

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 20, 2005

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1765 by Morrison (Relating to the creation of programs and funding for emerging technology industries.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1765, As Engrossed: an impact of \$0 through the biennium ending August 31, 2007.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>ECONOMIC STABILIZATION FUND</i> 599	Probable Revenue Gain from <i>Texas Emerging Technology Fund</i>
2006	(\$300,000,000)	\$300,000,000
2007	\$0	\$0
2008	\$0	\$0
2009	\$0	\$0
2010	\$0	\$0

Fiscal Analysis

The bill creates the Texas Emerging Technology Fund as a dedicated account in the general revenue fund.

The bill requires that 50 percent of the money appropriated to the Texas Emerging Technology Fund be used for incentives for private or nonprofit entities to collaborate with public or private institutions of higher education on emerging technology projects.

The bill requires that 25 percent of the money appropriated to the Texas Emerging Technology Fund be used to match funding from research sponsors. The bill requires that 25 percent of the money appropriated to the Texas Emerging Technology Fund be used to acquire new or enhance existing research superiority at public institutions of higher education. The bill provides that the governor may reallocate money from one component of the fund to another component with prior approval of the lieutenant governor and speaker of the house of representatives.

Methodology

The Office of the Governor has requested \$300 million be transferred from the Economic Stabilization Fund to the new Texas Emerging Technology Fund in fiscal year 2006.

Local Government Impact

A public entity may incur expenses for staffing and funding if the governor prescribes a representative of a public entity as a member of the Texas Emerging Technology Committee.

Source Agencies: 301 Office of the Governor, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 701 Central Education Agency, 781 Higher Education Coordinating Board

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