

BILL ANALYSIS

C.S.S.B. 632
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Economic & Small Business Development
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The statutes that established the Texas emerging technology fund provide that its purpose is to develop and diversify the Texas economy by expediting the innovation and commercialization of research, by attracting, creating, or expanding private sector entities that will promote a substantial increase in high-quality jobs, and by increasing higher education applied technology research capabilities. However, some interested parties contend that measures taken to achieve this purpose have been inadequate and that the fund should be abolished. The parties believe that the state should wind up the contracts and the state's investment portfolio in connection with awards from the fund. C.S.S.B. 632 seeks to provide for the abolishment of the fund.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

C.S.S.B. 632 amends the Government Code to require the Texas Treasury Safekeeping Trust Company to manage and wind up the state's emerging technology investment portfolio, defined by the bill as the equity positions in the form of stock or other security the governor took, on behalf of the state, in companies that received awards under the Texas emerging technology fund and any other investments made by the governor, on behalf of the state, in connection with an award made under the fund. The bill requires the trust company to wind up the portfolio in a manner that, to the extent feasible, provides for the maximum return on the state's investment. The bill authorizes the trust company, in managing those investments through procedures and subject to restrictions that the trust company considers appropriate, to acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances then prevailing pertinent to each investment. The bill authorizes the trust company to recover its reasonable and necessary costs incurred in the management of the portfolio from the earnings on the investments in the portfolio. The bill requires any realized proceeds or other earnings from the sale of stock or other investments in the state's emerging technology investment portfolio, less the amount permitted to be retained for payment of its costs for managing the portfolio, to be remitted by the trust company to the comptroller of public accounts for deposit in the general revenue fund. The bill grants the trust company any power necessary to accomplish the purposes of the bill's provisions.

C.S.S.B. 632 requires the Texas Treasury Safekeeping Trust Company, on final liquidation of

the state's emerging technology investment portfolio, to promptly notify the comptroller of that occurrence. The bill requires the comptroller, as soon as practicable after receiving that notice, to verify that the final liquidation has been completed and, if the comptroller so verifies, to certify to the governor that the final liquidation of the portfolio has been completed. The bill requires the governor to post notice of the certification on the office of the governor's website. The bill requires any balance remaining in the fund on final liquidation by the trust company to be remitted to the comptroller for deposit in the general revenue fund. The bill limits the use of the Texas emerging technology fund for the purposes of the winding up and final liquidation of the fund.

C.S.S.B. 632 establishes that the Texas emerging technology fund is continued solely for the purposes of winding up the contracts governing awards from that fund and the state's portfolio of equity positions and other investments in connection with awards from that fund in accordance with the bill's provisions. The bill abolishes the fund, repeals provisions creating the fund as a dedicated account and specifying the amounts required to be deposited in the fund, and repeals the statutory provision added by the bill limiting use of the fund for the purposes of the winding up and final liquidation of the fund when the comptroller certifies to the governor that the final liquidation of the state's portfolio of equity positions and other investments by the Texas Treasury Safekeeping Trust Company has been completed.

C.S.S.B. 632 makes information concerning the identity, background, finance, marketing plans, trade secrets, or other commercially or academically sensitive information of an individual or entity that was considered for or that received an award from the fund confidential unless the individual or entity consents to disclosure of the information. The bill sets out the information collected in connection with the Texas emerging technology fund that is public information and subject to disclosure under state public information law.

C.S.S.B. 632 requires, on or after the bill's effective date, any unencumbered balance of the Texas emerging technology fund to be appropriated only to one or more of the following: the Texas Research Incentive Program (TRIP); the Texas research university fund; the Texas Enterprise Fund; and the comptroller for the purposes of managing the state's portfolio of equity positions and other investments in connection with awards from the emerging technology fund in accordance with the bill's provisions. The bill makes the authority of the Texas research university fund to receive the appropriation contingent on passage and enactment of H.B. 1000, or similar legislation relating to state support for general academic teaching institutions in Texas by the 84th Legislature, Regular Session, 2015, that renames the existing Texas competitive knowledge fund and changes the purposes for which the fund can be used.

C.S.S.B. 632 prescribes the payments that are required to be deposited on or after the bill's effective date to the credit of the Texas emerging technology fund to be used by the Texas Treasury Safekeeping Trust Company solely for the purposes of winding up the state's portfolio of equity positions and other investments as provided by the bill.

C.S.S.B. 632 establishes that the abolishment of the Texas emerging technology fund and the repeal of statutory provisions relating to that fund do not affect the validity of an agreement between the governor and the recipient of an award of the fund, or a person to be awarded money from the fund, that is executed before September 1, 2015.

C.S.S.B. 632 requires money from the Texas emerging technology fund that is encumbered because the money is awarded or otherwise obligated by agreement before September 1, 2015, but under the terms of the award or agreement will not be distributed before that date, to be distributed from the fund in accordance with the terms of the agreement, unless the award recipient and the governor agree otherwise.

C.S.S.B. 632 abolishes an established regional center of innovation and commercialization on the bill's effective date, requires each regional center to transfer to the office of the governor a

copy of any meeting minutes required to be retained under applicable law as that law existed immediately before its repeal by the bill, and requires the office of the governor to retain the minutes for the period prescribed by that law.

C.S.S.B. 632 transfers on September 1, 2015, the following powers, duties, functions, and activities performed by the office of the governor immediately before that date to the Texas Treasury Safekeeping Trust Company: all powers, duties, functions, and activities related to equity positions in the form of stock or other security the governor has taken, on behalf of the state, in companies that received awards under the Texas emerging technology fund before September 1, 2015, and all powers, duties, functions, and activities related to other investments made by the governor, on behalf of the state, in connection with an award made under the fund before September 1, 2015.

C.S.S.B. 632 continues in effect, notwithstanding their repeal by the bill, those statutory provisions relating to the Texas emerging technology fund for the limited purpose of winding up contracts governing awards from the fund and the state's portfolio of equity positions and other investments in connection with awards from that fund in accordance with the bill's provisions.

C.S.S.B. 632 repeals the following provisions of the Government Code regarding the establishment and governance of the fund and regarding, among other provisions related to the fund, the Texas Emerging Technology Advisory Committee, incentives for commercialization activities, research award matching, acquisition of research superiority, and clean coal projects:

- Sections 490.101(c), (d), (e), (f), (f-1), (g), (h), and (i)
- Section 490.102
- Subchapters A, B, D, E, F, and G, Chapter 490

EFFECTIVE DATE

September 1, 2015.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 632 may differ from the engrossed in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the engrossed and committee substitute versions of the bill.

SENATE ENGROSSED

No equivalent provision.

No equivalent provision. (But see Secs. 62.166 and 62.167, Education Code, below.)

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. The heading to Chapter 490, Government Code, is amended to read as follows:

CHAPTER 490. WINDING UP CONTRACTS AND STATE'S INVESTMENT PORTFOLIO IN CONNECTION WITH AWARDS FROM TEXAS [FUNDING FOR] EMERGING TECHNOLOGY FUND

SECTION 2. Subchapter C, Chapter 490, Government Code, is amended by adding Sections 490.104 and 490.105 to read as follows:

SECTION 1. Chapter 62, Education Code, is amended by adding Subchapter H to read as follows:

No equivalent provision. (But see Secs. 490.104 and 490.105, Government Code, below, and see SECTION 5 below.)

SUBCHAPTER H. GOVERNOR'S UNIVERSITY RESEARCH INITIATIVE

No equivalent provision.

Sec. 62.161. DEFINITIONS. In this subchapter:

No equivalent provision.

(1) "Distinguished researcher" means a researcher who is:

(A) a Nobel laureate; or

(B) a member of the National Academy of Sciences, the National Academy of Engineering, the Institute of Medicine, or the National Research Council.

(2) "Eligible institution" means a general academic teaching institution or medical and dental unit.

(3) "Fund" means the governor's university research initiative fund established under this subchapter.

(4) "General academic teaching institution" has the meaning assigned by Section 61.003.

(5) "Medical and dental unit" has the meaning assigned by Section 61.003.

(6) "Office" means the Texas Economic Development and Tourism Office within the office of the governor.

(7) "Private or independent institution of higher education" has the meaning assigned by Section 61.003.

No equivalent provision.

Sec. 62.162. ADMINISTRATION OF INITIATIVE. (a) The governor's university research initiative is administered by the Texas Economic Development and Tourism Office within the office of the governor.

(b) The office may adopt any rules the office considers necessary to administer this subchapter.

No equivalent provision.

Sec. 62.163. MATCHING GRANTS TO RECRUIT DISTINGUISHED RESEARCHERS. (a) From the governor's university research initiative fund, the office shall award matching grants to assist eligible institutions in recruiting distinguished researchers.

(b) An eligible institution may apply to the office for a matching grant from the fund. If the office approves a grant application, the office shall award to the applicant institution a grant amount equal to the amount

committed by the institution for the recruitment of a distinguished researcher.

(c) A matching grant may not be used by an eligible institution to recruit a distinguished researcher from:

- (1) another eligible institution; or
- (2) a private or independent institution of higher education.

Sec. 62.164. GRANT AWARD PRIORITIES. In awarding grants, the office shall give priority to grant proposals that involve the recruitment of distinguished researchers in the fields of science, technology, engineering, and mathematics. With respect to proposals involving those fields, the office shall give priority to proposals that demonstrate a reasonable likelihood of contributing substantially to this state's national and global economic competitiveness.

No equivalent provision.

Sec. 62.165. GOVERNOR'S UNIVERSITY RESEARCH INITIATIVE FUND. (a) The governor's university research initiative fund is a dedicated account in the general revenue fund.

- (b) The fund consists of:
- (1) amounts appropriated or otherwise allocated or transferred by law to the fund;
 - (2) money deposited to the fund under Section 62.166; and
 - (3) gifts, grants, and other donations received for the fund.

No equivalent provision.

Sec. 62.166. WINDING UP OF CONTRACTS AND AWARDS IN CONNECTION WITH FORMER TEXAS EMERGING TECHNOLOGY FUND.

(a) The governor's university research initiative is the successor to the former Texas emerging technology fund. Awards from the former Texas emerging technology fund, and contracts governing awards from that fund, shall be wound up in accordance with this section.

(b) If a contract governing an award from the former Texas emerging technology fund provides for the distribution of royalties, revenue, or other financial benefits to the state, including royalties, revenue, or other financial benefits realized from the commercialization of intellectual or real

Sec. 490.104. MANAGEMENT OF INVESTMENT PORTFOLIO; WINDING UP AND FINAL LIQUIDATION.

No equivalent provision.

No equivalent provision.

property developed from an award from the fund, those royalties, revenues, or other financial benefits shall continue to be distributed in accordance with the terms of the contract unless the award recipient and the governor agree otherwise. Unless otherwise required by law, royalties, revenue, or other financial benefits accruing to the state under a contract described by this subsection shall be credited to the governor's university research initiative fund.

No equivalent provision. (But see Subsec. (e) below.)

(c) If money awarded from the former Texas emerging technology fund is encumbered by a contract executed before September 1, 2015, but has not been distributed before that date, the money shall be distributed from the governor's university research initiative fund in accordance with the terms of the contract, unless the award recipient and the governor agree otherwise.

(d) If money awarded from the former Texas emerging technology fund under a contract executed before September 1, 2015, has been fully distributed, the entity that received the award is considered to have fully satisfied the entity's obligations and fully performed all specific actions under the terms of the contract governing the award. The entity shall file with the office a final report showing the purposes for which the award money has been spent and, if award money remains unspent, the purposes for which the recipient will spend the remaining money. The entity is not required to return to the state any award money received under the contract.

(e) The Texas Treasury Safekeeping Trust Company shall manage the following:
(1) equity positions in the form of stock or

(a) In this section, "state's emerging technology investment portfolio" means:

(1) the equity positions in the form of stock or other security the governor took, on behalf of the state, in companies that received awards under the Texas emerging technology fund; and

(2) any other investments made by the governor, on behalf of the state, in connection with an award made under the Texas emerging technology fund.

No equivalent provision. (But see SECTION 5(e) below.)

No equivalent provision.

No equivalent provision. (But see Subsecs. (a) above and (b) below.)

other security taken by the governor, on behalf of the state, in companies receiving awards under former Chapter 490, Government Code, before September 1, 2015; and

(2) any other investments, excluding grants, made by the governor on the state's behalf in connection with an award made under former Chapter 490, Government Code, before September 1, 2015.

(f) As soon as practicable after September 1, 2015, the Texas Treasury Safekeeping Trust Company shall begin winding up the state's portfolio of equity positions and other investments described by Subsection (e) by selling the stock and other investments when it is economically advantageous to the state to do so.

The trust company has any power necessary in performing duties under this subsection and Subsections (e) and (g) to accomplish the purpose of this section.

In managing those investments through procedures and subject to restrictions that the trust company considers appropriate, the trust company may acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances then prevailing pertinent to each investment.

(g) Proceeds or other earnings from the sale of stock or other investments in the state's portfolio of equity positions and other investments described by Subsection (e) shall be deposited to the credit of the governor's university research initiative fund, taking into consideration the expenses of managing and liquidating the equity positions and other investments.

No equivalent provision.

(b) The Texas Treasury Safekeeping Trust Company shall manage and wind up the state's emerging technology investment portfolio. The trust company shall wind up the portfolio in a manner that, to the extent feasible, provides for the maximum return on the state's investment.

(See Subsec. (d) below.)

In managing those investments through procedures and subject to restrictions that the trust company considers appropriate, the trust company may acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances then prevailing pertinent to each investment.

The trust company may recover its reasonable and necessary costs incurred in the management of the portfolio from the earnings on the investments in the portfolio.

No equivalent provision.

(c) Any realized proceeds or other earnings from the sale of stock or other investments in the state's emerging technology

investment portfolio, less the amount permitted to be retained for payment of its costs for managing the portfolio as provided by Subsection (b), shall be remitted by the Texas Treasury Safekeeping Trust Company to the comptroller for deposit in the general revenue fund.

(See Subsec. (f), part, above.)

No equivalent provision.

(d) The Texas Treasury Safekeeping Trust Company has any power necessary to accomplish the purposes of this section.

(e) On final liquidation of the state's emerging technology investment portfolio, the Texas Treasury Safekeeping Trust Company shall promptly notify the comptroller of that occurrence. As soon as practicable after receiving that notice, the comptroller shall verify that the final liquidation has been completed and, if the comptroller so verifies, shall certify to the governor that the final liquidation of the portfolio has been completed. The governor shall post notice of the certification on the office of the governor's Internet website.

No equivalent provision.

(f) Any balance remaining in the Texas emerging technology fund on final liquidation by the Texas Treasury Safekeeping Trust Company shall be remitted to the comptroller for deposit in the general revenue fund.

Sec. 62.167. CONFIDENTIALITY OF INFORMATION CONCERNING AWARDS FROM FORMER TEXAS EMERGING TECHNOLOGY FUND.

Sec. 490.105. CONFIDENTIALITY OF CERTAIN INFORMATION.

(a) Except as provided by Subsection (b), information collected under former Chapter 490, Government Code, concerning the identity, background, finance, marketing plans, trade secrets, or other commercially or academically sensitive information of an individual or entity that was considered for or received an award from the former Texas emerging technology fund is confidential unless the individual or entity consents to disclosure of the information.

(a) Except as provided by Subsection (b), information concerning the identity, background, finance, marketing plans, trade secrets, or other commercially or academically sensitive information of an individual or entity that was considered for or received an award from the Texas emerging technology fund is confidential unless the individual or entity consents to disclosure of the information.

(b) The following information collected in connection with the former Texas emerging technology fund is public information and may be disclosed under Chapter 552, Government Code:

(b) The following information collected in connection with the Texas emerging technology fund is public information and may be disclosed under Chapter 552, Government Code:

- (1) the name and address of an individual or entity that received an award from the former Texas emerging technology fund;
- (2) the amount of funding received by an award recipient;
- (3) a brief description of the project funded under former Chapter 490, Government Code;
- (4) if applicable, a brief description of the equity position that the governor, on behalf of the state, has taken in an entity that received an award from the former Texas emerging technology fund; and
- (5) any other information with the consent of:
 - (A) the governor;
 - (B) the lieutenant governor;
 - (C) the speaker of the house of representatives; and
 - (D) the individual or entity that received an award from the former Texas emerging technology fund, if the information relates to that individual or entity.

Sec. 62.168. REPORTING REQUIREMENTS.

(a) Before the beginning of each regular session of the legislature the governor shall submit to the lieutenant governor, the speaker of the house of representatives, and the standing committees of each house of the legislature with primary jurisdiction over economic development and higher education matters and post on the office of the governor's Internet website a report on grants made from the governor's university research initiative fund that states:

- (1) the total amount of matching funds granted by the office;
- (2) the total amount of matching funds granted to each institution;
- (3) a brief description of each distinguished researcher recruited by each institution, including any amount of external research funding that followed the distinguished researcher to the recruiting institution;
- (4) a brief description of the expenditures made from the matching grant funds for each distinguished researcher; and
- (5) when available, a brief description of each distinguished researcher's contribution to the state's economic competitiveness, including but not limited to:
 - (A) any patents issued to the distinguished researcher after accepting employment by

- (1) the name and address of an individual or entity that received an award from the fund;
- (2) the amount of funding received by an award recipient;
- (3) a brief description of the project funded by the award;
- (4) if applicable, a brief description of the equity position that the governor, on behalf of the state, has taken in an entity that received an award from the fund; and
- (5) any other information with the consent of:
 - (A) the governor;
 - (B) the lieutenant governor;
 - (C) the speaker of the house of representatives; and
 - (D) the individual or entity that received an award from the fund, if the information relates to that individual or entity.

No equivalent provision.

the recruiting institution; and
(B) any external research funding, public or private, earned by the distinguished researcher after accepting employment by the recruiting institution.

(a-1) The report may not include information that is made confidential by law.

(b) The governor may require a recipient of a grant under the governor's university research initiative to submit, on a form the governor provides, information required to complete the report.

No equivalent provision.

SECTION 2. (a) Chapter 490, Government Code, is repealed.

(b) The repeal by this Act of Chapter 490, Government Code, does not affect the validity of an agreement between the governor and the recipient of an award awarded under Chapter 490, or a person to be awarded money under that chapter, that is executed before September 1, 2015. Those agreements shall be performed as provided by Section 62.166, Education Code, as added by this Act.

No equivalent provision. (*But see SECTION 2(d) below.*)

SECTION 3. Section 490.101, Government Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) The fund may be used only for the purposes described by Section 490.104.

SECTION 4. The following laws are repealed:

(1) Sections 490.101(c), (d), (e), (f), (f-1), (g), (h), and (i), Government Code;

(2) Section 490.102, Government Code; and

(3) Subchapters A, B, D, E, F, and G, Chapter 490, Government Code.

No equivalent provision. (*But see SECTION 5(d) below.*)

SECTION 5. (a) The Texas emerging technology fund is continued solely for the purposes of winding up the contracts governing awards from that fund and the state's portfolio of equity positions and other investments in connection with awards from that fund in accordance with Section 490.104, Government Code, as added by this Act. The Texas emerging technology fund is abolished and Sections 490.101(a), (b), and (b-1), Government Code, are repealed when the comptroller certifies to the governor as provided by Section 490.104, Government Code, as added by this Act, that the final liquidation of the

state's portfolio of equity positions and other investments by the Texas Treasury Safekeeping Trust Company has been completed.

No equivalent provision.

(a-1) On or after the effective date of this Act, any unencumbered balance of the Texas emerging technology fund may be appropriated only to one or more of the following:

(1) the Texas Research Incentive Program (TRIP) under Subchapter F, Chapter 62, Education Code;

(2) the Texas research university fund, subject to Subsection (b) of this section;

(3) the Texas Enterprise Fund established under Section 481.078, Government Code; and

(4) the comptroller for the purposes of managing the state's portfolio of equity positions and other investments in connection with awards from the Texas emerging technology fund in accordance with Section 490.104, Government Code, as added by this Act.

No equivalent provision.

(b) The authority of the Texas research university fund to receive the appropriation described by Subsection (a-1) of this section is contingent on passage and enactment of H.B. 1000, or similar legislation relating to state support for general academic teaching institutions in this state by the 84th Legislature, Regular Session, 2015, that renames the existing Texas competitive knowledge fund and changes the purposes for which the fund can be used.

No equivalent provision.

(c) On or after the effective date of this Act, the following payments or other amounts shall be deposited to the credit of the Texas emerging technology fund to be used by the Texas Treasury Safekeeping Trust Company solely for the purposes of winding up the state's portfolio of equity positions and other investments as provided by Sections 490.101(b-1) and 490.104, Government Code, as added by this Act:

(1) any royalties, revenues, and other financial benefits realized from a project undertaken with money from the Texas emerging technology fund, as provided by a contract described by Section 490.103, Government Code;

(2) any interest or proceeds received as a

- result of a transaction authorized by former Section 490.101(h), Government Code;
- (3) any money returned or repaid to the state by an award recipient pursuant to an agreement entered into under former Section 490.101(g), Government Code;
- (4) any money derived from an interest the state retained in a capital improvement pursuant to an agreement entered into under former Section 490.101(g), Government Code; and
- (5) any fund money returned by an entity that fails to perform an action guaranteed by a contract entered into under former Section 490.154 or 490.203, Government Code.

No equivalent provision. *(But see SECTION 2(b) above.)*

(d) The abolishment by this Act of the Texas emerging technology fund and the repeal of provisions of Chapter 490, Government Code, relating to that fund do not affect the validity of an agreement between the governor and the recipient of an award awarded under Chapter 490, or a person to be awarded money under that chapter, that is executed before September 1, 2015.

No equivalent provision. *(But see Sec. 62.166(c), Education Code, above.)*

(e) Money from the Texas emerging technology fund that is encumbered because the money is awarded or otherwise obligated by agreement before September 1, 2015, but under the terms of the award or agreement will not be distributed before that date shall be distributed from the Texas emerging technology fund in accordance with the terms of the agreement, unless the award recipient and the governor agree otherwise.

(c) A regional center of innovation and commercialization established under Section 490.152, Government Code, is abolished on the effective date of this Act. Each center shall transfer to the office of the governor a copy of any meeting minutes required to be retained under Section 490.1521, Government Code, as that section existed immediately before that section's repeal by this Act, and the office shall retain the minutes for the period prescribed by that section.

(f) Same as engrossed version.

(d) The Texas emerging technology fund is abolished. On the effective date of this Act, the comptroller of public accounts shall

No equivalent provision. *(But see SECTION 5(a) above.)*

transfer any unexpended balance of that fund as follows:

(1) 50 percent of the balance to the credit of the Texas Enterprise Fund under Section 481.078, Government Code; and

(2) 50 percent of the balance to the credit of the governor's university research initiative fund established under Subchapter H, Chapter 62, Education Code, as added by this Act.

(e) On September 1, 2015, the following powers, duties, functions, and activities performed by the office of the governor immediately before that date are transferred to the Texas Treasury Safekeeping Trust Company:

(1) all powers, duties, functions, and activities related to equity positions in the form of stock or other security the governor has taken, on behalf of the state, in companies that received awards under Chapter 490, Government Code, before September 1, 2015; and

(2) all powers, duties, functions, and activities related to other investments, excluding grants, made by the governor, on behalf of the state, in connection with an award made under Chapter 490, Government Code, before September 1, 2015.

(f) Notwithstanding the repeal by this Act of Chapter 490, Government Code, that chapter is continued in effect for the limited purpose of winding down contracts governing awards from the Texas emerging technology fund and the state's portfolio of equity positions and other investments in connection with awards from that fund in accordance with Section 62.166, Education Code, as added by this Act.

SECTION 3. This Act takes effect September 1, 2015.

(g) Except as provided by this Act, on September 1, 2015, the following powers, duties, functions, and activities performed by the office of the governor immediately before that date are transferred to the Texas Treasury Safekeeping Trust Company:

(1) all powers, duties, functions, and activities related to equity positions in the form of stock or other security the governor has taken, on behalf of the state, in companies that received awards under the Texas emerging technology fund before September 1, 2015; and

(2) all powers, duties, functions, and activities related to other investments made by the governor, on behalf of the state, in connection with an award made under the Texas emerging technology fund before September 1, 2015.

(h) Notwithstanding the repeal by this Act of provisions of Chapter 490, Government Code, those provisions of Chapter 490 are continued in effect for the limited purpose of winding up contracts governing awards from the Texas emerging technology fund and the state's portfolio of equity positions and other investments in connection with awards from that fund in accordance with Section 490.104, Government Code, as added by this Act.

SECTION 6. Same as engrossed version.