

Senator Brian E. Shiozawa proposes the following substitute bill:

**UTAH SCIENCE TECHNOLOGY AND RESEARCH
GOVERNING AUTHORITY AMENDMENTS**

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brian E. Shiozawa

House Sponsor: Jim Bird

Cosponsor: John L. Valentine

LONG TITLE

General Description:

This bill modifies Title 63M, Chapter 2, Utah Science Technology and Research Governing Authority Act, and other related provisions.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires the Utah Science Technology and Research (USTAR) governing authority

to:

- lease certain science and technology buildings to state universities;
- establish written performance standards and expectations for each technology outreach program location;
- establish written performance standards and expectations for each research team funded by the USTAR initiative;
- provide a detailed annual report; and
- provide an annual audit;

1st Sub. S.B. 62



- 25 ▶ modifies the allocation of commercialization revenues;
- 26 ▶ repeals the nonlapsing status of appropriations to the USTAR governing authority;
- 27 and
- 28 ▶ makes technical changes.

29 **Money Appropriated in this Bill:**

30 None

31 **Other Special Clauses:**

32 None

33 **Utah Code Sections Affected:**

34 AMENDS:

- 35 **63J-1-602.4**, as last amended by Laws of Utah 2013, Chapter 28
- 36 **63M-2-102**, as renumbered and amended by Laws of Utah 2008, Chapter 382
- 37 **63M-2-201**, as renumbered and amended by Laws of Utah 2008, Chapter 382
- 38 **63M-2-202**, as renumbered and amended by Laws of Utah 2008, Chapter 382
- 39 **63M-2-203**, as renumbered and amended by Laws of Utah 2008, Chapter 382
- 40 **63M-2-204**, as last amended by Laws of Utah 2011, Chapter 392
- 41 **63M-2-301**, as last amended by Laws of Utah 2010, Chapter 286
- 42 **63M-2-302**, as last amended by Laws of Utah 2012, Chapter 242
- 43 **63M-2-303**, as last amended by Laws of Utah 2010, Chapter 286

44 ENACTS:

- 45 **63M-2-302.5**, Utah Code Annotated 1953
- 46 **63M-2-401**, Utah Code Annotated 1953
- 47 **63M-2-402**, Utah Code Annotated 1953



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

50 Section 1. Section **63J-1-602.4** is amended to read:

51 **63J-1-602.4. List of nonlapsing funds and accounts -- Title 61 through Title 63M.**

52 (1) Funds paid to the Division of Real Estate for the cost of a criminal background
53 check for a mortgage loan license, as provided in Section **61-2c-202**.

54 (2) Funds paid to the Division of Real Estate for the cost of a criminal background
55 check for principal broker, associate broker, and sales agent licenses, as provided in Section

56 61-2f-204.

57 (3) Certain funds donated to the Department of Human Services, as provided in
58 Section 62A-1-111.

59 (4) Certain funds donated to the Division of Child and Family Services, as provided in
60 Section 62A-4a-110.

61 (5) Appropriations from the Choose Life Adoption Support Restricted Account created
62 in Section 62A-4a-608.

63 (6) Appropriations to the Division of Services for People with Disabilities, as provided
64 in Section 62A-5-102.

65 (7) A portion of the funds appropriated to the Utah Seismic Safety Commission, as
66 provided in Section 63C-6-104.

67 (8) Funding for the Medical Education Program administered by the Medical
68 Education Council, as provided in Section 53B-24-202.

69 (9) Certain money payable for commission expenses of the Pete Suazo Utah Athletic
70 Commission, as provided under Section 63C-11-301.

71 (10) Funds appropriated or collected for publishing the Division of Administrative
72 Rules' publications, as provided in Section 63G-3-402.

73 (11) The Immigration Act Restricted Account created in Section 63G-12-103.

74 (12) Money received by the military installation development authority, as provided in
75 Section 63H-1-504.

76 (13) The appropriation to fund the Governor's Office of Economic Development's
77 Enterprise Zone Act, as provided in Section 63M-1-416.

78 (14) The Motion Picture Incentive Account created in Section 63M-1-1803.

79 ~~[(15) Appropriations to the Utah Science Technology and Research Governing
80 Authority, created under Section 63M-2-301, as provided under Section 63M-2-302.]~~

81 Section 2. Section 63M-2-102 is amended to read:

82 **63M-2-102. Definitions.**

83 As used in this chapter:

84 (1) "Commercialization revenues" means dividends, realized capital gains, license fees,
85 royalty fees, and other revenues received by a university as a result of commercial applications
86 developed from the ~~[project]~~ USTAR initiative, less:

87 (a) the portion of those revenues allocated to the inventor; and
88 (b) expenditures incurred by the university to legally protect the intellectual property.
89 (2) "Executive director" means the person appointed by the governing authority under
90 Section [63M-2-301](#).

91 ~~[(5)]~~ (3) "Research buildings" means any of the buildings listed in Section [63M-2-201](#).
92 ~~[(6)]~~ (4) "Research universities" means the University of Utah and Utah State
93 University.

94 ~~[(7)]~~ (5) "Technology outreach program" means the program ~~[required by]~~ described in
95 Section [63M-2-202](#).

96 ~~[(3) "Governing authority"]~~ (6) "USTAR governing authority" means the Utah Science
97 Technology and Research Governing Authority created in Section [63M-2-301](#).

98 ~~[(4) "Project"]~~ (7) (a) "USTAR initiative" means the Utah Science Technology and
99 Research ~~[Project]~~ Initiative created in Section [63M-2-301](#).

100 ~~[(8) "Utah Science Technology and Research Project" means the buildings and~~
101 ~~activities]~~

102 (b) "USTAR initiative" includes the projects, operations, activities, programs, and
103 services described in ~~[Part 2, Utah Science Technology and Research Project]~~ this chapter.

104 Section 3. Section **63M-2-201** is amended to read:

105 **Part 2. Utah Science Technology and Research Initiative**

106 **63M-2-201. Science technology research buildings.**

107 (1) As funding becomes available from the Legislature or other sources, the ~~[Utah~~
108 ~~Science Technology and Research Governing Authority created in Part 3]~~ USTAR governing
109 authority shall:

110 (a) construct at Utah State University:

- 111 (i) a Bio Innovations Research Institute;
- 112 (ii) an Infectious Disease Research Center; and
- 113 (iii) an Informatics/Computing Research Center; and

114 (b) construct at the University of Utah:

- 115 (i) a Neuroscience and Biomedical Technology Research Building; and
- 116 (ii) an Information Technology and Bioinformatics Research Center.

117 (2) The USTAR governing authority shall, subject to any restrictions or directions

118 established by the Legislature, plan, design, and construct the buildings.

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

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

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

124 (5) The governing authority [~~may~~] shall:

125 [~~(a) lease the buildings to Utah State University and the University of Utah;~~]

126 (a) before approving occupancy of a building, lease each building constructed on Utah
127 State University's campus to Utah State University and each building constructed on the
128 University of Utah's campus to the University of Utah by entering into a written lease
129 agreement with each university that clearly establishes the terms for the university's use,
130 maintenance, and ongoing rental payments for the building;

131 (b) require research teams to generate a certain amount of revenue from grants or other
132 sources to contribute to the [~~project~~] USTAR initiative; and

133 (c) unless prohibited by law, deposit lease payments and other money received from
134 the universities and research teams with the state treasurer for deposit into the sinking funds
135 created under Section 63B-1a-301 for debt service on the bonds issued to fund planning,
136 design, and construction of the research buildings.

137 Section 4. Section 63M-2-202 is amended to read:

138 **63M-2-202. Technology outreach program.**

139 (1) As funding becomes available from the Legislature or other sources, the [~~Utah~~
140 ~~Science Technology and Research Governing Authority created in Part 3~~] USTAR governing
141 authority shall establish a technology outreach program at up to five locations distributed
142 strategically throughout Utah.

143 (2) (a) The USTAR governing authority shall ensure that the technology outreach
144 program acts as a resource to:

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

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

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

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

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

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

158 (b) In designing and operating the technology outreach program, the USTAR
159 governing authority shall:

160 (i) for each technology outreach program location:

161 (A) establish written performance standards and expectations for each location; and

162 (B) require reporting from each location related to those performance standards and
163 expectations on at least an annual basis; and

164 (ii) work cooperatively with the Technology Commercialization Offices at Utah State
165 University and the University of Utah.

166 Section 5. Section **63M-2-203** is amended to read:

167 **63M-2-203. Research teams.**

168 (1) As funding becomes available from the Legislature or other sources, and subject to
169 any restrictions or directions established by the Legislature, the USTAR governing authority
170 shall allocate money to Utah State University and the University of Utah to provide funding for
171 research teams to conduct science and technology research.

172 (2) The USTAR governing authority shall:

173 (a) establish written performance standards and expectations for each research team
174 receiving USTAR initiative funding;

175 (b) require each research team to report on the team's performance related to those
176 standards and expectations on at least an annual basis; and

177 (c) require each research team to report on the amount of funding received from
178 sources other than USTAR initiative funding on at least an annual basis.

179 (3) The USTAR governing authority shall discontinue allocating money to a research

180 team that does not provide the reporting required by Subsection (2).

181 (4) The USTAR governing authority may discontinue allocating money to a research
182 team for any reason, including:

183 (a) when the research team is failing to meet expectations established through
184 performance standards and expectations; and

185 (b) when the research team is receiving sufficient funding from other sources to no
186 longer reasonably need USTAR initiative funding.

187 Section 6. Section **63M-2-204** is amended to read:

188 **63M-2-204. Financial participation agreement.**

189 (1) In consideration of the money and services provided or agreed to be provided, the
190 state of Utah, Utah State University, and the University of Utah [~~covenant and~~] agree that they
191 will allocate commercialization revenues as follows:

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

193 (i) \$10,000,000 to Utah State University and the University of Utah, with the money
194 distributed proportionately based upon which university conducted the research that generated
195 the commercialization revenues; and

196 (ii) \$5,000,000 to the [~~Governor's Office of Economic Development for the~~
197 ~~Technology Commercialization and Innovation Program created by Chapter 1, Part 7,~~
198 ~~Technology Commercialization and Innovation Act]~~ USTAR governing authority for the
199 ongoing operations of the USTAR initiative; and

200 (b) for all subsequent money received:

201 (i) 50% to Utah State University and the University of Utah, with the money
202 distributed proportionately based upon which university conducted the research that generated
203 the commercialization revenues; and

204 (ii) 50% to the USTAR governing authority or other entity designated by the state to be
205 used for:

206 [~~(A) the Technology Commercialization and Innovation Program created by Chapter 1,~~
207 ~~Part 7, Technology Commercialization and Innovation Act;]~~

208 (A) unless prohibited by law, deposit with the state treasurer for deposit into the
209 sinking fund created under Section [63B-1a-301](#) for debt service on the bonds issued to fund
210 planning, design, and construction of the research buildings;

211 (B) ongoing operations of the USTAR initiative;
 212 ~~[(B)]~~ (C) replacement of equipment in the research buildings;
 213 ~~[(C)]~~ (D) [recruiting and paying] recruitment and funding of additional research teams;
 214 and
 215 ~~[(D)]~~ (E) construction of additional research buildings.

216 ~~[(2) The Governor's Office of Economic Development shall:]~~
 217 ~~[(a) distribute that portion of the \$5,000,000 allocated to the Technology~~
 218 ~~Commercialization and Innovation Program by Subsection (1)(a)(ii) to Utah State University~~
 219 ~~and the University of Utah based upon which institution performed the research that generated~~
 220 ~~the commercialization revenues; and]~~

221 ~~[(b) credit those amounts to the universities as matching funds under Subsection~~
 222 ~~63M-1-702(2).]~~

223 Section 7. Section **63M-2-301** is amended to read:

224 **63M-2-301. The Utah Science Technology and Research Initiative and the Utah**
 225 **Science Technology and Research Governing Authority -- Creation -- Membership --**
 226 **Meetings -- Staff.**

227 (1) There is created the Utah Science Technology and Research Initiative.

228 ~~[(1) There]~~ (2) To oversee the Utah Science Technology and Research Initiative, there
 229 is created the Utah Science Technology and Research Governing Authority consisting of the
 230 state treasurer, the executive director of the Governor's Office of Economic Development, and
 231 the following eight members appointed as follows [with the consent of the Senate]:

- 232 (a) three appointed by the governor;
- 233 (b) two appointed by the president of the Senate;
- 234 (c) two appointed by the speaker of the House of Representatives; and
- 235 (d) one appointed by the commissioner of higher education.

236 ~~[(2)]~~ (3) (a) (i) The eight appointed members shall serve four-year staggered terms.
 237 (ii) The appointed members may not serve more than two full consecutive terms.

238 (b) Notwithstanding Subsection ~~[(2)]~~ (3)(a)(i), the terms of the first members of the
 239 governing authority shall be staggered by lot so that half of the initial members serve two-year
 240 terms and half serve four-year terms.

241 ~~[(3)]~~ (4) Vacancies in the appointed positions on the governing authority shall be filled

242 by the appointing authority with consent of the Senate for the unexpired term.

243 ~~[(4)]~~ (5) (a) The governor, with the consent of the Senate, shall select the chair of the
244 governing authority to serve a one-year term.

245 (b) The executive director of the Governor's Office of Economic Development shall
246 serve as the vice chair of the governing authority.

247 ~~[(5)]~~ (6) The governing authority shall meet at least monthly and may meet more
248 frequently at the request of a majority of the members of the governing authority.

249 ~~[(6) Five]~~ (7) Six members of the governing authority are a quorum.

250 ~~[(7)]~~ (8) (a) A member who is not a legislator may not receive compensation or
251 benefits for the member's service, but may receive per diem and travel expenses ~~[in accordance~~
252 ~~with]~~ as allowed in:

253 ~~[(a)]~~ (i) Section 63A-3-106;

254 ~~[(b)]~~ (ii) Section 63A-3-107; and

255 ~~[(c)]~~ (iii) rules made by the Division of Finance ~~[pursuant]~~ according to Sections
256 63A-3-106 and 63A-3-107.

257 ~~[(8)(a)(i) The governing authority shall hire]~~

258 (b) Compensation and expenses of a board member who is a legislator are governed by
259 Section 36-2-2 and Legislative Joint Rules, Title 5, Legislative Compensation and Expenses.

260 (9) (a) After consultation with the USTAR governing authority, the governor, with the
261 consent of the Senate, shall appoint a full-time executive director to provide staff support for
262 the USTAR governing authority.

263 ~~[(ii)]~~ (b) The executive director is an at-will employee who may be terminated without
264 cause by the governor or by majority vote of the USTAR governing authority.

265 ~~[(b) The Governor's Office of Economic Development shall provide office space and~~
266 ~~administrative support for the executive director.]~~

267 Section 8. Section **63M-2-302** is amended to read:

268 **63M-2-302. USTAR governing authority powers.**

269 (1) The USTAR governing authority shall:

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

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

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

278 (d) review state and local economic development plans and appropriations to ensure
279 that the ~~[project]~~ USTAR initiative and its appropriations do not duplicate existing or planned
280 programs;

281 (e) establish written economic development objectives for the ~~[project]~~ USTAR
282 initiative that are measurable and verifiable, including how to maximize revenue to the
283 USTAR initiative so that it becomes financially self-supporting;

284 (f) by following the procedures and requirements of Title 63G, Chapter 3, Utah
285 Administrative Rulemaking Act, make rules for allocating ~~[money appropriated to it]~~
286 appropriated money for research teams and for the commercialization of new technology
287 between Utah State University and the University of Utah;

288 (g) verify that the ~~[project]~~ USTAR initiative is being enhanced by research grants and
289 that it is meeting the governing authority's economic development objectives;

290 (h) monitor all research plans that are part of the ~~[project]~~ USTAR initiative at the
291 research universities to determine that appropriations are being spent in accordance with
292 legislative intent and to maximize the benefit and return to the state; and

293 (i) develop methods and incentives to encourage investment in and contributions to the
294 ~~[project]~~ USTAR initiative from the private sector~~[-and]~~.

295 ~~[(j) annually report and make recommendations to:]~~

296 ~~[(i) the governor; and]~~

297 ~~[(ii) the Business, Economic Development, and Labor Appropriations Subcommittee.]~~

298 (2) The USTAR governing authority may:

299 (a) in addition to money received ~~[by it]~~ from the Legislature, receive contributions for
300 the USTAR initiative from any source in the form of money, property, labor, or other things of
301 value ~~[for the project]~~;

302 (b) subject to any restrictions imposed by the donation, appropriations, or bond
303 authorizations, allocate money received by it among the research universities, technology

304 outreach program, and technology transfer offices to support commercialization and technology
 305 transfer to the private sector; or

306 (c) enter into agreements necessary to obtain private equity investment in the [project]
 307 USTAR initiative.

308 [~~(3) All money appropriated to the governing authority is nonlapsing.~~]

309 [~~(4) The governing authority shall report to the Business, Economic Development, and
 310 Labor Appropriations Subcommittee and to the Legislative Executive Appropriations
 311 Committee by November 1 of each year on its activities, including:~~]

312 [~~(a) the achievement of the objectives and duties provided under this part;~~]

313 [~~(b) its annual expenditure of funds; and~~]

314 [~~(c) nonlapsing balances retained by the governing authority.~~]

315 Section 9. Section **63M-2-302.5** is enacted to read:

316 **63M-2-302.5. USTAR governing authority requirements.**

317 The USTAR governing authority is subject to the requirements of an executive branch
 318 agency and is:

319 (1) an agency for purposes of Title 63J, Chapter 1, Budgetary Procedures Act;

320 (2) an executive branch procurement unit for purposes of Title 63G, Chapter 6a, Utah
 321 Procurement Code;

322 (3) a governmental entity for purposes of Title 63G, Chapter 2, Government Records
 323 Access and Management Act; and

324 (4) a public body for purposes of Title 52, Chapter 4, Open and Public Meetings Act.

325 Section 10. Section **63M-2-303** is amended to read:

326 **63M-2-303. USTAR Governing Authority Advisory Council -- Chair -- Meetings.**

327 (1) There is created the [~~Utah Science Technology and Research~~] USTAR Governing
 328 Authority Advisory Council consisting of 12 members appointed as follows:

329 (a) one member appointed by the director of the Governor's Office of Economic
 330 Development;

331 (b) one member appointed by the [~~Utah Information Technology Association~~] Utah
 332 Technology Council;

333 (c) one member appointed by the Utah Nanotechnology Initiative;

334 (d) one member appointed by the Economic Development Corporation of Utah;

- 335 (e) one member appointed by [~~the Utah Life Science Association~~] BioUtah;
- 336 (f) one member appointed by the Salt Lake Area Chamber of Commerce;
- 337 (g) one member appointed by the Provo-Orem Chamber of Commerce;
- 338 (h) one member appointed by the Davis Area Chamber of Commerce;
- 339 (i) one member appointed by the Ogden-Weber Chamber of Commerce;
- 340 (j) one member appointed by the Cache Chamber of Commerce;
- 341 (k) one member appointed by the St. George Area Chamber of Commerce; and
- 342 (l) one member appointed by the Vernal Chamber of Commerce.

343 (2) The USTAR governing authority shall consult with the advisory council about the
344 [~~project~~] USTAR initiative.

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

347 (4) The advisory council shall convene whenever the USTAR governing authority
348 requests a meeting for consultation.

349 (5) A member may not receive compensation or benefits for the member's service, but
350 may receive per diem and travel expenses [~~in accordance with~~] as allowed in:

- 351 (a) Section 63A-3-106;
- 352 (b) Section 63A-3-107; and
- 353 (c) rules made by the Division of Finance [~~pursuant~~] according to Sections 63A-3-106
354 and 63A-3-107.

355 Section 11. Section **63M-2-401** is enacted to read:

356 **Part 4. USTAR Reporting and Audit Requirements**

357 **63M-2-401. Reporting requirements.**

358 (1) By October 1 of each year, the USTAR governing authority shall submit to the
359 governor; the Legislature; the Business, Economic Development, and Labor Appropriations
360 Subcommittee; and the Economic Development and Workforce Services Interim Committee an
361 annual written report of the operations, activities, programs, and services of the governing
362 authority and the USTAR initiative for the preceding fiscal year.

363 (2) For each project, operation, activity, program, or service related to the USTAR
364 initiative or overseen or funded through the USTAR governing authority, the annual report
365 shall include:

- 366 (a) a description of the project, operation, activity, program, or service;
367 (b) data selected and used by the governing authority to measure progress,
368 performance, and scope of the project, operation, activity, program, or service, including
369 summary data;
370 (c) a clear description of the methodology for any data in the report that includes an
371 estimation;
372 (d) the amount and source of all USTAR initiative funding, including:
373 (i) funding from Legislative appropriations;
374 (ii) funding procured outside of legislative appropriations, including a separate
375 accounting of grants or investments contributing to research teams and other activities of the
376 USTAR initiative from the federal government, private entities, or other sources, and an
377 explanation of the extent to which:
378 (A) outside funding was contingent on or leveraged by legislative appropriations; and
379 (B) outside funding would continue if legislative appropriations were discontinued;
380 (iii) commercialization revenue, including a separate accounting of:
381 (A) realized commercialization revenue;
382 (B) unrealized and expected commercialization revenue; and
383 (C) commercialization revenue going to other parties attributable to USTAR initiative
384 funding;
385 (iv) lease revenue from each building in which the USTAR governing authority holds
386 title; and
387 (v) the amount of money deposited with the state treasurer for deposit into the sinking
388 fund created under Section [63B-1a-301](#) for debt service on the bonds issued to fund planning,
389 design, and construction of the research buildings;
390 (e) all expenses of the USTAR initiative, including:
391 (i) operational expenses;
392 (ii) for each employee receiving compensation from USTAR initiative funding,
393 compensation information, including:
394 (A) salary expenses, benefit expenses, and travel expenses;
395 (B) information for each research team employee and each employee of the technology
396 outreach program that receives compensation directly or indirectly through USTAR initiative

397 funding; and

398 (C) information regarding compensation for each employee from sources other than
399 USTAR initiative funding, including grants and compensation from a university or private
400 entity;

401 (iii) for each research team, salary expenses, benefit expenses, travel expenses, and
402 operations and maintenance expenses;

403 (iv) operational and maintenance expenses for each building in which the USTAR
404 governing authority holds title;

405 (v) operational and maintenance expenses paid for by USTAR initiative funding for
406 each location that has an established technology outreach program; and

407 (vi) each grant or other incentive given as a result of the USTAR initiative, including
408 grants or incentives awarded through the technology outreach program;

409 (f) the number of jobs and the corresponding salary ranges created by the USTAR
410 initiative, including the number of jobs where the employee is expected to be employed for at
411 least one year and earns at least 125% of the prevailing wage of the county where the employee
412 works;

413 (g) the name of each business entity receiving a grant or other incentive as a result of
414 the USTAR initiative, including the outreach program;

415 (h) a list of business entities that have hired employees as a result of the USTAR
416 initiative;

417 (i) the tax revenue generated as a result of the USTAR initiative, with actual revenue
418 generated clearly separated from potential revenue;

419 (j) a list of intellectual property assets, including patents, generated by research teams
420 as a result of the USTAR initiative, including a reasonable estimate of the USTAR initiative's
421 percentage share of potential commercialization revenue that may be realized from those
422 assets;

423 (k) a description of any agreements entered into regarding private equity investment in
424 the USTAR initiative;

425 (l) beginning with data from the fiscal year beginning July 1, 2013, historical data from
426 previous years for comparison with the annual data reported under this Subsection (2);

427 (m) goals, challenges, and achievements related to the project, operation, activity,

428 program, or service;
429 (n) relevant federal and state statutory references and requirements;
430 (o) contact information of officials knowledgeable and responsible for each project,
431 operation, activity, program, or service;
432 (p) other information determined by the USTAR governing authority that:
433 (i) may be needed, useful, or of historical significance; or
434 (ii) promotes accountability and transparency for each project, operation, activity,
435 program, or service with the public and with elected officials;
436 (q) the written economic development objectives required under Subsection
437 63M-2-302(1)(e) and a description of any progress or challenges in meeting the objectives; and
438 (r) the audit report described in Section 63M-2-402.
439 (3) The annual report shall be designed to provide clear, accurate, and accessible
440 information to the public, the governor, and the Legislature.
441 (4) The governing authority shall:
442 (a) submit the annual report in accordance with Section 68-3-14; and
443 (b) make the annual report and previous annual reports accessible to the public by
444 placing a link to the reports on the USTAR initiative's website.
445 (5) In addition to the annual written report described in this section:
446 (a) upon the request of a committee, the USTAR governing authority shall provide
447 information and progress reports to the Economic Development and Workforce Services
448 Interim Committee; the Business and Labor Interim Committee; and the Business, Economic
449 Development, and Labor Appropriations Subcommittee; and
450 (b) on or before October 1, 2019, and every five years after October 1, 2019, the
451 USTAR governing authority shall include with the annual report described in this section a
452 written analysis and recommendations concerning the usefulness of the information required in
453 the annual report and the ongoing effectiveness of the USTAR initiative, including whether:
454 (i) the reporting requirements are effective at measuring the performance of the
455 USTAR initiative;
456 (ii) the reporting requirements should be modified; and
457 (iii) the USTAR initiative is beneficial to the state and should continue.
458 Section 12. Section **63M-2-402** is enacted to read:

459 63M-2-402. Audit requirements.

460 (1) Each fiscal year, an audit of the activities of the USTAR initiative shall be made as
461 described in this section.

462 (2) (a) As approved by the Legislative Audit Subcommittee, the audit shall be
463 conducted by:

464 (i) the legislative auditor; or

465 (ii) an independent auditor engaged by the legislative auditor.

466 (b) An independent auditor used under Subsection (2)(a)(ii) may not have a business or
467 contractual connection, or other connection, with the USTAR initiative or the USTAR
468 governing authority.

469 (3) The USTAR governing authority shall pay the costs associated with the annual
470 audit.

471 (4) The annual audit shall:

472 (a) include a verification of the accuracy of the information required to be included in
473 the annual report described in Section [63M-2-401](#); and

474 (b) be completed by September 1 of each year.