

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

5/30/09

Date

Honorable David Dewhurst
President of the Senate

Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on House Bill 2531 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Shapiro
FLORENCE SHAPIRO, CHAIR

Wendy Davis
WENDY DAVIS

CHRIS HARRIS
KEVIN ELTIFE

On the part of the Senate
LETICIA VAN DE PUTTE

Norma Chavez
NORMA CHAVEZ, CHAIR

Yvonne Davis
YVONNE DAVIS

Abel Herrero
ABEL HERRERO

JIM PITTS
JIM PITTS

On the part of the House
PATRICIA HARLESS

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

3rd Printing

H.B. No. 2531

A BILL TO BE ENTITLED

AN ACT

relating to a reporting requirement regarding the Texas emerging
technology fund.

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

SECTION 1. Subchapter A, Chapter 490, Government Code, is
amended by adding Section 490.005 to read as follows:

Sec. 490.005. ANNUAL REPORT. (a) Not later than January 1
of each year, the governor shall submit to the legislature and post
on the office of the governor's Internet website a report that
includes the following information regarding the fund for the
preceding three state fiscal years:

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

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

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

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

(5) a brief description of the equity position that
the governor, on behalf of the state, may take in companies
receiving awards and the names of the companies in which the state
has taken an equity position.

1 (b) The annual report must also contain a brief description
2 regarding:

3 (1) the intended outcomes of projects funded under
4 Subchapter D during the preceding two state fiscal years; and

5 (2) the actual outcomes of all projects funded under
6 Subchapter D during the fund's existence, including any financial
7 impact on the state resulting from a liquidity event involving a
8 company whose project was funded under that subchapter.

9 (c) The report may not include information that is made
10 confidential by law.

11 SECTION 2. Not later than January 1, 2011, the governor
12 shall submit the initial report required by Section 490.005,
13 Government Code, as added by this Act.

14 SECTION 3. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2009.

House Bill 2531
Conference Committee Report
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Subchapter A, Chapter 490, Government Code, is amended by adding Section 490.005 as follows:

No equivalent provision.

Sec. 490.005. ANNUAL REPORT.

No equivalent provision.

(a) Requires the governor, not later than January 1 of each year, to submit to the *legislature* and post on the office of the governor's Internet website a report that includes certain information regarding the Texas emerging technology fund for the *preceding three state fiscal years*. Among other information, requires the report to include: the name of each award recipient and

SENATE VERSION

SECTION 1. Subchapter A, Chapter 490, Government Code, is amended by adding Sections 490.005 *and 490.006* as follows:

Sec. 490.005. **AUTHORITY TO CONTRACT WITH AN OUTSIDE ENTITY.** Authorizes the governor to contract with an outside entity to assist in the negotiation and drafting of contracts between the governor and a recipient of an award for funds for emerging technology, oversee outstanding awards and monitor compliance with such a contract, evaluate the fund's investment portfolio, advise the office of the governor regarding the value and performance of the investment portfolio, and assist the governor in preparing the annual report regarding certain information on the fund in the preceding fiscal year.

Sec. 490.006. ANNUAL REPORT.

(a) Defines "investment portfolio."

(b) Requires the governor, not later than January 1 of each year, to submit to the *Legislative Budget Board* and post on the office of the governor's Internet website a report that includes certain information regarding the fund for the *preceding state fiscal year*. Among other information, requires the report to include: the name of each award recipient, *the recipient's organizational*

CONFERENCE

SECTION 1. Same as House version.

Same as House version.

Same as House version.

Same as House version.

Same as House version.

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the amount of the award made to the recipient; the aggregate total of private sector investment, federal government funding, and contributions from other sources obtained in connection with awards made for commercialization activities incentives, research award matching, and the acquisition of research superiority; and a brief description of the equity position that the governor, on behalf of the state, may take in companies receiving awards and the names of the companies in which the state has taken an equity position.

(b) Requires the annual report to contain a brief description regarding the intended outcomes of projects funded as incentives for commercialization activities during the preceding two state fiscal years and the actual outcomes of all such projects during the fund's existence, including any financial impact on the state resulting from a liquidity event involving a company whose project was funded as an incentive for commercialization activities.

(c) Prohibits the report from including information that is made confidential by law.

No equivalent provision.

SENATE VERSION

structure, and the amount of the awards made to the recipient; the total amount of funds received by each recipient from any source for a project that receives an award for incentives for commercialization activities, including the amount awarded to the recipient from the fund, the total amount of any funds received by the recipient from the private sector, and the amount of any federal grants or loans received by the recipient; a brief description of the investments that constitute the fund's investment portfolio as of the end of that reporting period; and the total value of the fund's investment portfolio as of the end of that reporting period.

(c) Requires the annual report to include aggregate information regarding the planned and actual outcomes resulting from awards made from the fund during the preceding two state fiscal years.

No equivalent provision.

(d) Prohibits the governor from disclosing in the report the name of any person in the private sector that invests in a project receiving an award for an incentive for commercial activities.

CONFERENCE

Same as House version.

Same as House version.

Same as House version.

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No equivalent provision.

(e) Requires the governor to notify each member of the legislature by electronic mail when a new report is posted on the office of the governor's Internet website and requires the notification to contain an electronic copy of the report or include an electronic link to the report on the website.

Same as House version.

No equivalent provision.

SECTION __. Section 490.057, Government Code, is transferred to Subchapter A, Chapter 490, Government Code, renumbered as Section 490.004, Government Code, and amended to provide for the confidentiality of information in any form provided by or on behalf of an individual or entity being considered for an award from the fund or a recipient of an award from the fund that is collected, assembled, or maintained by or for the governor, the lieutenant governor, the speaker of the house of representatives, the Texas emerging technology advisory committee, or the committee's advisory panels.

Same as House version.

No equivalent provision.

SECTION __. Subsection (a), Section 490.102, Government Code, is amended to change the percentages of the money appropriated to the fund that is allocated for certain purposes from the fund.

Same as House version.

No equivalent provision.

SECTION __. Subchapter C, Chapter 490, Government Code, is amended by adding Section 490.104, TRANSFERS BETWEEN TEXAS EMERGING TECHNOLOGY FUND AND TEXAS ENTERPRISE FUND.

Same as House version.

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CONFERENCE

Prohibits the governor from making awards or transfers otherwise authorized by law between the Texas emerging technology fund and the Texas Enterprise Fund without the prior written approval of the Legislative Budget Board.

No equivalent provision.

SECTION __. Subsection (a), Section 490.253, Government Code, is amended to require the Texas emerging technology advisory committee to review and consider proposals by public institutions of higher education to achieve certain goals relating research superiority.

Same as House version.

SECTION 2. Requires the governor to submit the initial report regarding the Texas emerging technology fund not later than January 1, 2011.

SECTION 2. Substantially the same as House version.

SECTION 2. Same as House version.

SECTION 3. Effective date.

SECTION 3. Same as House version.

SECTION 3. Same as House version.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 30, 2009

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2531 by Chavez (Relating to a reporting requirement regarding the Texas emerging technology fund.), **Conference Committee Report**

No fiscal implication to the State is anticipated.

The bill would implement a recommendation in the Legislative Budget Board *Government Effectiveness and Efficiency Report* entitled "Improve Accountability for the Texas Emerging Technology Fund."

The bill would require the governor to submit an annual report containing performance metrics such as the aggregate amount of private sector investment, federal government funding, and contributions from other sources obtained in connection with awards made under any of the Emerging Technology Fund's (ETF) programs -- commercialization, matching, and research superiority; as well as the amount of ETF awards received by each award recipient for the past three fiscal years. The annual report would be distributed to the legislature and posted on the governor's office website no later than January 1 of each year. The first report is due no later than January 1, 2011.

The bill would require ETF annual reports to identify the planned and actual outcomes associated with the commercialization program for the last two fiscal years, including any financial impact on the state resulting from a company awardee being bought out or otherwise acquired by another company (known as a liquidity event).

Finally, the bill would require ETF annual reports to provide a brief description of the equity position which the governor may take in companies that get commercialization awards, and the names of companies in which the governor has taken an equity position during the past three fiscal years.

The bill would take effect immediately if it received the requisite two-thirds vote of each house; otherwise, it would take effect September 1, 2009.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor

LBB Staff: JOB, JRO, JI, RN

Certification of Compliance with Rule 13, Section 6(b), House Rules of Procedure

Rule 13, Section 6(b), House Rules of Procedure, requires that a copy of a conference committee report signed by a majority of each committee of the conference must be furnished to each member of the committee in person or if unable to deliver in person by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under Section 10(a) of this rule. The paper copies of the report submitted to the chief clerk under Section 10(b) of this rule must contain a certificate that the requirement of this subsection has been satisfied, and that certificate must be attached to the printed copy of the report furnished to each member under Section 10(d) of this rule. Failure to comply with this subsection is not a sustainable point of order under this rule.

I certify that a copy of the conference committee report on H. B. 2531 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before submission of the paper copies of the report to the chief clerk under Section 10(b), Rule 13, House Rules of Procedure.

Nona Chaus
(name)

5/30/09
(date)