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By:  Creighton S.B. No. 1525

A BILL TO BE ENTITLED

AN ACT

relating to the administration of the governor's university research initiative.

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

SECTION 1.  Section 62.161(2), Education Code, as added by Chapter 448 (H.B. 7), Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(2)  "Distinguished researcher" means:

(A)  an individual [~~a~~] researcher who [~~is~~]:

(i)  is [~~(A)~~]  a Nobel laureate or the recipient of an equivalent honor; [~~or~~]

(ii)  is [~~(B)~~]  a member of a national honorific society, such as the National Academy of Sciences, the National Academy of Engineering, or the Institute of Medicine, or an equivalent honorific organization; or

(iii)  has attained a highly prestigious national academic recognition, as defined by office rule; or

(B)  a group of researchers who have attained recognition as described by Paragraph (A)(iii).

SECTION 2.  Section 62.162(c), Education Code, as added by Chapter 448 (H.B. 7), Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(c)  The office in consultation with the commissioner of higher education may adopt any rules the office considers necessary to administer this subchapter. The coordinating board shall recommend to the office the types of national academic recognitions that are considered to be highly prestigious for purposes of determining which individuals or groups qualify as a "distinguished researcher" under Section 62.161.

SECTION 3.  Section 62.168(b), Education Code, as added by Chapter 448 (H.B. 7), Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(b)  The fund consists of:

(1)  amounts appropriated or otherwise allocated or transferred by law to the fund; [~~and~~]

(2)  gifts, grants, and other donations received for the fund; and

(3)  money deposited to the fund under Section 62.169 or under Section 490.101(b-1), Government Code, as added by Chapters 323 (S.B. 632) and 915 (H.B. 26), Acts of the 84th Legislature, Regular Session, 2015.

SECTION 4.  Section 62.166, Education Code, as added by Chapters 323 (S.B. 632) and 915 (H.B. 26), Acts of the 84th Legislature, Regular Session, 2015, is transferred to Subchapter H, Chapter 62, Education Code, as added by Chapter 448 (H.B. 7), Acts of the 84th Legislature, Regular Session, 2015, redesignated as Section 62.169, Education Code, and amended to read as follows:

Sec. 62.169  [~~62.166~~]. WINDING UP OF CONTRACTS AND AWARDS IN CONNECTION WITH TEXAS EMERGING TECHNOLOGY FUND. (a)  The governor's university research initiative is the successor to the Texas emerging technology fund.  Awards from the Texas emerging technology fund shall be wound up in accordance with this section and Section 490.104, Government Code, as added by Chapters 323 (S.B. 632) and 915 (H.B. 26), Acts of the 84th Legislature, Regular Session, 2015, 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 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 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, including any money returned or repaid to the state by an award recipient, shall be credited to the governor's university research initiative fund.

(c)  If money awarded from the 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)  Except for an obligation regarding the distribution of royalties, revenue, or other financial benefits to the state as provided by Subsection (b), if money awarded from the Texas emerging technology fund under a contract executed before September 1, 2015, has been fully distributed and the entity that received the award has fully performed all specific actions under the terms of the contract governing the award, the entity is considered to have fully satisfied the entity's obligations under the contract.  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.

SECTION 5.  Section 62.167, Education Code, as added by Chapters 323 (S.B. 632) and 915 (H.B. 26), Acts of the 84th Legislature, Regular Session, 2015, is transferred to Subchapter H, Chapter 62, Education Code, as added by Chapter 448 (H.B. 7), Acts of the 84th Legislature, Regular Session, 2015, and redesignated as Section 62.170, Education Code, to read as follows:

Sec. 62.170  [~~62.167~~]. CONFIDENTIALITY OF INFORMATION CONCERNING AWARDS FROM TEXAS EMERGING TECHNOLOGY FUND. (a)  Except as provided by Subsection (b), information collected under former provisions of 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 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 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 that fund;

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

(3)  a brief description of the project funded under former provisions of 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 that 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 that fund, if the information relates to that individual or entity.

SECTION 6.  Section 62.168, Education Code, as added by Chapters 323 (S.B. 632) and 915 (H.B. 26), Acts of the 84th Legislature, Regular Session, 2015, is transferred to Subchapter H, Chapter 62, Education Code, as added by Chapter 448 (H.B. 7), Acts of the 84th Legislature, Regular Session, 2015, redesignated as Section 62.171, Education Code, and amended to read as follows:

Sec. 62.171  [~~62.168~~]. REPORTING REQUIREMENT. (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 matching grants made to eligible institutions from the fund that states:

(1)  the total amount of matching funds granted by the office;

(2)  the total amount of matching funds granted to each recipient institution;

(3)  a brief description of each distinguished researcher recruited by each recipient institution, including any amount of external research funding that followed the distinguished researcher to the 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:

(A)  any patents issued to the distinguished researcher after accepting employment by the recipient institution; and

(B)  any external research funding, public or private, obtained by the distinguished researcher after accepting employment by the recipient institution.

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

(c) [~~(b)~~]  The governor may require an eligible institution that receives a matching grant under this subchapter to submit, on a form the governor provides, information required to complete the report.

SECTION 7.  The following provisions of Subchapter H, Chapter 62, Education Code, as added by Chapters 323 (S.B. 632) and 915 (H.B. 26), Acts of the 84th Legislature, Regular Session, 2015, are repealed:

(1)  Section 62.161;

(2)  Section 62.162;

(3)  Section 62.163;

(4)  Section 62.164;

(5)  Section 62.165; and

(6)  the heading to Subchapter H, Chapter 62.

SECTION 8.  The change in law made by this Act applies only to a grant application submitted to the Texas Economic Development and Tourism Office in the office of the governor for the state fiscal year beginning September 1, 2021. A grant application submitted for a preceding state fiscal year is governed by the law in effect on the date the application was submitted, and that law is continued in effect for that purpose.

SECTION 9.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.