

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

5/27/11

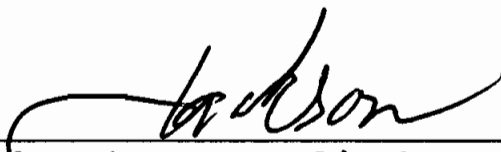
Date

Honorable David Dewhurst
President of the Senate

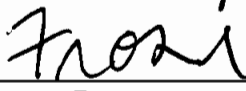
Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

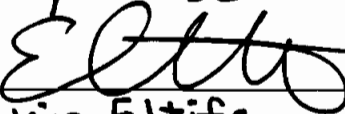
We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB2457 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.



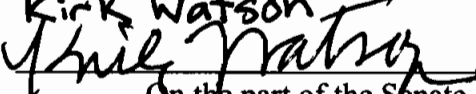
Mike Jackson, Chair



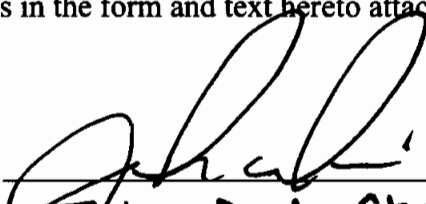
Troy Fraser



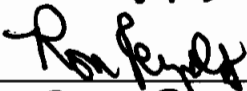
Kevin Eltife

Florence Shapiro
Kirk Watson


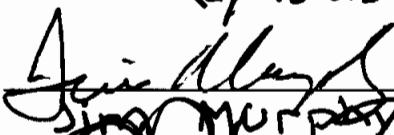
On the part of the Senate



John Davis, Chair



Ron Reynolds



Jim Murphy



Aaron Pena
Mark Strama

On the part of the House

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. 2457

A BILL TO BE ENTITLED

AN ACT

relating to the Texas Enterprise Fund and the Texas emerging technology fund.

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

SECTION 1. Section 481.078, Government Code, is amended by amending Subsections (e) and (j) and adding Subsections (f-1), (f-2), and (h-1) to read as follows:

(e) The administration of the fund is considered to be a trustee program within the office of the governor. The governor may negotiate on behalf of the state regarding awarding, by grant, money appropriated from the fund. The governor may award money appropriated from the fund only with the ~~[express-written]~~ prior approval of the lieutenant governor and speaker of the house of representatives. For purposes of this subsection, an award of money appropriated from the fund is considered disapproved by the lieutenant governor or speaker of the house of representatives if that officer does not approve the proposal to award the grant before the 91st day after the date of receipt of the proposal from the governor. The lieutenant governor or the speaker of the house of representatives may extend the review deadline applicable to that officer for an additional 14 days by submitting a written notice to that effect to the governor before the expiration of the

initial review period.

(f-1) A grant agreement must contain a provision:

(1) requiring the creation of a minimum number of jobs in this state; and

(2) specifying the date by which the recipient intends to create those jobs.

(f-2) A grant agreement must contain a provision providing that if the recipient does not meet job creation performance targets as of the dates specified in the agreement, the recipient shall repay the grant in accordance with Subsection (j).

(h-1) At least 14 days before the date the governor intends to amend a grant agreement, the governor shall notify and provide a copy of the proposed amendment to the speaker of the house of representatives and the lieutenant governor.

(j) Repayment of a grant under Subsection (f)(1)(A) shall [may] be prorated to reflect a partial attainment of job creation performance targets, and may be prorated for a partial attainment of other performance targets.

SECTION 2. Sections 490.005(a) and (b), Government Code, are amended to read as follows:

(a) Not later than January 31 [±] of each year, the governor shall submit to the lieutenant governor, the speaker of the house of representatives, and the standing committee of each house of the legislature with primary jurisdiction over economic development matters and post on the office of the governor's Internet website a

report that includes the following information regarding awards made under the fund during each [~~for the~~] preceding [~~three~~] state fiscal year [~~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.

(b) The annual report must also contain:

- (1) the total number of jobs actually created by each project receiving funding under this chapter;
- (2) an analysis of the number of jobs actually created by each project receiving funding under this chapter; and
- (3) a brief description regarding:
 - (A) the methodology used to determine the information provided under Subdivisions (1) and (2), which may be developed in consultation with the comptroller's office;

(B) [~~1~~] the intended outcomes of projects funded under Subchapter D during each [~~the~~] preceding [~~two~~] state fiscal year [~~years~~]; and

(C) [~~2~~] the actual outcomes of all projects funded under Subchapter D during each preceding state fiscal year [~~the fund's existence~~], including any financial impact on the state resulting from a liquidity event involving a company whose project was funded under that subchapter.

SECTION 3. Subchapter A, Chapter 490, Government Code, is amended by adding Section 490.006 to read as follows:

Sec. 490.006. VALUATION OF INVESTMENTS; INCLUSION IN ANNUAL REPORT. To the maximum extent practicable, the office of the governor shall annually perform a valuation of the equity positions taken by the governor, on behalf of the state, in companies receiving awards under the fund and of other investments made by the governor, on behalf of the state, in connection with an award under the fund. The valuation must:

(1) be based on a methodology that:

(A) may be developed in consultation with the comptroller's office; and

(B) is consistent with generally accepted accounting principles; and

(2) be included with the annual report required under Section 490.005.

SECTION 4. The heading to Section 490.052, Government Code,

is amended to read as follows:

Sec. 490.052. APPOINTMENT TO COMMITTEE [~~BY GOVERNOR~~];
NOMINATIONS.

SECTION 5. Section 490.052, Government Code, is amended by amending Subsection (a) and adding Subsections (a-1) and (a-2) to read as follows:

(a) The governor shall appoint to the committee 13 individuals nominated as provided by Subsection (b).

(a-1) The lieutenant governor shall appoint two individuals to the committee.

(a-2) The speaker of the house of representatives shall appoint two individuals to the committee.

SECTION 6. Subchapter B, Chapter 490, Government Code, is amended by adding Section 490.0521 to read as follows:

Sec. 490.0521. FINANCIAL STATEMENT REQUIRED. (a) Each member of the committee shall file with the office of the governor a verified financial statement complying with Sections 572.022 through 572.0252 as is required of a state officer by Section 572.0252.

(b) All information obtained and maintained pursuant to Subsection (a), including information derived from the financial statements, is confidential and is not subject to disclosure under Chapter 552, Government Code.

(c) The governor, on request or in the normal course of official business, shall provide information that is confidential

under Subsection (b) to the Texas State Auditor's Office.

(d) This section does not affect release of information for legislative purposes pursuant to Section 552.008, Government Code.

SECTION 7. Section 490.054, Government Code, is amended to read as follows:

Sec. 490.054. TERMS. (a) Members of the committee appointed by the governor serve staggered two-year terms, subject to the pleasure of the governor.

(b) Members of the committee appointed by the lieutenant governor or the speaker of the house of representatives serve two-year terms.

SECTION 8. Section 490.056, Government Code, is amended by adding Subsections (c), (d), and (e) to read as follows:

(c) Each entity recommended by the committee for an award of money from the fund as provided by this chapter shall obtain and provide the following information to the office of the governor:

(1) a federal criminal history background check for each principal of the entity;

(2) a state criminal history background check for each principal of the entity;

(3) a credit check for each principal of the entity;

(4) a copy of a government-issued form of photo identification for each principal of the entity; and

(5) information regarding whether the entity or a principal of the entity has ever been subject to a sanction imposed

by the Securities and Exchange Commission for a violation of applicable federal law.

(d) For purposes of Subsection (c), "principal" means:

(1) an officer of an entity; or

(2) a person who has at least a 10 percent ownership interest in an entity.

(e) With each proposal to award funding submitted by the governor to the lieutenant governor and speaker of the house of representatives for purposes of obtaining prior approval, the governor shall provide each officer with a copy of the information provided by the appropriate entity under Subsection (c).

SECTION 9. Section 490.057, Government Code, is amended to read as follows:

Sec. 490.057. CONFIDENTIALITY. (a) Except as provided by Subsection (b), information [~~Information~~] collected by the governor's office, the committee, or the committee's advisory panels concerning the identity, background, finance, marketing plans, trade secrets, or other commercially or academically sensitive information of an individual or entity being considered for, receiving, or having received an award from the fund is confidential unless the individual or entity consents to disclosure of the information.

(b) The following information collected by the governor's office, the committee, or the committee's advisory panels under this chapter is public information and may be disclosed under

Chapter 552:

(1) the name and address of an individual or entity receiving or having received an award from the fund;

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

(3) a brief description of the project that is funded under this chapter;

(4) if applicable, a brief description of the equity position that the governor, on behalf of the state, has taken in an entity that has received an award from the fund; and

(5) any other information designated by the committee with the consent of:

(A) the individual or entity receiving or having received an award from the fund, as applicable;

(B) the governor;

(C) the lieutenant governor; and

(D) the speaker of the house of representatives.

SECTION 10. Section 490.101, Government Code, is amended by amending Subsection (f) and adding Subsection (f-1) to read as follows:

(f) The administration of the fund is considered to be a trustee program within the office of the governor. The governor may negotiate on behalf of the state regarding awards from the fund. The governor may award money appropriated from the fund only with the [~~express written~~] prior approval of the lieutenant

governor and speaker of the house of representatives.

(f-1) For purposes of Subsection (f), an award of money appropriated from the fund is considered disapproved by the lieutenant governor or speaker of the house of representatives if that officer does not approve the proposal to award funding before the 91st day after the date of receipt of the proposal from the governor. The lieutenant governor or the speaker of the house of representatives may extend the review deadline applicable to that officer for an additional 14 days by submitting a written notice to that effect to the governor before the expiration of the initial review period.

SECTION 11. Subchapter D, Chapter 490, Government Code, is amended by adding Section 490.1521 to read as follows:

Sec. 490.1521. MINUTES OF CERTAIN MEETINGS. (a) Each regional center of innovation and commercialization established under Section 490.152, including the Texas Life Science Center for Innovation and Commercialization, shall keep minutes of each meeting at which applications for funding under this subchapter are evaluated. The minutes must:

(1) include the name of each applicant recommended by the regional center of innovation and commercialization to the committee for funding; and

(2) indicate the vote of each member of the governing body of the regional center of innovation and commercialization, including any recusal by a member and the member's reason for

recusal, with regard to each application reviewed.

(b) Each regional center of innovation and commercialization shall retain a copy of the minutes of each meeting to which this section applies for at least three years.

SECTION 12. Section 203.021, Labor Code, is amended by adding Subsection (e) to read as follows:

(e) Money in the compensation fund may not be transferred to the:

(1) Texas Enterprise Fund created under Section 481.078, Government Code; or

(2) Texas emerging technology fund established under Section 490.101, Government Code.

SECTION 13. Section 204.123, Labor Code, is amended to read as follows:

Sec. 204.123. TRANSFER TO [~~TEXAS ENTERPRISE FUND,~~] SKILLS DEVELOPMENT FUND, TRAINING STABILIZATION FUND, AND COMPENSATION FUND. (a) If, on September 1 of a year, the commission determines that the amount in the compensation fund will exceed 100 percent of its floor as computed under Section 204.061 on the next October 1 computation date, the commission shall transfer from the holding fund created under Section 204.122:

(1) [~~from the first \$160 million deposited in the holding fund in any state fiscal biennium:~~

~~[(A) during the state fiscal biennium ending August 31, 2007:~~

~~[(i) 67 percent to the Texas Enterprise Fund created under Section 481.078, Government Code, except that the amount transferred under this paragraph may not exceed the amount appropriated by the legislature to the Texas Enterprise Fund in that biennium; and~~

~~[(ii) 33 percent to the skills development fund created under Section 303.003, except that the amount transferred under this paragraph may not exceed the amount appropriated by the legislature to the skills development program strategies and activities in that biennium; and~~

~~[(B)] during any state fiscal biennium beginning on or after September 1, 2007, 100 [+~~

~~[(i) 75 percent to the Texas Enterprise Fund created under Section 481.078, Government Code, except that the amount transferred under this paragraph may not exceed the amount appropriated by the legislature to the Texas Enterprise Fund in that biennium; and~~

~~[(ii) 25] percent to the skills development fund created under Section 303.003, except that the amount transferred under this subdivision [~~paragraph~~] may not exceed the amount appropriated by the legislature to the skills development program strategies and activities in that biennium; and~~

(2) any remaining amount in the holding fund after the distribution under Subdivision (1) to the training stabilization fund created under Section 302.101.

(b) If, on September 1 of a year, the commission determines that the amount in the compensation fund will be at or below 100 percent of its floor as computed under Section 204.061 on the next October 1 computation date, the commission shall transfer to the compensation fund as much of the amount in the holding fund as is necessary to raise the amount in the compensation fund to 100 percent of its floor, up to and including the entire amount in the holding fund. The commission shall transfer any remaining balance in the holding fund to the ~~[Texas Enterprise Fund, the]~~ skills development fund~~[7]~~ and the training stabilization fund in the manner ~~[in the percentages]~~ prescribed by Subsection (a).

SECTION 14. Sections 302.101(b) and (c), Labor Code, are amended to read as follows:

(b) Money in the training stabilization fund may be used in a year in which the amounts in the employment and training investment holding fund are insufficient to meet the legislative appropriation for that fiscal year for ~~[either the Texas Enterprise Fund or]~~ the skills development program strategies and activities.

(c) Money in the training stabilization fund shall be transferred to the ~~[Texas Enterprise Fund and the]~~ skills development fund under Subsection (b) not later than September 30. ~~[The transfer under Subsection (b) shall consist of transferring 67 percent of the money in the training stabilization fund to the Texas Enterprise Fund and 33 percent of the money in the training stabilization fund to the skills development fund.]~~

The amount transferred from the training stabilization fund may not exceed the amounts appropriated to the [~~Texas Enterprise Fund and~~] skills development program strategies and activities in the fiscal year in which the transfer is made.

SECTION 15. Sections 481.078(e) and 490.101(f), Government Code, as amended by this Act, and Section 490.101(f-1), Government Code, as added by this Act, apply only to a proposal for an award from the Texas Enterprise Fund or Texas emerging technology fund submitted by the governor to the lieutenant governor or speaker of the house of representatives for prior approval on or after the effective date of this Act. A proposal submitted by the governor for prior approval before the effective date of this Act is governed by the law in effect on the date the proposal was submitted for that approval, and the former law is continued in effect for that purpose.

SECTION 16. Section 481.078(j), Government Code, as amended by this Act, and Sections 481.078(f-1) and (f-2), Government Code, as added by this Act, apply only to a grant agreement that is entered into on or after the effective date of this Act. A grant agreement that is entered into before the effective date of this Act is governed by the law in effect on the date the agreement was entered into, and the former law is continued in effect for that purpose.

SECTION 17. (a) The terms of the members of the Texas Emerging Technology Advisory Committee serving immediately before

the effective date of this Act expire September 1, 2011.

(b) As soon as practicable after this Act takes effect, the governor, lieutenant governor, and speaker of the house of representatives shall appoint members to the Texas Emerging Technology Advisory Committee established under Subchapter B, Chapter 490, Government Code, in a manner that complies with that subchapter, as amended by this Act.

(c) At the first meeting of members of the Texas Emerging Technology Advisory Committee established under Subchapter B, Chapter 490, Government Code, as amended by this Act, occurring on or after September 1, 2011, the members appointed by the governor shall draw lots to determine which six members will serve a term expiring September 1, 2012, and which seven members will serve a term expiring September 1, 2013.

SECTION 18. This Act takes effect September 1, 2011.

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HOUSE VERSION

SECTION 1. Section 481.078, Government Code, is amended by adding Subsection (h-1) as follows:

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

SENATE VERSION (IE)

SECTION 1. Section 481.078, Government Code, is amended by amending Subsections (c), (e), and (j) and adding Subsections (d-1), (f-1), (f-2), and (h-1) as follows:

(c) Makes added (d-1) an exception to the requirement that the Texas Enterprise Fund be used only for economic development, infrastructure development, community development, job training programs, and business incentives.

(d-1) Authorizes the fund to be used for the Texas homeless housing and services program administered by the Texas Department of Housing and Community Affairs and makes Subsections (e-1), (f), (f-1), (g), (h), (i), and (j) and Section 481.080 inapplicable to a grant awarded for a purpose specified by this subsection.

(d-2) Authorizes the fund to be used for the Jobs and Education for Texans Fund established under Chapter 403 and makes Subsections (e-1), (f), (f-1), (g), (h), (i), and (j) and Section 481.080 inapplicable to a grant awarded for a purpose specified by this subsection.

(e) Removes the requirement that the prior approval the governor must have from the lieutenant governor and speaker of the house of representatives before awarding money appropriated from the fund be express written approval. Establishes that an award of money appropriated from the fund is considered disapproved by the lieutenant governor or speaker of the house of representatives if that officer does not approve the proposal to award funding before the 91st day after the date of receipt of the proposal from the governor. Authorizes the lieutenant governor or the speaker of the house

CONFERENCE

SECTION 1. Section 481.078, Government Code, is amended by amending Subsections (e) and (j) and adding Subsections (f-1), (f-2), and (h-1) as follows:

Same as House version.

Same as House version.

Same as House version.

(e) Same as Senate version.

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SENATE VERSION (IE)

CONFERENCE

of representatives to extend the review deadline applicable to that officer for an additional 14 days by submitting a written notice to that effect to the governor before the expiration of the initial review period.

No equivalent provision.

(f-1) Requires a grant agreement to contain a provision requiring the creation of a minimum number of jobs in this state and specifying the date by which the recipient intends to create those jobs.

(f-1) Same as Senate version.

No equivalent provision.

(f-2) Requires a grant agreement to contain a provision providing that if the recipient does not meet job creation performance targets as of the dates specified in the agreement, the recipient is required to repay the grant in accordance with Subsection (j).

(f-2) Same as Senate version.

(h-1)

(h-1) Same as House version.

(h-1) Same as House version except removes notification to the House and Senate committee chairmen with primary jurisdiction over economic development.

No equivalent provision.

(j) Requires repayment of a grant under Subsection (f)(1)(A) to be prorated to reflect a partial attainment of job creation performance targets, and authorizes repayment to be prorated for a partial attainment of other performance targets. [FA1(1),(2);FA2(1)-(3)]

(j) Same as Senate version.

No equivalent provision.

SECTION __. Section 481.079, Government Code, is amended by adding Subsection (a-1). [FA1(3)]

Same as House version.

No equivalent provision.

SECTION 2. Section 490.001(4), Government Code, is amended.

Same as House version.

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No equivalent provision.

SENATE VERSION (IE)

SECTION 3. Sections 490.005(a) and (b), Government Code, are amended as follows:

(a) Not later than January 1 of each year, the governor shall submit to the lieutenant governor, the speaker of the house of representatives, and the standing committee of each house of the legislature with primary jurisdiction over economic development matters and post on the office of the governor's Internet website a report that includes the following information regarding awards made under the fund during each ~~for the~~ preceding ~~three~~ state fiscal year ~~years~~:

- (1) the total number and amount of awards made;
- (2) the number and amount of awards made under Subchapters D, E, ~~and~~ F, ~~and~~ I;
- (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.

(b) The annual report must also contain:

- (1) the total number of jobs actually created by each project receiving funding under this chapter;
- (2) an analysis of the number of jobs actually created by each project receiving funding under this chapter; and
- (3) a brief description regarding:
 - (A) the methodology used to determine the information provided under Subdivisions (1) and (2), which may be

CONFERENCE

SECTION 2. Sections 490.005(a) and (b), Government Code, are amended as follows:

(a) Not later than January ~~31~~ ~~[+]~~ of each year, the governor shall submit to the lieutenant governor, the speaker of the house of representatives and the standing committee of the legislature with primary jurisdiction over economic development and post on the office of the governor's Internet website a report that includes the following information regarding awards made under the fund during each ~~for the~~ preceding ~~three~~ state fiscal year ~~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.

(b) The annual report must also contain:

- (1) the total number of jobs actually created by each project receiving funding under this chapter;
- (2) an analysis of the number of jobs actually created by each project receiving funding under this chapter; and
- (3) a brief description regarding:
 - (A) the methodology used to determine the information provided under Subdivisions (1) and (2), which may be

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developed in consultation with the comptroller's and state auditor's offices:

(B) ~~[(1)]~~ the intended outcomes of projects funded under Subchapter D ~~during the preceding two state fiscal years~~; and

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

SECTION 4. Subchapter A, Chapter 490, Government Code, is amended by adding Section 490.006, Valuation of Investments; Inclusion in Annual Report. Requires the office of the governor to annually perform a valuation of the equity positions taken by the governor, on behalf of the state, in companies receiving awards under the Texas emerging technology fund and of other investments made by the governor, on behalf of the state, in connection with an award under the fund. Requires the valuation to be included with the required annual report and to be based on a methodology that may be developed in consultation *with the comptroller's and state auditor's offices* and that is consistent with generally accepted accounting principles

SECTION 5. The heading to Section 490.052, Government Code, is amended as follows:
Sec. 490.052. APPOINTMENT TO COMMITTEE ~~[BY GOVERNOR]~~; NOMINATIONS.

SECTION 6. Section 490.052, Government Code, is amended by amending Subsection (a) and adding Subsections (a-1) and

developed in consultation with the comptroller's office;

(B) ~~[(1)]~~ the intended outcomes of projects funded under Subchapter D ~~during each [the] preceding [two] state fiscal year [years]~~; and

(C) ~~[(2)]~~ the actual outcomes of all projects funded under Subchapter D ~~during each preceding state fiscal year [the fund's existence]~~, including any financial impact on the state resulting from a liquidity event involving a company whose project was funded under that subchapter.

SECTION 3. Same as Senate version except requires the governor to perform the valuation *to the maximum extent practicable* and requires the valuation to be based on a methodology that may be developed in consultation *with the comptroller's office*.

SECTION 4. Same as Senate version.

SECTION 5. Same as Senate version except requires the lieutenant governor and the speaker of the house of

No equivalent provision.

No equivalent provision.

No equivalent provision.

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(a-2). Sets the number of governor-appointed committee individuals nominated as provided by Subsection (b) at 13, requires the lieutenant governor to appoint two *senators* to the committee, and requires the speaker of the house of representatives to appoint two *members of the house of representatives* to the committee.

representatives to appoint two *individuals* to the committee.

No equivalent provision.

SECTION 7. Subchapter B, Chapter 490, Government Code, is amended by adding Section 490.0521, Financial Statement Required, to require each member of the committee to file with the office of the governor a verified financial statement complying with Sections 572.022 through 572.0252 as is required of a state officer by Section 572.021.

SECTION 6. Subchapter B, Chapter 490, Government Code, is amended by adding Section 490.0521, Financial Statement Required, to require each member of the committee to file with the office of the governor a verified financial statement complying with Sections 572.022 through 572.0252 as is required of a state officer by Section 572.0252. All information obtained and maintained pursuant to Subsection (a), including information derived from the financial statements, is confidential and is not subject to disclosure under Chapter 552, Government Code and the governor, on request or in the normal course of official business, shall provide information that is confidential to the Texas State Auditor's Office or for legislative purpose.

No equivalent provision.

SECTION 8. Section 490.054, Government Code, is amended to specify that the members of the committee who serve staggered two-year terms, subject to the pleasure of the governor are members appointed by the governor, and to set the terms of the committee members appointed by the lieutenant governor or the speaker of the house of representatives at two years.

SECTION 7. Same as Senate version.

No equivalent provision.

SECTION 9. Section 490.056, Government Code, is amended by adding Subsections (c), (d), and (e) to require each entity recommended by the committee for an award of money from

SECTION 8. Same as Senate version.

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the fund as provided by this chapter to obtain and provide to the office of the governor certain state and federal criminal history background and credit check information and a copy of a government-issued form of photo identification for each principal of the entity and information regarding whether the entity or a principal of the entity has ever been subject to a sanction imposed by the Securities and Exchange Commission for a violation of applicable federal law. Defines "principal" and requires the governor, with each proposal to award funding submitted by the governor to the lieutenant governor and speaker of the house of representatives for purposes of obtaining prior approval, to provide each officer with a copy of the information provided by the appropriate entity.

SECTION 10. Section 490.057, Government Code, is amended as follows:

Sec. 490.057. CONFIDENTIALITY. (a) Except as provided by Subsection (b), information [Information] collected by the governor's office, the committee, or the committee's advisory panels concerning the identity, background, finance, marketing plans, trade secrets, or other commercially or academically sensitive information of an individual or entity being considered for, receiving, or having received an award from the fund is confidential unless the individual or entity consents to disclosure of the information.

(b) The following information collected by the governor's office, the committee, or the committee's advisory panels under this chapter is public information and may be disclosed under Chapter 552:

(1) the name and address of an individual or entity ~~being considered for,~~ receiving, or having received an award from the fund;

SECTION 9. Section 490.057, Government Code, is amended as follows:

Sec. 490.057. CONFIDENTIALITY. (a) Except as provided by Subsection (b), information [Information] collected by the governor's office, the committee, or the committee's advisory panels concerning the identity, background, finance, marketing plans, trade secrets, or other commercially or academically sensitive information of an individual or entity being considered for, receiving, or having received an award from the fund is confidential unless the individual or entity consents to disclosure of the information.

(b) The following information collected by the governor's office, the committee, or the committee's advisory panels under this chapter is public information and may be disclosed under Chapter 552:

(1) the name and address of an individual or entity receiving or having received an award from the fund;

No equivalent provision.

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- (2) the amount of funding:
 - ~~(A) applied for by an individual or entity being considered for an award; or~~
 - (B) received by an award recipient;
- (3) a brief description of the project ~~that is the subject of an application for funding or~~ that is funded under this chapter;
- (4) if applicable, a brief description of the equity position that the governor, on behalf of the state, has taken in an entity that has received an award from the fund; and
- (5) any other information designated by the committee with the consent of:
 - (A) the individual or entity being considered for, receiving, or having received an award from the fund, as applicable;
 - (B) the governor;
 - (C) the lieutenant governor; and
 - (D) the speaker of the house of representatives.

SECTION 11. Section 490.101, Government Code, is amended by amending Subsection (f) and adding Subsection (f-1) to remove the requirement that the prior approval the governor must have from the lieutenant governor and speaker of the house of representatives before awarding money appropriated from the Texas Emerging Technology Fund be express written approval. Establishes that an award of money appropriated from the fund is considered disapproved by the lieutenant governor or speaker of the house of representatives if that officer does not approve the proposal to award funding before the 91st day after the date of receipt of the proposal from the governor. Authorizes the lieutenant governor or the speaker of the house of representatives to extend the review deadline applicable to that officer for an additional 14 days by submitting a written notice to that effect to the governor

- (2) the amount of funding

- received by an award recipient;
- (3) a brief description of the project that is funded under this chapter;
- (4) if applicable, a brief description of the equity position that the governor, on behalf of the state, has taken in an entity that has received an award from the fund; and
- (5) any other information designated by the committee with the consent of:
 - (A) the individual or entity receiving or having received an award from the fund, as applicable;
 - (B) the governor;
 - (C) the lieutenant governor; and
 - (D) the speaker of the house of representatives.

SECTION 10. Same as Senate version.

Same as House version.

No equivalent provision.

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before the expiration of the initial review period.

No equivalent provision.

Same as House version.

No equivalent provision.

SECTION 12. Section 490.102, Government Code, is amended by amending Subsection (a).

Same as House version.

No equivalent provision.

SECTION 13. Subchapter D, Chapter 490, Government Code, is amended by adding Section 490.1521, Minutes of Certain Meetings. Requires each regional center of innovation and commercialization established under Section 490.152, including the Texas Life Science Center for Innovation and Commercialization, to keep minutes of each meeting at which applications for funding under this subchapter are evaluated. Requires the minutes to include the name of each applicant recommended by the regional center of innovation and commercialization to the committee for funding and indicate the vote of each member of the governing body of the regional center of innovation and commercialization, including any recusal by a member and the member's reason for recusal, with regard to each application reviewed. Requires each regional center of innovation and commercialization to retain a copy of the minutes of each meeting to which this section applies for at least three years.

SECTION 11. Same as Senate version.

No equivalent provision.

SECTION 14. Chapter 490, Government Code, is amended by adding Subchapter J, Strategic Research Initiative Programs.

Same as House version.

No equivalent provision.

SECTION 15. Section 203.021, Labor Code, is amended by

SECTION 12. Same as Senate version.

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adding Subsection (e) to prohibit the transfer of money in the compensation fund to the Texas Enterprise Fund created under Section 481.078, Government Code; or Texas emerging technology fund established under Section 490.101, Government Code.

No equivalent provision.

SECTION 16. Section 204.123, Labor Code, is amended to remove the Texas Enterprise Fund as a recipient of money transferred from the employment and training investment holding fund in the custody of the comptroller of public accounts and to make conforming changes.

SECTION 13. Same as Senate version.

No equivalent provision.

SECTION 17. Sections 302.101(b) and (c), Labor Code, are amended to remove the Texas Enterprise Fund as a recipient of money transferred from the training stabilization fund and to make conforming changes.

SECTION 14. Same as Senate version.

No equivalent provision.

SECTION 18. Saving provision relating to amended Sections 481.078(e) and 490.101(f), Government Code, and added Section 490.101(f-1), Government Code.

SECTION 15. Same as Senate version.

No equivalent provision.

SECTION 19. Saving provision relating to amended Subsection (j) and added Subsections (f-1) and (f-2), Section 481.078, Government Code. [FA2(4)]

SECTION 16. Substantially the same as Senate version.

No equivalent provision.

SECTION 20. Transition provision relating to the terms of the members of the Texas Emerging Technology Advisory Committee.

SECTION 17. Same as Senate version.

No equivalent provision.

SECTION 21. Transition provision relating to amended Section 490.102, Government Code.

Same as House version.

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SECTION 2. This Act takes effect September 1, 2011.

SENATE VERSION (IE)

SECTION 22. Same as House version.

CONFERENCE

SECTION 18. Same as House version.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 28, 2011

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: **HB2457** by Davis, John (Relating to the Texas Enterprise Fund and the Texas emerging technology fund.), **Conference Committee Report**

No significant fiscal implication to the State is anticipated.

This bill would amend the Government Code regarding the General Revenue-Dedicated Texas Enterprise Fund Account No. 5107 and the General Revenue-Dedicated Emerging Technology Fund Account No. 5124 provides terms and conditions under which grants and awards from the Accounts are considered disapproved by the Lieutenant Governor or the Speaker of the House.

The bill would also amend statute and require an annual report regarding awards made under the accounts and provide for the valuation of investments and reporting to require the Governor to annually determine the value of the equity position taken by the Governor in companies receiving awards using a methodology developed in consultation with the Comptroller and consistent with generally accepted accounting practices. The bill would require certain information from an entity recommended for an award and provide for the disclosure of certain information for entities considered for, receiving or having received, an award from the account. In addition, the bill would amend provisions regarding members of the Texas Emerging Technology Advisory Committee.

The bill would amend the Labor Code regarding transfer of money from the Unemployment Compensation Fund and prohibit the transfer of any amounts to the General Revenue-Dedicated Texas Enterprise Fund Account No. 5107 and would direct 100 percent of the amount as computed under Section to 204.061 of the labor Code to the Skills Development Fund.

It is anticipated that any additional costs associated with implementation of the legislation could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor, 320 Texas Workforce Commission

LBB Staff: JOB, AG, JM