

30 ▶ to the Governor's Office of Economic Development -- Pass-Through, as a one-time
31 appropriation:

32 • from the General Fund, \$1,705,900;

33 ▶ to the Governor's Office of Economic Development -- Pass-Through, as an ongoing
34 appropriation:

35 • from the General Fund, \$385,600; and

36 • from Dedicated Credits Revenue, \$16,100;

37 ▶ to the General Fund Restricted -- Workforce Development Restricted Account, as
38 an ongoing appropriation:

39 • from the General Fund, \$2,897,000; and

40 ▶ to the General Fund Restricted -- Workforce Development Restricted Account, as a
41 one-time appropriation:

42 • from the General Fund, \$2,794,100.

43 **Other Special Clauses:**

44 None

45 **Utah Code Sections Affected:**

46 AMENDS:

47 13-1-14, as enacted by Laws of Utah 2018, Chapter 453

48 63M-2-102, as last amended by Laws of Utah 2016, Chapter 240

49 63M-2-301, as last amended by Laws of Utah 2016, Chapter 240

50 63M-2-302, as repealed and reenacted by Laws of Utah 2016, Chapter 240

51 63M-2-302.5, as last amended by Laws of Utah 2016, Chapter 240

52 63M-2-304, as enacted by Laws of Utah 2018, Chapter 427

53 63M-2-502, as last amended by Laws of Utah 2018, Chapter 453

54 63M-2-503, as enacted by Laws of Utah 2016, Chapter 240

55 63M-2-504, as enacted by Laws of Utah 2016, Chapter 240

56 63M-2-703, as enacted by Laws of Utah 2016, Chapter 240

57 63M-2-802, as last amended by Laws of Utah 2018, Chapter 453

58 **63M-2-803**, as renumbered and amended by Laws of Utah 2016, Chapter 240



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

61 Section 1. Section **13-1-14** is amended to read:

62 **13-1-14. Workforce Development Restricted Account.**

63 (1) There is created a restricted account within the General Fund known as the
64 Workforce Development Restricted Account.

65 (2) The restricted account shall be administered to provide funding for collaborative
66 projects that support:

67 (a) economic development in the state;

68 (b) workforce development in the state; and

69 (c) [~~the support of~~] scientific and technical innovation and entrepreneurship in the
70 state[~~; and~~].

71 [~~(d) the programs and duties of the governing authority in accordance with this~~
72 ~~chapter.~~]

73 (3) The state treasurer shall invest the money in the restricted account according to the
74 procedures and requirements of Title 51, Chapter 7, State Money Management Act, except that
75 interest and other earnings derived from the restricted account shall be deposited into the
76 restricted account.

77 (4) The restricted account shall be funded by appropriations made to the account by the
78 Legislature.

79 (5) Subject to appropriation and direction from the Legislature, account money may be
80 used in accordance with this [~~part~~] section.

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

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

83 As used in this chapter:

84 [~~(1) "Executive director" means the individual appointed under Subsection~~
85 ~~63M-2-301(9).~~]

86 ~~[(2)]~~ (1) "Governing authority" means the Utah Science Technology and Research
87 Governing Authority created in Section [63M-2-301](#).

88 ~~[(3)]~~ (2) "Higher education institution" means an institution listed in Section
89 [53B-2-101](#).

90 ~~[(4)]~~ (3) "Principal researcher" means an individual who:

91 (a) (i) on May 10, 2016, is employed, alone or as part of a research team, by a research
92 university;

93 (ii) before May 10, 2016, received funding from USTAR for some or all of the
94 researcher's startup costs or research university salary;

95 (iii) was recruited by a research university to become a member of a research
96 university's faculty; and

97 (iv) on or after May 10, 2016, continues to receive USTAR support; or

98 (b) (i) is employed on or after May 10, 2016 as a researcher by a higher education
99 institution;

100 (ii) receives USTAR support; and

101 (iii) is recruited by the governing authority and the higher education institution to
102 become a member of the higher education institution's faculty.

103 ~~[(5)]~~ (4) "Private entity":

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

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

107 (5) "Program director" means the individual appointed under Subsection
108 [63M-2-301\(9\)](#).

109 (6) "Research building" means a building:

110 (a) for which the governing authority holds title; and

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

112 (7) "Research university" means:

113 (a) the University of Utah; or

114 (b) Utah State University.
115 (8) "USTAR" means the Utah Science Technology and Research Initiative created in
116 Section 63M-2-301.

117 (9) "USTAR researcher" means:

- 118 (a) a principal researcher; or
- 119 (b) an individual, other than a principal researcher, who:
 - 120 (i) is employed by a higher education institution; and
 - 121 (ii) receives USTAR support.

122 (10) "USTAR support" means assistance provided by USTAR including:

- 123 (a) financial support;
- 124 (b) technical assistance;
- 125 (c) mentoring; and
- 126 (d) the use of:
 - 127 (i) research or laboratory space controlled by USTAR in a building other than a
128 research building; and
 - 129 (ii) equipment in space described in Subsection (10)(d)(i).

130 Section 3. Section 63M-2-301 is amended to read:

131 **63M-2-301. The Utah Science Technology and Research Initiative -- Governing**
132 **authority -- Program director.**

- 133 (1) There is created the Utah Science Technology and Research Initiative.
- 134 (2) [Fø] Subject to Subsection (10), to oversee USTAR, there is created the Utah
135 Science Technology and Research Governing Authority consisting of:
 - 136 (a) the state treasurer or the state treasurer's designee;
 - 137 (b) the executive director of the Governor's Office of Economic Development;
 - 138 (c) three members appointed by the governor, with the consent of the Senate;
 - 139 (d) two members appointed by the president of the Senate;
 - 140 (e) two members appointed by the speaker of the House of Representatives; and
 - 141 (f) one member appointed by the commissioner of higher education.

142 (3) (a) The eight appointed members under Subsections (2)(c) through (f) shall serve
143 four-year staggered terms.

144 (b) An appointed member under Subsection (2)(c), (d), (e), or (f):

145 (i) may not serve more than two full consecutive terms; and

146 (ii) may be removed from the governing authority for any reason before the member's
147 term is completed:

148 (A) at the discretion of the original appointing authority; and

149 (B) after the original appointing authority consults with the governing authority.

150 (4) A vacancy on the governing authority in an appointed position under Subsection
151 (2)(c), (d), (e), or (f) shall be filled for the unexpired term by the appointing authority in the
152 same manner as the original appointment.

153 (5) (a) Except as provided in Subsection (5)(b), the governor, with the consent of the
154 Senate, shall select the chair of the governing authority to serve a one-year term.

155 (b) The governor may extend the term of a sitting chair of the governing authority
156 without the consent of the Senate.

157 (c) The executive director of the Governor's Office of Economic Development shall
158 serve as the vice chair of the governing authority.

159 (6) The governing authority shall meet at least six times each year and may meet more
160 frequently at the request of a majority of the members of the governing authority.

161 (7) Five members of the governing authority are a quorum.

162 (8) A member of the governing authority may not receive compensation or benefits for
163 the member's service, but may receive per diem and travel expenses as allowed in:

164 (a) Section [63A-3-106](#);

165 (b) Section [63A-3-107](#); and

166 (c) rules made by the Division of Finance:

167 (i) pursuant to Sections [63A-3-106](#) and [63A-3-107](#); and

168 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

169 (9) (a) [~~After consultation with the governing authority, the~~] The governor, with the

170 consent of the Senate, ~~[shall]~~ may appoint a ~~[full-time executive]~~ program director to ~~[provide~~
171 ~~staff support for the governing authority]~~ oversee USTAR.

172 (b) The ~~[executive]~~ program director is an at-will employee who may be terminated
173 with or without cause by~~[:]~~ the governor or the executive director of the Governor's Office of
174 Economic Development.

175 ~~[(i) the governor; or]~~

176 ~~[(ii) majority vote of the governing authority.]~~

177 (10) On July 1, 2019, the governing authority is dissolved and the program director is
178 under the supervision of the executive director of the Governor's Office of Economic
179 Development.

180 Section 4. Section **63M-2-302** is amended to read:

181 **63M-2-302. USTAR powers and duties.**

182 ~~[(1) The governing authority shall:]~~

183 (1) Before July 1, 2019, the governing authority shall, and on or after July 1, 2019, the
184 program director and the executive director of the Governor's Office of Economic
185 Development shall:

186 (a) ensure that funds appropriated to USTAR are used appropriately, effectively, and
187 efficiently in accordance with this chapter;

188 (b) in cooperation with a research university's administration, work to expand research
189 at the research university;

190 (c) enhance technology transfer and commercialization of research and technology
191 developed at a higher education institution to create high-quality jobs and new industries in the
192 private sector in the state;

193 (d) ensure that USTAR programs do not duplicate existing or planned programs of
194 other state agencies;

195 (e) establish written economic development objectives for USTAR that are measurable
196 and verifiable;

197 (f) consider input from the Governor's Office of Economic Development and higher

198 education institutions;

199 (g) establish and administer a grant program, as provided in Section 63M-2-503, and
200 provide USTAR support, as provided in Section 63M-2-504, consistent with and to further
201 economic development objectives that ~~[the governing authority]~~ USTAR establishes; and

202 (h) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
203 make rules to implement this chapter.

204 ~~[(2) The governing authority may:]~~

205 (2) Before July 1, 2019, the governing authority may, and on or after July 1, 2019, the
206 program director and the executive director of the Governor's Office of Economic
207 Development may:

208 (a) in addition to receiving money appropriated by the Legislature, receive
209 contributions to USTAR from any source, in the form of money, property, labor, or other thing
210 of value;

211 (b) subject to restrictions imposed by a donor or legislative appropriation, allocate
212 money for programs and activities described in this chapter;

213 (c) enter into an agreement necessary to obtain private equity investment in USTAR;

214 (d) charge and collect rent for space in a facility or building that USTAR controls;

215 (e) in fulfilling ~~[the governing authority's]~~ USTAR's duties and responsibilities under
216 this chapter, collaborate with:

217 (i) the Governor's Office of Economic Development and other state agencies with an
218 interest in economic development; and

219 (ii) private entities with an interest in economic development; and

220 (f) delegate powers and duties to the executive director.

221 ~~[(3) A state agency, higher education institution, or political subdivision with which~~
222 ~~the governing authority seeks to collaborate in fulfilling the governing authority's duties under~~
223 ~~this chapter shall cooperate with the governing authority as reasonably necessary to enable the~~
224 ~~governing authority to fulfill its duties under this chapter.]~~

225 Section 5. Section 63M-2-302.5 is amended to read:

226 **63M-2-302.5. USTAR requirements.**

227 [~~The governing authority~~] USTAR is subject to the requirements of an executive branch
 228 agency and is:

- 229 (1) an agency for purposes of Title 63J, Chapter 1, Budgetary Procedures Act;
- 230 (2) an executive branch procurement unit for purposes of Title 63G, Chapter 6a, Utah
 231 Procurement Code;
- 232 (3) a governmental entity for purposes of Title 63G, Chapter 2, Government Records
 233 Access and Management Act; and
- 234 (4) a public body for purposes of Title 52, Chapter 4, Open and Public Meetings Act.

235 Section 6. Section **63M-2-304** is amended to read:

236 **63M-2-304. Background checks for employees.**

237 (1) As used in this section, "bureau" means the Bureau of Criminal Identification
 238 created in Section [53-10-201](#).

239 (2) Beginning July 1, 2018, [~~the governing authority~~] USTAR:

240 (a) shall require all applicants for Schedule A positions, in accordance with Section
 241 [67-19-15](#), to submit to a fingerprint-based local, regional, and national criminal history
 242 background check and ongoing monitoring as a condition of employment; and

243 (b) may require applicants for time limited positions to submit to a fingerprint-based,
 244 local, regional, and national criminal history background check and ongoing monitoring as a
 245 condition of employment if the applicant, as an employee:

- 246 (i) will interact with children, or vulnerable adults as defined in Section [62A-2-120](#); or
- 247 (ii) may have access to sensitive personal and financial information.

248 (3) Each individual in a position listed in Subsection (2) shall provide a completed
 249 fingerprint card to [~~the governing authority~~] USTAR upon request.

250 (4) The [~~governing authority~~] program director shall require that an individual required
 251 to submit to a background check under Subsection (3) provide a signed waiver on a form
 252 provided by [~~the governing authority~~] USTAR that meets the requirements of Subsection
 253 [53-10-108](#)(4).

254 (5) For a noncriminal justice background search and registration in accordance with
255 Subsection 53-10-108(13), ~~[the governing authority]~~ USTAR shall submit to the bureau:

256 (a) the applicant's personal identifying information and fingerprints for a criminal
257 history search of applicable local, regional, and national databases; and

258 (b) a request for all information received as a result of the local, regional, and
259 nationwide background check.

260 (6) ~~[The governing authority]~~ USTAR is responsible for the payment of all fees
261 required by Subsection 53-10-108(15) and any fees required to be submitted to the Federal
262 Bureau of Investigation by the bureau.

263 (7) ~~[The governing authority]~~ USTAR may make rules in accordance with Title 63G,
264 Chapter 3, Utah Administrative Rulemaking Act, that:

265 (a) determine how ~~[the governing authority]~~ USTAR will assess the employment status
266 of an individual upon receipt of background information; and

267 (b) identify the appropriate privacy risk mitigation strategy to be used in accordance
268 with Subsection 53-10-108(13)(b).

269 Section 7. Section 63M-2-502 is amended to read:

270 **63M-2-502. Principal researchers -- Agreement requirements -- Discontinuing**
271 **funding.**

272 (1) Subject to Subsection (6) and legislative appropriation, the governing authority
273 shall:

274 (a) provide funding to help a research university honor its commitments to principal
275 researchers employed by the research university; and

276 (b) give priority to funding provided under Subsection (1)(a).

277 (2) The governing authority shall enter into a written agreement with a higher
278 education institution that employs a principal researcher:

279 (a) establishing performance standards and expectations for a principal researcher; and

280 (b) requiring the higher education institution to require a principal researcher to comply
281 with reporting requirements set forth in Section 63M-2-702.

282 (3) (a) A principal researcher may not be hired on or after May 10, 2016 without the
283 approval of the governing authority and the higher education institution.

284 (b) A higher education institution that enters into or renews an agreement with a
285 principal researcher on or after May 10, 2016 shall include in the agreement:

286 (i) a specific time period for the commitment of USTAR funding;

287 (ii) the amount of USTAR funding committed to the higher education institution for
288 the principal researcher, specifying the purpose of the funding;

289 (iii) an acknowledgment that the principal researcher understands and agrees to the
290 reporting requirements and performance standards under this chapter; and

291 (iv) the governing authority's written approval of the terms of the new or renewed
292 agreement.

293 (4) The governing authority may not allocate money to a higher education institution
294 for a principal researcher unless the higher education institution provides the reporting required
295 under Section [63M-2-702](#).

296 (5) The governing authority may discontinue allocating money to a higher education
297 institution for a principal researcher if the governing authority and the president of the higher
298 education institution employing the principal researcher agree in writing that:

299 (a) the principal researcher:

300 (i) fails to meet the performance standards and expectations established under
301 Subsection (2)(a);

302 (ii) receives a reasonable opportunity to remedy the failure to meet performance
303 standards and expectations; and

304 (iii) fails to remedy the failure to meet performance standards and expectations; and

305 (b) under the circumstances, discontinuing USTAR funding to the higher education
306 institution for the principal researcher is appropriate and justified.

307 (6) Beginning on July 1, 2018, and subject to Subsection (7), USTAR may not provide
308 funding to help a research university honor its commitments to principal researchers employed
309 by the research university.

310 (7) (a) Beginning on July 1, 2019, and until December 31, 2019, USTAR may liquidate
311 funds from one or more escrow accounts that were created before July 1, 2018, related to a
312 research university's commitments to principal researchers, and provide the funds to a research
313 university as previously agreed in a written agreement entered into before July 1, 2018.

314 (b) On January 1, 2020, 66.6% of any money left in an escrow account described in
315 Subsection (7)(a) shall be transferred by USTAR to the University of Utah, and 33.4% of any
316 money left in an escrow account described in Subsection (7)(a) shall be transferred by USTAR
317 to Utah State University.

318 Section 8. Section **63M-2-503** is amended to read:

319 **63M-2-503. USTAR grant programs.**

320 (1) [~~The governing authority~~] USTAR shall establish at least one competitive grant
321 program that:

322 (a) is designed to:

- 323 (i) address market gaps in technology development in the state; or
- 324 (ii) facilitate research and development of promising technologies;

325 (b) does not overlap with or duplicate other state funded programs; and

326 (c) offers grants, on a competitive basis, to:

- 327 (i) researchers employed by higher education institutions;
- 328 (ii) private entities; or

329 (iii) partnerships between researchers employed by higher education institutions and
330 private entities.

331 (2) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
332 [~~the governing authority~~] USTAR shall make rules that describe, for each grant program:

333 (a) the purpose;

334 (b) eligibility criteria to receive a grant;

335 (c) how [~~the governing authority~~] USTAR determines which proposals receive grants;

336 (d) reporting requirements in accordance with Part 7, Reporting by Recipients of
337 USTAR Support; and

338 (e) other information [~~the governing authority~~] USTAR determines is necessary or
339 appropriate.

340 (3) [~~The governing authority~~] USTAR:

341 (a) shall solicit proposals for each grant program; and

342 (b) may, subject to legislative appropriation and Subsection 63M-2-502(1)(b), award
343 grants for each program.

344 (4) In evaluating a grant proposal received in response to a solicitation under this
345 section, [~~the governing authority~~] USTAR shall consider, as applicable:

346 (a) the extent to which the planned research has the potential for commercialization;

347 (b) the market gap the technology or research fills; and

348 (c) other factors [~~the governing authority~~] USTAR determines are relevant, important,
349 or necessary.

350 (5) [~~The governing authority~~] USTAR shall require a recipient of a grant under this
351 section, as a condition of receiving a grant, to comply with the reporting requirements
352 described in:

353 (a) Section 63M-2-702, for a USTAR researcher; or

354 (b) Section 63M-2-703, for a private entity or for a partnership between a USTAR
355 researcher and a private entity.

356 (6) Beginning on July 1, 2019, USTAR:

357 (a) may not establish any new competitive grant programs;

358 (b) may not award new grants related to any existing competitive grant program; and

359 (c) may continue to pay grant money for a grant awarded before July 1, 2019, in

360 accordance with the written terms of the grant.

361 Section 9. Section **63M-2-504** is amended to read:

362 **63M-2-504. Other USTAR support.**

363 (1) [~~The governing authority shall~~] USTAR may:

364 (a) provide mentoring, networking, and entrepreneurial training for a private entity or
365 USTAR researcher to help take a new technology to market;

366 (b) provide support to a private entity or USTAR researcher in assessing the potential
367 for bringing a technology to market; and

368 (c) encourage industry partnerships between a private entity and a USTAR researcher.

369 (2) [~~The governing authority~~] USTAR shall require a recipient of USTAR support
370 under this section, as a condition of receiving USTAR support, to comply with the reporting
371 requirements in:

372 (a) Section 63M-2-702, for a USTAR researcher; or

373 (b) Section 63M-2-703, for a private entity or for a partnership between a USTAR
374 researcher and a private entity.

375 Section 10. Section **63M-2-703** is amended to read:

376 **63M-2-703. Reporting requirements for private entities.**

377 (1) On or before September 1 of each year, the [~~governing authority~~] program director
378 shall collect the information described in Subsection (2) from each private entity that:

379 (a) receives USTAR support;

380 (b) receives more than 20 hours of training from USTAR;

381 (c) purchases a private entity that previously received USTAR support; or

382 (d) licenses a technology developed by a USTAR researcher.

383 (2) The [~~governing authority~~] program director shall collect information on:

384 (a) public or private investment received by the private entity after the private entity:

385 (i) begins to receive USTAR support;

386 (ii) licenses a technology from a USTAR researcher; or

387 (iii) purchases a private entity that previously received USTAR support;

388 (b) sales or revenue generated by the product or technology;

389 (c) the number of jobs created by the private entity and the average wage for each
390 position; and

391 (d) the location of the private entity.

392 (3) (a) To collect the information described in Subsection (2), the [~~governing authority~~]
393 program director shall, in accordance with Title 63G, Chapter 6a, Utah Procurement Code,

394 contract with an independent third party to conduct a survey of each private entity described in
395 Subsection (1).

396 (b) The independent third party selected under Subsection (3)(a) shall use industry
397 standard practices to collect the information described in Subsection (2).

398 (4) The ~~[governing authority]~~ program director and Department of Workforce Services
399 shall coordinate to verify the job and average wage information described in Subsection (2)(c).

400 Section 11. Section **63M-2-802** is amended to read:

401 **63M-2-802. USTAR annual report.**

402 (1) (a) On or before October 1 of each year, ~~[the governing authority]~~ USTAR shall
403 submit, in accordance with Section **68-3-14**, an annual written report for the preceding fiscal
404 year to:

- 405 (i) the Business, Economic Development, and Labor Appropriations Subcommittee;
- 406 (ii) the Economic Development and Workforce Services Interim Committee;
- 407 (iii) the Business and Labor Interim Committee; and
- 408 (iv) the governor.

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

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

412 (a) information reported to ~~[the governing authority]~~ USTAR through the survey
413 described in Section **63M-2-703**;

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

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

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

419 (e) contact information for the executive director;

420 (f) other information determined by ~~[the governing authority]~~ USTAR that promotes
421 accountability and transparency; and

422 (g) the written economic development objectives required under Subsection
423 63M-2-302(1)(e) and a description of progress or challenges in meeting the objectives.

424 (3) [~~The governing authority~~] USTAR shall design the annual report to provide clear,
425 accurate, and accessible information to the public, the governor, and the Legislature.

426 (4) [~~The governing authority~~] USTAR shall:

427 (a) submit the annual report in accordance with Section 68-3-14; and

428 (b) place a link to the annual report and previous annual reports on USTAR's website.

429 (5) Following the completion of an annual audit described in Section 63M-2-803, [~~the~~
430 ~~governing authority~~] USTAR shall:

431 (a) publicly issue a revised annual report that:

432 (i) addresses the audit;

433 (ii) responds to audit findings; and

434 (iii) incorporates any revisions to the annual report based on audit findings;

435 (b) publish the revised annual report on USTAR's website, with a link to the audit; and

436 (c) submit, in accordance with Section 68-3-14, written notification of any revisions of
437 the annual report to:

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

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

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

441 (iv) the governor.

442 (6) In addition to the annual written report described in this section, [~~the governing~~
443 ~~authority~~] USTAR shall:

444 (a) provide information and progress reports to a legislative committee upon request;

445 [~~and~~]

446 (b) on or before August 1, 2018, and every five years after August 1, 2018, provide to
447 the same entities that receive the annual report described in Subsection (1)(a) a written analysis
448 and recommendations concerning the usefulness of the information required in the annual
449 report and USTAR's ongoing effectiveness, including whether:

- 450 (i) the reporting requirements are effective at measuring USTAR's performance;
- 451 (ii) the reporting requirements should be modified;
- 452 (iii) USTAR is beneficial to the state and should continue; and
- 453 (iv) whether programs in other agencies could provide similar benefits to the state
- 454 more effectively or at a lower cost[-]; and

455 (c) on or before July 1, 2019, and in cooperation with the executive director of the
456 Governor's Office of Economic Development, provide to the same entities that receive the
457 annual report described in Subsection (1)(a) a written analysis and recommendations
458 describing:

459 (i) the most efficient way to move existing USTAR programs to the Governor's Office
460 of Economic Development by July 1, 2020;

461 (ii) the most cost-effective way to discontinue incubation centers and similar programs
462 by November 30, 2019;

463 (iii) a complete accounting of USTAR grants and an analysis of any technology that
464 USTAR or the state may have a financial interest in if the technology is or was successful;

465 (iv) a complete accounting of whether USTAR is owed any money as a result of
466 previous agreements or the commercialization of technology funded by USTAR;

467 (v) any technology funded in any part by USTAR that has been or should be
468 commercialized; and

469 (vi) a plan to do the following by November 30, 2019:

470 (A) move USTAR's headquarters to office space within the Governor's Office of
471 Economic Development;

472 (B) subject to Subsection (6)(c)(vi)(C), terminate USTAR building leases;

473 (C) transfer the lease of the Sparrowhawk building at Falcon Hill Drive in Clearfield,
474 Utah to the Military Installation Development Authority; and

475 (D) transfer ownership and title of any USTAR-owned building on the campus of Utah
476 State University to Utah State University.

477 Section 12. Section **63M-2-803** is amended to read:

478 **63M-2-803. Audit requirements.**

479 (1) Every third year beginning 2018, an audit of USTAR shall be made as described in
480 this section.

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

483 (i) the legislative auditor; or

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

485 (b) An independent auditor used under Subsection (2)(a)(ii) may not have a direct
486 financial conflict of interest with USTAR [~~or the governing authority~~].

487 (3) [~~The governing authority~~] USTAR shall pay the costs associated with the [~~annual~~]
488 audit.

489 (4) The [~~annual~~] audit shall:

490 (a) include a verification of the accuracy of the information required to be included in
491 the annual report described in Section 63M-2-802; and

492 (b) be completed by December 1 of the year the report is required under Subsection (1).

493 Section 13. **Appropriations.**

494 The following sums of money are appropriated for the fiscal year beginning July 1,
495 2019, and ending June 30, 2020. These are additions to amounts previously appropriated for
496 fiscal year 2020.

497 Subsection 13(a). **Operating and Capital Budgets.**

498 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
499 Legislature appropriates the following sums of money from the funds or accounts indicated for
500 the use and support of the government of the state of Utah.

501 ITEM 1

502 To Utah Science Technology and Research Governing Authority -- Support Programs

503 From General Fund (\$3,282,600)

504 From Dedicated Credits (\$16,100)

505 Schedule of Programs:

506	<u>Incubation Programs</u>	<u>(\$2,160,600)</u>
507	<u>Regional Outreach</u>	<u>(\$736,400)</u>
508	<u>SBIR/STTR Assistance Center</u>	<u>(\$401,700)</u>
509	<u>ITEM 2</u>	
510	<u>To Utah Science Technology and Research Governing Authority -- Grant Programs</u>	
511	<u>From General Fund, One-time</u>	<u>(\$4,500,000)</u>
512	<u>Schedule of Programs:</u>	
513	<u>Industry Partnership Program</u>	<u>(\$2,375,000)</u>
514	<u>Technology Acceleration Program</u>	<u>(\$2,125,000)</u>
515	<u>ITEM 3</u>	
516	<u>To Governor's Office of Economic Development -- Pass-Through</u>	
517	<u>From General Fund, One-time</u>	<u>\$1,705,900</u>
518	<u>Schedule of Programs:</u>	
519	<u>Pass-Through</u>	<u>\$1,705,900</u>
520	<u>The Legislature intends that:</u>	
521	<u>(1) the Governor's Office of Economic Development shall pass-through the</u>	
522	<u>appropriation described in this item to the Military Installation Development Authority; and</u>	
523	<u>(2) the Military Installation Development Authority shall expend this appropriation to</u>	
524	<u>pay for at least three years of lease payments for the Sparrowhawk building at Falcon Hill</u>	
525	<u>Drive in Clearfield, Utah, and to manage the administration of programs at the Sparrowhawk</u>	
526	<u>building at Falcon Hill Drive in Clearfield, Utah.</u>	
527	<u>ITEM 4</u>	
528	<u>To Governor's Office of Economic Development -- Pass-Through</u>	
529	<u>From General Fund</u>	<u>\$385,600</u>
530	<u>From Dedicated Credits Revenue</u>	<u>\$16,100</u>
531	<u>Schedule of Programs:</u>	
532	<u>Pass-Through</u>	<u>\$401,700</u>
533	<u>The Legislature intends that the Governor's Office of Economic Development shall</u>	

534 pass-through the appropriation described in this item to the Small Business Innovation
535 Research and Small Business Technology Transfer Assistance Center, also known as the
536 SBIR/SBTTR Assistance Center.

537 Subsection 13(b). **Restricted Fund and Account Transfers.**

538 The Legislature authorizes the State Division of Finance to transfer the following
539 amounts between the following funds or accounts as indicated. Expenditures and outlays from
540 the funds or accounts to which the money is transferred must be authorized by an
541 appropriation.

542 ITEM 5

543 To General Fund Restricted -- Workforce Development Restricted Account

544 From General Fund \$2,897,000

545 Schedule of Programs:

546 Workforce Development Restricted Account \$2,897,000

547 ITEM 6

548 To General Fund Restricted -- Workforce Development Restricted Account

549 From General Fund, One-time \$2,794,100

550 Schedule of Programs:

551 Workforce Development Restricted Account \$2,794,100