

By: Villalba

H.B. No. 1389

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the funding of certain activities related to the
3 commercialization of emerging technologies.

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

5 SECTION 1. Subchapter D, Chapter 490, Government Code, is
6 repealed.

7 SECTION 2. Section 490.001(4), Government Code, is amended
8 to read as follows:

9 (4) "Award" means:

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

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

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

15 (D) other forms of contribution or investment as
16 recommended by the committee and approved by the governor,
17 lieutenant governor, and speaker of the house of representatives.

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

20 (a) Not later than January 31 of each year, the governor
21 shall submit to the lieutenant governor, the speaker of the house of
22 representatives, and the standing committee of each house of the
23 legislature with primary jurisdiction over economic development
24 matters and post on the office of the governor's Internet website a

1 report that includes the following information regarding awards
2 made under the fund during each preceding state fiscal year:

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

4 (2) the number and amount of awards made under
5 Subchapters [~~D~~] E[~~T~~] and F;

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

10 (4) the name of each award recipient and the amount of
11 the award made to the recipient; and

12 (5) a brief description of any [~~the~~] equity position
13 that the governor, on behalf of the state, may take in companies
14 receiving awards and the names of the companies in which the state
15 has taken an equity position.

16 (b) The annual report must also contain:

17 (1) the total number of jobs actually created by each
18 project receiving funding under this chapter;

19 (2) an analysis of the number of jobs actually created
20 by each project receiving funding under this chapter; and

21 (3) a brief description regarding:

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

25 (B) the intended outcomes of projects funded
26 under former Subchapter D during each preceding state fiscal year
27 for which funding from the fund was provided for projects and

1 activities under that subchapter; and

2 (C) the actual outcomes of all projects funded
3 under former Subchapter D during each preceding state fiscal year
4 for which funding from the fund was provided for projects and
5 activities under that subchapter, including any financial impact on
6 the state resulting from a liquidity event involving a company
7 whose project was funded under that subchapter.

8 SECTION 4. Subchapter A, Chapter 490, Government Code, is
9 amended by adding Section 490.007 to read as follows:

10 Sec. 490.007. GUARANTEE OF ACTION BY CERTAIN PARTICIPATING
11 ENTITIES. (a) This section applies only to an entity that
12 participated in a regional center of innovation and
13 commercialization established under former Subchapter D and
14 received funding or another incentive under that subchapter.

15 (b) If an entity fails to perform an action guaranteed by
16 contract with the governor's office under former Section 490.154(a)
17 before a time specified by the contract, the entity shall return to
18 the fund the money received by the entity under former Subchapter D.

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

21 (a) Money appropriated to the fund by the legislature, less
22 amounts necessary to administer the fund under Section 490.055,
23 shall be allocated as follows:

24 (1) 33.34 [~~50 percent of the money for incentives for~~
25 ~~collaboration between certain entities as provided by Subchapter D,~~

26 [~~(2) 16.67~~] percent of the money for research award
27 matching as provided by Subchapter E; and

1 (2) 66.66 [~~(3) 33.33~~] percent of the money for
2 acquisition of research superiority as provided by Subchapter F.

3 SECTION 6. Section 490.303, Government Code, is amended to
4 read as follows:

5 Sec. 490.303. ELIGIBILITY OF CLEAN COAL PROJECT FOR MONEY.
6 Notwithstanding any other provision of this subchapter, a clean
7 coal project constitutes an opportunity for emerging technology
8 suitable for consideration for a grant under Subchapter C,
9 [~~incentives as provided by Subchapter D,~~] grant matching as
10 provided by Subchapter E, and acquisition of research superiority
11 under Subchapter F.

12 SECTION 7. (a) The repeal by this Act of Subchapter D,
13 Chapter 490, Government Code, relating to certain
14 commercialization of emerging technology activities funded by the
15 Texas emerging technology fund, does not affect the validity of an
16 agreement between the governor and the recipient of an award
17 awarded under Subchapter D, Chapter 490, or a person to be awarded
18 money under that subchapter that is entered into under Chapter 490
19 before September 1, 2015.

20 (b) Money from the Texas emerging technology fund that is
21 encumbered because the money is awarded under Subchapter D, Chapter
22 490, Government Code, or otherwise obligated by agreement before
23 September 1, 2015, but under the terms of the award or agreement
24 will not be distributed until a later date shall be distributed in
25 accordance with the terms of the award or agreement.

26 (c) On or after the effective date of this Act, any fund
27 money returned by an entity that received an award under Subchapter

1 D, Chapter 490, Government Code, and that fails to perform an action
2 guaranteed by a contract entered into under Section 490.154,
3 Government Code, shall be sent to the comptroller. The comptroller
4 shall deposit 50 percent of the money received under this
5 subsection to the credit of the Texas Enterprise Fund and 50 percent
6 of the money to the credit of the Texas emerging technology fund.

7 SECTION 8. (a) Notwithstanding Section 490.005(a),
8 Government Code, as amended by this Act, the report due under that
9 section by January 31, 2016, must also include the specified
10 information required by Subdivisions (1)-(5) of that section
11 regarding awards made under Subchapter D, Chapter 490, Government
12 Code, during the 2015 state fiscal year and each preceding state
13 fiscal year.

14 (b) Notwithstanding Sections 490.005(a) and (b), Government
15 Code, as amended by this Act, the report due under Section
16 490.005(a) by January 31, 2016, must also contain the specified
17 information required by Section 490.005(b) regarding projects
18 receiving funding under Subchapter D, Chapter 490, Government Code,
19 during the 2015 state fiscal year and each preceding state fiscal
20 year.

21 SECTION 9. A regional center of innovation and
22 commercialization established under Section 490.152, Government
23 Code, is abolished on the effective date of this Act. Each center
24 shall transfer to the office of the governor a copy of any meeting
25 minutes required to be retained under Section 490.1521, Government
26 Code, as that section existed immediately before that section's
27 repeal by this Act, and the office shall retain the minutes for the

1 period prescribed by that section.

2 SECTION 10. This Act takes effect September 1, 2015.