

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 1, 2015**

**TO:** Honorable Angie Chen Button, Chair, House Committee on Economic & Small Business Development

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1389** by Villalba (Relating to the funding of certain activities related to the commercialization of emerging technologies.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Government Code to repeal the Emerging Technology Fund (ETF) awards for Incentives for Commercialization Activities and allocations for funding awards from the ETF program would be revised. Agreements in place before the repeal would not be affected. The bill would abolish Regional Centers of Innovation and Commercialization. The bill would direct money returned to the state from an award under former Incentives for Commercialization Activities due to failure to perform an action guaranteed by a contract, to be deposited 50 percent to General Revenue - Dedicated Emerging Technology Fund Account No. 5124 and 50 percent to General Revenue - Dedicated Texas Enterprise Fund Account No. 5107.

The Office of the Governor (OOG) indicates only a small amount of returns are for failure to meet contractual obligations and would be subject to the 50 percent allocation to Texas Enterprise Fund. The OOG indicates that the majority of direct returns in the ETF are from investments in entities with Commercialization awards and the bill would reduce the potential level of overall returns to the ETF.

This bill would take effect September 1, 2015.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 301 Office of the Governor, 304 Comptroller of Public Accounts

**LBB Staff:** UP, CL, EP, LBe