

UTAH CAPITAL INVESTMENT AMENDMENTS

2020 FIFTH SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Waldrip

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions of the Utah Venture Capital Enhancement Act.

Highlighted Provisions:

This bill:

- ▶ modifies how the Utah Capital Investment Corporation may use and distribute investment returns from the Utah fund of funds; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

63N-6-402, as renumbered and amended by Laws of Utah 2015, Chapter 283

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

Section 1. Section **63N-6-402** is amended to read:

63N-6-402. Compensation from the Utah fund of funds to the corporation --

Redemption reserve.

(1) The corporation shall be compensated for its involvement in the Utah fund of funds



28 through the payment of the management fee described in Section [63N-6-305](#).

29 (2) Before any returns may be reinvested in the Utah fund of funds:

30 (a) any returns shall be paid to designated investors, including the repayment by the
31 Utah fund of funds of any outstanding loans;

32 (b) any returns in excess of those payable to designated investors shall be distributed as
33 follows:

34 (i) 50% of any returns in excess of those payable to designated investors shall be
35 transferred quarterly to the Department of Workforce Services and shall be used at the
36 discretion of the Department of Workforce Services for programs and services that provide
37 assistance to individuals and families experiencing intergenerational poverty as that term is
38 defined in Section [35A-9-102](#); and

39 (ii) 50% of any returns in excess of those payable to designated investors shall be
40 deposited [in] into the redemption reserve and held by the corporation as a first priority reserve
41 for the redemption of certificates;

42 (c) any returns received by the corporation from investment of amounts held in the
43 redemption reserve shall be added to the redemption reserve until it has reached a total of
44 \$250,000,000; and

45 (d) if at the end of a calendar year the redemption reserve exceeds the \$250,000,000
46 limitation referred to in Subsection (2)(c), the corporation may reinvest the excess in the Utah
47 fund of funds.

48 (3) Funds held by the corporation in the redemption reserve shall be invested in
49 accordance with Title 51, Chapter 7, State Money Management Act.

50 Section 2. **Effective date.**

51 If approved by two-thirds of all the members elected to each house, this bill takes effect
52 upon approval by the governor, or the day following the constitutional time limit of Utah
53 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,
54 the date of veto override.