

## **BILL ANALYSIS**

Senate Research Center  
2001S0428/2

S.B. 1190  
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Education  
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As Filed

### **DIGEST AND PURPOSE**

Higher education institutions play an important role in technology research and development. When their work is transferred into commercial applications, the benefits of academic research and development become available to all. Federal legislation authorizes and directs institutions to engage in technology development and transfer activities. The Texas Legislature has directed institutions of higher education in Texas to develop intellectual property policies to comply with the Bayh-Dole Act of 1980. Additionally, the Texas Education Code authorizes The University of Texas System to establish a Center for Technology Development and Transfer at The University of Texas at Austin, but no similar authority exists for other institutions of higher education in the state. As proposed, S.B. 1190 amends the Texas Education Code to authorize any institution of higher education to establish centers to manage, transfer, market, or otherwise commercialize technology owned by it or in which it owns an interest. A center may provide such services to other institutions. The bill also clarifies that such decisions must be approved by the institution's governing board.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Title3H, Education Code, by adding Chapter 153, as follows:

#### **CHAPTER 153. CENTERS FOR TECHNOLOGY DEVELOPMENT AND TRANSFER**

Sec. 153.001. DEFINITIONS. Defines "center," "governing board," "institution of higher education," "organization," "person," and "technology."

Sec. 153.002. FINDINGS. Sets forth legislative findings regarding technology development.

Sec. 153.003. CREATION OF CENTERS. (a) Authorizes an institution of higher education, subject to approval by its governing board, to establish centers to manage, transfer, market, or otherwise commercialize technology owned by it or in which it owns an interest.

(b) Requires each center to be administered within an institution of higher education.

(c) Authorizes centers to provide services to multiple institutions of higher education. Authorizes an institution of higher education to contract with a center under the control of a governing board other than its own.

Sec. 153.004. OPERATION OF CENTERS. (a) Authorizes an institution of higher education, to the extent authorized by its governing board, to carry out certain duties through a center established under this chapter.

(b) Authorizes property and services of institutions of higher education to be used to achieve the purposes of this chapter.

Sec. 153.005. PROGRAMS. (a) Authorizes an institution of higher education, to the extent authorized by its governing board, through a center, to operate programs to provide assistance to persons in commercializing technology owned by it or in which it has an interest. Sets forth what forms the assistance may take.

(b) Requires the policies and procedures to be used by an institution of higher education to assess the qualifications of persons participating in a center's programs, including objective criteria for admission and for the measurement of progress and standards for continuance or termination of participation, to be approved by the institution's governing board.

Sec. 153.006. SUPPORT OF CENTERS. Authorizes an institution of higher education, in order to carry out the purposes of this chapter and to support the activities of centers described in this chapter, to the extent authorized by its governing board, to perform certain actions.

Sec. 153.007. NO FIDUCIARY DUTY. Provides that except as otherwise provided by law, a governing board, an institution of higher education, a university system, a center, or any employee or member of those entities does not owe a fiduciary duty to any person claiming an interest in consideration received by a university system or an institution of higher education in exchange for technology.

SECTION 2. Effective date: September 1, 2001.