

By: Capriglione, Frank, Krause, et al.

H.B. No. 1096

Substitute the following for H.B. No. 1096:

By: Raymond

C.S.H.B. No. 1096

A BILL TO BE ENTITLED

AN ACT

relating to the modernization of state agency information technology systems.

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

SECTION 1. Subchapter G, Chapter 403, Government Code, is amended by adding Section 403.1105 to read as follows:

Sec. 403.1105. TEXAS INNOVATION FUND AND STATE AGENCY TECHNOLOGY UPGRADES ACCOUNT. (a) In this section:

(1) "Account" means the state agency technology upgrades account.

(2) "Board" means the Texas innovation fund board.

(3) "Cloud computing service" has the meaning assigned by Section 2157.007.

(4) "Device-as-a-service" means a managed service in which hardware that belongs to a managed service provider is installed at a state agency and a service level agreement defines the responsibilities of each party to the agreement.

(5) "Fund" means the Texas innovation fund.

(6) "Information technology system" means any equipment or interconnected system or subsystem of equipment used by a state agency, or a person under a contract with a state agency if the contract requires use of the equipment, to acquire, store, analyze, evaluate, manipulate, manage, move, control, display, switch, interchange, transmit, print, copy, scan, or receive data

1 or other information. The term:

2 (A) includes a computer, a device-as-a-service
3 solution, ancillary computer equipment such as imaging, printing,
4 scanning, and copying peripherals and input, output, and storage
5 devices necessary for security and surveillance, peripheral
6 equipment designed to be controlled by the central processing unit
7 of a computer, software and firmware and similar procedures, and
8 services, including support services, and related resources; and

9 (B) does not include equipment acquired by a
10 contractor incidental to a state contract.

11 (7) "Legacy information technology system" means an
12 information technology system that is operated with obsolete or
13 inefficient hardware or software technology.

14 (8) "Qualifying information technology modernization
15 project" means a project by a state agency to:

16 (A) replace the agency's information technology
17 systems;

18 (B) transition the agency's legacy information
19 technology systems to a cloud computing service or other innovative
20 commercial platform or technology; or

21 (C) develop and implement a method to provide
22 adequate, risk-based, and cost-effective information technology
23 responses to threats to the agency's information security.

24 (9) "State agency" has the meaning assigned by Section
25 [2254.151](#).

26 (b) The Texas innovation fund board is established to
27 administer the Texas innovation fund and the state agency

1 technology upgrades account and to make awards of financial
2 assistance to state agencies from the fund or account for
3 qualifying information technology modernization projects. The
4 board is composed of:

5 (1) one member who is a representative of the
6 comptroller, appointed by the comptroller;

7 (2) one member who is a representative of the
8 Department of Information Resources, appointed by the presiding
9 officer of the governing board of the Department of Information
10 Resources;

11 (3) one member who is a representative of the office of
12 the governor, appointed by the governor;

13 (4) two members of the senate, appointed by the
14 lieutenant governor;

15 (5) two members of the house of representatives,
16 appointed by the comptroller from a list provided by the speaker of
17 the house of representatives; and

18 (6) one public member, appointed by the governor.

19 (c) Members of the board serve six-year terms. A board
20 member is not entitled to compensation for service on the board but
21 is entitled to reimbursement of expenses incurred while performing
22 duties as a board member.

23 (d) The Texas innovation fund and the state agency
24 technology upgrades account are special funds outside the state
25 treasury to be used by the board, without further legislative
26 appropriation, as provided by this section.

27 (e) The fund consists of:

1 (1) money appropriated, credited, or transferred to
2 the fund by the legislature;

3 (2) money received by the board for the repayment of a
4 loan made from the fund; and

5 (3) interest and other earnings earned on deposits and
6 investments of money in the fund.

7 (f) The account consists of:

8 (1) money deposited to the account by the comptroller
9 in the manner prescribed by Subsection (h); and

10 (2) interest and other earnings earned on deposits and
11 investments of money in the account.

12 (g) The comptroller, in consultation with the Department of
13 Information Resources, shall establish a loan program to authorize
14 the board to use money from the fund to provide loans to state
15 agencies for qualifying information technology modernization
16 projects. A state agency must apply to the board for a loan from the
17 fund. The application must include a description of the qualifying
18 information technology modernization project for which the state
19 agency is requesting a loan. A loan agreement entered into under
20 this subsection must require the state agency to:

21 (1) repay the loan to the board within seven years of
22 the date the loan is made to the agency; and

23 (2) make annual reports to the board identifying cost
24 savings realized by the agency as a result of the project for which
25 the agency received the loan.

26 (h) At the end of each state fiscal year, on the written
27 request of a state agency, the comptroller shall deposit to the

1 account the unexpended balance of any money appropriated to the
2 agency for that state fiscal year that is budgeted by the agency for
3 information technology services or cybersecurity purposes. A state
4 agency may request money from the account from the board at any time
5 for a qualifying information technology modernization project.

6 (i) The comptroller shall separately account for the amount
7 of money deposited to the account at the request of each state
8 agency under Subsection (h). Money deposited to the account under
9 Subsection (h) and any interest and other earnings on that money may
10 be provided only to the state agency for which the comptroller
11 deposited the money to the account and may be used by the agency
12 only for a qualifying information technology modernization
13 project.

14 (j) Any money deposited to the account at the request of a
15 state agency under Subsection (h) that is not requested by the
16 agency within three years from the date the money is deposited shall
17 be transferred by the comptroller to the general revenue fund to be
18 used in accordance with legislative appropriation.

19 (k) A state agency that receives money from the fund or the
20 account may collaborate with one or more other state agencies that
21 also receive money from the fund or the account to purchase
22 information technology systems that may be shared between the
23 agencies.

24 (l) The comptroller may adopt rules to implement and
25 administer this section.

26 SECTION 2. This Act takes effect September 1, 2019.