

**SUBJECT:** Six-year terms for business incubator board members

**COMMITTEE:** Economic Development — favorable without amendment

**VOTE:** 4 ayes — Ritter, B. Cook, Anchia, Kolkhorst

0 nays

3 absent — Deshotel, McCall, Seaman

**WITNESSES:** None

**BACKGROUND:** The Product Development and Small Business Incubator Program was established in 2003 in SB 275 by Nelson, the Texas Economic Development and Tourism Office (TDED) sunset bill. The program involves a revolving fund used to assist small businesses and finance the development, production, and commercialization of new or improved products in Texas, with a preference for the biotechnology industry, in exchange for a portion of future royalties, patent rights, or equitable interests.

The board has nine members and is appointed by the governor. It comprises representatives from commercial technology development, higher education, technology industry finance, and low-income communities. Appointed members of the board serve two-year staggered terms, with the terms of three members expiring February 1 of each odd-numbered year.

**DIGEST:** HB 2307 would change the length of board members' terms from two years to six years.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005.

**SUPPORTERS SAY:** This purely technical correction would reconcile the terms of the business incubator board members. While the statute says that members serve two-year terms, it also says that one-third of the board members' terms expire

every two years. The term should be lengthened to six years so that one-third of the board members' terms can expire every two years rather than the terms of the entire board expiring every two years, as originally intended.

**OPPONENTS  
SAY:**

No apparent opposition.

**NOTES:**

The companion bill, SB 1233 by Fraser, has been referred to the Senate Business and Commerce Subcommittee on Emerging Technologies and Economic Development.