

SB0212S01 compared with SB0212

~~text~~ shows text that was in SB0212 but was deleted in SB0212S01.

Inserted text shows text that was not in SB0212 but was inserted into SB0212S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Senator Scott D. Sandall proposes the following substitute bill:

USTAR AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Scott D. Sandall

House Sponsor: ~~_____~~ Tim Quinn

LONG TITLE

General Description:

This bill modifies provisions related to the Utah Science Technology and Research Initiative (USTAR).

Highlighted Provisions:

This bill:

- ▶ modifies provisions of the Workforce Development Restricted Account;
- ▶ dissolves the USTAR Governing Authority;
- ▶ puts the ~~executive~~ program director of USTAR under the supervision of the executive director of the Governor's Office of Economic Development (GOED);
- ▶ modifies provisions related to grants offered by USTAR;
- ▶ modifies the reporting requirements of USTAR, including requiring the reporting of a plan to move USTAR programs to GOED; and

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- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2020:

- ▶ to the Utah Science Technology and Research Governing Authority ~~{--}~~ Support Programs, as an ongoing appropriation:
 - from the General Fund, (\$3,282,600); and
 - from Dedicated Credits Revenue, (\$16,100);
- ▶ to the Utah Science Technology and Research Governing Authority ~~{--}~~ Grant Programs, as a ~~{one-time}~~ one-time appropriation:
 - from the General Fund, (\$4,500,000);
- ▶ to the Governor's Office of Economic Development ~~{-- Pass Through}~~ Pass-Through, as a ~~{one-time}~~ one-time appropriation:
 - from the General Fund, \$1,705,900; ~~{~~

~~{~~

- ▶ to the Governor's Office of Economic Development -- Pass-Through, as an ongoing appropriation:
 - from the General Fund, \$385,600; and
 - from Dedicated Credits Revenue, \$16,100;
- ▶ to the General Fund Restricted ~~{--}~~ Workforce Development Restricted Account, as an ongoing appropriation:
 - from the General Fund, ~~{ \$3,282 }~~ \$2,600 \$97,000; and
- ▶ to the General Fund Restricted ~~{--}~~ Workforce Development Restricted Account, as a ~~{one-time}~~ one-time appropriation:
 - from the General Fund, \$2,794,100.

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13-1-14. Workforce Development Restricted Account.

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

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

(a) economic development in the state;

(b) workforce development in the state; and

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

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

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

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

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

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

63M-2-102. Definitions.

As used in this chapter:

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

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

~~[(3)]~~ 1(2) "Higher education institution" means an institution listed in Section 53B-2-101.

~~[(4)]~~ 1(3) "Principal researcher" means an individual who:

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

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

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

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

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

(ii) receives USTAR support; and

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

~~[(5)]~~ 1(4) "Private entity":

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

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

(5) "Program director" means the individual appointed under Subsection 63M-2-301(9).

(6) "Research building" means a building:

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

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

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(7) "Research university" means:

- (a) the University of Utah; or
- (b) Utah State University.

(8) "USTAR" means the Utah Science Technology and Research Initiative created in Section 63M-2-301.

(9) "USTAR researcher" means:

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

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

- (a) financial support;
- (b) technical assistance;
- (c) mentoring; and
- (d) the use of:

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

(ii) equipment in space described in Subsection (10)(d)(i).

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

63M-2-301. The Utah Science Technology and Research Initiative -- Governing authority -- Executive director.

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

(2) ~~[To]~~ Subject to Subsection (10), to oversee USTAR, there is created the Utah Science Technology and Research Governing Authority consisting of:

- (a) the state treasurer or the state treasurer's designee;
- (b) the executive director of the Governor's Office of Economic Development;
- (c) three members appointed by the governor, with the consent of the Senate;
- (d) two members appointed by the president of the Senate;
- (e) two members appointed by the speaker of the House of Representatives; and
- (f) one member appointed by the commissioner of higher education.

(3) (a) The eight appointed members under Subsections (2)(c) through (f) shall serve

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four-year staggered terms.

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

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

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

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

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

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

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

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

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

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

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

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

(a) Section 63A-3-106;

(b) Section 63A-3-107; and

(c) rules made by the Division of Finance:

(i) pursuant to Sections 63A-3-106 and 63A-3-107; and

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

(9) (a) [~~After consultation with the governing authority, the~~] The governor, with the consent of the Senate, [shall] may appoint a [full-time executive] program director to [provide staff support for the governing authority] oversee USTAR.

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

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Economic Development.

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

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

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

Section ~~{3}~~4. Section **63M-2-302** is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section ~~{4}~~5. Section **63M-2-302.5** is amended to read:

63M-2-302.5. USTAR requirements.

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

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

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

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

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

Section ~~{5}~~6. Section **63M-2-304** is amended to read:

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

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

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

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

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

(i) will interact with children, or vulnerable adults as defined in Section 62A-2-120; or

(ii) may have access to sensitive personal and financial information.

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

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

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

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

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

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

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

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

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

Section ~~67~~7. Section **63M-2-502** is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) The governing authority may discontinue allocating money to a higher education institution for a principal researcher if the governing authority and the president of the higher

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education institution employing the principal researcher agree in writing that:

(a) the principal researcher:

(i) fails to meet the performance standards and expectations established under

Subsection (2)(a);

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

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

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

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

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

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

Section ~~7~~8. Section **63M-2-503** is amended to read:

63M-2-503. USTAR grant programs.

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

(a) is designed to:

(i) address market gaps in technology development in the state; or

(ii) facilitate research and development of promising technologies;

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

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

(i) researchers employed by higher education institutions;

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(ii) private entities; or

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

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

(a) the purpose;

(b) eligibility criteria to receive a grant;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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(c) may continue to pay grant money for a grant awarded before July 1, 2019, in accordance with the written terms of the grant.

Section ~~{8}~~9. Section **63M-2-504** is amended to read:

63M-2-504. Other USTAR support.

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

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

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

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

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

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

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

Section ~~{9}~~10. Section **63M-2-703** is amended to read:

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

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

(a) receives USTAR support;

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

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

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

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

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

(i) begins to receive USTAR support;

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

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

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- (b) sales or revenue generated by the product or technology;
 - (c) the number of jobs created by the private entity and the average wage for each position; and
 - (d) the location of the private entity.
- (3) (a) To collect the information described in Subsection (2), the ~~[governing authority]~~ executive program director shall, in accordance with Title 63G, Chapter 6a, Utah Procurement Code, contract with an independent third party to conduct a survey of each private entity described in Subsection (1).

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

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

Section ~~{10}~~ 11. Section **63M-2-802** is amended to read:

63M-2-802. USTAR annual report.

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

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

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

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

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

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

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

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- (d) relevant federal and state statutory references and requirements;
 - (e) contact information for the executive director;
 - (f) other information determined by [~~the governing authority~~] USTAR that promotes accountability and transparency; and
 - (g) the written economic development objectives required under Subsection 63M-2-302(1)(e) and a description of progress or challenges in meeting the objectives.
- (3) [~~The governing authority~~] USTAR shall design the annual report to provide clear, accurate, and accessible information to the public, the governor, and the Legislature.
- (4) [~~The governing authority~~] USTAR shall:
- (a) submit the annual report in accordance with Section 68-3-14; and
 - (b) place a link to the annual report and previous annual reports on USTAR's website.
- (5) Following the completion of an annual audit described in Section 63M-2-803, [~~the governing authority~~] USTAR shall:
- (a) publicly issue a revised annual report that:
 - (i) addresses the audit;
 - (ii) responds to audit findings; and
 - (iii) incorporates any revisions to the annual report based on audit findings;
 - (b) publish the revised annual report on USTAR's website, with a link to the audit; and
 - (c) submit, in accordance with Section 68-3-14, written notification of any revisions of the annual report to:
 - (i) the Business, Economic Development, and Labor Appropriations Subcommittee;
 - (ii) the Economic Development and Workforce Services Interim Committee;
 - (iii) the Business and Labor Interim Committee; and
 - (iv) the governor.
- (6) In addition to the annual written report described in this section, [~~the governing authority~~] USTAR shall:
- (a) provide information and progress reports to a legislative committee upon request; [~~and~~]
 - (b) on or before August 1, 2018, and every five years after August 1, 2018, provide to the same entities that receive the annual report described in Subsection (1)(a) a written analysis and recommendations concerning the usefulness of the information required in the annual

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report and USTAR's ongoing effectiveness, including whether:

- (i) the reporting requirements are effective at measuring USTAR's performance;
- (ii) the reporting requirements should be modified;
- (iii) USTAR is beneficial to the state and should continue; and
- (iv) whether programs in other agencies could provide similar benefits to the state

more effectively or at a lower cost[-]; and

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

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

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

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

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

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

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

(A) ~~terminate or transfer USTAR building leases, including moving~~ **move** USTAR's headquarters to office space within the Governor's Office of Economic Development ~~by November 30, 2019;~~

~~(B);~~

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

(C) transfer the lease of the Sparrowhawk building at Falcon Hill Drive in Clearfield, Utah to the Military Installation Development Authority ~~by November 30, 2019;~~ and

~~(C)~~ **(D) transfer ownership and title of any USTAR-owned building on the campus of Utah State University to Utah State University ~~by November 30, 2019;~~**

Section ~~{H}~~ 12. Section **63M-2-803** is amended to read:

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63M-2-803. Audit requirements.

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

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

(i) the legislative auditor; or

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

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

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

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

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

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

Section ~~12~~13. Appropriations.

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

Subsection 12(a). **Operating and Capital Budgets.**

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

ITEM 1

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

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

From Dedicated Credits (\$16,100)

Schedule of Programs:

Incubation Programs (\$2,160,600)

Regional Outreach (\$736,400)

SBIR/STTR Assistance Center (\$401,700)

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ITEM 2

To Utah Science Technology and Research Governing Authority -- Grant Programs

From General Fund, One-time (\$4,500,000)

Schedule of Programs:

Industry Partnership Program (\$2,375,000)

Technology Acceleration Program (\$2,125,000)

ITEM 3

To Governor's Office of Economic Development -- Pass-Through

From General Fund, One-time \$1,705,900

Schedule of Programs:

Pass-Through \$1,705,900

The Legislature intends that:

- (1) the Governor's Office of Economic Development shall pass-through the appropriation described in this item to the Military Installation Development Authority; and
- (2) the Military Installation Development Authority shall expend this appropriation to pay for at least three years of lease payments for the Sparrowhawk building at Falcon Hill Drive in Clearfield, Utah, ~~except that the Military Installation Development Authority may expend up to \$150,000 of this appropriation~~ and to manage the administration of programs at the Sparrowhawk building at Falcon Hill Drive in Clearfield, Utah.

ITEM 4

To Governor's Office of Economic Development -- Pass-Through

From General Fund \$385,600

From Dedicated Credits Revenue \$16,100

Schedule of Programs:

Pass-Through \$401,700

The Legislature intends that the Governor's Office of Economic Development shall pass-through the appropriation described in this item to the Small Business Innovation Research and Small Business Technology Transfer Assistance Center, also known as the SBIR/SBTTR Assistance Center.

Subsection 12(b). **Restricted Fund and Account Transfers.**

The Legislature authorizes the State Division of Finance to transfer the following

SB0212S01 compared with SB0212

amounts between the following funds or accounts as indicated. Expenditures and outlays from the funds or accounts to which the money is transferred must be authorized by an appropriation.

ITEM ~~44~~5

To General Fund Restricted -- Workforce Development Restricted Account

From General Fund ~~(\$3,282)~~ \$2,600 897,000

Schedule of Programs:

Workforce Development Restricted Account ~~(\$3,282)~~ ==

\$2,600 897,000

ITEM ~~55~~6

To General Fund Restricted -- Workforce Development Restricted Account

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

Schedule of Programs:

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