

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 30, 2009

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

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

IN RE: HB2531 by Chavez (Relating to a reporting requirement regarding the Texas emerging technology fund.), **Conference Committee Report**

No fiscal implication to the State is anticipated.

The bill would implement a recommendation in the Legislative Budget Board *Government Effectiveness and Efficiency Report* entitled "Improve Accountability for the Texas Emerging Technology Fund."

The bill would require the governor to submit an annual report containing performance metrics such as the aggregate amount of private sector investment, federal government funding, and contributions from other sources obtained in connection with awards made under any of the Emerging Technology Fund's (ETF) programs -- commercialization, matching, and research superiority; as well as the amount of ETF awards received by each award recipient for the past three fiscal years. The annual report would be distributed to the legislature and posted on the governor's office website no later than January 1 of each year. The first report is due no later than January 1, 2011.

The bill would require ETF annual reports to identify the planned and actual outcomes associated with the commercialization program for the last two fiscal years, including any financial impact on the state resulting from a company awardee being bought out or otherwise acquired by another company (known as a liquidity event).

Finally, the bill would require ETF annual reports to provide a brief description of the equity position which the governor may take in companies that get commercialization awards, and the names of companies in which the governor has taken an equity position during the past three fiscal years.

The bill would take effect immediately if it received the requisite two-thirds vote of each house; otherwise, it would take effect September 1, 2009.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor

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