

By: Campbell

S.B. No. 2367

A BILL TO BE ENTITLED

AN ACT

relating to the creation of programs and funding for investment in technology industries.

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

SECTION 1. Subtitle F, Title 4, Government Code, is amended by adding Chapter 490J to read as follows:

CHAPTER 490J. FUNDING FOR TECHNOLOGY INVESTMENT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 490J.001. DEFINITIONS. In this chapter:

(1) "Committee" means the Texas Technology Investment Committee.

(2) "Fund" means the Texas technology investment fund.

(3) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

Sec. 490J.002. PURPOSES. The fund is established under this chapter to develop and diversify the economy of this state by:

(1) investing in innovative technology and industries; and

(2) attracting, creating, or expanding private sector entities that will promote a substantial increase in high quality jobs.

Sec. 490J.003. ELIGIBLE TECHNOLOGY INDUSTRIES. A technology industry participant is eligible for funding under this chapter if the activity to be funded:

1 (1) will produce products that compete with Chinese
2 companies that provide information and communications technology
3 and services; and

4 (2) either:

5 (A) will result in the creation of high quality
6 new jobs in this state, immediately or over a longer period; or

7 (B) has the potential to result in a medical or
8 scientific breakthrough.

9 SUBCHAPTER B. TEXAS TECHNOLOGY INVESTMENT COMMITTEE

10 Sec. 490J.051. COMPOSITION OF COMMITTEE. The Texas
11 Technology Investment Committee is composed of 17 members.

12 Sec. 490J.052. APPOINTMENT BY GOVERNOR; NOMINATIONS. (a)
13 The governor shall appoint to the committee individuals nominated
14 as provided by Subsection (b).

15 (b) The following persons may nominate one or more
16 individuals who are industry leaders in this state or who are
17 nationally recognized researchers from public or private
18 institutions of higher education in this state for appointment to
19 the committee:

20 (1) the Texas Higher Education Coordinating Board;

21 (2) a president of a public or private institution of
22 higher education in this state;

23 (3) the members of the Texas Workforce Commission;

24 (4) a representative of the governor's office involved
25 in economic development activities;

26 (5) a representative of the lieutenant governor's
27 office involved in economic development activities;

1 (6) a representative of the office of the speaker of
2 the house involved in economic development activities; and

3 (7) other persons considered appropriate by the
4 governor.

5 (c) The governor may prescribe a date after which a
6 nomination under Subsection (b) for appointment for the next term
7 will not be considered.

8 (d) If an insufficient number of qualified individuals are
9 nominated as provided by Subsection (b) before the date set by the
10 governor under Subsection (c), the governor may appoint any
11 qualified individual to the board for that term.

12 Sec. 490J.053. PRESIDING MEMBER. The governor shall
13 appoint a presiding member of the committee.

14 Sec. 490J.054. TERMS. Members of the committee serve
15 two-year terms, subject to the pleasure of the governor.

16 Sec. 490J.055. COMMITTEE STAFF AND FUNDING. Necessary
17 staff and funding for the committee shall be provided by:

- 18 (1) the office of the governor;
19 (2) the Texas Higher Education Coordinating Board;
20 (3) the Texas Education Agency;
21 (4) the Texas Workforce Commission;
22 (5) another public entity represented by a committee
23 member; and

24 (6) gifts, grants, and donations for overhead expenses
25 to the entities listed in Subdivisions (1)-(5).

26 Sec. 490J.056. RECOMMENDATIONS FOR FUNDING. (a) The
27 committee shall make recommendations, through peer review and

1 evaluation processes established by the committee, to the governor,
2 lieutenant governor, and speaker of the house of representatives
3 for the award of money from the fund as provided by this chapter.

4 (b) The committee may establish advisory panels of
5 knowledgeable individuals from industry, state government, or
6 academic occupations to assist in peer review activities under this
7 chapter.

8 Sec. 490J.057. CONFIDENTIALITY. Information collected by
9 the governor's office, the committee, or the committee's advisory
10 panels concerning the identity, background, finance, marketing
11 plans, trade secrets, or other commercially or academically
12 sensitive information of an individual or entity being considered
13 for an award from the fund is confidential unless the individual or
14 entity consents to disclosure of the information.

15 SUBCHAPTER C. TEXAS TECHNOLOGY INVESTMENT FUND

16 Sec. 490J.101. TEXAS TECHNOLOGY INVESTMENT FUND. (a) The
17 Texas technology investment fund is a dedicated account in the
18 general revenue fund.

19 (b) The following amounts shall be deposited in the fund:

20 (1) any amounts appropriated by the legislature for
21 the fund;

22 (2) benefits realized from a project undertaken with
23 money from the fund, as provided by a contract entered into under
24 Section 490J.102;

25 (3) gifts, grants, and other donations received for
26 the fund; and

27 (4) interest earned on the investment of money in the

1 fund.

2 (c) The fund may be used only for the purposes described by
3 Section 490J.002.

4 (d) The committee may solicit and accept gifts and grants
5 for the fund from public and private entities.

6 (e) The fund may be temporarily used by the comptroller for
7 cash management purposes.

8 (f) The administration of the fund is considered to be a
9 trusteed program within the office of the governor. The governor
10 may negotiate on behalf of the state regarding awarding, by grant,
11 money appropriated from the fund. The governor may award money
12 appropriated from the fund only with the express written prior
13 approval of the lieutenant governor and speaker of the house of
14 representatives.

15 (g) Before awarding a grant under this chapter, the governor
16 shall enter into a written agreement with the entity to be awarded
17 the grant money. An agreement may specify that:

18 (1) if all or any portion of the amount of the grant is
19 used to build a capital improvement:

20 (A) the state retains a lien or other interest in
21 the capital improvement in proportion to the percentage of the
22 grant amount used to pay for the capital improvement; and

23 (B) the recipient of the grant shall, if the
24 capital improvement is sold:

25 (i) repay to the state the grant money used
26 to pay for the capital improvement, with interest at the rate and
27 according to the other terms provided by the agreement; and

1 (ii) share with the state a proportionate
2 amount of any profit realized from the sale; and

3 (2) if, as of a date certain provided in the agreement,
4 the grant recipient has not used grant money awarded under this
5 chapter for the purposes for which the grant was intended, the
6 recipient shall repay that amount and any related interest
7 applicable under the agreement to the state at the agreed rate and
8 on the agreed terms.

9 Sec. 490J.102. ALLOCATION OF PROCEEDS. (a) The contract
10 between the governor and a recipient awarded a grant under this
11 chapter shall provide for the distribution of royalties, revenue,
12 or other financial benefits realized from the commercialization of
13 intellectual or real property developed from any grant awarded from
14 the fund. To the extent authorized by law and not in conflict with
15 another agreement, the contract shall appropriately allocate by
16 assignment, licensing, or other means the royalties, revenue, or
17 other financial benefits among identifiable collaborating parties
18 and in a specified percentage to this state for deposit in the fund.

19 (b) The contract under Subsection (a) shall also specify
20 other matters considered necessary by the governor, lieutenant
21 governor, and speaker of the house of representatives.

22 SUBCHAPTER D. INVESTMENTS IN ELIGIBLE TECHNOLOGY

23 Sec. 490J.151. USE OF MONEY FOR INVESTMENT IN PROJECTS. (a)
24 Amounts may be awarded from the fund as provided by this chapter for
25 eligible technology projects with a demonstrable economic benefit
26 to this state.

27 (b) The committee shall recommend proposals eligible for

1 funding under this section to the governor, lieutenant governor,
2 and speaker of the house of representatives.

3 Sec. 490J.152. PRIORITY FOR FUNDING. In awarding money
4 from the fund under this chapter, priority shall be given to
5 proposals that:

6 (1) involve technology fields that have a reasonable
7 probability of enhancing this state's national and global economic
8 competitiveness; or

9 (2) have a demonstrable economic development benefit
10 to this state by attracting technology industries to relocate to
11 this state.

12 Sec. 490J.153. GUARANTEE OF ACTION BY PARTICIPATING ENTITY.

13 (a) An entity that receives funding under this chapter shall
14 guarantee by contract with the governor's office that the entity
15 will perform specific actions expected to provide benefits to this
16 state.

17 (b) If an entity fails to perform an action guaranteed by
18 contract under Subsection (a) before a time specified by the
19 contract, the entity shall return to the fund the money received by
20 the entity under this chapter.

21 Sec. 490J.154. AUTHORIZED EXPENSES. (a) A person awarded
22 money from the fund under this chapter may use the money to expedite
23 commercialization that will lead to an increase in high quality
24 jobs in this state and shall use the money in accordance with a
25 contract between the person and the committee.

26 (b) Authorized expenses under this section include salaries
27 and benefits, travel, consumable supplies, other operating

1 expenses, contracted research and development, capital equipment,
2 construction or renovation of state or private facilities, and
3 workforce training.

4 SECTION 2. (a) As soon as practicable after the effective
5 date of this Act, a person seeking to nominate an individual for
6 appointment to the Texas Technology Investment Committee under
7 Section 490J.052, Government Code, as added by this Act, shall make
8 any nominations.

9 (b) The governor shall appoint the Texas Technology
10 Investment Committee as required by Section 490J.052, Government
11 Code, as added by this Act, on or before September 1, 2023, or as
12 soon as practicable after giving persons nominating individuals for
13 appointment to the committee a reasonable time to make any
14 nominations.

15 SECTION 3. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2023.