

1-1 By: J. Davis of Harris, Button H.B. No. 3162
 1-2 (Senate Sponsor - Deuell)
 1-3 (In the Senate - Received from the House May 8, 2013;
 1-4 May 9, 2013, read first time and referred to Committee on Economic
 1-5 Development; May 16, 2013, reported adversely, with favorable
 1-6 Committee Substitute by the following vote: Yeas 5, Nays 0;
 1-7 May 16, 2013, sent to printer.)

1-8 COMMITTEE VOTE

| | Yea | Nay | Absent | PNV |
|------|-----|-----|--------|-----|
| 1-9 | | | | |
| 1-10 | X | | | |
| 1-11 | X | | | |
| 1-12 | | | X | |
| 1-13 | X | | | |
| 1-14 | X | | | |
| 1-15 | | | X | |
| 1-16 | X | | | |

1-17 COMMITTEE SUBSTITUTE FOR H.B. No. 3162 By: Deuell

1-18 A BILL TO BE ENTITLED
 1-19 AN ACT

1-20 relating to the Texas emerging technology fund; redesignating the
 1-21 fund as the Texas Research Technology Fund.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Sections 490.001(1), (2), and (4), Government
 1-24 Code, are amended to read as follows:

1-25 (1) "Board" [~~"Committee"~~] means the Texas Research
 1-26 [~~Emerging~~] Technology Fund Board [~~Advisory Committee~~].

1-27 (2) "Fund" means the Texas Research Technology Fund
 1-28 [~~emerging technology fund~~].

1-29 (4) "Award" means:

1-30 (A) for purposes of Subchapter D, an investment
 1-31 in the form of equity or a convertible note;

1-32 (B) for purposes of Subchapter E, an investment
 1-33 in the form of a debt instrument;

1-34 (C) for purposes of Subchapter F, a grant; or

1-35 (D) other forms of contribution or investment as
 1-36 recommended by the board [~~committee~~] and approved by the governor,
 1-37 lieutenant governor, and speaker of the house of representatives.

1-38 SECTION 2. Section 490.003, Government Code, is amended to
 1-39 read as follows:

1-40 Sec. 490.003. EMERGING TECHNOLOGY INDUSTRIES. (a) An
 1-41 emerging technology industry participant may be [~~is~~] eligible for
 1-42 funding under this chapter if the activity to be funded:

1-43 (1) will result in the creation of high-quality new
 1-44 jobs in this state, immediately or over a longer period; [~~or~~]

1-45 (2) has the potential to result in a medical or
 1-46 scientific breakthrough or a breakthrough in the area of clean
 1-47 energy; or

1-48 (3) will result in the commercialization of a
 1-49 scientific breakthrough derived from research conducted at or owned
 1-50 by a research institution.

1-51 (b) Emerging technology industries include industries
 1-52 related to:

1-53 (1) semiconductors;

1-54 (2) information;

1-55 (3) computer and software technology;

1-56 (4) energy;

1-57 (5) manufactured energy systems;

1-58 (6) micro-electromechanical systems;

1-59 (7) nanotechnology;

1-60 (8) biotechnology;

- 2-1 (9) medicine;
- 2-2 (10) life sciences;
- 2-3 (11) petroleum refining and chemical processes;
- 2-4 (12) aerospace;
- 2-5 (13) defense; ~~and~~
- 2-6 (14) water; and
- 2-7 (15) other pursuits, as determined by the governor in
- 2-8 consultation with the lieutenant governor and the speaker of the
- 2-9 house of representatives.

2-10 SECTION 3. Sections 490.005(a) and (b), Government Code,
2-11 are amended to read as follows:

2-12 (a) Not later than January 31 of each year, the governor
2-13 shall submit to the lieutenant governor, the speaker of the house of
2-14 representatives, and the standing committee of each house of the
2-15 legislature with primary jurisdiction over economic development
2-16 matters and post on the office of the governor's Internet website a
2-17 report that includes the following information regarding awards
2-18 made under the fund during each preceding state fiscal year:

2-19 (1) the total number and amount of awards made;
2-20 (2) the number and amount of awards made under
2-21 Subchapters D, E, and F;

2-22 (3) the aggregate total of private sector investment,
2-23 federal government funding, and contributions from other sources
2-24 obtained in connection with awards made under each of the
2-25 subchapters listed in Subdivision (2);

2-26 (4) the name of each award recipient and the amount of
2-27 the award made to the recipient; ~~and~~

2-28 (5) a brief description of the equity position that
2-29 the governor, on behalf of the state, may take in companies
2-30 receiving awards and the names of the companies in which the state
2-31 has taken an equity position; and

2-32 (6) a description of the types of securities the
2-33 governor, on behalf of the state, has taken in companies that have
2-34 received an award.

2-35 (b) The annual report must also contain:

2-36 (1) the aggregate total number of jobs, broken down
2-37 according to the industry sectors described by Section 490.003(b),
2-38 actually created by all projects ~~each project~~ receiving funding
2-39 under this chapter;

2-40 (2) an analysis of the number of jobs, broken down
2-41 according to the industry sectors described by Section 490.003(b),
2-42 actually created by all projects ~~each project~~ receiving funding
2-43 under this chapter; ~~and~~

2-44 (3) a brief description regarding:

2-45 (A) the methodology used to determine the
2-46 information provided under Subdivisions (1) and (2), which may be
2-47 developed in consultation with the comptroller's office;

2-48 (B) the intended outcomes of projects funded
2-49 under Subchapter D during each preceding state fiscal year; and

2-50 (C) the actual outcomes of all projects funded
2-51 under Subchapter D during each preceding state fiscal year,
2-52 including any financial impact on the state resulting from a
2-53 liquidity event involving a company whose project was funded under
2-54 that subchapter;

2-55 (4) the total number of jobs created by each project
2-56 receiving funds under this chapter, expressed;

2-57 (A) in increments of 10 jobs created by the
2-58 project; or

2-59 (B) as a number that is within five percent over
2-60 or under the total number of jobs created by the project; and

2-61 (5) the average annual salaries in the award
2-62 recipients' industries.

2-63 SECTION 4. The heading to Subchapter B, Chapter 490,
2-64 Government Code, is amended to read as follows:

2-65 SUBCHAPTER B. TEXAS RESEARCH ~~[EMERGING]~~ TECHNOLOGY FUND BOARD
2-66 ~~[ADVISORY COMMITTEE]~~

2-67 SECTION 5. Section 490.051, Government Code, is amended to
2-68 read as follows:

2-69 Sec. 490.051. TEXAS RESEARCH TECHNOLOGY FUND BOARD

3-1 ~~[COMPOSITION OF COMMITTEE].~~ (a) The Texas Research ~~[Emerging]~~
3-2 Technology Fund Board is administratively attached to the office of
3-3 the governor. The governor's office shall provide staff and other
3-4 administrative support for the board.

3-5 (b) The board ~~[Advisory Committee]~~ is composed of 17
3-6 members.

3-7 SECTION 6. The heading to Section 490.052, Government Code,
3-8 is amended to read as follows:

3-9 Sec. 490.052. APPOINTMENT TO BOARD ~~[COMMITTEE]~~;
3-10 NOMINATIONS.

3-11 SECTION 7. Sections 490.052(a), (a-1), (a-2), and (b),
3-12 Government Code, are amended to read as follows:

3-13 (a) The governor shall appoint to the board ~~[committee]~~ 13
3-14 individuals nominated as provided by Subsection (b).

3-15 (a-1) The lieutenant governor shall appoint two individuals
3-16 to the board ~~[committee]~~.

3-17 (a-2) The speaker of the house of representatives shall
3-18 appoint two individuals to the board ~~[committee]~~.

3-19 (b) The following persons may nominate one or more
3-20 individuals who are industry leaders in this state or who are
3-21 nationally recognized leaders from public or private institutions
3-22 of higher education in this state for appointment to the board
3-23 ~~[committee]~~:

3-24 (1) a president of a public or private institution of
3-25 higher education in this state;

3-26 (2) a representative of the governor's office involved
3-27 in economic development activities;

3-28 (3) a representative of the lieutenant governor's
3-29 office involved in economic development activities;

3-30 (4) a representative of the office of the speaker of
3-31 the house involved in economic development activities; and

3-32 (5) other persons considered appropriate by the
3-33 governor, lieutenant governor, or speaker of the house of
3-34 representatives.

3-35 SECTION 8. Section 490.0521(a), Government Code, is amended
3-36 to read as follows:

3-37 (a) Each member of the board ~~[committee]~~ shall file with the
3-38 office of the governor a verified financial statement complying
3-39 with Sections 572.022 through 572.0252 as is required of a state
3-40 officer by Section 572.0252.

3-41 SECTION 9. Subchapter B, Chapter 490, Government Code, is
3-42 amended by adding Section 490.0522 to read as follows:

3-43 Sec. 490.0522. COMPENSATION; EXPENSES. Members of the
3-44 board serve without compensation but are entitled to reimbursement
3-45 for actual and necessary expenses incurred in attending board
3-46 meetings or in performing other board duties approved by the office
3-47 of the governor.

3-48 SECTION 10. Section 490.053, Government Code, is amended to
3-49 read as follows:

3-50 Sec. 490.053. PRESIDING MEMBER. The governor shall appoint
3-51 a presiding member of the board ~~[committee]~~.

3-52 SECTION 11. Section 490.054, Government Code, is amended to
3-53 read as follows:

3-54 Sec. 490.054. TERMS. (a) Members of the board ~~[committee]~~
3-55 appointed by the governor serve staggered two-year terms, with as
3-56 near as possible to one-half of the members' terms expiring each
3-57 year, subject to the pleasure of the governor.

3-58 (b) Members of the board ~~[committee]~~ appointed by the
3-59 lieutenant governor or the speaker of the house of representatives
3-60 serve two-year terms.

3-61 (c) Members of the board are not state officers.

3-62 SECTION 12. Section 490.055, Government Code, is amended to
3-63 read as follows:

3-64 Sec. 490.055. STAFF AND FUNDING. Necessary staff and
3-65 funding for the administration of the fund shall be provided by:

3-66 (1) the office of the governor; ~~and~~

3-67 (2) gifts, grants, and donations for overhead expenses
3-68 to the office of the governor; and

3-69 (3) the fund as provided by Section 490.101.

4-1 SECTION 13. Section 490.056, Government Code, is amended by
 4-2 amending Subsections (a) and (c) and adding Subsection (a-1) to
 4-3 read as follows:

4-4 (a) The board [~~committee~~] shall make recommendations,
 4-5 through peer review and evaluation processes established by the
 4-6 board [~~committee~~], to the governor, lieutenant governor, and
 4-7 speaker of the house of representatives for the award of money from
 4-8 the fund under Subchapters E and F as provided by this chapter.

4-9 (a-1) Regional centers of innovation and commercialization
 4-10 formed under Subchapter I shall make recommendations to the board
 4-11 for the award of money from the fund under Subchapter D as provided
 4-12 by this chapter.

4-13 (c) Each entity recommended by a regional center of
 4-14 innovation and commercialization [~~the committee~~] for an award of
 4-15 money from the fund under Subchapter D as provided by this chapter
 4-16 shall obtain and provide the following information to the office of
 4-17 the governor:

4-18 (1) a federal criminal history background check for
 4-19 each principal of the entity;

4-20 (2) a state criminal history background check for each
 4-21 principal of the entity;

4-22 (3) a credit check for each principal of the entity;

4-23 (4) a copy of a government-issued form of photo
 4-24 identification for each principal of the entity; and

4-25 (5) information regarding whether the entity or a
 4-26 principal of the entity has ever been subject to a sanction imposed
 4-27 by the Securities and Exchange Commission for a violation of
 4-28 applicable federal law.

4-29 SECTION 14. Section 490.057, Government Code, is amended to
 4-30 read as follows:

4-31 Sec. 490.057. CONFIDENTIALITY. (a) Except as provided by
 4-32 Subsection (b), information collected or received by the governor's
 4-33 office, the board [~~committee~~], or the board's [~~committee's~~]
 4-34 advisory panels concerning the [~~identity,~~] background, finances
 4-35 [~~finance~~], marketing plans, trade secrets, or other commercially or
 4-36 academically sensitive information of an individual or entity
 4-37 having applied for, being considered for, receiving, or having
 4-38 received an award from the fund is confidential unless the
 4-39 individual or entity consents to disclosure of the information.

4-40 (b) The following information collected by the governor's
 4-41 office, the board [~~committee~~], or the board's [~~committee's~~]
 4-42 advisory panels under this chapter is public information and may be
 4-43 disclosed under Chapter 552:

4-44 (1) the name and address of an individual or entity
 4-45 receiving or having received an award from the fund;

4-46 (2) the amount of funding received by an award
 4-47 recipient from the fund;

4-48 (3) a brief description of the project that is funded
 4-49 under this chapter;

4-50 (4) if applicable, [~~a brief description of~~] the type
 4-51 of equity [~~position~~] that the governor, on behalf of the state, has
 4-52 taken in an entity that has received an award from the fund; [~~and~~]

4-53 (5) any other information [~~designated by the~~
 4-54 ~~committee~~] with the consent of [~~+~~]

4-55 [~~(A)~~] the individual or entity [~~receiving or~~
 4-56 ~~having received an award from the fund, as applicable~~]; and

4-57 (6) any other information otherwise available to the
 4-58 public

4-59 [~~(B) the governor,~~

4-60 [~~(C) the lieutenant governor, and~~

4-61 [~~(D) the speaker of the house of~~
 4-62 ~~representatives~~].

4-63 SECTION 15. Subchapter B, Chapter 490, Government Code, is
 4-64 amended by adding Sections 490.058, 490.059, and 490.060 to read as
 4-65 follows:

4-66 Sec. 490.058. DIVISION OF RESPONSIBILITIES. The board
 4-67 shall develop and implement policies that clearly separate the
 4-68 policy-making responsibilities of the board and the management
 4-69 responsibilities of the staff of the board.

5-1 Sec. 490.059. APPLICABILITY OF OPEN MEETINGS LAW. The
 5-2 board is subject to Chapter 551.

5-3 Sec. 490.060. MEETINGS. (a) The board shall hold four
 5-4 regular meetings each year and special meetings at the call of the
 5-5 presiding member.

5-6 (b) Notwithstanding Chapter 551 or any other law, the board
 5-7 may use a telephone conference call, videoconference, or other
 5-8 similar telecommunication method in accordance with this section to
 5-9 establish a quorum, to hold an open or closed meeting, to vote, or
 5-10 for any other meeting purpose. This subsection applies without
 5-11 regard to the subject matter discussed or considered by the board at
 5-12 the meeting.

5-13 (c) A meeting held by telephone conference call,
 5-14 videoconference, or other similar telecommunication method:

5-15 (1) is subject to the notice requirements applicable
 5-16 to other board meetings;

5-17 (2) may not be held unless notice of the meeting
 5-18 specifies the location where the public may observe the meeting;
 5-19 and

5-20 (3) must be open and audible to the public at the
 5-21 location specified in the notice under Subdivision (2) during the
 5-22 open portions of the meeting.

5-23 (d) The board may conduct a closed meeting under Section
 5-24 551.101 to:

5-25 (1) discuss or consider a matter that contains
 5-26 information that is confidential under Section 490.057; or

5-27 (2) hear testimony or presentations from an
 5-28 individual, entity, or group that contains information that is
 5-29 confidential under Section 490.057.

5-30 (e) This section does not prohibit the board from requesting
 5-31 the attendance at a closed meeting of a person who is not a member of
 5-32 the board and who has information regarding an applicant for or
 5-33 recipient of an award from the fund.

5-34 SECTION 16. The heading to Subchapter C, Chapter 490,
 5-35 Government Code, is amended to read as follows:

5-36 SUBCHAPTER C. TEXAS RESEARCH [~~EMERGING~~] TECHNOLOGY FUND

5-37 SECTION 17. The heading to Section 490.101, Government
 5-38 Code, is amended to read as follows:

5-39 Sec. 490.101. TEXAS RESEARCH [~~EMERGING~~] TECHNOLOGY FUND.

5-40 SECTION 18. Sections 490.101(a), (c), (d), (f), and (f-1),
 5-41 Government Code, are amended to read as follows:

5-42 (a) The Texas Research Technology Fund [~~emerging technology~~
 5-43 fund] is a dedicated account in the general revenue fund.

5-44 (c) The fund may be used only [~~for~~]:

5-45 (1) ~~for~~ for the purposes described by Section 490.002;
 5-46 [~~and~~]

5-47 (2) ~~for~~ for necessary staff, administration of the fund
 5-48 including administration by the office of the governor, and
 5-49 services and expenses related to the fund as provided for by Section
 5-50 490.055; and

5-51 (3) to compensate the fund manager under Section
 5-52 490.157.

5-53 (d) The board [~~committee~~] may solicit and accept gifts and
 5-54 grants for the fund from public and private entities.

5-55 (f) The administration of the fund is considered to be a
 5-56 trusteed program within the office of the governor. The governor
 5-57 may negotiate on behalf of the state regarding awards from the fund.
 5-58 The governor may award money appropriated from the fund for awards
 5-59 under Subchapters E and F only with the prior approval of the
 5-60 lieutenant governor and speaker of the house of representatives.
 5-61 The governor may award money appropriated from the fund for awards
 5-62 under Subchapter D or may allocate money from the fund for use as
 5-63 provided by Subchapter I, only with the prior approval of the board.

5-64 (f-1) For purposes of Subsection (f), an award of money
 5-65 appropriated from the fund for awards under Subchapters E and F is
 5-66 considered disapproved by the lieutenant governor or speaker of the
 5-67 house of representatives if that officer does not approve the
 5-68 proposal to award funding before the 91st day after the date of
 5-69 receipt of the proposal from the governor. The lieutenant governor

6-1 or the speaker of the house of representatives may extend the review
6-2 deadline applicable to that officer for an additional 14 days by
6-3 submitting a written notice to that effect to the governor before
6-4 the expiration of the initial review period.

6-5 SECTION 19. Section 490.102(a), Government Code, is amended
6-6 to read as follows:

6-7 (a) Money appropriated to or otherwise deposited to the fund
6-8 under Section 490.101(b), including money retained in the fund from
6-9 a previous biennium [by the legislature], less amounts necessary to
6-10 administer the fund under Section 490.055, shall be allocated as
6-11 follows:

6-12 (1) 46 [50] percent of the money for incentives for
6-13 collaboration between certain entities as provided by Subchapter D;

6-14 (2) 16.67 percent of the money for research award
6-15 matching as provided by Subchapter E; [and]

6-16 (3) 33.33 percent of the money for acquisition of
6-17 research superiority as provided by Subchapter F; and

6-18 (4) four percent of the money for regional centers of
6-19 innovation and commercialization as provided by Subchapter I.

6-20 SECTION 20. Section 490.151, Government Code, is amended by
6-21 adding Subsection (a-1) and amending Subsection (b) to read as
6-22 follows:

6-23 (a-1) The following private and nonprofit entities are
6-24 eligible for incentives under this subchapter:

6-25 (1) a private entity that is partially owned by an
6-26 institution of higher education and is seeking to commercialize
6-27 technology acquired from the partnering institution;

6-28 (2) a private entity that is a qualified spin-out, as
6-29 determined by the board, of an institution of higher education;

6-30 (3) a private entity seeking to commercialize
6-31 technology acquired from the Lyndon B. Johnson Space Center of the
6-32 National Aeronautics and Space Administration;

6-33 (4) a private or nonprofit entity partnering with a
6-34 research institution through a sponsored research agreement or
6-35 qualified collaborative agreement; or

6-36 (5) a private entity that has received an award under
6-37 this chapter and has received an equity investment commitment from
6-38 a qualified investor, as determined by the board, for
6-39 commercialization and growth purposes.

6-40 (b) The regional centers of innovation and
6-41 commercialization formed under Subchapter I [committee] shall
6-42 recommend proposals eligible for funding under this subchapter
6-43 [section] to the board [governor, lieutenant governor, and speaker
6-44 of the house of representatives].

6-45 SECTION 21. Section 490.154(a), Government Code, is amended
6-46 to read as follows:

6-47 (a) An entity participating in a regional center of
6-48 innovation and commercialization formed under Subchapter I that
6-49 receives funding or another incentive under this subchapter shall
6-50 guarantee by contract with the governor's office that the entity
6-51 will perform specific actions expected to provide benefits to this
6-52 state.

6-53 SECTION 22. Subchapter D, Chapter 490, Government Code, is
6-54 amended by adding Section 490.157 to read as follows:

6-55 Sec. 490.157. FUND MANAGER. (a) The office of the governor
6-56 shall employ or contract with a fund manager to manage equity
6-57 positions or other investments received by the office of the
6-58 governor in consideration for an award made. The fund manager shall
6-59 perform such duties for the purpose of managing equity positions or
6-60 other investments made under this subchapter.

6-61 (b) The board may recommend an entity or individual to the
6-62 office of the governor to serve as the fund manager under Subsection
6-63 (a). The board may also recommend to the office of the governor:

6-64 (1) the duties of the fund manager;

6-65 (2) the appropriate compensation of the fund manager;

6-66 and

6-67 (3) the termination of the employment of or contract
6-68 with the fund manager.

6-69 SECTION 23. Chapter 490, Government Code, is amended by

7-1 adding Subchapter I, and a heading is added to that subchapter to
7-2 read as follows:

7-3 SUBCHAPTER I. REGIONAL CENTERS OF
7-4 INNOVATION AND COMMERCIALIZATION

7-5 SECTION 24. Sections 490.152 and 490.1521, Government Code,
7-6 are transferred to Subchapter I, Chapter 490, Government Code, as
7-7 added by this Act, redesignated as Sections 490.401 and 490.402,
7-8 Government Code, and amended to read as follows:

7-9 Sec. 490.401 [~~490.152~~]. USE OF MONEY FOR REGIONAL CENTERS
7-10 OF INNOVATION AND COMMERCIALIZATION. (a) Amounts allocated from
7-11 the fund for use as provided by this subchapter may be used by an
7-12 entity described by Section 490.151(a) or an [~~In recommending~~
7-13 ~~proposals for funding, the committee shall give specific emphasis~~
7-14 ~~to the formation of regional centers of innovation and~~
7-15 ~~commercialization.~~

7-16 [~~(b) An~~] appropriate combination of any entities described
7-17 by that subsection [~~Section 490.151(a) may collaborate~~] to form and
7-18 maintain a regional center of innovation and commercialization to
7-19 serve a region of this state.

7-20 (b) [~~(c)~~] A regional center of innovation and
7-21 commercialization shall provide for a specified region:

7-22 (1) research and development activities that may
7-23 include initiatives to prove the feasibility of an idea;

7-24 (2) commercialization of the results of research and
7-25 development;

7-26 (3) incubators for new businesses and expansion of
7-27 existing businesses related to research and development; and

7-28 (4) workforce training for businesses resulting from
7-29 research and development.

7-30 (c) [~~(d)~~] Subject to the availability of suitable partners
7-31 and resources, the board [~~committee~~] shall propose and initiate the
7-32 establishment of a regional center of innovation and
7-33 commercialization in:

7-34 (1) Harris County;

7-35 (2) Lubbock County;

7-36 (3) Bexar County;

7-37 (4) the Dallas-Fort Worth Metroplex;

7-38 (5) El Paso County;

7-39 (6) the Middle and Lower Rio Grande Valley; and

7-40 (7) other suitable locations as determined by the
7-41 governor in consultation with the lieutenant governor and the
7-42 speaker of the house of representatives.

7-43 Sec. 490.402 [~~490.1521~~]. MINUTES OF CERTAIN MEETINGS.

7-44 (a) Each regional center of innovation and commercialization
7-45 established under Section 490.401 [~~490.152, including the Texas~~
7-46 ~~Life Science Center for Innovation and Commercialization,~~] shall
7-47 keep minutes of each meeting at which applications for funding
7-48 under Subchapter D [~~this subchapter~~] are evaluated. The minutes
7-49 must:

7-50 (1) include the name of each applicant recommended by
7-51 the regional center of innovation and commercialization to the
7-52 board [~~committee~~] for funding under Subchapter D; and

7-53 (2) indicate the vote of each member of the governing
7-54 body of the regional center of innovation and commercialization,
7-55 including any recusal by a member and the member's reason for
7-56 recusal, with regard to each application reviewed.

7-57 (b) Each regional center of innovation and
7-58 commercialization shall retain a copy of the minutes of each
7-59 meeting to which this section applies for at least three years.

7-60 SECTION 25. Section 490.201(b), Government Code, is amended
7-61 to read as follows:

7-62 (b) The board [~~committee~~] shall recommend proposals
7-63 eligible for funding under this section to the governor, lieutenant
7-64 governor, and speaker of the house of representatives.

7-65 SECTION 26. Section 490.253, Government Code, is amended to
7-66 read as follows:

7-67 Sec. 490.253. PROPOSALS FOR FUNDING. (a) The board
7-68 [~~committee~~] shall review and consider proposals by research
7-69 institutions for:

8-1 (1) creating new research superiority;
8-2 (2) attracting existing research superiority from
8-3 institutions not located in this state and other research entities;
8-4 or

8-5 (3) enhancing existing research superiority by
8-6 attracting from outside this state additional researchers and
8-7 resources.

8-8 (b) The board [~~committee~~] shall recommend proposals
8-9 eligible for funding under Section 490.251 and proposals solicited
8-10 and identified under this section to the governor, lieutenant
8-11 governor, and speaker of the house of representatives.

8-12 SECTION 27. Section 490.257(b), Government Code, is amended
8-13 to read as follows:

8-14 (b) The governor, with the express written prior approval of
8-15 the lieutenant governor and the speaker of the house of
8-16 representatives, may terminate funding to an institution if the
8-17 institution fails to realize a benefit specified in the contract
8-18 before a time specified in the contract, as determined by a periodic
8-19 program review conducted by the board [~~committee~~].

8-20 SECTION 28. Section 50D.013(a), Agriculture Code, is
8-21 amended to read as follows:

8-22 (a) The policy council shall:

8-23 (1) provide a vision for unifying this state's
8-24 agricultural, energy, and research strengths in a successful launch
8-25 of a cellulosic biofuel and bioenergy industry;

8-26 (2) foster development of cellulosic-based and
8-27 bio-based fuels and build on the Texas Research Technology Fund's
8-28 [~~emerging technology fund's~~] investments in leading-edge energy
8-29 research and efforts to commercialize the production of bioenergy;

8-30 (3) pursue the creation of a next-generation biofuels
8-31 energy research program at a university in this state;

8-32 (4) work to procure federal and other funding to aid
8-33 this state in becoming a bioenergy leader;

8-34 (5) study the feasibility and economic development
8-35 effect of a blending requirement for biodiesel or cellulosic fuels;

8-36 (6) pursue the development and use of thermochemical
8-37 process technologies to produce alternative chemical feedstocks;

8-38 (7) study the feasibility and economic development of
8-39 the requirements for pipeline-quality, renewable natural gas; and

8-40 (8) perform other advisory duties as requested by the
8-41 commissioner regarding the responsible development of bioenergy
8-42 resources in this state.

8-43 SECTION 29. Section 203.021(e), Labor Code, is amended to
8-44 read as follows:

8-45 (e) Money in the compensation fund may not be transferred to
8-46 the:

8-47 (1) Texas Enterprise Fund created under Section
8-48 481.078, Government Code; or

8-49 (2) Texas Research Technology Fund [~~emerging~~
8-50 ~~technology fund~~] established under Section 490.101, Government
8-51 Code.

8-52 SECTION 30. Sections 490.056(e) and 490.153(b), Government
8-53 Code, are repealed.

8-54 SECTION 31. The terms of the members of the Texas Emerging
8-55 Technology Advisory Committee serving immediately before the
8-56 effective date of this Act expire September 1, 2013.

8-57 SECTION 32. (a) As soon as practicable after the effective
8-58 date of this Act:

8-59 (1) the governor, lieutenant governor, and speaker of
8-60 the house of representatives shall appoint members to the Texas
8-61 Research Technology Fund Board established under Subchapter B,
8-62 Chapter 490, Government Code, in a manner that complies with that
8-63 subchapter, as amended by this Act; and

8-64 (2) the governor shall appoint the initial presiding
8-65 member of the board.

8-66 (b) At the first meeting of members of the Texas Research
8-67 Technology Fund Board appointed under Subchapter B, Chapter 490,
8-68 Government Code, as amended by this Act, occurring on or after
8-69 September 1, 2013, the members appointed by the governor shall draw

9-1 lots to determine which seven members will serve terms expiring
9-2 September 1, 2014, and which six members will serve terms expiring
9-3 September 1, 2015.
9-4 SECTION 33. This Act takes effect September 1, 2013.

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