

SENATE AMENDMENTS

2nd Printing

By: J. Davis of Harris, Reynolds

H.B. No. 2457

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the amendment of Texas Enterprise Fund grant
3 agreements.

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

5 SECTION 1. Section 481.078, Government Code, is amended by
6 adding Subsection (h-1) to read as follows:

7 (h-1) At least 14 days before the date the governor intends
8 to amend a grant agreement, the governor shall notify and provide a
9 copy of the proposed amendment to the speaker of the house of
10 representatives, the lieutenant governor, and the presiding
11 officers of the standing committees of both houses of the
12 legislature with primary jurisdiction over economic development.

13 SECTION 2. This Act takes effect September 1, 2011.

ADOPTED

MAY 16 2011

Atty. Gen.
Secretary of the Senate

By: Jackson

H.B. No. 2457

Substitute the following for H.B. No. 2457:

By: Jackson

C.S. H.B. No. 2457

A BILL TO BE ENTITLED

1

AN ACT

2 relating to the Texas Enterprise Fund and the Texas emerging
3 technology fund.

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

5 SECTION 1. Section 481.078, Government Code, is amended by
6 amending Subsection (e) and adding Subsections (f-1) and (h-1) to
7 read as follows:

8 (e) The administration of the fund is considered to be a
9 trusted program within the office of the governor. The governor
10 may negotiate on behalf of the state regarding awarding, by grant,
11 money appropriated from the fund. The governor may award money
12 appropriated from the fund only with the [~~express written~~] prior
13 approval of the lieutenant governor and speaker of the house of
14 representatives. For purposes of this subsection, an award of
15 money appropriated from the fund is considered disapproved by the
16 lieutenant governor or speaker of the house of representatives if
17 that officer does not approve the proposal to award the grant before
18 the 91st day after the date of receipt of the proposal from the
19 governor. The lieutenant governor or the speaker of the house of
20 representatives may extend the review deadline applicable to that
21 officer for an additional 14 days by submitting a written notice to
22 that effect to the governor before the expiration of the initial
23 review period.

24 (f-1) A grant agreement must contain a provision:

1 (1) requiring the creation of a minimum number of jobs
2 in this state; and

3 (2) specifying the date by which the recipient intends
4 to create those jobs.

5 (h-1) At least 14 days before the date the governor intends
6 to amend a grant agreement, the governor shall notify and provide a
7 copy of the proposed amendment to the speaker of the house of
8 representatives, the lieutenant governor, and the presiding
9 officers of the standing committees of both houses of the
10 legislature with primary jurisdiction over economic development.

11 SECTION 2. Section 490.001(4), Government Code, is amended
12 to read as follows:

13 (4) "Award" means:

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

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

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

19 (D) other forms of contribution or investment as
20 recommended by the committee and approved by the governor,
21 lieutenant governor, and speaker of the house of representatives.

22 SECTION 3. Sections 490.005(a) and (b), Government Code,
23 are amended to read as follows:

24 (a) Not later than January 1 of each year, the governor
25 shall submit to the lieutenant governor, the speaker of the house of
26 representatives, and the standing committee of each house of the
27 legislature with primary jurisdiction over economic development

1 matters and post on the office of the governor's Internet website a
2 report that includes the following information regarding awards
3 made under the fund during each [~~for the~~] preceding [~~three~~] state
4 fiscal year [~~years~~]:

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

6 (2) the number and amount of awards made under
7 Subchapters D, E, [~~and~~] F, and J;

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

12 (4) the name of each award recipient and the amount of
13 the award made to the recipient; and

14 (5) a brief description of the equity position that
15 the governor, on behalf of the state, may take in companies
16 receiving awards and the names of the companies in which the state
17 has taken an equity position.

18 (b) The annual report must also contain:

19 (1) the total number of jobs actually created by each
20 project receiving funding under this chapter;

21 (2) an analysis of the number of jobs actually created
22 by each project receiving funding under this chapter; and

23 (3) a brief description regarding:

24 (A) the methodology used to determine the
25 information provided under Subdivisions (1) and (2), which may be
26 developed in consultation with the comptroller's and state
27 auditor's offices;

1 (B) [~~(1)~~] the intended outcomes of projects
2 funded under Subchapter D during the preceding two state fiscal
3 years; and

4 (C) [~~(2)~~] the actual outcomes of all projects
5 funded under Subchapter D during the fund's existence, including
6 any financial impact on the state resulting from a liquidity event
7 involving a company whose project was funded under that subchapter.

8 SECTION 4. Subchapter A, Chapter 490, Government Code, is
9 amended by adding Section 490.006 to read as follows:

10 Sec. 490.006. VALUATION OF INVESTMENTS; INCLUSION IN ANNUAL
11 REPORT. The office of the governor shall annually perform a
12 valuation of the equity positions taken by the governor, on behalf
13 of the state, in companies receiving awards under the fund and of
14 other investments made by the governor, on behalf of the state, in
15 connection with an award under the fund. The valuation must:

16 (1) be based on a methodology that:

17 (A) may be developed in consultation with the
18 comptroller's and state auditor's offices; and

19 (B) is consistent with generally accepted
20 accounting principles; and

21 (2) be included with the annual report required under
22 Section 490.005.

23 SECTION 5. The heading to Section 490.052, Government Code,
24 is amended to read as follows:

25 Sec. 490.052. APPOINTMENT TO COMMITTEE [~~BY GOVERNOR~~];
26 NOMINATIONS.

27 SECTION 6. Section 490.052, Government Code, is amended by

1 amending Subsection (a) and adding Subsections (a-1) and (a-2) to
2 read as follows:

3 (a) The governor shall appoint to the committee 13
4 individuals nominated as provided by Subsection (b).

5 (a-1) The lieutenant governor shall appoint two senators to
6 the committee.

7 (a-2) The speaker of the house of representatives shall
8 appoint two members of the house of representatives to the
9 committee.

10 SECTION 7. Subchapter B, Chapter 490, Government Code, is
11 amended by adding Section 490.0521 to read as follows:

12 Sec. 490.0521. FINANCIAL STATEMENT REQUIRED. Each member
13 of the committee shall file with the office of the governor a
14 verified financial statement complying with Sections 572.022
15 through 572.0252 as is required of a state officer by Section
16 572.021.

17 SECTION 8. Section 490.054, Government Code, is amended to
18 read as follows:

19 Sec. 490.054. TERMS. (a) Members of the committee
20 appointed by the governor serve staggered two-year terms, subject
21 to the pleasure of the governor.

22 (b) Members of the committee appointed by the lieutenant
23 governor or the speaker of the house of representatives serve
24 two-year terms.

25 SECTION 9. Section 490.056, Government Code, is amended by
26 adding Subsections (c), (d), and (e) to read as follows:

27 (c) Each entity recommended by the committee for an award of

1 money from the fund as provided by this chapter shall obtain and
2 provide the following information to the office of the governor:

3 (1) a federal criminal history background check for
4 each principal of the entity;

5 (2) a state criminal history background check for each
6 principal of the entity;

7 (3) a credit check for each principal of the entity;

8 (4) a copy of a government-issued form of photo
9 identification for each principal of the entity; and

10 (5) information regarding whether the entity or a
11 principal of the entity has ever been subject to a sanction imposed
12 by the Securities and Exchange Commission for a violation of
13 applicable federal law.

14 (d) For purposes of Subsection (c), "principal" means:

15 (1) an officer of an entity; or

16 (2) a person who has at least a 10 percent ownership
17 interest in an entity.

18 (e) With each proposal to award funding submitted by the
19 governor to the lieutenant governor and speaker of the house of
20 representatives for purposes of obtaining prior approval, the
21 governor shall provide each officer with a copy of the information
22 provided by the appropriate entity under Subsection (c).

23 SECTION 10. Section 490.057, Government Code, is amended to
24 read as follows:

25 Sec. 490.057. CONFIDENTIALITY. (a) Except as provided by
26 Subsection (b), information [~~Information~~] collected by the
27 governor's office, the committee, or the committee's advisory

1 panels concerning the identity, background, finance, marketing
2 plans, trade secrets, or other commercially or academically
3 sensitive information of an individual or entity being considered
4 for, receiving, or having received an award from the fund is
5 confidential unless the individual or entity consents to disclosure
6 of the information.

7 (b) The following information collected by the governor's
8 office, the committee, or the committee's advisory panels under
9 this chapter is public information and may be disclosed under
10 Chapter 552:

11 (1) the name and address of an individual or entity
12 being considered for, receiving, or having received an award from
13 the fund;

14 (2) the amount of funding:

15 (A) applied for by an individual or entity being
16 considered for an award; or

17 (B) received by an award recipient;

18 (3) a brief description of the project that is the
19 subject of an application for funding or that is funded under this
20 chapter;

21 (4) if applicable, a brief description of the equity
22 position that the governor, on behalf of the state, has taken in an
23 entity that has received an award from the fund; and

24 (5) any other information designated by the committee
25 with the consent of:

26 (A) the individual or entity being considered
27 for, receiving, or having received an award from the fund, as

1 applicable;

2 (B) the governor;

3 (C) the lieutenant governor; and

4 (D) the speaker of the house of representatives.

5 SECTION 11. Section 490.101, Government Code, is amended by
6 amending Subsection (f) and adding Subsection (f-1) to read as
7 follows:

8 (f) The administration of the fund is considered to be a
9 trusted program within the office of the governor. The governor
10 may negotiate on behalf of the state regarding awards from the
11 fund. The governor may award money appropriated from the fund only
12 with the [~~express written~~] prior approval of the lieutenant
13 governor and speaker of the house of representatives.

14 (f-1) For purposes of Subsection (f), an award of money
15 appropriated from the fund is considered disapproved by the
16 lieutenant governor or speaker of the house of representatives if
17 that officer does not approve the proposal to award funding before
18 the 91st day after the date of receipt of the proposal from the
19 governor. The lieutenant governor or the speaker of the house of
20 representatives may extend the review deadline applicable to that
21 officer for an additional 14 days by submitting a written notice to
22 that effect to the governor before the expiration of the initial
23 review period.

24 SECTION 12. Section 490.102, Government Code, is amended by
25 amending Subsection (a) and adding Subsection (c) to read as
26 follows:

27 (a) Subject to Subsection (c), money [~~Money~~] appropriated

1 to the fund by the legislature, less amounts necessary to
2 administer the fund under Section 490.055, shall be allocated as
3 follows:

4 (1) 50 percent of the money for incentives for
5 collaboration between certain entities as provided by Subchapter D;

6 (2) 16.67 percent of the money for research award
7 matching as provided by Subchapter E; and

8 (3) 33.33 percent of the money for acquisition of
9 research superiority as provided by Subchapter F.

10 (c) Each state fiscal biennium, \$2 million deposited to the
11 fund must be allocated for making awards under this chapter to
12 companies that generate \$250,000 or less in annual gross revenue.

13 SECTION 13. Subchapter D, Chapter 490, Government Code, is
14 amended by adding Section 490.1521 to read as follows:

15 Sec. 490.1521. MINUTES OF CERTAIN MEETINGS. (a) Each
16 regional center of innovation and commercialization established
17 under Section 490.152, including the Texas Life Science Center for
18 Innovation and Commercialization, shall keep minutes of each
19 meeting at which applications for funding under this subchapter are
20 evaluated. The minutes must:

21 (1) include the name of each applicant recommended by
22 the regional center of innovation and commercialization to the
23 committee for funding; and

24 (2) indicate the vote of each member of the governing
25 body of the regional center of innovation and commercialization,
26 including any recusal by a member and the member's reason for
27 recusal, with regard to each application reviewed.

1 (b) Each regional center of innovation and
2 commercialization shall retain a copy of the minutes of each
3 meeting to which this section applies for at least three years.

4 SECTION 14. Chapter 490, Government Code, is amended by
5 adding Subchapter J to read as follows:

6 SUBCHAPTER J. STRATEGIC RESEARCH INITIATIVE PROGRAMS

7 Sec. 490.451. USE OF MONEY FOR STRATEGIC RESEARCH
8 INITIATIVE PROGRAMS. (a) Notwithstanding Section 490.102, the
9 governor may allocate money appropriated to the fund by the
10 legislature to provide grants to public or private institutions of
11 higher education in this state for the creation of strategic
12 research initiative programs as provided by this subchapter.

13 (b) The committee shall recommend proposals eligible for
14 funding under this section to the governor, lieutenant governor,
15 and speaker of the house of representatives.

16 (c) The amount allocated for funding proposals under this
17 subchapter may not exceed \$2 million in any state fiscal biennium.

18 Sec. 490.452. PURPOSE. In recommending proposals for
19 funding, the committee shall give specific emphasis to programs
20 designed to provide financial assistance to enable professors,
21 researchers, and other employees of public or private institutions
22 of higher education to obtain an increased amount of federal grant
23 money for research in this state.

24 Sec. 490.453. PRIORITY FOR FUNDING. In funding proposals
25 under this subchapter, priority shall be given to proposals that
26 strengthen this state's competitiveness in obtaining federal grant
27 money for research by:

1 (1) creating programs designed for and intended to
2 achieve this purpose;

3 (2) funding travel for professors, researchers, and
4 other employees of public or private institutions of higher
5 education in this state; and

6 (3) allowing public or private institutions of higher
7 education in this state to engage in innovative efforts to achieve
8 this purpose.

9 Sec. 490.454. GUARANTEE OF ACTION BY PARTICIPATING ENTITY.

10 (a) An institution of higher education participating in a
11 strategic research initiative program that receives funding under
12 this subchapter shall guarantee by contract with the governor's
13 office that the institution will perform specific actions expected
14 to provide benefits to this state.

15 (b) If an institution of higher education fails to perform
16 an action guaranteed by contract under Subsection (a) before a time
17 specified by the contract, the institution shall return to the fund
18 the grant money received by the institution under this subchapter.

19 Sec. 490.455. AUTHORIZED EXPENSES. Money awarded from the
20 fund under this subchapter may be used for authorized expenses,
21 including salaries and benefits, travel, consumable supplies,
22 other operating expenses, capital equipment, construction or
23 renovation of state or private facilities, and workforce training.

24 SECTION 15. Section 203.021, Labor Code, is amended by
25 adding Subsection (e) to read as follows:

26 (e) Money in the compensation fund may not be transferred to
27 the:

1 (1) Texas Enterprise Fund created under Section
2 481.078, Government Code; or

3 (2) Texas emerging technology fund established under
4 Section 490.101, Government Code.

5 SECTION 16. Section 204.123, Labor Code, is amended to read
6 as follows:

7 Sec. 204.123. TRANSFER TO [~~TEXAS ENTERPRISE FUND,~~] SKILLS
8 DEVELOPMENT FUND, TRAINING STABILIZATION FUND, AND COMPENSATION
9 FUND. (a) If, on September 1 of a year, the commission determines
10 that the amount in the compensation fund will exceed 100 percent of
11 its floor as computed under Section 204.061 on the next October 1
12 computation date, the commission shall transfer from the holding
13 fund created under Section 204.122:

14 (1) [~~from the first \$160 million deposited in the~~
15 ~~holding fund in any state fiscal biennium;~~

16 [~~(A) during the state fiscal biennium ending~~
17 ~~August 31, 2007;~~

18 [~~(i) 67 percent to the Texas Enterprise~~
19 ~~Fund created under Section 481.078, Government Code, except that~~
20 ~~the amount transferred under this paragraph may not exceed the~~
21 ~~amount appropriated by the legislature to the Texas Enterprise Fund~~
22 ~~in that biennium; and~~

23 [~~(ii) 33 percent to the skills development~~
24 ~~fund created under Section 303.003, except that the amount~~
25 ~~transferred under this paragraph may not exceed the amount~~
26 ~~appropriated by the legislature to the skills development program~~
27 ~~strategies and activities in that biennium; and~~

1 ~~[(B)]~~ during any state fiscal biennium beginning
2 on or after September 1, 2007, 100 [+

3 ~~[(i) 75 percent to the Texas Enterprise~~
4 ~~Fund created under Section 481.078, Government Code, except that~~
5 ~~the amount transferred under this paragraph may not exceed the~~
6 ~~amount appropriated by the legislature to the Texas Enterprise Fund~~
7 ~~in that biennium, and~~

8 ~~[(ii) 25]~~ percent to the skills development
9 fund created under Section 303.003, except that the amount
10 transferred under this subdivision ~~[paragraph]~~ may not exceed the
11 amount appropriated by the legislature to the skills development
12 program strategies and activities in that biennium; and

13 (2) any remaining amount in the holding fund after the
14 distribution under Subdivision (1) to the training stabilization
15 fund created under Section 302.101.

16 (b) If, on September 1 of a year, the commission determines
17 that the amount in the compensation fund will be at or below 100
18 percent of its floor as computed under Section 204.061 on the next
19 October 1 computation date, the commission shall transfer to the
20 compensation fund as much of the amount in the holding fund as is
21 necessary to raise the amount in the compensation fund to 100
22 percent of its floor, up to and including the entire amount in the
23 holding fund. The commission shall transfer any remaining balance
24 in the holding fund to the ~~[Texas Enterprise Fund, the]~~ skills
25 development fund~~[,]~~ and the training stabilization fund in the
26 manner ~~[in the percentages]~~ prescribed by Subsection (a).

27 SECTION 17. Sections 302.101(b) and (c), Labor Code, are

1 amended to read as follows:

2 (b) Money in the training stabilization fund may be used in
3 a year in which the amounts in the employment and training
4 investment holding fund are insufficient to meet the legislative
5 appropriation for that fiscal year for ~~[either the Texas Enterprise~~
6 ~~Fund or]~~ the skills development program strategies and activities.

7 (c) Money in the training stabilization fund shall be
8 transferred to the ~~[Texas Enterprise Fund and the]~~ skills
9 development fund under Subsection (b) not later than September
10 30. ~~[The transfer under Subsection (b) shall consist of~~
11 ~~transferring 67 percent of the money in the training stabilization~~
12 ~~fund to the Texas Enterprise Fund and 33 percent of the money in the~~
13 ~~training stabilization fund to the skills development fund.]~~ The
14 amount transferred from the training stabilization fund may not
15 exceed the amounts appropriated to the ~~[Texas Enterprise Fund and]~~
16 skills development program strategies and activities in the fiscal
17 year in which the transfer is made.

18 SECTION 18. Sections 481.078(e) and 490.101(f), Government
19 Code, as amended by this Act, and Section 490.101(f-1), Government
20 Code, as added by this Act, apply only to a proposal for an award
21 from the Texas Enterprise Fund or Texas emerging technology fund
22 submitted by the governor to the lieutenant governor or speaker of
23 the house of representatives for prior approval on or after the
24 effective date of this Act. A proposal submitted by the governor
25 for prior approval before the effective date of this Act is governed
26 by the law in effect on the date the proposal was submitted for that
27 approval, and the former law is continued in effect for that

1 purpose.

2 SECTION 19. Section 481.078(f-1), Government Code, as added
3 by this Act, applies only to a grant agreement that is entered into
4 on or after the effective date of this Act. A grant agreement that
5 is entered into before the effective date of this Act is governed by
6 the law in effect on the date the agreement was entered into, and
7 the former law is continued in effect for that purpose.

8 SECTION 20. (a) The terms of the members of the Texas
9 Emerging Technology Advisory Committee serving immediately before
10 the effective date of this Act expire September 1, 2011.

11 (b) As soon as practicable after this Act takes effect, the
12 governor, lieutenant governor, and speaker of the house of
13 representatives shall appoint members to the Texas Emerging
14 Technology Advisory Committee established under Subchapter B,
15 Chapter 490, Government Code, in a manner that complies with that
16 subchapter, as amended by this Act.

17 (c) At the first meeting of members of the Texas Emerging
18 Technology Advisory Committee established under Subchapter B,
19 Chapter 490, Government Code, as amended by this Act, occurring on
20 or after September 1, 2011, the members appointed by the governor
21 shall draw lots to determine which six members will serve a term
22 expiring September 1, 2012, and which seven members will serve a
23 term expiring September 1, 2013.

24 SECTION 21. Section 490.102, Government Code, as amended by
25 this Act, applies only to an award from the Texas emerging
26 technology fund that is made on or after the effective date of this
27 Act. An award from the Texas emerging technology fund made before

1 the effective date of this Act is governed by the law in effect on
2 the date the award was made, and the former law is continued in
3 effect for that purpose.

4 SECTION 22. This Act takes effect September 1, 2011.

ADOPTED

MAY 16 2011


Secretary of the Senate



FLOOR AMENDMENT NO. 1

BY: _____

Amend C.S.H.B. No. 2457 (Senate committee printing) as follows:

(1) In the recital to SECTION 1 of the bill (page 1, line 15), strike "amending Subsection (e) and adding Subsections (f-1) and (h-1)" and substitute "amending Subsections (c) and (e) and adding Subsections (d-1), (f-1), and (h-1)".

(2) In SECTION 1 of the bill, in amended Section 481.078, Government Code (page 1, between lines 16 and 17), insert the following:

(c) Except as provided by Subsections [~~Subsection~~] (d), (d-1), the fund may be used only for economic development, infrastructure development, community development, job training programs, and business incentives.

(d-1) The fund may be used for the Texas homeless housing and services program administered by the Texas Department of Housing and Community Affairs. Subsections (e-1), (f), (f-1), (g), (h), (i), and (j) and Section 481.080 do not apply to a grant awarded for a purpose specified by this subsection.

(d-2) The fund may be used for the Jobs and Education for Texans Fund established under Chapter 403. Subsections (e-1), (f), (f-1), (g), (h), (i), and (j) and Section 481.080 do not apply to a grant awarded for a purpose specified by this subsection.

(3) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 481.079, Government Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) For grants awarded for a purpose specified by Section

481.078(d-1), the report must include only the amount and purpose of each grant.

ADOPTED

MAY 16 2011

FLOOR AMENDMENT NO. 2

Antony Lewis
Secretary of the Senate

BY:

Wendy R Davis

Amend H.B. No. 2457 (Senate committee printing) as follows:

(1) In the recital to SECTION 1 of the bill (page 1, line 15), strike "amending Subsection (e) and adding Subsections (f-1) and (h-1)" and substitute "amending Subsections (e) and (j) and adding Subsections (f-1), (f-2), and (h-1)".

(2) In SECTION 1 of the bill, following added Section 481.078(f-1), Government Code (page 1, between lines 37 and 38), insert the following:

(f-2) A grant agreement must contain a provision providing that if the recipient does not meet job creation performance targets as of the dates specified in the agreement, the recipient shall repay the grant in accordance with Subsection (j).

(3) In SECTION 1 of the bill, following added Section 481.078(h-1), Government Code (page 1, between lines 43 and 44), insert the following:

(j) Repayment of a grant under Subsection (f)(1)(A) shall [~~may~~] be prorated to reflect a partial attainment of job creation performance targets, and may be prorated for a partial attainment of other performance targets.

(4) In SECTION 19 of the bill (page 6, lines 47 and 48), strike "Section 480.078(f-1), Government Code, as added by this Act, applies" and substitute "Subsection (j), Section 481.078, Government Code, as amended by this Act, and Subsections (f-1) and (f-2), Section 481.078, Government Code, as added by this Act, apply".

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 17, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

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

IN RE: HB2457 by Davis, John (Relating to the Texas Enterprise Fund and the Texas emerging technology fund.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

This bill would amend the Government Code regarding the General Revenue-Dedicated Texas Enterprise Fund Account No. 5107 and the General Revenue-Dedicated Emerging Technology Fund Account No. 5124 provides terms and conditions under which grants and awards from the Accounts are considered disapproved by the Lieutenant Governor or the Speaker of the House. In addition, the bill expands the use of the Texas Enterprise Fund and allows that funding to be used for Texas homeless housing and services program administered by the Texas Department of Housing and Community Affairs and for the Jobs and Education for Texans (JET) program.

The bill would also amend statute and require an annual report regarding awards made under the accounts and provide for the valuation of investments and reporting to require the Governor to annually determine the value of the equity position taken by the Governor in companies receiving awards using a methodology developed in consultation with the Comptroller and State Auditor's Office and consistent with generally accepted accounting practices. The bill would require certain information from an entity recommended for an award and provide for the disclosure of certain information for entities considered for, receiving or having received, an award from the account. In addition, the bill would amend provisions regarding members of the Texas Emerging Technology Advisory Committee. The bill would add new Subchapter J to allow the Governor to allocate money appropriated to the General Revenue-Dedicated Emerging Technology Fund Account No. 5124 as grants to public or private institutions of higher education for strategic research initiative programs.

The bill would amend the Labor Code regarding transfer of money from the Unemployment Compensation Fund and prohibit the transfer of any amounts to the General Revenue-Dedicated Texas Enterprise Fund Account No. 5107 and would direct 100 percent of the amount as computed under Section to 204.061 of the labor Code to the Skills Development Fund.

It is anticipated that any additional costs associated with implementation of the legislation could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor, 320 Texas Workforce Commission

LBB Staff: JOB, AG, JM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 10, 2011

TO: Honorable Mike Jackson, Chair, Senate Committee on Economic Development

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

IN RE: HB2457 by Davis, John (Relating to the Texas Enterprise Fund and the Texas emerging technology fund.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

This bill would amend the Government Code regarding the General Revenue-Dedicated Texas Enterprise Fund Account No. 5107 and the General Revenue-Dedicated Emerging Technology Fund Account No. 5124 and provides terms and conditions under which grants and awards from the Accounts are considered disapproved by the Lieutenant Governor or the Speaker of the House.

The bill would also amend statute and require an annual report regarding awards made under the accounts and provide for the valuation of investments and reporting to require the Governor to annually determine the value of the equity position taken by the Governor in companies receiving awards using a methodology developed in consultation with the Comptroller and State Auditor's Office and consistent with generally accepted accounting practices. The bill would require certain information from an entity recommended for an award and provide for the disclosure of certain information for entities considered for, receiving or having received, an award from the account. In addition, the bill would amend provisions regarding members of the Texas Emerging Technology Advisory Committee. The bill would add new Subchapter J to allow the Governor to allocate money appropriated to the General Revenue-Dedicated Emerging Technology Fund Account No. 5124 as grants to public or private institutions of higher education for strategic research initiative programs.

The bill would amend the Labor Code regarding transfer of money from the Unemployment Compensation Fund and prohibit the transfer of any amounts to the General Revenue-Dedicated Texas Enterprise Fund Account No. 5107 and would direct 100 percent of the amount as computed under Section to 204.061 of the labor Code to the Skills Development Fund.

It is anticipated that any additional costs associated with implementation of the legislation could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor, 320 Texas Workforce Commission

LBB Staff: JOB, AG, JM

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 3, 2011

TO: Honorable Mike Jackson, Chair, Senate Committee on Economic Development

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

IN RE: HB2457 by Davis, John (Relating to the amendment of Texas Enterprise Fund grant agreements.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code and require that at least 14 days before the date the Governor intends to amend a Texas Enterprise Fund grant agreement, the Governor shall notify and provide a copy of the proposed amendment to the Speaker of the House, Lieutenant Governor, and presiding officers of both houses of the legislature with primary jurisdiction over economic development. It is anticipated that any additional costs associated with implementation of the legislation could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor

LBB Staff: JOB, AG, JM

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 8, 2011

TO: Honorable John Davis, Chair, House Committee on Economic & Small Business
Development

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

IN RE: **HB2457** by Davis, John (Relating to the amendment of Texas Enterprise Fund grant agreements.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code and require that at least 14 days before the date the Governor intends to amend a Texas Enterprise Fund grant agreement, the Governor shall notify and provide a copy of the proposed amendment to the Speaker of the House, Lieutenant Governor, and presiding officers of both houses of the legislature with primary jurisdiction over economic development. It is anticipated that any additional costs associated with implementation of the legislation could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor

LBB Staff: JOB, AG, JM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 22, 2011

TO: Honorable John Davis, Chair, House Committee on Economic & Small Business
Development

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

IN RE: **HB2457** by Davis, John (Relating to the amendment of Texas Enterprise Fund grant agreements.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor

LBB Staff: JOB, AG, JM

