

A BILL TO BE ENTITLED

AN ACT

relating to the administration of the Texas Enterprise Fund and the Texas emerging technology fund and of awards from those funds.

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

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

CHAPTER 490F. TEXAS ENTERPRISE FUND

SUBCHAPTER A. GENERAL PROVISIONS

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

(1) "Committee" means the Texas Enterprise Fund Oversight Committee.

(2) "Fund" means the Texas Enterprise Fund.

[Sections 490F.002-490F.050 reserved for expansion]

SUBCHAPTER B. TEXAS ENTERPRISE FUND OVERSIGHT COMMITTEE

Sec. 490F.051. COMPOSITION OF COMMITTEE. (a) The Texas Enterprise Fund Oversight Committee is composed of the following 11 members:

(1) three members appointed by the governor;

(2) three members appointed by the lieutenant governor;

(3) three members appointed by the speaker of the house of representatives;

(4) the comptroller or the comptroller's designee; and

(5) the attorney general or the attorney general's

1 designee.

2 (b) The members of the committee must represent the
3 geographic and cultural diversity of the state.

4 (c) A person may not be a member of the committee if the
5 person or the person's spouse:

6 (1) is employed by or participates in the management
7 of a business entity receiving money from the fund;

8 (2) owns or controls, directly or indirectly, more
9 than a five percent interest in a business entity or other
10 organization receiving grant money from the fund; or

11 (3) uses or receives a substantial amount of grant
12 money from the fund, other than authorized reimbursement.

13 Sec. 490F.052. REMOVAL. (a) It is a ground for removal from
14 the committee that a member:

15 (1) is ineligible for membership under Section
16 490F.051(c);

17 (2) cannot, because of illness or disability,
18 discharge the member's duties for a substantial part of the member's
19 term; or

20 (3) is absent from more than half of the regularly
21 scheduled committee meetings that the member is eligible to attend
22 during a calendar year without an excuse approved by a majority vote
23 of the committee.

24 (b) The validity of an action of the committee is not
25 affected by the fact that the action is taken when a ground for
26 removal of a committee member exists.

27 (c) If the governor has knowledge that a potential ground

1 for removal exists, the governor shall notify the presiding member
2 of the committee of the potential ground. The presiding member
3 shall then notify the appointing authority and the attorney general
4 that a potential ground for removal exists. If the potential ground
5 for removal involves the presiding member, the governor shall
6 notify the next highest ranking officer of the committee, who shall
7 then notify the appointing authority and the attorney general that
8 a potential ground for removal exists.

9 Sec. 490F.053. PRESIDING MEMBER. The committee shall
10 select from among its members a presiding member.

11 Sec. 490F.054. TERMS. Members of the committee appointed
12 by the governor, lieutenant governor, and speaker of the house of
13 representatives serve staggered six-year terms, with the terms of
14 three members expiring on January 31 of each odd-numbered year.

15 Sec. 490F.055. STAFF AND FUNDING. Necessary staff and
16 funding for the administration of the fund shall be provided by:

- 17 (1) the office of the governor; and
18 (2) gifts, grants, and donations for overhead expenses
19 to the office of the governor.

20 Sec. 490F.056. ADVISORY SUBCOMMITTEES. The committee may
21 establish advisory subcommittees as necessary to advise the
22 committee.

23 Sec. 490F.057. CONFIDENTIALITY. Information collected by
24 the governor's office, the committee, or the committee's advisory
25 subcommittees concerning the identity, background, finance,
26 marketing plans, trade secrets, or other commercially sensitive
27 information of an individual or entity being considered for an

1 award from the fund is confidential unless the individual or entity
2 consents to disclosure of the information.

3 SECTION 2. Sections 481.078 and 481.079, Government Code,
4 are transferred to Chapter 490F, Government Code, redesignated as
5 Sections 490F.101 and 490F.102, Government Code, designated as
6 Subchapter C, Chapter 490F, Government Code, and amended, and a
7 heading is added for Subchapter C, Chapter 490F, Government Code,
8 to read as follows:

9 SUBCHAPTER C. TEXAS ENTERPRISE FUND

10 Sec. 490F.101 [~~481.078~~]. TEXAS ENTERPRISE FUND. (a) The
11 Texas Enterprise Fund is a dedicated account in the general revenue
12 fund.

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

14 (1) any amounts appropriated by the legislature for
15 the fund for purposes described by this section;

16 (2) interest earned on the investment of money in the
17 fund; and

18 (3) gifts, grants, and other donations received for
19 the fund.

20 (c) Except as provided by Subsection (d), the fund may be
21 used only for economic development, infrastructure development,
22 community development, job training programs, and business
23 incentives.

24 (d) The fund may be temporarily used by the comptroller for
25 cash management purposes.

26 (e) [~~The administration of the fund is considered to be a~~
27 ~~trusteed program within the office of the governor.~~] The committee

1 ~~[governor]~~ may negotiate on behalf of the state regarding awarding,
2 by grant, money appropriated from the fund. ~~[The governor may award~~
3 ~~money appropriated from the fund only with the express written~~
4 ~~prior approval of the lieutenant governor and speaker of the house~~
5 ~~of representatives.~~

6 ~~[(e-1)]~~ To be eligible to receive a grant under this
7 section, the entity must:

8 (1) be in good standing under the laws of the state in
9 which the entity was formed or organized, as evidenced by a
10 certificate issued by the secretary of state or the state official
11 having custody of the records pertaining to entities or other
12 organizations formed under the laws of that state; and

13 (2) owe no delinquent taxes to a taxing unit of this
14 state.

15 (f) Before awarding a grant under this section, the
16 committee ~~[governor]~~ shall enter into a written agreement with the
17 entity to be awarded the grant money specifying that:

18 (1) if the committee ~~[governor]~~ finds that the grant
19 recipient has not met each of the performance targets specified in
20 the agreement as of a date certain provided in the agreement:

21 (A) the recipient shall repay the grant and any
22 related interest to the state at the agreed rate and on the agreed
23 terms;

24 (B) the committee ~~[governor]~~ will not distribute
25 to the recipient any grant money that remains to be awarded under
26 the agreement; and

27 (C) the committee ~~[governor]~~ may assess

1 specified penalties for noncompliance against the recipient;

2 (2) if all or any portion of the amount of the grant is
3 used to build a capital improvement, the state may:

4 (A) retain a lien or other interest in the
5 capital improvement in proportion to the percentage of the grant
6 amount used to pay for the capital improvement; and

7 (B) require the recipient of the grant, if the
8 capital improvement is sold, to:

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

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

14 (3) if, as of a date certain provided in the agreement,
15 the grant recipient has not used grant money awarded under this
16 section for the purposes for which the grant was intended, the
17 recipient shall repay that amount and any related interest to the
18 state at the agreed rate and on the agreed terms.

19 (g) The grant agreement may include a provision providing
20 that a reasonable percentage of the total amount of the grant will
21 be withheld until specified performance targets are met by the
22 entity as of the date described by Subsection (f)(1).

23 (h) The committee [~~governor~~], after consultation with the
24 speaker of the house of representatives and the lieutenant
25 governor, shall determine:

26 (1) the performance targets and date required to be
27 contained in the grant agreement as provided by Subsection (f)(1);

1 and

2 (2) if the grant agreement includes the provision
3 authorized by Subsection (g), the percentage of grant money
4 required to be withheld.

5 (i) An entity entering into a grant agreement under this
6 section shall submit to the committee, governor, lieutenant
7 governor, and speaker of the house of representatives an annual
8 progress report containing the information compiled during the
9 previous calendar year regarding the attainment of each of the
10 performance targets specified in the agreement.

11 (j) Repayment of a grant under Subsection (f)(1)(A) may be
12 prorated to reflect a partial attainment of performance targets.

13 (k) To encourage the development and location of small
14 businesses in this state, the committee [~~governor~~] shall consider
15 making grants from the fund:

16 (1) to recipients that are small businesses in this
17 state that commit to using the grants to create additional jobs;

18 (2) to recipients that are small businesses from
19 outside the state that commit to relocate to this state; or

20 (3) for individual projects that create 100 or fewer
21 additional jobs.

22 (1) For purposes of Subsection (k), "small business" means a
23 legal entity, including a corporation, partnership, or sole
24 proprietorship, that:

25 (1) is formed for the purpose of making a profit;

26 (2) is independently owned and operated; and

27 (3) has fewer than 100 employees.

1 Sec. 490F.102 [~~481.079~~]. REPORT ON USE OF MONEY IN TEXAS
2 ENTERPRISE FUND. (a) Before the beginning of each regular session
3 of the legislature, the committee [~~governor~~] shall submit to the
4 governor, the lieutenant governor, the speaker of the house of
5 representatives, and each other member of the legislature a report
6 on grants made under Section 490F.101 [~~481.078~~] that states:

7 (1) the number of direct jobs each recipient committed
8 to create in this state;

9 (2) the number of direct jobs each recipient created
10 in this state;

11 (3) the median wage of the jobs each recipient created
12 in this state;

13 (4) the amount of capital investment each recipient
14 committed to expend or allocate per project in this state;

15 (5) the amount of capital investment each recipient
16 expended or allocated per project in this state;

17 (6) the total amount of grants made to each recipient;

18 (7) the average amount of money granted in this state
19 for each job created in this state by grant recipients;

20 (8) the number of jobs created in this state by grant
21 recipients in each sector of the North American Industry
22 Classification System (NAICS); and

23 (9) of the number of direct jobs each recipient
24 created in this state, the number of positions created that provide
25 health benefits for employees.

26 (b) The report may not include information that is made
27 confidential by law.

1 (c) The committee [~~governor~~] may require a recipient of a
2 grant under Section 490F.101 [~~481.078~~] to submit, on a form the
3 committee [~~governor~~] provides, information required to complete
4 the report.

5 SECTION 3. Section 481.080(a), Government Code, is amended
6 to read as follows:

7 (a) Before the Texas Enterprise Fund Oversight Committee
8 [~~governor~~] awards a grant under Chapter 490F [~~Section 481.078~~] to
9 an entity for a proposed initiative, the office shall prepare a
10 statement that, specifically and in detail, assesses the direct
11 economic impact that approval of the grant will have on the
12 residents of this state.

13 SECTION 4. Sections 490.001(1) and (4), Government Code,
14 are amended to read as follows:

15 (1) "Committee" means the Texas Emerging Technology
16 Oversight [~~Advisory~~] Committee.

17 (4) "Award" means:

18 (A) for purposes of Subchapter D, an investment
19 in the form of equity or a convertible note;

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

22 (C) for purposes of Subchapter F, a grant; or

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

27 SECTION 5. Section 490.005(a), Government Code, is amended

1 to read as follows:

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

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

8 (2) the number and amount of awards made under
9 Subchapters D, E, and F;

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

14 (4) the name of each award recipient and the amount of
15 the award made to the recipient; and

16 (5) a brief description of the equity position that
17 the committee [~~governor~~], on behalf of the state, may take in
18 companies receiving awards and the names of the companies in which
19 the state has taken an equity position.

20 SECTION 6. The heading to Subchapter B, Chapter 490,
21 Government Code, is amended to read as follows:

22 SUBCHAPTER B. TEXAS EMERGING TECHNOLOGY OVERSIGHT [~~ADVISORY~~]

23 COMMITTEE

24 SECTION 7. Section 490.051, Government Code, is amended to
25 read as follows:

26 Sec. 490.051. COMPOSITION OF COMMITTEE. (a) The Texas
27 Emerging Technology Oversight [~~Advisory~~] Committee is composed of

1 the following 11 [17] members:

2 (1) three members appointed by the governor;

3 (2) three members appointed by the lieutenant
4 governor;

5 (3) three members appointed by the speaker of the
6 house of representatives;

7 (4) the comptroller or the comptroller's designee; and

8 (5) the attorney general or the attorney general's
9 designee.

10 (b) The members of the committee must represent the
11 geographic and cultural diversity of the state.

12 (c) A person may not be a member of the committee if the
13 person or the person's spouse:

14 (1) is employed by or participates in the management
15 of a business entity receiving an award from the fund;

16 (2) owns or controls, directly or indirectly, more
17 than a five percent interest in a business entity or other
18 organization receiving an award from the fund; or

19 (3) uses or receives a substantial amount of money
20 awarded from the fund, other than authorized reimbursement.

21 SECTION 8. Subchapter B, Chapter 490, Government Code, is
22 amended by adding Section 490.0511 to read as follows:

23 Sec. 490.0511. REMOVAL. (a) It is a ground for removal from
24 the committee that a member:

25 (1) is ineligible for membership under Section
26 490.051(c);

27 (2) cannot, because of illness or disability,

1 discharge the member's duties for a substantial part of the member's
2 term; or

3 (3) is absent from more than half of the regularly
4 scheduled committee meetings that the member is eligible to attend
5 during a calendar year without an excuse approved by a majority vote
6 of the committee.

7 (b) The validity of an action of the committee is not
8 affected by the fact that the action is taken when a ground for
9 removal of a committee member exists.

10 (c) If the governor has knowledge that a potential ground
11 for removal exists, the governor shall notify the presiding member
12 of the committee of the potential ground. The presiding member
13 shall then notify the appointing authority and the attorney general
14 that a potential ground for removal exists. If the potential ground
15 for removal involves the presiding member, the governor shall
16 notify the next highest ranking officer of the committee, who shall
17 then notify the appointing authority and the attorney general that
18 a potential ground for removal exists.

19 SECTION 9. Sections 490.053, 490.054, 490.056, and 490.057,
20 Government Code, are amended to read as follows:

21 Sec. 490.053. PRESIDING MEMBER. The committee [~~governor~~]
22 shall select from among its members [~~appoint~~] a presiding member
23 [~~of the committee~~].

24 Sec. 490.054. TERMS. Members of the committee appointed by
25 the governor, lieutenant governor, and speaker of the house of
26 representatives serve staggered six-year [~~two-year~~] terms, with
27 the terms of three members expiring on January 31 of each

1 odd-numbered year [~~subject to the pleasure of the governor~~].

2 Sec. 490.056. ADVISORY SUBCOMMITTEES [~~RECOMMENDATIONS FOR~~
3 ~~FUNDING~~]. [~~(a) The committee shall make recommendations, through~~
4 ~~peer review and evaluation processes established by the committee,~~
5 ~~to the governor, lieutenant governor, and speaker of the house of~~
6 ~~representatives for the award of money from the fund as provided by~~
7 ~~this chapter.~~

8 [~~(b)~~] The committee may establish advisory subcommittees as
9 necessary to advise the committee. The subcommittees may include
10 [~~panels of~~] knowledgeable individuals from industry, state
11 government, or academic occupations to assist in peer review
12 activities under this chapter.

13 Sec. 490.057. CONFIDENTIALITY. Information collected by
14 the governor's office, the committee, or the committee's advisory
15 subcommittees [~~panels~~] concerning the identity, background,
16 finance, marketing plans, trade secrets, or other commercially or
17 academically sensitive information of an individual or entity being
18 considered for an award from the fund is confidential unless the
19 individual or entity consents to disclosure of the information.

20 SECTION 10. Subchapter B, Chapter 490, Government Code, is
21 amended by adding Section 490.058 to read as follows:

22 Sec. 490.058. CONFLICT OF INTEREST. The committee shall
23 adopt conflict of interest rules to govern committee members.

24 SECTION 11. Sections 490.101(f), (g), (h), and (i),
25 Government Code, are amended to read as follows:

26 (f) [~~The administration of the fund is considered to be a~~
27 ~~trusteed program within the office of the governor.~~] The committee

1 ~~[governor]~~ may negotiate on behalf of the state regarding awards
2 from the fund. ~~[The governor may award money appropriated from the~~
3 ~~fund only with the express written prior approval of the lieutenant~~
4 ~~governor and speaker of the house of representatives.]~~

5 (g) Before making an award under this chapter, the committee
6 ~~[governor]~~ shall enter into a written agreement with the entity to
7 receive the award. An agreement may specify that:

8 (1) if all or any portion of the amount of the award is
9 used to build a capital improvement:

10 (A) the state retains a lien or other interest in
11 the capital improvement in proportion to the percentage of the
12 award amount used to pay for the capital improvement; and

13 (B) the recipient of the award shall, if the
14 capital improvement is sold:

15 (i) repay to the state the award used to pay
16 for the capital improvement, with interest at the rate and
17 according to the other terms provided by the agreement; and

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

20 (2) if, as of a date certain provided in the agreement,
21 the award recipient has not used the award received under this
22 chapter for the purposes for which the award was intended, the
23 recipient shall repay that amount and any related interest
24 applicable under the agreement to the state at the agreed rate and
25 on the agreed terms.

26 (h) The committee ~~[governor]~~ may make awards in the form of
27 loans, charge and receive reasonable interest for the loans, take

1 an equity position in the form of stock or other security in
2 consideration of an award, and sell or otherwise trade or exchange
3 the security for the benefit of the fund. Interest or proceeds
4 received as a result of a transaction authorized by this subsection
5 shall be deposited to the corpus of the fund and may be used in the
6 same manner as the corpus of the fund.

7 (i) The contract between the committee [~~governor~~] and a
8 recipient of an award under this chapter may set the terms relating
9 to an award.

10 SECTION 12. Section 490.102(b), Government Code, is amended
11 to read as follows:

12 (b) The committee [~~governor~~] may reallocate money from one
13 component of the fund to another component subject to the prior
14 approval of the lieutenant governor and speaker of the house of
15 representatives.

16 SECTION 13. Section 490.103, Government Code, is amended
17 to read as follows:

18 Sec. 490.103. ALLOCATION OF PROCEEDS. (a) The contract
19 between the committee [~~governor~~] and a recipient of an award under
20 this chapter shall provide for the distribution of royalties,
21 revenue, or other financial benefits realized from the
22 commercialization of intellectual or real property developed from
23 any award from the fund. To the extent authorized by law and not in
24 conflict with another agreement, the contract shall appropriately
25 allocate by assignment, licensing, or other means the royalties,
26 revenue, or other financial benefits among identifiable
27 collaborating parties and in a specified percentage to this state

1 for deposit in the fund.

2 (b) The contract under Subsection (a) shall also specify
3 other matters considered necessary by the committee [~~governor,~~
4 ~~lieutenant governor, and speaker of the house of representatives~~].

5 SECTION 14. Sections 490.152(a) and (d), Government Code,
6 are amended to read as follows:

7 (a) In determining which proposals will receive
8 [~~recommending proposals for~~] funding under this subchapter, the
9 committee shall give specific emphasis to the formation of regional
10 centers of innovation and commercialization.

11 (d) Subject to the availability of suitable partners and
12 resources, the committee shall propose and initiate the
13 establishment of a regional center of innovation and
14 commercialization in:

- 15 (1) Harris County;
 - 16 (2) Lubbock County;
 - 17 (3) Bexar County;
 - 18 (4) the Dallas-Fort Worth Metroplex;
 - 19 (5) El Paso County;
 - 20 (6) the Middle and Lower Rio Grande Valley; and
 - 21 (7) other suitable locations as determined by the
- 22 committee [~~governor~~] in consultation with the lieutenant governor
23 and the speaker of the house of representatives.

24 SECTION 15. Section 490.153(b), Government Code, is amended
25 to read as follows:

26 (b) An amount not to exceed two percent of the amount
27 allocated for a fiscal biennium for incentives under this

1 subchapter may be invested directly in the regional centers of
2 innovation and commercialization as recommended by the committee
3 and approved by the [~~governor~~] lieutenant governor[~~7~~] and speaker
4 of the house of representatives to support commercialization
5 activities.

6 SECTION 16. Section 490.154(a), Government Code, is amended
7 to read as follows:

8 (a) An entity participating in a regional center of
9 innovation and commercialization that receives funding or another
10 incentive under this subchapter shall guarantee by contract with
11 the committee [~~governor's office~~] that the entity will perform
12 specific actions expected to provide benefits to this state.

13 SECTION 17. Section 490.156(a), Government Code, is amended
14 to read as follows:

15 (a) A person receiving money from the fund under this
16 subchapter may use the money to expedite commercialization that
17 will lead to an increase in high-quality jobs in this state and
18 shall use the money in accordance with a contract between the person
19 and the committee [~~office of the governor~~].

20 SECTION 18. Section 490.203(a), Government Code, is amended
21 to read as follows:

22 (a) An entity receiving funding or another incentive under
23 this subchapter shall guarantee by contract with the committee
24 [~~governor's office~~] that the entity will perform specific actions
25 that are expected to provide benefits to this state.

26 SECTION 19. Section 490.257(b), Government Code, is amended
27 to read as follows:

1 (b) The committee [~~governor~~], with the express written
2 prior approval of the lieutenant governor and the speaker of the
3 house of representatives, may terminate funding to an institution
4 if the institution fails to realize a benefit specified in the
5 contract before a time specified in the contract, as determined by a
6 periodic program review conducted by the committee.

7 SECTION 20. Section 490.302, Government Code, is amended to
8 read as follows:

9 Sec. 490.302. USE OF MONEY FOR CLEAN COAL PROJECT.

10 (a) Notwithstanding Section 490.102, the committee [~~governor~~] may
11 allocate money appropriated to the fund by the legislature to
12 provide matching money for a clean coal project as described by
13 Section 2305.037 if the committee [~~governor~~] has the express
14 written prior approval of the lieutenant governor and the speaker
15 of the house of representatives to do so.

16 (b) The committee [~~governor~~] may allocate proceeds
17 deposited in the fund as provided by an agreement described by
18 Section 490.103 to provide matching money for a clean coal project
19 as described by Section 2305.037 if the committee [~~governor~~] has
20 the express written prior approval of the lieutenant governor and
21 the speaker of the house of representatives to do so.

22 SECTION 21. Section 1372.031(b), Government Code, is
23 amended to read as follows:

24 (b) Until August 1 of the program year, within the category
25 described by Section 1372.022(a)(6), the board shall grant priority
26 to the Texas Economic Development Bank for projects that the Texas
27 Economic Development and Tourism Office determines meet the Texas

1 Enterprise Fund Oversight Committee's [~~governor's~~] criteria for
2 funding from the Texas Enterprise Fund. Notwithstanding the
3 priority, the Texas Economic Development Bank may not receive an
4 amount greater than one-sixth of the portion of the state ceiling
5 available under Section 1372.022(a)(6) on January 1 of the program
6 year.

7 SECTION 22. Section 1372.063, Government Code, is amended
8 to read as follows:

9 Sec. 1372.063. PRIORITY 1 CARRYFORWARD CLASSIFICATION. The
10 priority 1 carryforward classification applies to:

- 11 (1) an issuer of a state-voted issue; and
12 (2) a state agency, other than an issuer of a
13 state-voted issue, that applies for a carryforward designation for
14 a project that:

- 15 (A) is described by Section 1372.067(a)(2); and
16 (B) the Texas Economic Development and Tourism
17 Office determines meets the Texas Enterprise Fund Oversight
18 Committee's [~~governor's~~] criteria for funding from the Texas
19 Enterprise Fund.

20 SECTION 23. Section 204.123(a), Labor Code, is amended to
21 read as follows:

22 (a) If, on September 1 of a year, the commission determines
23 that the amount in the compensation fund will exceed 100 percent of
24 its floor as computed under Section 204.061 on the next October 1
25 computation date, the commission shall transfer from the holding
26 fund created under Section 204.122:

- 27 (1) from the first \$160 million deposited in the

1 holding fund in any state fiscal biennium:

2 (A) during the state fiscal biennium ending
3 August 31, 2007:

4 (i) 67 percent to the Texas Enterprise Fund
5 created under Chapter 490F [~~Section 481.078~~], Government Code,
6 except that the amount transferred under this paragraph may not
7 exceed the amount appropriated by the legislature to the Texas
8 Enterprise Fund in that biennium; and

9 (ii) 33 percent to the skills development
10 fund created under Section 303.003, except that the amount
11 transferred under this paragraph may not exceed the amount
12 appropriated by the legislature to the skills development program
13 strategies and activities in that biennium; and

14 (B) during any state fiscal biennium beginning on
15 or after September 1, 2007:

16 (i) 75 percent to the Texas Enterprise Fund
17 created under Chapter 490F [~~Section 481.078~~], Government Code,
18 except that the amount transferred under this paragraph may not
19 exceed the amount appropriated by the legislature to the Texas
20 Enterprise Fund in that biennium; and

21 (ii) 25 percent to the skills development
22 fund created under Section 303.003, except that the amount
23 transferred under this paragraph may not exceed the amount
24 appropriated by the legislature to the skills development program
25 strategies and activities in that biennium; and

26 (2) any remaining amount in the holding fund after the
27 distribution under Subdivision (1) to the training stabilization

1 fund created under Section 302.101.

2 SECTION 24. Section 303.005(a), Labor Code, is amended to
3 read as follows:

4 (a) An employer may not apply both to a public community or
5 technical college for customized training and assessment from the
6 college through a grant issued to the college under the skills
7 development fund program established under this chapter and for a
8 grant under the Texas Enterprise Fund program established under
9 Chapter 490F [~~Subchapter E, Chapter 481~~], Government Code, unless
10 the employer and the college file an application for concurrent
11 participation in both programs that complies with any rules adopted
12 by the Texas Workforce Commission on concurrent participation.

13 SECTION 25. Sections 490.052, 490.151(b), 490.201(b), and
14 490.253(b), Government Code, are repealed.

15 SECTION 26. Not later than October 1, 2011, the members of
16 the Texas Enterprise Fund Oversight Committee established under
17 Subchapter B, Chapter 490F, Government Code, as added by this Act,
18 shall be appointed in a manner that complies with that subchapter,
19 as added by this Act.

20 SECTION 27. (a) The terms of the members of the Texas
21 Emerging Technology Advisory Committee serving on the effective
22 date of this Act expire October 1, 2011.

23 (b) Not later than October 1, 2011, the members of the Texas
24 Emerging Technology Oversight Committee established under
25 Subchapter B, Chapter 490, Government Code, as amended by this Act,
26 shall be appointed in a manner that complies with that subchapter,
27 as amended by this Act.

1 SECTION 28. This Act takes effect September 1, 2011.