of funds is invested in:
254	(xii) include an aggregate total value for all funds the Utah fund of funds is invested in,
255	and an aggregate total amount of money invested in the state by the funds the Utah fund of
256	funds is invested in;
257	[(iii)] (xiii) describe any redemption or transfer of a certificate issued under this part[-];
258	(xiv) include actual and estimated potential appropriations the Legislature will be
259	required to provide as a result of redeemed certificates or tax credits during the following five
260	<u>years;</u>
261	(xv) include an evaluation of the state's progress in accomplishing the purposes stated
262	in Section 63M-1-1202; and
263	(xvi) be directly accessible to the public via a link from the main page of the Utah fund
264	of fund's website.
265	(c) The annual report may not identify [any] a specific designated investor who has
266	redeemed or transferred a certificate.
267	[(d) (i) Beginning July 1, 2006, and thereafter every two years, the board shall publish
268	a progress report which shall evaluate the progress of the state in accomplishing the purposes
269	stated in Section 63M-1-1202.]
270	[(ii) The board shall give a copy of the report to the Legislature.]
271	Section 4. Section 63M-1-1214 is amended to read:
272	63M-1-1214. Compensation from the Utah fund of funds to the corporation