

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 16, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2891 by Cortez (Relating to the establishment and duties of the office of state-owned intellectual property and commercial equity in the comptroller's office.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2891, As Introduced: a negative impact of (\$1,047,064) through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	(\$523,532)
2015	(\$523,532)
2016	(\$523,532)
2017	(\$523,532)
2018	(\$523,532)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund	Change in Number of State Employees from FY 2013
	1	
2014	(\$523,532)	3.0
2015	(\$523,532)	3.0
2016	(\$523,532)	3.0
2017	(\$523,532)	3.0
2018	(\$523,532)	3.0

Fiscal Analysis

The bill would require the Comptroller of Public Accounts (Comptroller) to establish by December 1, 2013 an office of state-owned intellectual property and commercial equity (office) to monitor and track the intellectual property and commercial equity in which the state has an ownership

interest or through its operations may acquire an ownership interest. The bill would require, not later than December 31st of each even-numbered year, the office to collect certain information from each state agency regarding the intellectual property and commercial equity in which the agency has an ownership interest. The office would be required to continuously monitor each grant, expenditure, or loan made by a state agency to fund a research and development project or another project that is likely to lead to an innovation in which a patent or other intellectual property right may be awarded and to determine whether there is an appropriate opportunity for the state to assume an ownership interest in the project. The bill would require the office to electronically publish a biennial comprehensive report detailing certain information on state ownership interest, or opportunities for ownership interest, in intellectual property and commercial equity.

Methodology

The estimated cost to implement the provisions of the bill is estimated to be \$523,532 in each fiscal year for the Comptroller to both hire staff and contract with an outside organization with the relevant subject matter expertise in intellectual property and commercial equity. Annual staff expenses include salaries (\$171,090) and benefits (\$50,882) for 3.0 full-time equivalent positions, which include two Attorney II positions and one Systems Analyst II position, as well as consumable office supplies and phone charges (\$1,560). Costs also reflect \$300,000 in each fiscal year for professional contracting services.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, RB, EP, LCO