

By: Strama

H.B. No. 3584

A BILL TO BE ENTITLED

AN ACT

relating to the Texas emerging technology fund.

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

SECTION 1. Section 490.001(4), Government Code, is amended to read as follows:

(4) "Award" means:

(A) ~~[for purposes of Subchapter D, an investment in the form of equity or a convertible note,~~

~~(B)]~~ for purposes of Subchapter E, an investment in the form of a debt instrument;

(B) ~~[(C)]~~ for purposes of Subchapter F, a grant;

or

(C) ~~[(D)]~~ other forms of contribution or investment as recommended by the committee and approved by the governor, lieutenant governor, and speaker of the house of representatives.

SECTION 2. Section 490.005, Government Code, is amended by amending Subsections (a) and (b) and adding Subsection (a-1) to read as follows:

(a) Not later than January 1 of each year, the governor shall submit to the legislature and post on the office of the governor's Internet website a report that includes the following information regarding the fund for the preceding three state fiscal years:

1 (1) the total number and amount of awards made;

2 (2) the number and amount of awards made under  
3 Subchapters ~~[D]~~ E~~[T]~~ and F;

4 (3) the aggregate total of private sector investment,  
5 federal government funding, and contributions from other sources  
6 obtained in connection with awards made under each of the  
7 subchapters listed in Subdivision (2); and

8 (4) the name of each award recipient and the amount of  
9 the award made to the recipient~~[, and~~

10 ~~[(5) a brief description of the equity position that~~  
11 ~~the governor, on behalf of the state, may take in companies~~  
12 ~~receiving awards and the names of the companies in which the state~~  
13 ~~has taken an equity position].~~

14 (a-1) An annual report that is required to be submitted on  
15 or before January 1, 2014, under Subsection (a) must include the  
16 number and amount of awards made under former Subchapter D and a  
17 brief description of the equity position that the governor, on  
18 behalf of the state, has taken before September 1, 2011, in  
19 companies that received awards under former Subchapter D and the  
20 names of those companies. This subsection expires September 1,  
21 2014.

22 (b) The annual report must also contain a brief description  
23 regarding:

24 (1) the intended outcomes of projects funded under  
25 former Subchapter D before September 1, 2011, during the preceding  
26 two state fiscal years, if the report is required to be submitted on  
27 or before January 1, 2013; and

1           (2) the actual outcomes of all projects funded under  
2 former Subchapter D before September 1, 2011, during the fund's  
3 existence, including any financial impact on the state resulting  
4 from a liquidity event involving a company whose project was funded  
5 under that subchapter.

6           SECTION 3. Section 490.101(h), Government Code, is amended  
7 to read as follows:

8           (h) The governor may make awards in the form of loans and[~~7~~]  
9 charge and receive reasonable interest for the loans[~~7, take an~~  
10 ~~equity position in the form of stock or other security in~~  
11 ~~consideration of an award, and sell or otherwise trade or exchange~~  
12 ~~the security for the benefit of the fund]. Interest or proceeds~~  
13 received as a result of a transaction authorized by this subsection  
14 shall be deposited to the corpus of the fund and may be used in the  
15 same manner as the corpus of the fund.

16           SECTION 4. Section 490.102(a), Government Code, is amended  
17 to read as follows:

18           (a) Money appropriated to the fund by the legislature, less  
19 amounts necessary to administer the fund under Section 490.055,  
20 shall be allocated as follows:

21           (1) ~~50 [percent of the money for incentives for~~  
22 ~~collaboration between certain entities as provided by Subchapter D,~~  
23           ~~[(2) 16.67]~~ percent of the money for research award  
24 matching as provided by Subchapter E; and

25           (2) 50 [~~(3) 33.33]~~ percent of the money for  
26 acquisition of research superiority as provided by Subchapter F.

27           SECTION 5. Section 490.303, Government Code, is amended to

1 read as follows:

2           Sec. 490.303. ELIGIBILITY OF CLEAN COAL PROJECT FOR MONEY.  
3 Notwithstanding any other provision of this subchapter, a clean  
4 coal project constitutes an opportunity for emerging technology  
5 suitable for consideration for a grant under Subchapter C,  
6 [~~incentives as provided by Subchapter D,~~] grant matching as  
7 provided by Subchapter E, and acquisition of research superiority  
8 under Subchapter F.

9           SECTION 6. Subchapter D, Chapter 490, Government Code, is  
10 repealed.

11           SECTION 7. Section 325, Government Code, is amended by  
12 adding Section 325.025 to read as follows:

13           Sec. 325.025 UNIVERSITY INNOVATION COMMERCIALIZATION. (a)  
14 In the two year period preceding the convening of the 83rd  
15 Legislature, the commission shall study and make recommendations  
16 for an alternative statewide program to accomplish the intended  
17 purpose of commercializing university innovation, as described by  
18 Section 490.002(1) and 490.002(3). In doing so the commission  
19 shall consider alternative successful models for the  
20 commercialization of university innovation, such as:

21                   (1) The Austin Technology Incubator at The University  
22 of Texas at Austin; and

23                   (2) The Research Valley Partnership at Texas A&M  
24 University in College Station.

25           (b) Before January 1, 2013, the commission shall prepare a  
26 written report based on its findings in (a), and present that report  
27 to the Legislature.

1        (c) Before September 1, 2012, the governor shall report to  
2 the commission:

3            (1) the efficiency and effectiveness with which the  
4 Emerging Technology Fund is administered;

5            (2) the extent to which the Emerging Technology Fund  
6 has been successful in accomplishing the goal of commercializing  
7 university innovation;

8            (3) an identification of all programs and activities  
9 relating to the Emerging Technology Fund, and the extent to which  
10 those activities are needed to accomplish the goal of  
11 commercializing university innovation;

12           (4) whether alternative methods of performing any  
13 program or activity in (3) could better accomplish the goal of  
14 commercializing university innovation;

15           (5) the effect of federal intervention or loss of  
16 federal funds if the Emerging Technology Fund is abolished; and

17           (6) any other information that the governor considers  
18 appropriate or that is requested by the commission.

19        (d) The commission may conduct public hearings to  
20 accomplish the requirements of this Section.

21        SECTION 8. This Act takes effect September 1, 2011.