

By: Creighton

S.B. No. 1525

A BILL TO BE ENTITLED

AN ACT

relating to the administration of the governor's university research initiative.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 62.161(2), Education Code, as added by Chapter 448 (H.B. 7), Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(2) "Distinguished researcher" means:

(A) an individual ~~[a]~~ researcher who ~~[is]~~:

(i) is ~~[(A)]~~ a Nobel laureate or the recipient of an equivalent honor; ~~[or]~~

(ii) is ~~[(B)]~~ a member of a national honorific society, such as the National Academy of Sciences, the National Academy of Engineering, or the Institute of Medicine, or an equivalent honorific organization; or

(iii) has attained a highly prestigious national academic recognition, as defined by office rule; or

(B) a group of researchers who have attained recognition as described by Paragraph (A)(iii).

SECTION 2. Section 62.162(c), Education Code, as added by Chapter 448 (H.B. 7), Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(c) The office in consultation with the commissioner of higher education may adopt any rules the office considers necessary

1 to administer this subchapter. The coordinating board shall
2 recommend to the office the types of national academic recognitions
3 that are considered to be highly prestigious for purposes of
4 determining which individuals or groups qualify as a "distinguished
5 researcher" under Section 62.161.

6 SECTION 3. Section 62.168(b), Education Code, as added by
7 Chapter 448 (H.B. 7), Acts of the 84th Legislature, Regular
8 Session, 2015, is amended to read as follows:

9 (b) The fund consists of:

10 (1) amounts appropriated or otherwise allocated or
11 transferred by law to the fund; ~~and~~

12 (2) gifts, grants, and other donations received for
13 the fund; and

14 (3) money deposited to the fund under Section 62.169
15 or under Section 490.101(b-1), Government Code, as added by
16 Chapters 323 (S.B. 632) and 915 (H.B. 26), Acts of the 84th
17 Legislature, Regular Session, 2015.

18 SECTION 4. Section 62.166, Education Code, as added by
19 Chapters 323 (S.B. 632) and 915 (H.B. 26), Acts of the 84th
20 Legislature, Regular Session, 2015, is transferred to Subchapter H,
21 Chapter 62, Education Code, as added by Chapter 448 (H.B. 7), Acts
22 of the 84th Legislature, Regular Session, 2015, redesignated as
23 Section 62.169, Education Code, and amended to read as follows:

24 Sec. 62.169 [~~62.166~~]. WINDING UP OF CONTRACTS AND AWARDS IN
25 CONNECTION WITH TEXAS EMERGING TECHNOLOGY FUND. (a) The
26 governor's university research initiative is the successor to the
27 Texas emerging technology fund. Awards from the Texas emerging

1 technology fund shall be wound up in accordance with this section
2 and Section 490.104, Government Code, as added by Chapters 323
3 (S.B. 632) and 915 (H.B. 26), Acts of the 84th Legislature, Regular
4 Session, 2015, and contracts governing awards from that fund shall
5 be wound up in accordance with this section.

6 (b) If a contract governing an award from the Texas emerging
7 technology fund provides for the distribution of royalties,
8 revenue, or other financial benefits to the state, including
9 royalties, revenue, or other financial benefits realized from the
10 commercialization of intellectual or real property developed from
11 an award from the fund, those royalties, revenues, or other
12 financial benefits shall continue to be distributed in accordance
13 with the terms of the contract unless the award recipient and the
14 governor agree otherwise. Unless otherwise required by law,
15 royalties, revenue, or other financial benefits accruing to the
16 state under a contract described by this subsection, including any
17 money returned or repaid to the state by an award recipient, shall
18 be credited to the governor's university research initiative fund.

19 (c) If money awarded from the Texas emerging technology fund
20 is encumbered by a contract executed before September 1, 2015, but
21 has not been distributed before that date, the money shall be
22 distributed from the governor's university research initiative
23 fund in accordance with the terms of the contract, unless the award
24 recipient and the governor agree otherwise.

25 (d) Except for an obligation regarding the distribution of
26 royalties, revenue, or other financial benefits to the state as
27 provided by Subsection (b), if money awarded from the Texas

1 emerging technology fund under a contract executed before September
2 1, 2015, has been fully distributed and the entity that received the
3 award has fully performed all specific actions under the terms of
4 the contract governing the award, the entity is considered to have
5 fully satisfied the entity's obligations under the contract. The
6 entity shall file with the office a final report showing the
7 purposes for which the award money has been spent and, if award
8 money remains unspent, the purposes for which the recipient will
9 spend the remaining money.

10 SECTION 5. Section 62.167, Education Code, as added by
11 Chapters 323 (S.B. 632) and 915 (H.B. 26), Acts of the 84th
12 Legislature, Regular Session, 2015, is transferred to Subchapter H,
13 Chapter 62, Education Code, as added by Chapter 448 (H.B. 7), Acts
14 of the 84th Legislature, Regular Session, 2015, and redesignated as
15 Section 62.170, Education Code, to read as follows:

16 Sec. 62.170 [~~62.167~~]. CONFIDENTIALITY OF INFORMATION
17 CONCERNING AWARDS FROM TEXAS EMERGING TECHNOLOGY FUND. (a) Except
18 as provided by Subsection (b), information collected under former
19 provisions of Chapter 490, Government Code, concerning the
20 identity, background, finance, marketing plans, trade secrets, or
21 other commercially or academically sensitive information of an
22 individual or entity that was considered for or received an award
23 from the Texas emerging technology fund is confidential unless the
24 individual or entity consents to disclosure of the information.

25 (b) The following information collected in connection with
26 the Texas emerging technology fund is public information and may be
27 disclosed under Chapter 552, Government Code:

1 (1) the name and address of an individual or entity
2 that received an award from that fund;

3 (2) the amount of funding received by an award
4 recipient;

5 (3) a brief description of the project funded under
6 former provisions of Chapter 490, Government Code;

7 (4) if applicable, a brief description of the equity
8 position that the governor, on behalf of the state, has taken in an
9 entity that received an award from that fund; and

10 (5) any other information with the consent of:

11 (A) the governor;

12 (B) the lieutenant governor;

13 (C) the speaker of the house of representatives;

14 and

15 (D) the individual or entity that received an
16 award from that fund, if the information relates to that individual
17 or entity.

18 SECTION 6. Section 62.168, Education Code, as added by
19 Chapters 323 (S.B. 632) and 915 (H.B. 26), Acts of the 84th
20 Legislature, Regular Session, 2015, is transferred to Subchapter H,
21 Chapter 62, Education Code, as added by Chapter 448 (H.B. 7), Acts
22 of the 84th Legislature, Regular Session, 2015, redesignated as
23 Section 62.171, Education Code, and amended to read as follows:

24 Sec. 62.171 [~~62.168~~]. REPORTING REQUIREMENT. (a) Before
25 the beginning of each regular session of the legislature the
26 governor shall submit to the lieutenant governor, the speaker of
27 the house of representatives, and the standing committees of each

1 house of the legislature with primary jurisdiction over economic
2 development and higher education matters and post on the office of
3 the governor's Internet website a report on matching grants made to
4 eligible institutions from the fund that states:

5 (1) the total amount of matching funds granted by the
6 office;

7 (2) the total amount of matching funds granted to each
8 recipient institution;

9 (3) a brief description of each distinguished
10 researcher recruited by each recipient institution, including any
11 amount of external research funding that followed the distinguished
12 researcher to the institution;

13 (4) a brief description of the expenditures made from
14 the matching grant funds for each distinguished researcher; and

15 (5) when available, a brief description of each
16 distinguished researcher's contribution to the state's economic
17 competitiveness, including:

18 (A) any patents issued to the distinguished
19 researcher after accepting employment by the recipient
20 institution; and

21 (B) any external research funding, public or
22 private, obtained by the distinguished researcher after accepting
23 employment by the recipient institution.

24 (b) [~~(a-1)~~] The report may not include information that is
25 made confidential by law.

26 (c) [~~(b)~~] The governor may require an eligible institution
27 that receives a matching grant under this subchapter to submit, on a

1 form the governor provides, information required to complete the
2 report.

3 SECTION 7. The following provisions of Subchapter H,
4 Chapter 62, Education Code, as added by Chapters 323 (S.B. 632) and
5 915 (H.B. 26), Acts of the 84th Legislature, Regular Session, 2015,
6 are repealed:

- 7 (1) Section 62.161;
- 8 (2) Section 62.162;
- 9 (3) Section 62.163;
- 10 (4) Section 62.164;
- 11 (5) Section 62.165; and
- 12 (6) the heading to Subchapter H, Chapter 62.

13 SECTION 8. The change in law made by this Act applies only
14 to a grant application submitted to the Texas Economic Development
15 and Tourism Office in the office of the governor for the state
16 fiscal year beginning September 1, 2021. A grant application
17 submitted for a preceding state fiscal year is governed by the law
18 in effect on the date the application was submitted, and that law is
19 continued in effect for that purpose.

20 SECTION 9. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2021.