By: Herbert H.B. No. 1258

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Texas technology and innovation program.

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

SECTION 1. Chapter 489, Government Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. TEXAS TECHNOLOGY AND INNOVATION PROGRAM

Sec. 489.351. DEFINITIONS. In this subchapter:

(1) "Federal funding program" means the small business innovation research and small business technology transfer programs established by 15 U.S.C. Section 638.

(2) "Program" means the Texas technology and innovation program established under this subchapter.

Sec. 489.352. ESTABLISHMENT AND ADMINISTRATION OF PROGRAM. The office shall establish and administer the Texas technology and innovation program to foster job creation and economic development in this state by matching or supplementing money received by a business entity through the federal funding program.

Sec. 489.353. ELIGIBILITY. To be eligible to receive money under the program, a business entity must:

(1) meet at least one of the following conditions:

(A) be organized under the laws of this state;

(B) maintain a domestic headquarters in this state;

(C) maintain at least one manufacturing facility in this state; or

(D) have more than half of the entity's employees residing in this state;

(2) meet all requirements to receive money under the federal funding program;

(3) not receive concurrent funding from another state program or fund that serves the same purpose as the program; and

(4) meet any additional requirements under this subchapter for the applicable phase under which the business entity applies to receive money.

Sec. 489.354. APPLICATION. (a) A business entity may apply to receive money under the program by submitting an application under oath to the office on a form prescribed by the office. The application must include:

(1) the business entity's name;

(2) the business entity's business organization structure;

(3) the business entity's address and any principals listed at a different address;

(4) certification of the information required under Section 489.353; and

(5) any other information required by the office.

(b) In addition to the requirements of Subsection (a), a business entity must provide to the office, as applicable:

(1) for "phase zero" or a similar stage of the federal funding program process, a notification of receipt for an

application for funding under the federal funding program;

(2) for "phase one" or a similar stage of the federal funding program process:

(A) a notice of award to the entity from a funding agency under the federal funding program;

(B) a final report for the applicable stage as required by the federal funding program; and

(C) a proposal for money under the next stage of the federal funding program; and

(3) for "phase two" or a similar stage of the federal funding program process:

(A) a notice of award to the entity from a funding agency under the federal funding program; and

(B) a final report for the applicable stage as required by the federal funding program.

Sec. 489.355. AWARD OF GRANT; LIMITATIONS. (a) The office may award a "phase zero" grant under this subchapter immediately on fulfillment of the requirements under Section 489.354(b)(1).

(b) The office may award a "phase one" grant under this subchapter immediately on fulfillment of the requirements under Section 489.354(b)(2).

(c) The office may award a "phase two" grant under this subchapter immediately on fulfillment of the requirements under Section 489.354(b)(3).

(d) A business entity may assign a grant received under this subchapter only with the prior written consent of the office.

(e) A business entity may not receive more than:

(1) one grant in each state fiscal year; and

(2) five grants in each phase under this section.

Sec. 489.356. FUNDING. (a) The office shall award grants as provided by this subchapter from available money and any additional money appropriated for purposes of this subchapter.

(b) The office may solicit and receive gifts, grants, and donations from any source to provide additional funding for grants awarded under this subchapter.

SECTION 2. As soon as practicable after the effective date of this Act, the Texas Economic Development and Tourism Office shall adopt the rules necessary to implement Subchapter G, Chapter 489, Government Code, as added by this Act.

SECTION 3. (a) Notwithstanding any other section of this Act, in a state fiscal year, the Texas Economic Development and Tourism Office is not required to implement a provision found in another section of this Act that is drafted as a mandatory provision imposing a duty on the office to take an action unless money is specifically appropriated to the office for that fiscal year to carry out that duty. The Texas Economic Development and Tourism Office may implement the provision in that fiscal year to the extent other funding is available to the office to do so.

(b) If, as authorized by Subsection (a) of this section, the Texas Economic Development and Tourism Office does not implement the mandatory provision in a state fiscal year, the office, in its legislative budget request for the next state fiscal biennium, shall certify that fact to the Legislative Budget Board and include a written estimate of the costs of implementing the provision in

each year of that next state fiscal biennium.

SECTION 4. This Act takes effect September 1, 2027.