

1 **UTAH SCIENCE TECHNOLOGY AND RESEARCH**

2 **INITIATIVE AMENDMENTS**

3 2018 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Daniel Hemmert**

6 House Sponsor: _____

7

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies provisions of the Utah Science Technology and Research Governing
11 Authority (USTAR) Act.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ repeals provisions that require USTAR to provide ongoing funding for certain
15 researchers at the University of Utah and Utah State University;
- 16 ▶ requires USTAR and the Division of Facilities Construction and Management to
17 transfer ownership of a certain research building located on the campus of:
- 18 • University of Utah to the University of Utah; and
 - 19 • Utah State University to Utah State University; and
- 20 ▶ makes technical changes.

21 **Money Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 None

25 **Utah Code Sections Affected:**

26 AMENDS:

27 **63M-2-102**, as last amended by Laws of Utah 2016, Chapter 240



28 63M-2-602, as enacted by Laws of Utah 2016, Chapter 240

29 63M-2-802, as last amended by Laws of Utah 2017, Chapter 18

30 REPEALS:

31 63M-2-502, as enacted by Laws of Utah 2016, Chapter 240

32 63M-2-702, as enacted by Laws of Utah 2016, Chapter 240

33 63M-2-704, as enacted by Laws of Utah 2016, Chapter 240

34 63M-2-705, as enacted by Laws of Utah 2016, Chapter 240



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

37 Section 1. Section 63M-2-102 is amended to read:

38 **63M-2-102. Definitions.**

39 As used in this chapter:

40 (1) "Executive director" means the individual appointed under Subsection

41 63M-2-301(9).

42 (2) "Governing authority" means the Utah Science Technology and Research

43 Governing Authority created in Section 63M-2-301.

44 (3) "Higher education institution" means an institution listed in Section 53B-2-101.

45 ~~[(4) "Principal researcher" means an individual who:]~~

46 ~~[(a) (i) on May 10, 2016, is employed, alone or as part of a research team, by a research~~
47 ~~university;]~~

48 ~~[(ii) before May 10, 2016, received funding from USTAR for some or all of the~~
49 ~~researcher's startup costs or research university salary;]~~

50 ~~[(iii) was recruited by a research university to become a member of a research~~
51 ~~university's faculty; and]~~

52 ~~[(iv) on or after May 10, 2016, continues to receive USTAR support; or]~~

53 ~~[(b) (i) is employed on or after May 10, 2016 as a researcher by a higher education~~
54 ~~institution;]~~

55 ~~[(ii) receives USTAR support; and]~~

56 ~~[(iii) is recruited by the governing authority and the higher education institution to~~
57 ~~become a member of the higher education institution's faculty.]~~

58 ~~[(5)]~~ (4) "Private entity":

59 (a) means a privately owned corporation, limited liability company, partnership, or
60 other business entity or association; and

61 (b) does not include an individual or a sole proprietorship.

62 ~~[(6)]~~ (5) "Research building" means a building:

63 (a) for which the governing authority holds title on or before July 1, 2017; and

64 (b) that is located on the campus of a research university.

65 ~~[(7)]~~ (6) "Research university" means:

66 (a) the University of Utah; or

67 (b) Utah State University.

68 ~~[(8)]~~ (7) "USTAR" means the Utah Science Technology and Research Initiative created
69 in Section [63M-2-301](#).

70 ~~[(9) "USTAR researcher" means:]~~

71 ~~[(a) a principal researcher; or]~~

72 ~~[(b) an individual, other than a principal researcher, who:]~~

73 ~~[(i) is employed by a higher education institution; and]~~

74 ~~[(ii) receives USTAR support.]~~

75 ~~[(10)]~~ (8) "USTAR support" means assistance provided by USTAR including:

76 (a) financial support;

77 (b) technical assistance;

78 (c) mentoring; and

79 (d) the use of:

80 (i) research or laboratory space controlled by USTAR in a building other than a
81 research building; and

82 (ii) equipment in space described in Subsection ~~[(10)]~~ (8)(d)(i).

83 Section 2. Section **63M-2-602** is amended to read:

84 **63M-2-602. Lease agreement for a research building -- Requirements for lease**
85 **agreement.**

86 ~~[(1) The governing authority shall enter into a written lease agreement with a research~~
87 ~~university to lease to the research university a research building constructed on the research~~
88 ~~university's campus.]~~

89 ~~[(2) A lease agreement under Subsection (1) shall:]~~

90 ~~[(a) require the research university to pay the ongoing operation and maintenance~~
91 ~~expenses associated with the research building, including for any infrastructure in the research~~
92 ~~building; and]~~

93 ~~[(b) subject to the reporting requirements described in Section 63M-2-705, permit the~~
94 ~~research university to use or rent space within the research building for research other than~~
95 ~~research receiving USTAR support, including research by a private entity.]~~

96 The governing authority and the Division of Facilities Construction and Management
97 shall, on or before October 1, 2018, transfer ownership and title of the research building
98 located on the campus of:

99 (1) the University of Utah to the University of Utah; and

100 (2) Utah State University to Utah State University.

101 Section 3. Section **63M-2-802** is amended to read:

102 **63M-2-802. USTAR annual report.**

103 (1) (a) On or before October 1 of each year, the governing authority shall submit, in
104 accordance with Section 68-3-14, an annual written report for the preceding fiscal year to:

105 (i) the Business, Economic Development, and Labor Appropriations Subcommittee;

106 (ii) the Economic Development and Workforce Services Interim Committee;

107 (iii) the Business and Labor Interim Committee; and

108 (iv) the governor.

109 (b) An annual report under Subsection (1)(a) is subject to modification as provided in
110 Subsection (5) after an audit described in Section 63M-2-803 is released.

111 (2) An annual report described in Subsection (1) shall include:

112 (a) information reported to the governing authority[:(i) by an institution of higher
113 education under Section 63M-2-702; (ii)] through the survey described in Section 63M-2-703;

114 [and]

115 [(iii) by a research university, under Section 63M-2-705;]

116 (b) a clear description of the methodology used to arrive at any information in the
117 report that is based on an estimate;

118 (c) starting with fiscal year 2017 data as a baseline, data from previous years for
119 comparison with the annual data reported under this Subsection (2);

120 (d) relevant federal and state statutory references and requirements;

- 121 (e) contact information for the executive director;
- 122 (f) other information determined by the governing authority that promotes
123 accountability and transparency; and
- 124 (g) the written economic development objectives required under Subsection
125 [63M-2-302\(1\)\(e\)](#) and a description of progress or challenges in meeting the objectives.
- 126 (3) The governing authority shall design the annual report to provide clear, accurate,
127 and accessible information to the public, the governor, and the Legislature.
- 128 (4) The governing authority shall:
- 129 (a) submit the annual report in accordance with Section [68-3-14](#); and
- 130 (b) place a link to the annual report and previous annual reports on USTAR's website.
- 131 (5) Following the completion of an annual audit described in Section [63M-2-803](#), the
132 governing authority shall:
- 133 (a) publicly issue a revised annual report that:
- 134 (i) addresses the audit;
- 135 (ii) responds to audit findings; and
- 136 (iii) incorporates any revisions to the annual report based on audit findings;
- 137 (b) publish the revised annual report on USTAR's website, with a link to the audit; and
- 138 (c) submit, in accordance with Section [68-3-14](#), written notification of any revisions of
139 the annual report to:
- 140 (i) the Business, Economic Development, and Labor Appropriations Subcommittee;
- 141 (ii) the Economic Development and Workforce Services Interim Committee;
- 142 (iii) the Business and Labor Interim Committee; and
- 143 (iv) the governor.
- 144 (6) In addition to the annual written report described in this section, the governing
145 authority shall:
- 146 (a) provide information and progress reports to a legislative committee upon request;
147 and
- 148 (b) on or before October 1, 2019, and every five years after October 1, 2019, include
149 with the annual report described in this section a written analysis and recommendations
150 concerning the usefulness of the information required in the annual report and USTAR's
151 ongoing effectiveness, including whether:

- 152 (i) the reporting requirements are effective at measuring USTAR's performance;
- 153 (ii) the reporting requirements should be modified; and
- 154 (iii) USTAR is beneficial to the state and should continue.

155 **Section 4. Repealer.**

156 This bill repeals:

157 Section **63M-2-502, Principal researchers -- Agreement requirements --**

158 **Discontinuing funding.**

159 Section **63M-2-702, Reporting requirements for higher education institutions.**

160 Section **63M-2-704, Reporting on licensed or acquired intellectual property.**

161 Section **63M-2-705, Reporting on use of research buildings.**

Legislative Review Note
Office of Legislative Research and General Counsel