

By: Rodriguez of Travis

H.B. No. 3525

A BILL TO BE ENTITLED

1 AN ACT

2 relating to creating the Texas Quality Research Leadership  
3 Authority to help Texas small businesses rapidly scale in  
4 potentially leading edge technologies and abolishing the Texas  
5 emerging technology fund.

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

7 SECTION 1. Subtitle F, Title 4, Government Code, is amended  
8 by adding Chapter 482 to read as follows:

9 CHAPTER 482. TEXAS QUALITY RESEARCH LEADERSHIP AUTHORITY

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 482.001. PURPOSES. (a) The Texas Quality Research  
12 Leadership Authority is established under this chapter to help  
13 Texas small businesses rapidly scale in potentially leading edge  
14 technologies by:

15 (1) increasing higher education applied technology  
16 research capabilities;

17 (2) expediting innovation and commercialization of  
18 research; and

19 (3) significantly increasing this state's share of  
20 United States venture capital.

21 Sec. 482.002. DEFINITIONS. In this chapter:

22 (1) "Authority" means the Texas Quality Research  
23 Leadership Authority.

24 (2) "Fund" means the fund for the Texas Quality

1 Research Leadership Authority.

2 (3) "Oversight committee" means the oversight  
3 committee of the Texas Quality Research Leadership Authority.

4 (4) "Stake" means a financial stake in an entity or  
5 project that receives funding through the authority.

6 Sec. 482.003. CONSTRUCTION OF LAW REGARDING AUTHORITY OF  
7 STATE AUDITOR. Nothing in this chapter limits the authority of the  
8 state auditor under Chapter 321 or other law.

9 SUBCHAPTER B. ADMINISTRATION

10 Sec. 482.051. OVERSIGHT COMMITTEE. (a) The oversight  
11 committee is composed of the following nine members:

12 (1) three members appointed by the governor;

13 (2) three members appointed by the lieutenant  
14 governor; and

15 (3) three members appointed by the speaker of the  
16 house of representatives.

17 (b) Oversight committee members serve at the pleasure of the  
18 appointing office for staggered six-year terms, with the terms of  
19 three members expiring on January 31 of each odd-numbered year.

20 (c) In making appointments to the oversight committee, the  
21 following persons may nominate one or more individuals who are  
22 industry leaders in Texas or who are nationally recognized leaders  
23 from Texas public or private institutions of higher education for  
24 appointment to the committee:

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

27 (2) a representative of the governor's office involved

1 with economic development activities;

2 (3) a nationally recognized expert on  
3 commercialization of higher education research; and

4 (4) a venture capitalist.

5 (d) A person may not be a member of the oversight committee  
6 if the person or the person's spouse:

7 (1) is employed by or participates in the management  
8 of a business entity or other organization receiving money from the  
9 authority;

10 (2) owns or controls, directly or indirectly, more  
11 than a five percent interest in a business entity or other  
12 organization receiving money from the authority; or

13 (3) uses or receives a substantial amount of tangible  
14 goods, services, or money from the authority, other than  
15 reimbursement authorized by this chapter for oversight committee  
16 membership, attendance, or expenses.

17 Sec. 482.052. CHIEF EXECUTIVE OFFICER AND CHIEF COMPLIANCE  
18 OFFICER. (a) The oversight committee shall hire a chief executive  
19 officer and a chief compliance officer.

20 (b) The chief executive officer shall perform the duties  
21 required by this chapter or designated by the oversight committee.  
22 The chief executive officer must have a demonstrated ability to  
23 lead and develop academic, commercial, and governmental  
24 partnerships and coalitions.

25 (c) The chief compliance officer must have a demonstrated  
26 ability to lead and provide sound financial and compliance  
27 management and shall:

1           (1) continuously monitor contracts;

2           (2) ensure that all award proposals, including  
3 proposals for a stake, comply with this chapter and rules adopted  
4 under this chapter before the proposals are submitted to the  
5 oversight committee for approval;

6           (3) establish procedures to document that the  
7 authority, employees of the authority, and the oversight committee  
8 comply with all laws and rules governing the review process and  
9 conflicts of interest; and

10           (4) attend and observe the meetings of the committee.

11           Sec. 482.053. DISCLOSURES. (a) A person appointed to the  
12 oversight committee shall disclose to the authority each political  
13 contribution of greater than \$1,000 made by the person to a  
14 candidate for a state or federal office in the five years preceding  
15 the person's appointment and each year after the person's  
16 appointment until the person's term expires. The authority  
17 annually shall post a report of the political contributions made by  
18 oversight committee members on the authority's publicly accessible  
19 Internet website and post a link to the report on the oversight  
20 committee's main Internet web page.

21           (b) Each member of the oversight committee shall file a  
22 verified financial statement with the Texas Ethics Commission that:

23           (1) complies with Sections [572.022](#) through [572.0252](#) as  
24 is required of a state officer under those sections;

25           (2) is confidential and is not subject to disclosure  
26 under Chapter 552, including information derived from the financial  
27 statements; and

1           (3) can be provided in the normal course of official  
2 business by the oversight committee to the state auditor.

3           (c) This section does not affect release of information for  
4 legislative purposes under Section 552.008.

5           Sec. 482.054. ETHICS POLICY AND TRAINING. (a) The  
6 oversight committee shall adopt and enforce an ethics policy that  
7 provides standards of conduct relating to the management and  
8 investment of the funds in this chapter. The ethics policy must  
9 include provisions that address the following issues as applicable  
10 to the management and investment of the funds and to persons  
11 responsible for managing and investing the funds:

12                   (1) general ethical standards;

13                   (2) conflicts of interest;

14                   (3) prohibited transactions and interests;

15                   (4) the acceptance of gifts and entertainment;

16                   (5) compliance with applicable professional  
17 standards;

18                   (6) ethics training; and

19                   (7) compliance with and enforcement of the ethics  
20 policy.

21           (b) The ethics policy must include provisions applicable  
22 to:

23                   (1) members of the oversight committee;

24                   (2) the chief executive officer and chief compliance  
25 officer;

26                   (3) employees of the authority; and

27                   (4) any person who provides services to the authority.

1       (c) Not later than the 45th day before the date on which the  
2 oversight committee intends to adopt a proposed ethics policy or an  
3 amendment to or revision of an adopted ethics policy, the oversight  
4 committee shall submit a copy of the proposed policy, amendment, or  
5 revision to the Texas Ethics Commission and the state auditor for  
6 review and comments. The oversight committee shall consider any  
7 comments from the commission or state auditor before adopting the  
8 proposed policy.

9       (d) The provisions of the ethics policy that apply to a  
10 person who provides services to the committee relating to the  
11 management or investment of the funds must be based on the Code of  
12 Ethics and the Standards of Professional Conduct prescribed by the  
13 Chartered Financial Analysts Institute or other ethics standards  
14 adopted by another appropriate professionally recognized entity.

15       (e) The oversight committee shall ensure that applicable  
16 provisions of the ethics policy are included in any contract under  
17 which a person provides services to the committee relating to the  
18 management and investment of the funds.

19       Sec. 482.055. OVERSIGHT COMMITTEE OFFICERS. (a) The  
20 oversight committee shall elect a presiding officer and assistant  
21 presiding officer from among its members every two years. The  
22 oversight committee may elect additional officers from among its  
23 members.

24       (b) The presiding officer and assistant presiding officer  
25 may not serve in the position for more than one consecutive term.

26       (c) The oversight committee shall:

27           (1) establish and approve duties and responsibilities

1 for officers of the committee; and

2 (2) develop and implement policies that distinguish  
3 the responsibilities of the oversight committee and the committee's  
4 officers from the responsibilities of the chief executive officer  
5 and the employees of the authority.

6 Sec. 482.056. MINUTES. (a) The oversight committee shall  
7 keep minutes of each meeting at which applications or funding are  
8 evaluated. The minutes must:

9 (1) include the name of each applicant recommended to  
10 the committee for funding; and

11 (2) indicate the vote of each member of the oversight  
12 committee, including any recusal by a member and the member's  
13 reason for recusal, with regard to each application reviewed.

14 (b) The oversight committee shall retain a copy of the  
15 minutes of each meeting to which this section applies for at least  
16 three years.

17 Sec. 482.057. SUNSET PROVISION. The Texas Quality Research  
18 Leadership Authority is subject to Chapter 325, Government Code  
19 (Texas Sunset Act). Unless continued in existence as provided by  
20 that chapter, the authority is abolished September 1, 2023.

21 SUBCHAPTER C. FUND FOR TEXAS QUALITY RESEARCH LEADERSHIP AUTHORITY

22 Sec. 482.101. TEXAS QUALITY RESEARCH LEADERSHIP AUTHORITY.

23 (a) The fund for the Texas Quality Research Leadership Authority is  
24 a dedicated account in the general revenue fund.

25 (b) The following amounts shall be deposited in the fund:

26 (1) any amounts appropriated by the legislature for  
27 the fund;

1           (2) benefits realized from a project undertaken with  
2 money from the fund, as provided by a contract entered into under  
3 Section 482.103;

4           (3) gifts, grants, and other donations received for  
5 the fund; and

6           (4) interest earned on the investment of money in the  
7 fund.

8           (c) The fund may be used only for:

9           (1) the purposes described in Section 482.001; and

10           (2) necessary staff and administration of the fund,  
11 including administration by the oversight committee.

12           (d) The oversight committee may solicit and accept gifts and  
13 grants for the fund from public and private entities.

14           (e) The administration of the authority is to be conducted  
15 by the oversight committee. The committee may negotiate on behalf  
16 of the state regarding stakes from the fund. The committee may  
17 award money appropriated from the fund only with the approval of a  
18 majority of the oversight committee.

19           (f) For purposes of Subsection (e), an award of a stake  
20 appropriated from the fund is considered disapproved if the  
21 oversight committee does not approve the proposal to award funding  
22 before the 31st day after the date of receipt of the proposal. The  
23 oversight committee may extend the review deadline for an  
24 additional 14 days through written record before the expiration of  
25 the initial review period.

26           (g) Before making an award under this subchapter, the  
27 oversight committee shall enter into a contract with the entity to



1 receive the award. A contract may specify that:

2 (1) if all or any portion of the amount of the award is  
3 used to build a capital improvement:

4 (A) the state retains a lien or other interest in  
5 the capital improvement in proportion to the percentage of the  
6 award amount used to pay for the capital improvement; and

7 (B) the recipient of the award shall, if the  
8 capital improvement is sold:

9 (i) repay to the state the award used to pay  
10 for the capital improvement, with interest at the rate and  
11 according to the other terms provided by the contract; and

12 (ii) share with the state a proportionate  
13 amount of any profit realized from the sale; and

14 (2) if, as of a date certain provided in the contract,  
15 the award recipient has not used the award received under this  
16 subchapter for the purposes for which the award was intended, the  
17 recipient shall repay that amount and any related interest  
18 applicable under the contract to the state at the agreed rate and on  
19 the agreed terms.

20 (h) The oversight committee may make awards in the form of  
21 loans, charge and receive reasonable interest for the loans, take a  
22 stake in the form of stock or other security in consideration of an  
23 award, and sell or otherwise trade or exchange the security for the  
24 benefit of the fund. Interest or proceeds received as a result of a  
25 transaction authorized by this subsection shall be deposited to the  
26 corpus of the fund and may be used in the same manner as the corpus  
27 of the fund.

1       (i) The contract between the oversight committee and a  
2 recipient of an award under this subchapter may set the terms  
3 relating to an award.

4       Sec. 482.102. EXPEDITING INNOVATION AND COMMERCIALIZATION.

5       (a) The oversight committee shall establish financial stakes in  
6 entities from the fund as provided by this subchapter through peer  
7 review and evaluation processes established by the committee.

8       (b) Before the oversight committee may establish a  
9 financial stake in an entity, the entity shall obtain and provide  
10 the following information to the committee:

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

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

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

16           (4) a copy of a government-issued form of photographic  
17 identification for each principal of the entity; and

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

22       (c) For purposes of Subsection (b), "principal" means:

23           (1) an officer of an entity; or

24           (2) a person who has at least a 10 percent ownership  
25 interest in an entity.

26       Sec. 482.103. GUARANTEE OF COMMERCIALIZATION OR  
27 MANUFACTURING IN TEXAS. An entity receiving money from the fund

1 under this subchapter must guarantee by contract that a substantial  
2 percentage of any new or expanded commercialization or  
3 manufacturing resulting from the award will be established in this  
4 state.

5 Sec. 482.104. ALLOCATION OF PROCEEDS. (a) The contract  
6 between the oversight committee and a recipient of an award under  
7 this subchapter shall provide for the distribution of royalties,  
8 revenue, or other financial benefits realized from the  
9 commercialization of intellectual or real property developed from  
10 any award from the fund. To the extent authorized by law and not in  
11 conflict with another agreement, the contract shall appropriately  
12 allocate by assignment, licensing, or other means the royalties,  
13 revenue, or other financial benefits among identifiable  
14 collaborating parties and in a specified percentage to this state  
15 for deposit in the fund.

16 (b) The contract under Subsection (a) shall also specify  
17 other matters considered necessary by the oversight committee.

18 Sec. 482.105. COMMERCIALIZATION ACTIVITIES; USE OF MONEY  
19 FOR INCENTIVES. An amount determined by the oversight committee  
20 allocated from the fund for use as provided by this subchapter shall  
21 be reserved for incentives for private or nonprofit entities to  
22 collaborate with research institutions in this state or private  
23 institutions of higher education in this state on emerging  
24 technology projects with a demonstrable economic benefit to this  
25 state.

26 Sec. 482.106. PRIORITY FOR FUNDING. In allocating money  
27 from the fund under this subchapter, priority shall be given to

1 proposals that:

2 (1) involve emerging scientific or technology fields  
3 that have a reasonable probability of enhancing this state's  
4 national and global economic competitiveness;

5 (2) may result in a medical or scientific breakthrough  
6 or a breakthrough in the area of clean energy;

7 (3) are collaborative between any combination of  
8 private or nonprofit entities and public or private agencies or  
9 institutions in this state;

10 (4) are matched with other available funds, including  
11 funds from the private or nonprofit entity, research institution,  
12 or private institution of higher education collaborating on the  
13 project; or

14 (5) have a demonstrable economic development benefit  
15 to this state.

16 Sec. 482.107. TEXAS TARGETED TECHNOLOGY CLUSTERS. (a) A  
17 Texas targeted technology cluster industry participant is eligible  
18 for a stake if the activity to be funded:

19 (1) will stimulate long-term sustained growth and  
20 result in the creation of high-quality jobs in Texas, immediately  
21 or over the longer period; or

22 (2) has the potential to result in a scientific or  
23 manufacturing breakthrough.

24 (b) A Texas targeted technology cluster industry includes  
25 industries related to:

26 (1) advanced technologies and manufacturing;

27 (2) aerospace and defense;

1           (3) biotechnology and life sciences;

2           (4) information, computer technology, and  
3 semiconductors;

4           (5) petroleum refining and chemical processes;

5           (6) energy; or

6           (7) manufactured energy, nanotechnology, and  
7 microelectromechanical systems.

8           Sec. 482.108. AUTHORIZED EXPENSES. (a) An entity  
9 receiving money from the fund under this subchapter may use the  
10 money to expedite commercialization that will lead to an increase  
11 in high-quality jobs in this state and shall use the money in  
12 accordance with a contract between the entity and the oversight  
13 committee.

14           (b) Authorized expenses under this section include salaries  
15 and benefits, travel, consumable supplies, other operating  
16 expenses, contracted research and development, capital equipment,  
17 construction or renovation of state or private facilities, and  
18 workforce training.

19           SUBCHAPTER D. REPORTING AND ACCOUNTABILITY

20           Sec. 482.151. ANNUAL REPORT. (a) Not later than January 31  
21 of each year, the oversight committee shall submit to the governor,  
22 the lieutenant governor, the speaker of the house of  
23 representatives, and the standing committee of each house of the  
24 legislature with primary jurisdiction over economic development  
25 matters a report that includes the following information regarding  
26 awards, including commercialization stakes, made under the fund  
27 during each preceding state fiscal year:

1           (1) the total number and amount of awards, including  
2 stakes made;

3           (2) the aggregate total of private sector investment,  
4 federal government funding, and contributions from other sources  
5 obtained in connection with awards, including stakes;

6           (3) the name of each award recipient and the amount of  
7 the stake or other award; and

8           (4) a brief description of the stake that the  
9 oversight committee, on behalf of the state, may take in award  
10 recipients receiving stakes.

11           (b) The annual report must also contain:

12           (1) the total number of jobs created by each award,  
13 including each stake receiving funding;

14           (2) an analysis of the number of jobs created by each  
15 award, including each stake receiving funding;

16           (3) an estimate of additional sales, property, and  
17 related taxes paid by the recipients of the state's stakes; and

18           (4) a brief description regarding:

19           (A) the methodology used to determine the  
20 information provided under Subdivisions (1) and (2), which may be  
21 developed in consultation with the office of the governor;

22           (B) the intended outcomes of projects in which  
23 the state has a stake; and

24           (C) the actual outcomes of all projects funded in  
25 this chapter, including any financial impact on the state resulting  
26 from a liquidity event involving a business entity whose project  
27 was funded under this chapter.

1       Sec. 482.152. VALUATION OF INVESTMENTS. (a) To the maximum  
2 extent practicable, the oversight committee shall annually perform  
3 a valuation of the stakes taken by the oversight committee in  
4 recipients receiving awards under this chapter.

5       (b) The valuation must be:

6           (1) based on a methodology that:

7                   (A) may be developed in consultation with the  
8 office of the governor; and

9                   (B) is consistent with generally accepted  
10 accounting principles; and

11           (2) included with the annual report under this  
12 subchapter.

13       Sec. 482.153. CONFIDENTIALITY. (a) Except as provided by  
14 Subsection (b), information collected by the oversight committee or  
15 the committee's designees concerning the identity, background,  
16 finance, marketing plans, trade secrets, or other commercially or  
17 academically sensitive information of an entity being considered  
18 for, receiving, or having received an award from the fund is  
19 confidential unless the entity consents to disclosure of the  
20 information.

21       (b) The following information collected by the oversight  
22 committee or the committee's designees under this chapter is public  
23 information and may be disclosed under Chapter 552:

24           (1) the name and address of an entity receiving or  
25 having received an award from the fund;

26           (2) the amount of any stake received by an award  
27 recipient;

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

3           (4) if applicable, a brief description of the stake  
4 that the oversight committee, on behalf of the state, has taken in  
5 an entity that has received an award from the fund; and

6           (5) any other information designated by the committee  
7 with the consent of the entity receiving or having received an award  
8 from the fund, as applicable.

9           SECTION 2. The heading to Chapter 490, Government Code, is  
10 amended to read as follows:

11           CHAPTER 490. PROVISIONS RELATING TO FORMER TEXAS [~~FUNDING FOR~~]  
12   EMERGING TECHNOLOGY FUND

13           SECTION 3. Sections 490.001(2) and (4), Government Code,  
14 are amended to read as follows:

15           (2) "Fund" means the former Texas emerging technology  
16 fund.

17           (4) "Award" means:

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

20                         (B) for purposes of former Subchapter E, an  
21 investment in the form of a debt instrument;

22                         (C) for purposes of former Subchapter F, a grant;  
23 or

24                         (D) other forms of contribution or investment as  
25 recommended by the committee and approved by the governor,  
26 lieutenant governor, and speaker of the house of representatives  
27 before amendment of this chapter by the 84th Legislature, Regular



1 Session, 2015.

2 SECTION 4. The heading to Section 490.005, Government Code,  
3 is amended to read as follows:

4 Sec. 490.005. REPORT ON AWARDS FROM FORMER FUND [~~ANNUAL~~  
5 ~~REPORT~~].

6 SECTION 5. Section 490.005, Government Code, is amended by  
7 amending Subsections (a) and (b) and adding Subsection (d) to read  
8 as follows:

9 (a) Not later than January 31, 2016 [~~of each year~~], the  
10 governor shall submit to the lieutenant governor, the speaker of  
11 the house of representatives, and the standing committee of each  
12 house of the legislature with primary jurisdiction over economic  
13 development matters and post on the office of the governor's  
14 Internet website a report that includes for each preceding state  
15 fiscal year the following information regarding awards made under  
16 the fund [~~during each preceding state fiscal year~~]:

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

18 (2) the number and amount of awards made under former  
19 Subchapters D, E, and F;

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

24 (4) the name of each award recipient and the amount of  
25 the award made to the recipient; and

26 (5) a brief description of the equity position that  
27 the governor, on behalf of the state, has taken [~~may take~~] in

1 companies that received [~~receiving~~] awards and the names of the  
2 companies in which the state has taken an equity position.

3 (b) The [~~annual~~] report must also contain:

4 (1) the total number of jobs actually created by each  
5 project that received an award from the fund [~~receiving funding~~  
6 ~~under this chapter~~];

7 (2) an analysis of the number of jobs actually created  
8 by each project that received an award from the fund [~~receiving~~  
9 ~~funding under this chapter~~]; and

10 (3) a brief description regarding:

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

14 (B) the intended outcomes of projects funded  
15 under former Subchapter D [~~during each preceding state fiscal~~  
16 ~~year~~]; and

17 (C) the actual outcomes of all projects funded  
18 under former Subchapter D [~~during each preceding state fiscal~~  
19 ~~year~~], including any financial impact on the state resulting from a  
20 liquidity event involving a company whose project was funded under  
21 that subchapter.

22 (d) This section expires September 1, 2017.

23 SECTION 6. Section 490.006, Government Code, is amended to  
24 read as follows:

25 Sec. 490.006. VALUATION OF INVESTMENTS; [~~INCLUSION IN~~]  
26 ANNUAL REPORT. (a) To the maximum extent practicable, the office  
27 of the governor shall [~~annually~~] perform a valuation of the equity

1 positions taken by the governor, on behalf of the state, in  
2 companies that received [~~receiving~~] awards under the fund and of  
3 other investments made by the governor, on behalf of the state, in  
4 connection with an award under the fund. The valuation must[+]

5 [~~(1)~~] be based on a methodology that:

6 (1) [~~(A)~~] may be developed in consultation with the  
7 comptroller's office; and

8 (2) [~~(B)~~] is consistent with generally accepted  
9 accounting principles[~~, and~~

10 [~~(2) be included with the annual report required under~~  
11 ~~Section 490.005~~].

12 (b) This section expires September 1, 2017.

13 SECTION 7. The heading to Subchapter B, Chapter 490,  
14 Government Code, is amended to read as follows:

15 SUBCHAPTER B. MISCELLANEOUS PROVISIONS [~~TEXAS EMERGING TECHNOLOGY~~  
16 ~~ADVISORY COMMITTEE~~]

17 SECTION 8. Section 490.057, Government Code, is amended to  
18 read as follows:

19 Sec. 490.057. CONFIDENTIALITY. (a) Except as provided by  
20 Subsection (b), information collected by the governor's office, the  
21 former Texas Emerging Technology Advisory Committee [~~committee~~],  
22 or the committee's advisory panels concerning the identity,  
23 background, finance, marketing plans, trade secrets, or other  
24 commercially or academically sensitive information of an  
25 individual or entity that was [~~being~~] considered for or [~~+~~  
26 ~~receiving, or having~~] received an award from the fund is  
27 confidential unless the individual or entity consents to disclosure

1 of the information.

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

6 (1) the name and address of an individual or entity  
7 that [~~receiving or having~~] received an award from the fund;

8 (2) the amount of funding received by an award  
9 recipient;

10 (3) a brief description of the project [~~that is~~]  
11 funded under this chapter;

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

15 (5) any other information designated by the committee  
16 with the consent of:

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

19 (B) the governor;

20 (C) the lieutenant governor; and

21 (D) the speaker of the house of representatives.

22 SECTION 9. Section 50D.013(a), Agriculture Code, is amended  
23 to read as follows:

24 (a) The policy council shall:

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

1 (2) foster development of cellulosic-based and  
2 bio-based fuels and build on the former Texas emerging technology  
3 fund's investments in leading-edge energy research and efforts to  
4 commercialize the production of bioenergy;

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

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

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

11 (6) pursue the development and use of thermochemical  
12 process technologies to produce alternative chemical feedstocks;

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

15 (8) perform other advisory duties as requested by the  
16 commissioner regarding the responsible development of bioenergy  
17 resources in this state.

18 SECTION 10. Section 203.021(e), Labor Code, is amended to  
19 read as follows:

20 (e) Money in the compensation fund may not be transferred to  
21 the[+]

22 [~~(1)~~] Texas Enterprise Fund created under Section  
23 481.078, Government Code[~~, or~~

24 [~~(2)~~ ~~Texas emerging technology fund established under~~  
25 ~~Section 490.101, Government Code]~~.

26 SECTION 11. The following laws are repealed:

27 (1) Sections 490.001(1), (3), and (5), Government

1 Code;

2 (2) Sections 490.002 and 490.003, Government Code;

3 (3) Sections 490.051, 490.052, 490.0521, 490.053,  
4 490.054, 490.055, and 490.056, Government Code; and

5 (4) Subchapters C, D, E, F, and G, Chapter 490,  
6 Government Code.

7 SECTION 12. (a) On September 1, 2015, the Texas emerging  
8 technology fund is abolished and the balance of the fund is  
9 transferred to the general revenue fund and may be used in  
10 accordance with legislative appropriation, except as provided by  
11 Subsections (c) and (d) of this section.

12 (b) The abolition by this Act of the Texas emerging  
13 technology fund and the repeal of provisions of Chapter 490,  
14 Government Code, relating to that fund do not affect the validity of  
15 an agreement between the governor and an award recipient or a person  
16 to be awarded money that is entered into under Chapter 490 before  
17 September 1, 2015.

18 (c) Money that was deposited in the Texas emerging  
19 technology fund as a gift, grant, or donation under Chapter 490,  
20 Government Code, and that is encumbered by the specific terms of the  
21 gift, grant, or donation may be spent only in accordance with the  
22 terms of the gift, grant, or donation.

23 (d) Money from the Texas emerging technology fund that is  
24 encumbered because the money is awarded or otherwise obligated by  
25 agreement before September 1, 2015, but under the terms of the award  
26 or agreement will not be distributed until a later date shall be  
27 distributed in accordance with the terms of the award or agreement.

1 If the governor determines that the money will not be distributed in  
2 accordance with the terms of the award or agreement, the governor  
3 shall certify that fact to the comptroller. On that certification,  
4 the comptroller shall make that money available in the general  
5 revenue fund to be used in accordance with legislative  
6 appropriation.

7 (e) On or after the effective date of this Act, the  
8 following payments or other amounts shall be sent to the  
9 comptroller for deposit to the general revenue fund:

10 (1) any royalties, revenues, and other financial  
11 benefits realized from a project undertaken with money from the  
12 Texas emerging technology fund, as provided by a contract entered  
13 into under Section 490.103 or 490.302, Government Code;

14 (2) interest earned on the investment of money in the  
15 Texas emerging technology fund;

16 (3) any interest or proceeds received as a result of a  
17 transaction authorized by Section 490.101, Government Code; and

18 (4) any fund money returned by an entity that fails to  
19 perform an action guaranteed by a contract entered into under  
20 Section 490.154 or 490.203, Government Code.

21 SECTION 13. 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 14. On September 1, 2015, the Texas Emerging  
3 Technology Advisory Committee established under Subchapter B,  
4 Chapter 490, Government Code, is abolished.

5           SECTION 15. If a conflict exists between this Act and  
6 another Act of the 84th Legislature, Regular Session, 2015, that  
7 relates to the Texas emerging technology fund, this Act controls  
8 without regard to the relative dates of enactment.

9           SECTION 16. This Act takes effect September 1, 2015.