

BILL ANALYSIS

H.B. 468
By: Davis, John
Economic & Small Business Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Recent legislation established the Texas emerging technology fund with the stated purpose of expanding research and innovation within Texas through research grant matching, investment in early stage companies that are technology based, and research superiority acquisition awards. A few years later, legislation was passed with a goal of addressing concerns about the transparency of the fund to the public. It has been noted that the fund, in comparison to the many similar funds that have been created in other states, is widely considered the most transparent in the nation. However, interested parties maintain that the level of transparency may be problematic and even harmful to the state's investment.

Currently, the number of jobs created by a company receiving funds from the Texas emerging technology fund is required to be contained in the annual report associated with the fund, and there is concern that this requirement can give away crucial information as to the company's health to direct competitors. Additionally, expensive background checks are required for the principal of an entity receiving money from the Texas emerging technology fund. There are concerns that as companies pair with institutions of higher education, certain university personnel, such as university presidents, are repeatedly subjected to these costly background checks, a process that can be burdensome to the individual and to the state. Finally, specified information required to be provided by an individual or entity to receive funding from the Texas emerging technology fund is kept confidential, but this law does not cover an individual or business that is applying for an award from the fund.

H.B. 468 seeks to address these issues by revising the job creation reporting requirements, background checks, and information provided by an individual or business applying for funds.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 468 amends the Government Code to specify that the governor's annual report to the presiding officers and certain standing committees of the legislature regarding awards made under the Texas emerging technology fund must contain the aggregate total number of jobs actually created by all projects receiving funding, rather than the total number of jobs actually created by each such project.

H.B. 468 limits application of the requirement for entities recommended by the Texas Emerging Technology Advisory Committee for an award of money from the fund to obtain and provide certain information to the office of the governor to make that requirement of each entity recommended for an award from money reserved for commercialization incentives rather than of each entity recommended for an award from the fund generally. The bill specifies that a criminal history background check provided for a principal of such an entity remains in effect for five

years, regardless of the number of applications for funding submitted by the entity during that period.

H.B. 468 makes confidential, with a specified exception for certain public information, the information collected by the governor's office, the committee, or the committee's advisory panels concerning the identity, background, finance, marketing plans, trade secrets, or other commercially or academically sensitive information of an individual or entity applying for an award from the fund, unless the individual or entity consents to the disclosure of the information.

EFFECTIVE DATE

September 1, 2013.