

By: J. Davis of Harris, Button

H.B. No. 3162

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the Texas emerging technology fund; redesignating the
3 fund as the Texas Research Technology Fund.

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

5 SECTION 1. Sections 490.001(1), (2), and (4), Government
6 Code, are amended to read as follows:

7 (1) "Board" [~~"Committee"~~] means the Texas Research
8 [~~Emerging~~] Technology Fund Board [~~Advisory Committee~~].

9 (2) "Fund" means the Texas Research Technology Fund
10 [~~emerging technology fund~~].

11 (4) "Award" means:

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

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

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

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

20 SECTION 2. Section 490.003, Government Code, is amended to
21 read as follows:

22 Sec. 490.003. EMERGING TECHNOLOGY INDUSTRIES. (a) An
23 emerging technology industry participant may be [~~is~~] eligible for
24 funding under this chapter if the activity to be funded:

1 (1) will result in the creation of high-quality new
2 jobs in this state, immediately or over a longer period; ~~or~~

3 (2) has the potential to result in a medical or
4 scientific breakthrough or a breakthrough in the area of clean
5 energy; or

6 (3) will result in the commercialization of a
7 scientific breakthrough derived from research conducted at or owned
8 by a research institution.

9 (b) Emerging technology industries include industries
10 related to:

11 (1) semiconductors;

12 (2) information;

13 (3) computer and software technology;

14 (4) energy;

15 (5) manufactured energy systems;

16 (6) micro-electromechanical systems;

17 (7) nanotechnology;

18 (8) biotechnology;

19 (9) medicine;

20 (10) life sciences;

21 (11) petroleum refining and chemical processes;

22 (12) aerospace;

23 (13) defense; ~~and~~

24 (14) water; and

25 (15) other pursuits, as determined by the governor in
26 consultation with the lieutenant governor and the speaker of the
27 house of representatives.

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

3 (a) Not later than January 31 of each year, the governor
4 shall submit to the lieutenant governor, the speaker of the house of
5 representatives, and the standing committee of each house of the
6 legislature with primary jurisdiction over economic development
7 matters and post on the office of the governor's Internet website a
8 report that includes the following information regarding awards
9 made under the fund during each preceding state fiscal year:

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

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

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

17 (4) the name of each award recipient and the amount of
18 the award made to the recipient; ~~and~~

19 (5) a brief description of the equity position that
20 the governor, on behalf of the state, may take in companies
21 receiving awards and the names of the companies in which the state
22 has taken an equity position; and

23 (6) a description of the types of securities the
24 governor, on behalf of the state, has taken in companies that have
25 received an award.

26 (b) The annual report must also contain:

27 (1) the aggregate total number of jobs, broken down

1 according to the industry sectors described by Section 490.003(b),
2 actually created by all projects [~~each project~~] receiving funding
3 under this chapter;

4 (2) an analysis of the number of jobs, broken down
5 according to the industry sectors described by Section 490.003(b),
6 actually created by all projects [~~each project~~] receiving funding
7 under this chapter; [~~and~~]

8 (3) a brief description regarding:

9 (A) the methodology used to determine the
10 information provided under Subdivisions (1) and (2), which may be
11 developed in consultation with the comptroller's office;

12 (B) the intended outcomes of projects funded
13 under Subchapter D during each preceding state fiscal year; and

14 (C) the actual outcomes of all projects funded
15 under Subchapter D during each preceding state fiscal year,
16 including any financial impact on the state resulting from a
17 liquidity event involving a company whose project was funded under
18 that subchapter;

19 (4) the total number of jobs created by each project
20 receiving funds under this chapter, expressed;

21 (A) in increments of 10 jobs created by the
22 project; or

23 (B) as a number that is within five percent over
24 or under the total number of jobs created by the project; and

25 (5) the average annual salaries in the award
26 recipients' industries.

27 SECTION 4. The heading to Subchapter B, Chapter 490,

1 Government Code, is amended to read as follows:

2 SUBCHAPTER B. TEXAS RESEARCH [~~EMERGING~~] TECHNOLOGY FUND BOARD
3 [~~ADVISORY COMMITTEE~~]

4 SECTION 5. Section 490.051, Government Code, is amended to
5 read as follows:

6 Sec. 490.051. TEXAS RESEARCH TECHNOLOGY FUND BOARD
7 [~~COMPOSITION OF COMMITTEE~~]. (a) The Texas Research [~~Emerging~~]
8 Technology Fund Board is administratively attached to the office of
9 the governor. The governor's office shall provide staff and other
10 administrative support for the board.

11 (b) The board [~~Advisory Committee~~] is composed of 15 [~~17~~]
12 members.

13 SECTION 6. The heading to Section 490.052, Government Code,
14 is amended to read as follows:

15 Sec. 490.052. APPOINTMENT TO BOARD [~~COMMITTEE~~];
16 NOMINATIONS.

17 SECTION 7. Sections 490.052(a), (a-1), (a-2), and (b),
18 Government Code, are amended to read as follows:

19 (a) The governor shall appoint to the board five [~~committee~~]
20 ~~13~~] individuals nominated as provided by Subsection (b).

21 (a-1) The lieutenant governor shall appoint five [~~two~~]
22 individuals to the board [~~committee~~].

23 (a-2) The speaker of the house of representatives shall
24 appoint five [~~two~~] individuals to the board [~~committee~~].

25 (b) The following persons may nominate one or more
26 individuals who are industry leaders in this state or who are
27 nationally recognized leaders from public or private institutions

1 of higher education in this state for appointment to the board
2 [~~committee~~]:

3 (1) a president of a public or private institution of
4 higher education in this state;

5 (2) a representative of the governor's office involved
6 in economic development activities;

7 (3) a representative of the lieutenant governor's
8 office involved in economic development activities;

9 (4) a representative of the office of the speaker of
10 the house involved in economic development activities; and

11 (5) other persons considered appropriate by the
12 governor, lieutenant governor, or speaker of the house of
13 representatives.

14 SECTION 8. Section 490.0521(a), Government Code, is amended
15 to read as follows:

16 (a) Each member of the board [~~committee~~] shall file with the
17 office of the governor a verified financial statement complying
18 with Sections 572.022 through 572.0252 as is required of a state
19 officer by Section 572.0252.

20 SECTION 9. Subchapter B, Chapter 490, Government Code, is
21 amended by adding Section 490.0522 to read as follows:

22 Sec. 490.0522. COMPENSATION; EXPENSES. Members of the
23 board serve without compensation but are entitled to reimbursement
24 for actual and necessary expenses incurred in attending board
25 meetings or in performing other board duties approved by the office
26 of the governor.

27 SECTION 10. Section 490.053, Government Code, is amended to

1 read as follows:

2 Sec. 490.053. PRESIDING MEMBER. The governor shall appoint
3 a presiding member of the board [~~committee~~].

4 SECTION 11. Section 490.054(a), Government Code, is amended
5 to read as follows:

6 (a) Members of the board [~~committee appointed by the~~
7 ~~governor~~] serve staggered two-year terms, with as near as possible
8 to one-half of the members' terms expiring each year [~~subject to the~~
9 ~~pleasure of the governor~~].

10 SECTION 12. Section 490.055, Government Code, is amended to
11 read as follows:

12 Sec. 490.055. STAFF AND FUNDING. Necessary staff and
13 funding for the administration of the fund shall be provided by:

- 14 (1) the office of the governor; [~~and~~]
15 (2) gifts, grants, and donations for overhead expenses
16 to the office of the governor; and
17 (3) the fund as provided by Section 490.101.

18 SECTION 13. Section 490.056, Government Code, is amended by
19 amending Subsections (a) and (c) and adding Subsection (a-1) to
20 read as follows:

21 (a) The board [~~committee~~] shall make recommendations,
22 through peer review and evaluation processes established by the
23 board [~~committee~~], to the governor, lieutenant governor, and
24 speaker of the house of representatives for the award of money from
25 the fund under Subchapters E and F as provided by this chapter.

26 (a-1) Regional centers of innovation and commercialization
27 formed under Subchapter I shall make recommendations to the board

1 for the award of money from the fund under Subchapter D as provided
2 by this chapter.

3 (c) Each entity recommended by a regional center of
4 innovation and commercialization [~~the committee~~] for an award of
5 money from the fund under Subchapter D as provided by this chapter
6 shall obtain and provide the following information to the office of
7 the governor:

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

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

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

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

15 (5) information regarding whether the entity or a
16 principal of the entity has ever been subject to a sanction imposed
17 by the Securities and Exchange Commission for a violation of
18 applicable federal law.

19 SECTION 14. Section 490.057, Government Code, is amended to
20 read as follows:

21 Sec. 490.057. CONFIDENTIALITY. (a) Except as provided by
22 Subsection (b), information collected or received by the governor's
23 office, the board [~~committee~~], or the board's [~~committee's~~]
24 advisory panels concerning the [~~identity,~~] background, finances
25 [~~finance~~], marketing plans, trade secrets, or other commercially or
26 academically sensitive information of an individual or entity
27 having applied for, being considered for, receiving, or having

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

3 (b) The following information collected by the governor's
4 office, the board [~~committee~~], or the board's [~~committee's~~]
5 advisory panels under this chapter is public information and may be
6 disclosed under Chapter 552:

7 (1) the name and address of an individual or entity
8 receiving or having received an award from the fund;

9 (2) the amount of funding received by an award
10 recipient from the fund;

11 (3) a brief description of the project that is funded
12 under this chapter;

13 (4) if applicable, [~~a brief description of~~] the type
14 of equity [~~position~~] that the governor, on behalf of the state, has
15 taken in an entity that has received an award from the fund; [~~and~~]

16 (5) any other information [~~designated by the~~
17 ~~committee~~] with the consent of [~~+~~

18 [~~(A)~~] the individual or entity [~~receiving or~~
19 ~~having received an award from the fund, as applicable~~]; and

20 (6) any other information otherwise available to the
21 public

22 [~~(B) the governor,~~

23 [~~(C) the lieutenant governor, and~~

24 [~~(D) the speaker of the house of~~
25 ~~representatives~~].

26 SECTION 15. Subchapter B, Chapter 490, Government Code, is
27 amended by adding Sections 490.058, 490.059, and 490.060 to read as

1 follows:

2 Sec. 490.058. DIVISION OF RESPONSIBILITIES. The board
3 shall develop and implement policies that clearly separate the
4 policy-making responsibilities of the board and the management
5 responsibilities of the staff of the board.

6 Sec. 490.059. APPLICABILITY OF OPEN MEETINGS LAW. The
7 board is subject to Chapter 551.

8 Sec. 490.060. MEETINGS. (a) The board shall hold four
9 regular meetings each year and special meetings at the call of the
10 presiding member.

11 (b) Notwithstanding Chapter 551 or any other law, the board
12 may use a telephone conference call, videoconference, or other
13 similar telecommunication method in accordance with this section to
14 establish a quorum, to hold an open or closed meeting, to vote, or
15 for any other meeting purpose. This subsection applies without
16 regard to the subject matter discussed or considered by the board at
17 the meeting.

18 (c) A meeting held by telephone conference call,
19 videoconference, or other similar telecommunication method:

20 (1) is subject to the notice requirements applicable
21 to other board meetings;

22 (2) may not be held unless notice of the meeting
23 specifies the location where the public may observe the meeting;
24 and

25 (3) must be open and audible to the public at the
26 location specified in the notice under Subdivision (2) during the
27 open portions of the meeting.

1 (d) The board may conduct a closed meeting under Section
2 551.101 to:

3 (1) discuss or consider a matter that contains
4 information that is confidential under Section 490.057; or

5 (2) hear testimony or presentations from an
6 individual, entity, or group that contains information that is
7 confidential under Section 490.057.

8 (e) This section does not prohibit the board from requesting
9 the attendance at a closed meeting of a person who is not a member of
10 the board and who has information regarding an applicant for or
11 recipient of an award from the fund.

12 SECTION 16. The heading to Subchapter C, Chapter 490,
13 Government Code, is amended to read as follows:

14 SUBCHAPTER C. TEXAS RESEARCH [~~EMERGING~~] TECHNOLOGY FUND

15 SECTION 17. The heading to Section 490.101, Government
16 Code, is amended to read as follows:

17 Sec. 490.101. TEXAS RESEARCH [~~EMERGING~~] TECHNOLOGY FUND.

18 SECTION 18. Sections 490.101(a), (c), (d), (f), and (f-1),
19 Government Code, are amended to read as follows:

20 (a) The Texas Research Technology Fund [~~emerging technology~~
21 ~~fund~~] is a dedicated account in the general revenue fund.

22 (c) The fund may be used only [~~for~~]:

23 (1) for the purposes described by Section 490.002;
24 [~~and~~]

25 (2) for necessary staff, administration of the fund
26 including administration by the office of the governor, and
27 services and expenses related to the fund as provided for by Section

1 490.055; and

2 (3) to compensate the fund manager under Section
3 490.157.

4 (d) The board [~~committee~~] may solicit and accept gifts and
5 grants for the fund from public and private entities.

6 (f) The administration of the fund is considered to be a
7 trustee program within the office of the governor. The governor
8 may negotiate on behalf of the state regarding awards from the fund.
9 The governor may award money appropriated from the fund for awards
10 under Subchapters E and F only with the prior approval of the
11 lieutenant governor and speaker of the house of representatives.
12 The governor may award money appropriated from the fund for awards
13 under Subchapter D only with the prior approval of the board.

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

24 SECTION 19. Section 490.102(a), Government Code, is amended
25 to read as follows:

26 (a) Money appropriated to or otherwise deposited to the fund
27 under Section 490.101(b), including money retained in the fund from

1 a previous biennium [~~by the legislature~~], less amounts necessary to
2 administer the fund under Section 490.055, shall be allocated as
3 follows:

4 (1) 46 [~~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; and

10 (4) four percent of the money for regional centers of
11 innovation and commercialization as provided by Subchapter I.

12 SECTION 20. Section 490.151, Government Code, is amended by
13 adding Subsection (a-1) and amending Subsection (b) to read as
14 follows:

15 (a-1) The following private and nonprofit entities are
16 eligible for incentives under this subchapter:

17 (1) a private entity that is partially owned by an
18 institution of higher education and is seeking to commercialize
19 technology acquired from the partnering institution;

20 (2) a private entity that is a qualified spin-out, as
21 determined by the board, of an institution of higher education;

22 (3) a private entity seeking to commercialize
23 technology acquired from the Lyndon B. Johnson Space Center of the
24 National Aeronautics and Space Administration;

25 (4) a private or nonprofit entity partnering with a
26 research institution through a sponsored research agreement or
27 qualified collaborative agreement; or

1 (5) a private entity that has received an award under
2 this chapter and has received an equity investment commitment from
3 a qualified investor, as determined by the board, for
4 commercialization and growth purposes.

5 (b) The regional centers of innovation and
6 commercialization formed under Subchapter I [~~committee~~] shall
7 recommend proposals eligible for funding under this subchapter
8 [~~section~~] to the board [~~governor, lieutenant governor, and speaker~~
9 ~~of the house of representatives~~].

10 SECTION 21. Section 490.154(a), Government Code, is amended
11 to read as follows:

12 (a) An entity participating in a regional center of
13 innovation and commercialization formed under Subchapter I that
14 receives funding or another incentive under this subchapter shall
15 guarantee by contract with the governor's office that the entity
16 will perform specific actions expected to provide benefits to this
17 state.

18 SECTION 22. Subchapter D, Chapter 490, Government Code, is
19 amended by adding Section 490.157 to read as follows:

20 Sec. 490.157. FUND MANAGER. (a) The office shall employ or
21 contract with a fund manager, selected by the board as provided by
22 Subsection (b), to manage equity positions or other investments
23 received by the office of the governor in consideration for an award
24 made. The fund manager shall perform such duties, as determined by
25 the board, for the purpose of managing equity positions or other
26 investments made under this subchapter.

27 (b) The board has the sole authority to select, terminate

1 the employment of or contract with, and establish the compensation
2 of the fund manager. The fund manager shall report to the board.

3 SECTION 23. Chapter 490, Government Code, is amended by
4 adding Subchapter I, and a heading is added to that subchapter to
5 read as follows:

6 SUBCHAPTER I. REGIONAL CENTERS OF
7 INNOVATION AND COMMERCIALIZATION

8 SECTION 24. Sections 490.152 and 490.1521, Government Code,
9 are transferred to Subchapter I, Chapter 490, Government Code, as
10 added by this Act, redesignated as Sections 490.401 and 490.402,
11 Government Code, and amended to read as follows:

12 Sec. 490.401 [~~490.152~~]. USE OF MONEY FOR REGIONAL CENTERS
13 OF INNOVATION AND COMMERCIALIZATION. (a) Amounts allocated from
14 the fund for use as provided by this subchapter may be used by an
15 entity described by Section 490.151(a) or an [~~In recommending~~
16 ~~proposals for funding, the committee shall give specific emphasis~~
17 ~~to the formation of regional centers of innovation and~~
18 ~~commercialization.~~

19 [~~(b) An~~] appropriate combination of any entities described
20 by that subsection [~~Section 490.151(a) may collaborate~~] to form and
21 maintain a regional center of innovation and commercialization to
22 serve a region of this state.

23 (b) [~~(c)~~] A regional center of innovation and
24 commercialization shall provide for a specified region:

25 (1) research and development activities that may
26 include initiatives to prove the feasibility of an idea;

27 (2) commercialization of the results of research and

1 development;

2 (3) incubators for new businesses and expansion of
3 existing businesses related to research and development; and

4 (4) workforce training for businesses resulting from
5 research and development.

6 (c) [~~(d)~~] Subject to the availability of suitable partners
7 and resources, the board [~~committee~~] shall propose and initiate the
8 establishment of a regional center of innovation and
9 commercialization in:

10 (1) Harris County;

11 (2) Lubbock County;

12 (3) Bexar County;

13 (4) the Dallas-Fort Worth Metroplex;

14 (5) El Paso County;

15 (6) the Middle and Lower Rio Grande Valley; and

16 (7) other suitable locations as determined by the
17 governor in consultation with the lieutenant governor and the
18 speaker of the house of representatives.

19 Sec. 490.402 [~~490.1521~~]. MINUTES OF CERTAIN MEETINGS.

20 (a) Each regional center of innovation and commercialization
21 established under Section 490.401 [~~490.152, including the Texas
22 Life Science Center for Innovation and Commercialization,~~] shall
23 keep minutes of each meeting at which applications for funding
24 under Subchapter D [~~this subchapter~~] are evaluated. The minutes
25 must:

26 (1) include the name of each applicant recommended by
27 the regional center of innovation and commercialization to the

1 board [~~committee~~] for funding under Subchapter D; and

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

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

9 SECTION 25. Section 490.201(b), Government Code, is amended
10 to read as follows:

11 (b) The board [~~committee~~] shall recommend proposals
12 eligible for funding under this section to the governor, lieutenant
13 governor, and speaker of the house of representatives.

14 SECTION 26. Section 490.253, Government Code, is amended to
15 read as follows:

16 Sec. 490.253. PROPOSALS FOR FUNDING. (a) The board
17 [~~committee~~] shall review and consider proposals by research
18 institutions for:

19 (1) creating new research superiority;

20 (2) attracting existing research superiority from
21 institutions not located in this state and other research entities;
22 or

23 (3) enhancing existing research superiority by
24 attracting from outside this state additional researchers and
25 resources.

26 (b) The board [~~committee~~] shall recommend proposals
27 eligible for funding under Section 490.251 and proposals solicited

1 and identified under this section to the governor, lieutenant
2 governor, and speaker of the house of representatives.

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

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

11 SECTION 28. Section 50D.013(a), Agriculture Code, is
12 amended to read as follows:

13 (a) The policy council shall:

14 (1) provide a vision for unifying this state's
15 agricultural, energy, and research strengths in a successful launch
16 of a cellulosic biofuel and bioenergy industry;

17 (2) foster development of cellulosic-based and
18 bio-based fuels and build on the Texas Research Technology Fund's
19 [~~emerging technology fund's~~] investments in leading-edge energy
20 research and efforts to commercialize the production of bioenergy;

21 (3) pursue the creation of a next-generation biofuels
22 energy research program at a university in this state;

23 (4) work to procure federal and other funding to aid
24 this state in becoming a bioenergy leader;

25 (5) study the feasibility and economic development
26 effect of a blending requirement for biodiesel or cellulosic fuels;

27 (6) pursue the development and use of thermochemical

1 process technologies to produce alternative chemical feedstocks;

2 (7) study the feasibility and economic development of
3 the requirements for pipeline-quality, renewable natural gas; and

4 (8) perform other advisory duties as requested by the
5 commissioner regarding the responsible development of bioenergy
6 resources in this state.

7 SECTION 29. Section 203.021(e), Labor Code, is amended to
8 read as follows:

9 (e) Money in the compensation fund may not be transferred to
10 the:

11 (1) Texas Enterprise Fund created under Section
12 481.078, Government Code; or

13 (2) Texas Research Technology Fund [~~emerging~~
14 ~~technology fund~~] established under Section 490.101, Government
15 Code.

16 SECTION 30. Sections 490.054(b), 490.056(e), and
17 490.153(b), Government Code, are repealed.

18 SECTION 31. The terms of the members of the Texas Emerging
19 Technology Advisory Committee serving immediately before the
20 effective date of this Act expire September 1, 2013.

21 SECTION 32. (a) As soon as practicable after the effective
22 date of this Act:

23 (1) the governor, lieutenant governor, and speaker of
24 the house of representatives shall appoint members to the Texas
25 Research Technology Fund Board established under Subchapter B,
26 Chapter 490, Government Code, in a manner that complies with that
27 subchapter, as amended by this Act; and

1 (2) the governor shall appoint the initial presiding
2 member of the board.

3 (b) At the first meeting of members of the Texas Research
4 Technology Fund Board appointed under Subchapter B, Chapter 490,
5 Government Code, as amended by this Act, occurring on or after
6 September 1, 2013:

7 (1) the members appointed by the governor shall draw
8 lots to determine which three members will serve terms expiring
9 September 1, 2014, and which two members will serve terms expiring
10 September 1, 2015;

11 (2) the members appointed by the lieutenant governor
12 shall draw lots to determine which two members will serve terms
13 expiring September 1, 2014, and which three members will serve
14 terms expiring September 1, 2015; and

15 (3) the members appointed by the speaker of the house
16 of representatives shall draw lots to determine which two members
17 will serve terms expiring September 1, 2014, and which three
18 members will serve terms expiring September 1, 2015.

19 SECTION 33. This Act takes effect September 1, 2013.