

Suspending limitations on conference committee  
jurisdiction, H.B. No. 3447 (Bonnen/Huffman)

By: Bonnen

H.R. No. 2432

R E S O L U T I O N

1 BE IT RESOLVED by the House of Representatives of the State of  
2 Texas, 88th Legislature, Regular Session, 2023, That House Rule 13,  
3 Section 9(a), be suspended in part as provided by House Rule 13,  
4 Section 9(f), to enable the conference committee appointed to  
5 resolve the differences on House Bill 3447 (the establishment and  
6 administration of the Texas Space Commission and the Texas  
7 Aerospace Research and Space Economy Consortium) to consider and  
8 take action on the following matters:

9 (1) House Rule 13, Section 9(a)(2), is suspended to permit  
10 the committee to omit text not in disagreement by omitting proposed  
11 SECTIONS 1 and 2 of the bill. The omitted text reads:

12 SECTION 1. Chapter 61, Education Code, is amended by adding  
13 Subchapter V-1 to read as follows:

14 SUBCHAPTER V-1. TEXAS AEROSPACE RESEARCH AND SPACE ECONOMY  
15 CONSORTIUM

16 Sec. 61.921. DEFINITIONS. In this subchapter:

17 (1) "Consortium" means the Texas Aerospace Research  
18 and Space Economy Consortium.

19 (2) "Executive committee" means the executive  
20 committee of the consortium.

21 Sec. 61.922. ESTABLISHMENT; PURPOSE. The Texas Aerospace  
22 Research and Space Economy Consortium is established to:

23 (1) identify research opportunities for entities  
24 within this state that:

1           (A) strengthen this state's proven leadership in  
2 civil, commercial, and military aerospace activity;

3           (B) enhance this state's position in aeronautics  
4 research and development, astronautics, space commercialization,  
5 and space flight infrastructure; and

6           (C) enhance the integration of the space,  
7 aeronautics, astronautics, and aviation industries into this  
8 state's economy; and

9           (2) provide funding and research recommendations to  
10 the Texas Space Commission established under Section 481.552,  
11 Government Code.

12           Sec. 61.923. CONSORTIUM COMPOSITION. The consortium is  
13 composed of:

14           (1) each institution of higher education; and

15           (2) any other entity that the executive committee  
16 considers necessary.

17           Sec. 61.924. ADMINISTRATIVE ATTACHMENT. (a) The  
18 consortium is administratively attached to the board for the  
19 purpose of receiving and administering appropriations and other  
20 funds under this subchapter. The board is not responsible for  
21 providing to the consortium staff, human resources, contract  
22 monitoring, purchasing, or any other administrative support  
23 services.

24           (b) The board may not use funds intended to carry out the  
25 purposes of this subchapter for any costs incurred by the board  
26 under this subchapter.

27           Sec. 61.925. EXECUTIVE COMMITTEE COMPOSITION. (a) The

1 consortium is governed by an independent executive committee  
2 composed of the following nine members:

3 (1) two members appointed by the governor;  
4 (2) two members appointed by the lieutenant governor;  
5 (3) two members appointed by the speaker of the house  
6 of representatives;

7 (4) the chancellor of The Texas A&M University System  
8 or the chancellor's designee;

9 (5) the chancellor of The University of Texas System  
10 or the chancellor's designee; and

11 (6) the president of Rice University or the  
12 president's designee.

13 (b) In making appointments under Subsection (a), the  
14 governor, the lieutenant governor, and the speaker of the house of  
15 representatives, respectively, shall:

16 (1) prioritize appointing individuals with experience  
17 in:

18 (A) aeronautics;  
19 (B) space economic development; and  
20 (C) academic engagement with the space economy;

21 and

22 (2) ensure that the appointments reflect, to the  
23 extent possible, the ethnic and geographic diversity of this state.

24 (c) A vacancy on the executive committee is filled in the  
25 same manner as the initial appointment.

26 (d) The executive committee shall:

27 (1) elect a presiding officer from among the members

1 of the committee; and

2 (2) meet at the call of the presiding officer.

3 Sec. 61.926. GIFTS, GRANTS, AND DONATIONS. The executive  
4 committee may solicit and accept on behalf of the consortium gifts,  
5 grants, or donations from any public or private source for the  
6 purpose of carrying out this subchapter.

7 Sec. 61.927. GENERAL DUTIES. (a) The executive committee  
8 shall:

9 (1) develop and execute a comprehensive statewide  
10 strategic plan to further the purposes of the consortium;

11 (2) gather and coordinate recommendations from  
12 consortium members on funding and research opportunities in  
13 accordance with the purposes of the consortium; and

14 (3) establish procedures and policies for the  
15 administration of the consortium, including:

16 (A) procedures for documenting compliance by  
17 members of the committee and consortium and consortium staff with  
18 applicable laws governing conflicts of interest;

19 (B) designation of a member of the committee as  
20 the committee's liaison to the Texas Space Commission established  
21 under Section 481.552, Government Code; and

22 (C) procedures for entering into contracts with  
23 The Texas A&M University System as necessary for that system to  
24 provide administrative and staff support to the consortium.

25 (b) A member of the consortium under Section 61.923 may  
26 participate in consortium fact-finding, strategic planning, and  
27 the formation of recommendations for purposes of Subsections (a)(1)

1 and (a)(2). Before assisting the executive committee as provided  
2 by this subsection, a member of the consortium must designate a  
3 liaison to the executive committee to represent that member.

4 Sec. 61.928. BIENNIAL REPORT. Not later than December 31 of  
5 each even-numbered year, the executive committee shall submit to  
6 the Texas Space Commission established under Section 481.552,  
7 Government Code, a written report that includes for that biennium:

8 (1) the activities and objectives of the consortium;

9 (2) a synopsis of the funding and research  
10 opportunities identified by the consortium under Section  
11 61.927(a);

12 (3) legislative recommendations, if any;

13 (4) prospective grants or funding the consortium  
14 members expect to receive, if any; and

15 (5) research accomplishments associated with the  
16 consortium, if any.

17 SECTION 2. Chapter 481, Government Code, is amended by  
18 adding Subchapter FF to read as follows:

19 SUBCHAPTER FF. TEXAS SPACE COMMISSION

20 Sec. 481.551. DEFINITIONS. In this subchapter:

21 (1) "Board" means the board of directors of the  
22 commission.

23 (2) "Commission" means the Texas Space Commission.

24 (3) "Fund" means the Space Exploration and Aeronautics  
25 Research Fund.

26 (4) "Institution of higher education" has the meaning  
27 assigned by Section 61.003, Education Code.

1       Sec. 481.552. ESTABLISHMENT; PURPOSE. (a) The Texas Space  
2 Commission is established to strengthen this state's proven  
3 leadership in civil, commercial, and military aerospace activity.

4       (b) The purpose of the commission is to promote innovation  
5 in the fields of space exploration and commercial aerospace  
6 opportunities, including the integration of space, aeronautics,  
7 and aviation industries into the economy of this state.

8       Sec. 481.553. BOARD OF DIRECTORS; EXECUTIVE DIRECTOR. (a)  
9 The commission is governed by a nine-member board of directors. The  
10 board is composed of:

11           (1) three members appointed by the governor;

12           (2) three members appointed by the lieutenant  
13 governor; and

14           (3) three members appointed by the governor from a  
15 list of names submitted by the speaker of the house of  
16 representatives.

17       (b) In making appointments or selecting persons for  
18 inclusion on the list submitted to the governor under Subsection  
19 (a), the governor, lieutenant governor, and speaker of the house of  
20 representatives shall prioritize appointing or selecting, as  
21 applicable, individuals with experience in:

22           (1) commercial aerospace;

23           (2) civil aviation;

24           (3) military aerospace;

25           (4) space economic development;

26           (5) space-related academic research; and

27           (6) nonprofit support of the space economy.

1       (c) Members of the board serve two-year terms and may be  
2 reappointed for additional terms.

3       (d) A vacancy on the board is filled in the same manner as  
4 the initial appointment.

5       (e) The board shall:

6           (1) elect a presiding officer from among the members  
7 of the board;

8           (2) appoint an executive director of the commission  
9 and determine the title, functions, duties, powers, and salary of  
10 the executive director; and

11           (3) adopt rules as necessary to implement the duties  
12 of the commission under this subchapter.

13       (f) The executive director of the commission may hire staff  
14 as necessary to implement the duties of the commission under this  
15 subchapter.

16       Sec. 481.554. ADMINISTRATIVE ATTACHMENT. (a) The  
17 commission is administratively attached to the office of the  
18 governor.

19       (b) The office of the governor shall provide the commission  
20 staff and facilities as necessary to assist the commission in  
21 performing the commission's duties under this subchapter.

22       Sec. 481.555. AUTHORITY. The commission may, as necessary  
23 to perform the commission's duties under this subchapter:

24           (1) execute contracts and other documents, including  
25 by authorizing one or more members of the commission to execute  
26 contracts and other documents on behalf of the commission;

27           (2) conduct proceedings and other activities;

1           (3) establish and create boards, committees, or other  
2 entities, which may include an advisory board composed of  
3 representatives of military, federal government, and private  
4 aeronautic entities, and delegate authority or duties to those  
5 entities;

6           (4) provide financial services to support  
7 aerospace-related development within this state, including by:

8                   (A) capitalizing, underwriting, leasing,  
9 selling, or securing funding for aerospace-related infrastructure;  
10 and

11                   (B) acquiring, accepting, or administering  
12 grants and contracts to perform activities consistent with the  
13 commission's purpose;

14           (5) execute intergovernmental agreements and  
15 development agreements consistent with existing law, including  
16 with institutions of higher education and nonprofit entities; and

17           (6) engage in the planning and implementation of  
18 aerospace-related educational opportunities within this state in  
19 coordination with the Texas Aerospace Research and Space Economy  
20 Consortium established under Section 61.922, Education Code.

21           Sec. 481.556. STRATEGIC PLAN. (a) The commission shall  
22 develop and annually update a strategic plan for the promotion of  
23 space, aeronautics, and aviation economic development in this  
24 state.

25           (b) The strategic plan must include a list of potential  
26 projects that further the purpose of the commission, and, for each  
27 project:



1           (1) the estimated total cost for completion, including  
2 a potential state matching cost; and

3           (2) an assessment of the availability of external  
4 funding sources.

5           (c) The strategic plan may include any other information the  
6 commission determines is relevant to furthering the purpose of the  
7 commission.

8           (d) The board shall submit the strategic plan to the  
9 governor, the lieutenant governor, and the speaker of the house of  
10 representatives not later than December 31 of each year.

11           Sec. 481.557. SPACE EXPLORATION AND AERONAUTICS RESEARCH  
12 FUND; GRANTS. (a) The commission shall establish the Space  
13 Exploration and Aeronautics Research Fund to provide grants to  
14 eligible entities as provided by this section.

15           (b) The fund is a trust fund outside the treasury with the  
16 comptroller and administered by the commission.

17           (c) The fund is composed of:

18                   (1) gifts, grants, or donations provided to the  
19 commission; and

20                   (2) money from any source designated by the  
21 legislature.

22           (d) Using money available in the fund, the commission may  
23 provide grants to eligible entities described by Subsection (e) for  
24 the purposes of:

25                   (1) development of emerging technologies required for  
26 any aspect of human space flight;

27                   (2) research involving any aspect of space exploration

1 and space flight;

2 (3) workforce training to promote space exploration  
3 and space flight; and

4 (4) curation of post-mission materials involved in  
5 space exploration and space flight.

6 (e) The following entities are eligible for a grant made  
7 under this section:

8 (1) a business or nonprofit entity involved in the  
9 space exploration, research, or aeronautics industry; and

10 (2) a governmental entity with which the commission  
11 has entered into an intergovernmental agreement for that purpose.

12 (f) The commission shall establish procedures for the  
13 administration and approval of grants made under this section,  
14 including procedures to ensure that a grant provided under this  
15 section is in the public interest and serves the public purpose of  
16 economic development and diversification.

17 Explanation: The change is necessary to allow the Texas  
18 Space Commission and the Texas Aerospace Research and Space Economy  
19 Consortium to be established under a new chapter of the Government  
20 Code.

21 (2) House Rule 13, Section 9(a)(4), is suspended to permit  
22 the committee to add text on a matter not included in either the  
23 house or senate version of the bill by adding SECTION 1 of the bill  
24 to read as follows:

25 SECTION 1. Subtitle F, Title 4, Government Code, is amended  
26 by adding Chapter 482 to read as follows:

27 CHAPTER 482. TEXAS AEROSPACE AND TECHNOLOGY SUPPORT

1                   SUBCHAPTER A. GENERAL PROVISIONS

2           Sec. 482.001. DEFINITIONS. In this chapter:

3                   (1) "Board" means the board of directors of the  
4 commission.

5                   (2) "Commission" means the Texas Space Commission.

6                   (3) "Fund" means the space exploration and aeronautics  
7 research fund.

8                   (4) "Institution of higher education" has the meaning  
9 assigned by Section 61.003, Education Code.

10                   SUBCHAPTER B. TEXAS SPACE COMMISSION

11           Sec. 482.101. ESTABLISHMENT; PURPOSE. (a) The Texas Space  
12 Commission is established to strengthen this state's proven  
13 leadership in civil, commercial, and military aerospace activity.

14                   (b) The purpose of the commission is to promote innovation  
15 in the fields of space exploration and commercial aerospace  
16 opportunities, including the integration of space, aeronautics,  
17 and aviation industries into the economy of this state.

18           Sec. 482.102. ADMINISTRATIVE ATTACHMENT. (a) The  
19 commission is administratively attached to the office of the  
20 governor, and the office of the governor shall provide  
21 administrative support to the commission as provided by this  
22 section. The equal employment opportunity officer and the internal  
23 auditor of the office of the governor shall serve the same functions  
24 for the commission as they serve for the office of the governor.

25                   (b) The office of the governor and the board shall enter  
26 into a memorandum of understanding detailing:

27                   (1) the administrative support the commission

1 requires from the office of the governor to fulfill the purposes of  
2 this chapter;

3 (2) the reimbursement of administrative expenses to  
4 the office of the governor; and

5 (3) any other provisions available by law to ensure  
6 the efficient operation of the commission as attached to the office  
7 of the governor.

8 Sec. 482.103. SUNSET PROVISION. The commission is subject  
9 to Chapter 325 (Texas Sunset Act). Unless continued in existence as  
10 provided by that chapter, the commission is abolished and this  
11 chapter expires September 1, 2032.

12 Sec. 482.104. STATE AUDITOR. Nothing in this chapter  
13 limits the authority of the state auditor under Chapter 321 or other  
14 law.

15 Sec. 482.105. BOARD OF DIRECTORS. (a) The commission is  
16 governed by a nine-member board of directors. The board is composed  
17 of:

18 (1) three members appointed by the governor;

19 (2) three members appointed by the lieutenant  
20 governor; and

21 (3) three members appointed by the speaker of the  
22 house of representatives.

23 (b) In making appointments under Subsection (a), the  
24 governor, lieutenant governor, and speaker of the house of  
25 representatives shall prioritize appointing individuals with  
26 experience in:

27 (1) commercial aerospace;

- 1           (2) civil aviation;
- 2           (3) military aerospace;
- 3           (4) space economic development;
- 4           (5) space-related academic research; and
- 5           (6) nonprofit support of the space economy.

6           (c) Members of the board appointed by the governor,  
7 lieutenant governor, and speaker of the house serve at the pleasure  
8 of the appointing office for staggered six-year terms, with the  
9 terms of two members expiring on January 31 of each odd-numbered  
10 year.

11           (d) If a vacancy occurs on the board, the appropriate  
12 appointing authority shall appoint a successor, in the same manner  
13 as the original appointment, to serve for the remainder of the  
14 unexpired term. The appropriate appointing authority shall appoint  
15 the successor not later than the 30th day after the date the vacancy  
16 occurs.

17           (e) Not later than the 30th day after the date a board  
18 member's term expires, the appropriate appointing authority shall  
19 appoint a replacement.

20           (f) The board shall elect a presiding officer from among the  
21 members of the board.

22           Sec. 482.106. EXECUTIVE DIRECTOR. (a) The board shall hire  
23 an executive director. The executive director shall perform the  
24 duties required by this chapter and any duty delegated by the board.

25           (b) The executive director must have a demonstrated ability  
26 to lead and develop academic, commercial, military, or governmental  
27 partnerships and coalitions.

1       (c) The executive director may hire staff as necessary to  
2 implement the duties of the commission under this chapter.

3       Sec. 482.107. BOARD OF DIRECTORS: AUTHORITY. (a) The board  
4 shall:

5           (1) direct the activities of, establish goals for, and  
6 provide oversight to the commission;

7           (2) develop and execute a strategic plan in accordance  
8 with Section 482.201;

9           (3) establish the appropriate standards and executive  
10 bodies to ensure the proper use of funds authorized under this  
11 chapter for research and facilities development;

12           (4) identify research and funding opportunities for  
13 entities within this state that:

14                   (A) strengthen and enhance this state's proven  
15 leadership position in civil, commercial, and military aeronautics  
16 research and development and space flight infrastructure;

17                   (B) enhance the integration of the space,  
18 aeronautics, astronautics, and aviation industries into this  
19 state's economy; and

20                   (C) promote and further research involving  
21 materials derived from or developed through space exploration and  
22 space flight;

23           (5) capitalize, promote, and assist in the development  
24 of workforce training to further the development of emerging  
25 technologies required for all aspects of space exploration; and

26           (6) solicit proposals on funding and research  
27 opportunities related to the objectives in this chapter from the

1 Texas Aerospace Research and Space Economy Consortium established  
2 under Subchapter G.

3 (b) The board shall employ a chief compliance officer to  
4 monitor and report to the board regarding compliance with this  
5 chapter and rules adopted under this chapter. The chief compliance  
6 officer shall ensure that all grant proposals comply with this  
7 chapter and rules adopted under this chapter before the proposals  
8 are submitted to the board for approval.

9 (c) The board may:

10 (1) establish ad hoc advisory committees as necessary  
11 to carry out the board's duties under this chapter;

12 (2) adopt and use an official seal;

13 (3) solicit and accept gifts or grants, and contract  
14 with any entity;

15 (4) acquire and convey property or an interest in  
16 property;

17 (5) procure insurance and pay premiums on insurance of  
18 any type, in accounts, and from insurers as the board considers  
19 necessary and advisable to accomplish any of the commission's  
20 purposes;

21 (6) make grants to public or private persons with an  
22 established presence within this state to encourage economic  
23 development related to space and aerospace;

24 (7) make grants to enhance the capacity of  
25 institutions of higher education to participate in and support  
26 classified research;

27 (8) provide matching funding to external funding

1 provided by relevant federal agencies, private industry, or private  
2 research organizations; and

3 (9) engage in the planning and implementation of  
4 aerospace-related educational opportunities within this state in  
5 coordination with the Texas Aerospace Research and Space Economy  
6 Consortium established under Subchapter G.

7 SUBCHAPTER C. STRATEGIC PLAN

8 Sec. 482.201. STRATEGIC PLAN. (a) The commission shall  
9 develop and annually update a strategic plan for the promotion of  
10 space, aeronautics, and aviation economic development in this  
11 state.

12 (b) The strategic plan must include a list of potential  
13 projects that further the purpose of the commission, and, for each  
14 project:

15 (1) the estimated total cost for completion, including  
16 a potential state matching cost; and

17 (2) an assessment of the availability of external  
18 funding sources.

19 (c) The strategic plan may include any other information the  
20 commission determines is relevant to furthering the purpose of the  
21 commission.

22 (d) The board shall submit the strategic plan to the  
23 governor, the lieutenant governor, and the speaker of the house of  
24 representatives not later than December 31 of each year.

25 SUBCHAPTER D. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND

26 Sec. 482.301. SPACE EXPLORATION AND AERONAUTICS RESEARCH  
27 FUND; ESTABLISHMENT. (a) The space exploration and aeronautics



1 research fund is established to provide grants to eligible entities  
2 as provided by this chapter.

3 (b) The fund is a trust fund outside the treasury with the  
4 comptroller and administered by the commission.

5 (c) The fund is composed of:

6 (1) gifts, grants, and donations provided to the  
7 commission; and

8 (2) money from any source designated by the  
9 legislature.

10 Sec. 482.302. SPACE EXPLORATION AND AERONAUTICS RESEARCH  
11 FUND; GRANTS. (a) Using money available in the fund, the  
12 commission may provide grants to eligible entities described by  
13 Subsection (b) for the purposes of:

14 (1) development of emerging technologies required for  
15 any aspect of human space flight;

16 (2) research involving any aspect of space exploration  
17 and space flight;

18 (3) workforce training to promote space exploration  
19 and space flight;

20 (4) curation of post-mission materials involved in  
21 space exploration and space flight; and

22 (5) development of infrastructure useful or necessary  
23 for the establishment or maintenance of a spaceport.

24 (b) The following entities are eligible for a grant made  
25 under this subchapter:

26 (1) a business or nonprofit entity involved in the  
27 space exploration, research, or aeronautics industry; and

1           (2) a governmental entity with which the commission  
2 has entered into an intergovernmental agreement for that purpose.

3           (c) The board shall comply with the provisions of this  
4 chapter in developing the procedures for administration and  
5 approval of grants through the fund.

6           (d) The commission shall provide written notification to  
7 the Legislative Budget Board not later than the 30th day after the  
8 date a grant award is made from the fund.

9                           SUBCHAPTER E. ETHICS AND AUDIT

10           Sec. 482.401. CONFLICT OF INTEREST. (a) The board shall  
11 adopt conflict-of-interest rules to govern members of the board and  
12 commission employees.

13           (b) A board member or commission employee shall recuse  
14 himself or herself, as provided by Section 482.402, if the board  
15 member or employee, or a person who is related to the board member  
16 or employee within the second degree of affinity or consanguinity,  
17 has a professional or financial interest in an entity receiving or  
18 applying to receive money from the commission.

19           (c) A person has a financial interest in an entity receiving  
20 or applying to receive money from the commission if the person:

21                   (1) owns or controls, directly or indirectly, an  
22 ownership interest, including sharing in profits, proceeds, or  
23 capital gains, in an entity, or in a foundation or similar  
24 organization affiliated with an entity, receiving or applying to  
25 receive money from the commission; or

26                   (2) could reasonably foresee that an action or  
27 recommendation by the board or commission could result in a

1 financial benefit to the person.

2 (d) Nothing in this subchapter limits the authority of the  
3 board to adopt additional conflict-of-interest standards.

4 Sec. 482.402. DISCLOSURE OF CONFLICT OF INTEREST; RECUSAL.

5 (a) If a board member has a conflict of interest as described by  
6 Section 482.401 regarding an application that comes before the  
7 board for review or other action, the board member shall:

8 (1) provide written notice to the executive director  
9 and the presiding officer of the board or the next ranking member of  
10 the board if the presiding officer has the conflict of interest;

11 (2) disclose the conflict of interest in an open  
12 meeting of the board; and

13 (3) recuse himself or herself from participating in  
14 the review, discussion, deliberation, and vote on the application  
15 and from accessing information regarding the matter to be decided.

16 (b) If a commission employee has a conflict of interest  
17 described by Section 482.401 regarding an application that comes  
18 before the employee for review or other action, the employee shall:

19 (1) provide written notice to the executive director  
20 of the conflict of interest; and

21 (2) recuse himself or herself from participating in  
22 the review of the application and be prevented from accessing  
23 information regarding the matter to be decided.

24 (c) A board member or commission employee with a conflict of  
25 interest may seek a waiver as provided by Section 482.403.

26 (d) A board member or commission employee who reports a  
27 potential conflict of interest or another impropriety or

1 self-dealing of the member or employee and who fully complies with  
2 the recommendations of the general counsel and recusal requirements  
3 is considered in compliance with the conflict-of-interest  
4 provisions of this subchapter. The member or employee is subject to  
5 other applicable laws, rules, requirements, and prohibitions.

6 (e) A board member or commission employee who intentionally  
7 violates this section is subject to removal from further  
8 participation in the commission's review process.

9 Sec. 482.403. EXCEPTIONAL CIRCUMSTANCES REQUIRING  
10 PARTICIPATION; INVESTIGATION OF UNREPORTED CONFLICT OF INTEREST.

11 (a) The board shall adopt rules governing the waiver of the  
12 conflict-of-interest requirements of this subchapter under  
13 exceptional circumstances for a board member or commission  
14 employee. The rules must:

15 (1) authorize the executive director or a board member  
16 to propose granting a waiver by submitting to the presiding officer  
17 of the board a written statement about the conflict of interest, the  
18 exceptional circumstance requiring the waiver, and any proposed  
19 limitations to the waiver;

20 (2) require a proposed waiver to be publicly reported  
21 at a meeting of the board;

22 (3) require a majority vote of the board members  
23 present and voting to grant a waiver; and

24 (4) require the commission to retain documentation of  
25 each waiver granted.

26 (b) The board shall adopt rules governing the investigation  
27 and consequences of unreported conflicts of interest.

1       Sec. 482.404. CODE OF CONDUCT. (a) The board shall adopt a  
2 code of conduct applicable to each board member and commission  
3 employee.

4       (b) The code of conduct at a minimum must include provisions  
5 prohibiting the member, the employee, or the member's or employee's  
6 spouse from:

7           (1) accepting or soliciting any gift, favor, or  
8 service that could reasonably influence the member or employee in  
9 the discharge of official duties or that the member, employee, or  
10 spouse of the member or employee knows or should know is being  
11 offered with the intent to influence the member's or employee's  
12 official conduct;

13           (2) accepting employment or engaging in any business  
14 or professional activity that would reasonably require or induce  
15 the member or employee to disclose confidential information  
16 acquired in the member's or employee's official position;

17           (3) accepting other employment or compensation that  
18 could reasonably impair the member's or employee's independent  
19 judgment in the performance of official duties;

20           (4) making personal investments or having a financial  
21 interest that could reasonably create a substantial conflict  
22 between the member's or employee's private interest and the member's  
23 or employee's official duties;

24           (5) intentionally or knowingly soliciting, accepting,  
25 or agreeing to accept any benefit for exercising the member's  
26 official powers or performing the member's or employee's official  
27 duties in favor of another;

1           (6) leasing, directly or indirectly, any property,  
2 capital equipment, employee, or service to any entity that receives  
3 a grant from the commission;

4           (7) submitting a grant application for funding by the  
5 board;

6           (8) serving on the board of directors of an  
7 organization established with a grant from the commission; or

8           (9) serving on the board of directors of a grant  
9 recipient.

10           SUBCHAPTER F. PROCEDURE FOR MAKING AWARDS

11           Sec. 482.501. RULES FOR GRANT AWARD PROCEDURE. (a) The  
12 board shall adopt rules regarding the procedure for awarding grants  
13 to an applicant under this chapter, including a procedure for the  
14 Texas Aerospace Research and Space Economy Consortium to make  
15 recommendations to the board for grant awards.

16           (b) The board may not award a grant to an applicant who has  
17 made a gift or grant to the commission or a nonprofit organization  
18 established to provide support to the commission.

19           Sec. 482.502. MULTIYEAR PROJECTS. The board may grant  
20 money for a multiyear project. The board shall specify the total  
21 amount of money approved to fund the multiyear project. The total  
22 amount specified is considered for purposes of this subchapter to  
23 have been awarded in the state fiscal year that the project is  
24 approved by the board. The board shall distribute only the money  
25 that will be expended during that fiscal year. The board shall  
26 distribute the remaining grant money as the money is needed in each  
27 subsequent state fiscal year.

1       Sec. 482.503. PREFERENCE FOR TEXAS SUPPLIERS. The board  
2 shall establish standards to ensure that grant recipients purchase  
3 goods and services from suppliers in this state to the extent  
4 reasonably possible, in a good faith effort to achieve a goal of  
5 more than 50 percent of those purchases from suppliers in this  
6 state.

7       Sec. 482.504. GRANT EVALUATION. (a) The executive  
8 director shall determine the grant review process under this  
9 section. The executive director may terminate grants that do not  
10 meet contractual obligations.

11       (b) The executive director shall report at least annually to  
12 the board on the progress and continued merit of each grant funded  
13 by the commission.

14       (c) The board shall establish and implement reporting  
15 requirements to ensure that each grant recipient complies with the  
16 terms and conditions in the grant contract, including verification  
17 of the amounts of matching money dedicated to the research that is  
18 the subject of the grant award to the grant recipient.

19       (d) The commission shall implement a system to:

20               (1) track the dates on which grant recipient reports  
21 are due and are received by the commission; and

22               (2) monitor the status of any required report that is  
23 not timely submitted to the commission by a grant recipient.

24       Sec. 482.505. GRANT RECORDS. The commission shall maintain  
25 complete records of:

26               (1) the review of each grant application submitted to  
27 the board, including an application reviewed in accordance with

1 rules adopted under this chapter, even if the grant application is  
2 not funded by the board or is withdrawn after submission;

3 (2) each grant recipient's financial reports,  
4 including the amount of matching money dedicated to the research  
5 specified for the grant award;

6 (3) each grant recipient's progress reports; and

7 (4) the board's review of the grant recipient's  
8 financial reports and progress reports.

9 SUBCHAPTER G. TEXAS AEROSPACE RESEARCH AND SPACE ECONOMY

10 CONSORTIUM

11 Sec. 482.601. DEFINITIONS. In this subchapter:

12 (1) "Consortium" means the Texas Aerospace Research  
13 and Space Economy Consortium.

14 (2) "Executive committee" means the executive  
15 committee of the consortium.

16 Sec. 482.602. SUNSET PROVISION. The consortium is subject  
17 to Chapter 325 (Texas Sunset Act). Unless continued in existence as  
18 provided by that chapter, the consortium is abolished and this  
19 subchapter expires September 1, 2032.

20 Sec. 482.603. ESTABLISHMENT; PURPOSE. The Texas Aerospace  
21 Research and Space Economy Consortium is established to:

22 (1) identify research opportunities for entities  
23 within this state that:

24 (A) strengthen this state's proven leadership in  
25 civil, commercial, and military aerospace activity;

26 (B) enhance this state's position in aeronautics  
27 research and development, astronautics, space commercialization,



1 and space flight infrastructure; and

2 (C) enhance the integration of the space,  
3 aeronautics, astronautics, and aviation industries into this  
4 state's economy; and

5 (2) provide funding and research recommendations to  
6 the commission.

7 Sec. 482.604. CONSORTIUM COMPOSITION. The consortium is  
8 composed of:

9 (1) each institution of higher education; and

10 (2) any other entity that the executive committee  
11 considers necessary.

12 Sec. 482.605. ADMINISTRATIVE ATTACHMENT. The consortium is  
13 administratively attached to the office of the governor for the  
14 purpose of receiving and administering appropriations and other  
15 funds under this subchapter. The office of the governor is not  
16 responsible for providing to the consortium staff, human resources,  
17 contract monitoring, purchasing, or any other administrative  
18 support services.

19 Sec. 482.606. EXECUTIVE COMMITTEE COMPOSITION. (a) The  
20 consortium is governed by an independent executive committee  
21 composed of the following nine members:

22 (1) two members appointed by the governor;

23 (2) two members appointed by the lieutenant governor;

24 (3) two members appointed by the speaker of the house  
25 of representatives;

26 (4) the chancellor of The Texas A&M University System  
27 or the chancellor's designee;

1           (5) the chancellor of The University of Texas System  
2 or the chancellor's designee; and

3           (6) the president of Rice University or the  
4 president's designee.

5           (b) In making appointments under Subsection (a), the  
6 governor, the lieutenant governor, and the speaker of the house of  
7 representatives, respectively, shall:

8           (1) prioritize appointing individuals with experience  
9 in:

10                   (A) aeronautics;

11                   (B) space economic development; and

12                   (C) academic engagement with the space economy;

13 and

14           (2) ensure that the appointments reflect, to the  
15 extent possible, the ethnic and geographic diversity of this state.

16           (c) A vacancy on the executive committee is filled in the  
17 same manner as the initial appointment.

18           (d) The executive committee shall:

19                   (1) elect a presiding officer from among the members  
20 of the committee; and

21                   (2) meet at the call of the presiding officer.

22           Sec. 482.607. GIFTS, GRANTS, AND DONATIONS. The executive  
23 committee may solicit and accept on behalf of the consortium gifts,  
24 grants, or donations from any public or private source for the  
25 purpose of carrying out this subchapter.

26           Sec. 482.608. GENERAL DUTIES. (a) The executive committee  
27 shall:

1           (1) develop and execute a comprehensive statewide  
2 strategic plan to further the purposes of the consortium;

3           (2) gather and coordinate recommendations from  
4 consortium members on funding and research opportunities in  
5 accordance with the purposes of the consortium; and

6           (3) establish procedures and policies for the  
7 administration of the consortium, including:

8                   (A) procedures for documenting compliance by  
9 members of the committee and consortium and consortium staff with  
10 applicable laws governing conflicts of interest;

11                   (B) designation of a member of the committee as  
12 the committee's liaison to the commission; and

13                   (C) procedures for entering into contracts with  
14 The Texas A&M University System as necessary for that system to  
15 provide administrative and staff support to the consortium.

16           (b) A member of the consortium may participate in consortium  
17 fact-finding and strategic planning and the formation of  
18 recommendations for purposes of Subsections (a)(1) and (a)(2).  
19 Before assisting the executive committee as provided by this  
20 subsection, a member of the consortium must designate a liaison to  
21 the executive committee to represent that member.

22           Sec. 482.609. BIENNIAL REPORT. Not later than December 31  
23 of each even-numbered year, the executive committee shall submit to  
24 the commission a written report that includes for that biennium:

25                   (1) the activities and objectives of the consortium;

26                   (2) a synopsis of the funding and research  
27 opportunities identified by the consortium;

- 1           (3) legislative recommendations, if any;  
2           (4) prospective grants or funding the consortium  
3 members expect to receive, if any; and  
4           (5) research accomplishments associated with the  
5 consortium, if any.

6           Explanation: The change is necessary to establish the Texas  
7 Space Commission and the Texas Aerospace Research and Space Economy  
8 Consortium as entities administratively attached to the office of  
9 the governor under a new chapter of the Government Code and to  
10 provide certain governance and other requirements applicable to  
11 those entities.