

## **BILL ANALYSIS**

Senate Research Center  
81R34273 CLG-D

C.S.H.B. 2531  
By: Chavez et al. (Shapiro)  
Economic Development  
5/18/2009  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Texas Emerging Technology Fund was created during the 79th Legislature and is managed by the Office of the Governor. The fund promotes technology-related research and commercialization projects.

According to the Legislative Budget Board's (LBB) "Texas State Government Effectiveness and Efficiency" report, the Office of the Governor made 46 awards from the funding totaling \$85.3 million during the 2006-2007 biennium. During fiscal year 2008, 33 awards were made totaling \$51.8 million. Other states that have similar technology development programs are required to submit annual reports on the performance of the programs, but Texas does not currently have such a requirement. Additionally, under the fund's contracts, the governor may take an equity position in companies that receive commercialization awards. These investments are of a high-risk, high-return nature and warrant additional disclosure.

This legislation, which results from a recommendation by LBB, requires the governor to submit an annual fund report to the legislature that includes performance metrics, such as the aggregate total of private sector investment, federal government funding, and contributions from other sources that are leveraged in connection with a grant from the fund and discloses the names of the companies in which the state has taken an equity position.

C.S.H.B. 2531 amends current law relating to a reporting requirement regarding the Texas Emerging Technology Fund.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter A, Chapter 490, Government Code, by adding Section 490.005, as follows:

Sec. 490.005. ANNUAL REPORT. (a) Defines "investment portfolio."

(b) Requires the governor, not later than January 1 of each year, to submit to the Legislative Budget Board and post on the Office of the Governor's Internet website a report that includes certain information regarding the Texas Emerging Technology Fund (fund) for the preceding state fiscal year.

(c) Requires that the annual report also include aggregate information regarding the planned and actual outcomes resulting from awards made from the fund during the preceding two state fiscal years.

(d) Prohibits the governor from disclosing in the report required by this section the name of any person in the private sector that invests in a project receiving an award under Subchapter D (Incentives for Commercialization Activities).

(e) Requires the governor to notify each member of the legislature by electronic mail when a new report required by this section is posted on the Office of the

Governor's Internet website. Requires that the notification required by this subsection be sent to the electronic mail address provided to the member as a legislator and contain an electronic copy of the report or include an electronic link to the report on the website.

SECTION 2. Requires the governor, not later than January 1, 2011, to submit the initial report required by Section 490.005, Government Code, as added by this Act.

SECTION 3. Effective date: upon passage or September 1, 2009.