

By: Bonnen

H.B. No. 5246

A BILL TO BE ENTITLED

AN ACT

relating to the administration, powers, and duties of the Texas Space Commission, the Texas Aerospace Research and Space Economy Consortium, and other governmental entities and institutions regarding aerospace, aviation, and space exploration initiatives and to the abolishment of the spaceport trust fund.

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

SECTION 1. Sections 481.0066(d), (e), and (e-1), Government Code, are amended to read as follows:

(d) The aerospace and aviation office shall:

(1) analyze aerospace-related [~~space-related~~] and aviation-related research currently conducted in this state and may conduct activities designed to further that research;

(2) analyze the state's economic position in the aerospace and aviation industries;

(3) develop short-term and long-term business strategies as part of an industry-specific strategic plan to promote the retention, development, and expansion of aerospace and aviation industry facilities in the state that is consistent with and complementary of the office strategic plan;

(4) as part of and to further the purposes of the industry-specific strategic plan described by Subdivision (3), develop short-term and long-term policy initiatives or recommend reforms the state may undertake or implement to:

1 (A) increase investment in aerospace and
2 aviation activities;

3 (B) ~~[support the retention, development, and~~
4 ~~expansion of spaceports in this state,~~

5 ~~[(C)]~~ identify and encourage educational,
6 economic, and defense-related opportunities for aerospace and
7 aviation activities;

8 (C) ~~[(D) determine the appropriate level of~~
9 ~~funding for the spaceport trust fund created under Section 481.0069~~
10 ~~and]~~ support ongoing projects that have been assisted by the former
11 spaceport trust fund ~~[, including recommending to the legislature an~~
12 ~~appropriate funding level for the fund]~~; and

13 (D) ~~[(E)]~~ partner with the Texas Higher
14 Education Coordinating Board to foster technological advancement
15 and economic development for aerospace ~~[spaceport]~~ activities by
16 strengthening higher education programs and supporting aerospace
17 activities; ~~and~~

18 ~~[(F) partner with the Texas Workforce Commission~~
19 ~~to support initiatives that address the high technology skills and~~
20 ~~staff resources needed to better promote the state's efforts in~~
21 ~~becoming the leading space exploration state in the nation,]~~

22 (5) act as a liaison with other state and federal
23 entities with related economic, educational, and defense
24 responsibilities to support the marketing of the state's aerospace
25 and aviation capabilities; and

26 (6) provide technical support and expertise to the
27 state and to local ~~[spaceport]~~ authorities regarding aerospace and

1 aviation business matters[~~+~~ and

2 [~~(7)~~ be responsible for the promotion and development
3 of spaceports in this state].

4 (e) The governor shall appoint an aerospace and aviation
5 advisory committee consisting of[~~+~~

6 [~~(1)~~] seven qualified members to assist in the state's
7 economic development efforts to recruit and retain aerospace and
8 aviation jobs and investment[~~+~~ and

9 [~~(2)~~ one member for each active spaceport development
10 corporation in the state who represents the interests of each
11 respective spaceport development corporation].

12 (e-1) The aerospace and aviation advisory committee shall:

13 (1) advise the governor on the recruitment and
14 retention of aerospace and aviation jobs and investment;

15 (2) assist the office and the aerospace and aviation
16 office in meeting the state's economic development efforts to
17 recruit and retain aerospace and aviation jobs and investment;

18 (3) [~~advise the office, the aerospace and aviation~~
19 ~~office, and the governor on an appropriate funding level for the~~
20 ~~spaceport trust fund,~~

21 [~~(4)~~] advise the office, the aerospace and aviation
22 office, and the governor on recruitment, retention, and expansion
23 of aerospace and aviation industry activities; and

24 (4) [~~(5)~~] collect and disseminate information on
25 federal, state, local, and private community economic development
26 programs that assist or provide loans, grants, or other funding to
27 aerospace and aviation industry activities.

SECTION 2. Sections 482.101(a) and (b), Government Code, are amended to read as follows:

(a) The Texas Space Commission is established to strengthen this state's proven leadership in civil, commercial, and military outer space ~~[aerospace]~~ activity.

(b) The purpose of the commission is to promote:

(1) innovation in the fields of space exploration and commercial aerospace;

(2) commercial aerospace opportunities; and

(3) ~~[, including]~~ the integration of the space and ~~[,]~~ aeronautics~~[, and aviation]~~ industries into the economy of this state.

SECTION 3. Section 482.103, Government Code, is amended to read as follows:

Sec. 482.103. SUNSET PROVISION. The commission is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished and this chapter expires September 1, 2033 ~~[2032]~~.

SECTION 4. Section 482.105, Government Code, is amended by amending Subsections (a), (b), (c), (e), and (f) and adding Subsection (a-1) to read as follows:

(a) The commission is governed by a ~~[nine-member]~~ board of directors ~~[. The board is]~~ composed of the following nine voting members:

(1) three members appointed by the governor;

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

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

(a-1) The executive director of the Texas Economic Development and Tourism Office serves as an ex officio nonvoting member of the board.

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

(1) the nongovernmental commercial space industry ~~[aerospace]~~;

(2) governmental space operations ~~[civil aviation]~~;

(3) military space operations ~~[aerospace]~~;

(4) space-related ~~[space]~~ economic development;

(5) space-related academic research; and

(6) nonprofit support of the space economy.

(c) Voting members ~~[Members]~~ of the board appointed by the governor, lieutenant governor, and speaker of the house serve ~~[at the pleasure of the appointing office]~~ for staggered six-year terms, with the terms of three ~~[two]~~ members expiring on January 31 of each odd-numbered year.

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

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

SECTION 5. Section [482.107](#), Government Code, is amended to

1 read as follows:

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

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

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

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

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

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

16 (B) enhance the integration of the space and [7]
17 aeronautics[~~, aeronautics, and aviation~~] industries into this
18 state's economy; and

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

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

25 (6) solicit proposals from the Texas Aerospace
26 Research and Space Economy Consortium established under Chapter 483
27 for projects [~~on funding~~] and [~~research~~] opportunities related to

the objectives in this chapter that could be funded with money from the fund; and

(7) enter into an interagency agreement with the Texas Aerospace Research and Space Economy Consortium regarding the submission of proposals for projects eligible for a grant from the fund ~~[from the Texas Aerospace Research and Space Economy Consortium established under Subchapter G].~~

(b) The board shall employ a chief compliance officer to monitor and report to the board regarding compliance with this chapter and rules adopted under this chapter. The chief compliance officer shall ensure that all grant proposals comply with this chapter and rules adopted under this chapter ~~[before the proposals are submitted to the board for approval].~~

(b-1) The board shall employ a general counsel to advise the commission and perform duties assigned by the board.

(c) The board may:

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

(2) adopt and use an official seal;

(3) solicit and accept gifts, ~~[or]~~ grants, or donations and contract with any entity;

(4) establish a nonprofit corporation as necessary to carry out the purposes of this chapter;

(5) ~~[(4)]~~ acquire and convey property or an interest in property;

(6) ~~[(5)]~~ procure insurance and pay premiums on insurance of any type, in accounts, and from insurers as the board

1 considers necessary and advisable to accomplish any of the
2 commission's purposes;

3 (7) ~~[(6)]~~ make grants to public or private persons
4 with an established presence within this state to encourage
5 economic development related to space and aerospace;

6 (8) ~~[(7)]~~ make grants to enhance the capacity of
7 institutions of higher education to participate in and support
8 classified research;

9 (9) ~~[(8)]~~ provide matching funding to external
10 funding provided by relevant federal agencies, private industry, or
11 private research organizations; ~~and~~

12 (10) ~~[(9)]~~ engage in the planning and implementation
13 of space exploration and spaceflight-related ~~[aerospace-related]~~
14 educational opportunities within this state in coordination with
15 the Texas Aerospace Research and Space Economy Consortium
16 established under Chapter 483;

17 (11) in order to carry out the purposes of the
18 commission, charter any state-owned aircraft, including aircraft
19 held by an institution of higher education, the Texas Department of
20 Public Safety, or the Texas Department of Transportation, or other
21 aircraft to travel to visit proposed project sites in this state,
22 including travel by persons approved by the executive director and
23 the board's presiding officer; and

24 (12) contract with The Texas A&M University System as
25 necessary to carry out the purposes of this chapter ~~[Subchapter C]~~.

26 SECTION 6. Section [482.201](#)(a), Government Code, is amended
27 to read as follows:

1 (a) The commission shall develop and annually update a
2 strategic plan for the promotion of space and [7] aeronautics[~~7~~ and
3 ~~aviation~~] economic development in this state.

4 SECTION 7. Section 482.302, Government Code, is amended by
5 amending Subsections (a) and (b) and adding Subsections (b-1), (e),
6 (f), (g), and (h) to read as follows:

7 (a) Using money available in the fund, the commission may
8 provide grants to eligible entities described by Subsection (b) for
9 the purposes of:

10 (1) development of emerging technologies required for
11 any aspect of human space flight, including aeronautics;

12 (2) research involving any aspect of space exploration
13 and space flight, including aeronautics;

14 (3) workforce training to promote space exploration
15 and space flight, including aeronautics;

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

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

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

22 (1) a business or nonprofit entity involved in the
23 space exploration and space [7] research industry[7] or the
24 aeronautics industry; ~~and~~

25 (2) a governmental entity involved in the space
26 exploration and space research industry or the aeronautics
27 industry; and

1 (3) the Texas Aerospace Research and Space Economy
2 Consortium established under Chapter 483 [~~with which the commission~~
3 ~~has entered into an intergovernmental agreement for that purpose~~].

4 (b-1) If the board approves a grant for a governmental
5 entity described by Subsection (b)(2), the governmental entity
6 shall enter into an intergovernmental agreement with the commission
7 with respect to the project or activity for which the grant was
8 awarded.

9 (e) The commission shall establish sufficient controls to
10 ensure that a grant awarded under this subchapter promotes the
11 purposes listed in Subsection (a).

12 (f) The commission shall adopt a policy on advance payments
13 to grant recipients.

14 (g) Except as otherwise provided by this section, money
15 awarded under this subchapter may be used for authorized expenses,
16 including honoraria, salaries and benefits, travel, conference
17 fees and expenses, consumable supplies, other operating expenses,
18 contracted research and development, capital equipment, and
19 construction or renovation of state or private facilities.

20 (h) An entity receiving money under this subchapter for
21 space exploration or aeronautics research may not spend more than
22 five percent of the money for indirect costs. For purposes of this
23 subsection, "indirect costs" means the expenses of doing business
24 that are not readily identified with a particular grant, contract,
25 project, function, or activity, but are necessary for the general
26 operation of the entity or the performance of the entity's
27 activities.

SECTION 8. Section 482.501, Government Code, is amended to read as follows:

Sec. 482.501. RULES FOR GRANT AWARD PROCEDURE. (a) The board shall adopt rules regarding the procedure for awarding grants to applicants [~~an applicant~~] under this chapter, including obtaining information from the [~~a procedure for the~~] Texas Aerospace Research and Space Economy Consortium established under Chapter 483 as necessary to make award determinations [~~to make recommendations to the board for grant awards~~].

(b) The board may not award a grant to an applicant who has made a gift or grant to the commission or a nonprofit organization established to provide support to the commission during the preceding two years.

SECTION 9. Subchapter G, Chapter 482, Government Code, is redesignated as Chapter 483, Government Code, and amended to read as follows:

CHAPTER 483 [~~SUBCHAPTER G~~]. TEXAS AEROSPACE RESEARCH AND SPACE ECONOMY CONSORTIUM

Sec. 483.001 [~~482.601~~]. DEFINITIONS. In this chapter [~~subchapter~~]:

- (1) "Commission" means the Texas Space Commission.
- (2) "Consortium" means the Texas Aerospace Research and Space Economy Consortium.
- (3) [~~(2)~~] "Executive committee" means the executive committee of the consortium.
- (4) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

1 Sec. 483.002 [~~482.602~~]. SUNSET PROVISION. The consortium is
2 subject to Chapter 325 (Texas Sunset Act). Unless continued in
3 existence as provided by that chapter, the consortium is abolished
4 and this subchapter expires September 1, 2033 [~~2032~~].

5 Sec. 483.003 [~~482.603~~]. ESTABLISHMENT; PURPOSE. The Texas
6 Aerospace Research and Space Economy Consortium is established to:

7 (1) identify research opportunities for entities
8 within this state that:

9 (A) strengthen this state's proven leadership in
10 civil, commercial, and military space-related [~~aerospace~~]
11 activity;

12 (B) enhance this state's position in aeronautics
13 research and development[~~, aeronautics~~], space commercialization,
14 and space flight infrastructure and in the development of space
15 travel technologies; and

16 (C) enhance the integration of the space and [~~7~~]
17 aeronautics[~~, aeronautics, and aviation~~] industries into this
18 state's economy; and

19 (2) provide [~~funding and~~] research recommendations to
20 the commission.

21 Sec. 483.004 [~~482.604~~]. CONSORTIUM COMPOSITION. (a)
22 Subject to Subsections (b) and (c), the [~~The~~] consortium is
23 composed of:

24 (1) each participating institution of higher
25 education; and

26 (2) any other entity that the executive committee
27 considers necessary.

1 (b) An institution of higher education is considered a
2 participating member of the consortium if the institution submits
3 to the executive committee the name of a local campus liaison to
4 represent the institution on the consortium.

5 (c) Selection of an entity for membership in the consortium
6 under Subsection (a)(2) must be based on an application process
7 established by the executive committee.

8 Sec. 483.005 [482.605]. ADMINISTRATIVE ATTACHMENT. (a) The
9 consortium is administratively attached to the Texas A&M
10 Engineering Experiment Station [~~office of the governor~~] for the
11 purpose of receiving and administering appropriations and other
12 funds under this subchapter. The Texas A&M Engineering Experiment
13 Station [~~office of the governor~~] is not responsible for providing
14 to the consortium staff, human resources, contract monitoring,
15 purchasing, or any other administrative support services.

16 (b) The executive committee shall establish procedures for
17 entering into contracts with The Texas A&M University System or
18 applicable subcontractors as necessary to provide administrative
19 and staff support to the consortium.

20 Sec. 483.006 [482.606]. EXECUTIVE COMMITTEE COMPOSITION.

21 (a) The consortium is governed by an independent executive
22 committee composed of the following nine members:

- 23 (1) two members appointed by the governor;
24 (2) two members appointed by the lieutenant governor;
25 (3) two members appointed by the speaker of the house
26 of representatives;
27 (4) the chancellor of The Texas A&M University System

1 or the chancellor's designee;

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

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

6 (a-1) An appointed member of the committee serves at the
7 pleasure of the appointing official.

8 (b) In making appointments under Subsection (a), the
9 governor, the lieutenant governor, and the speaker of the house of
10 representatives, respectively, shall:

11 (1) prioritize appointing individuals with experience
12 in:

13 (A) aeronautics;

14 (B) space economic development; and

15 (C) academic engagement with the space economy;

16 and

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

19 (c) If a [A] vacancy occurs on the executive committee, the
20 appropriate appointing official shall appoint a successor ~~[is~~
21 ~~filled]~~ in the same manner as the initial appointment. The
22 appropriate appointing official shall appoint the successor not
23 later than the 30th day after the date the vacancy occurs.

24 (d) The executive committee shall:

25 (1) elect a presiding officer from among the members
26 of the committee; and

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

1 Sec. 483.007 [~~482.607~~]. GIFTS, GRANTS, AND DONATIONS. On
2 behalf of the consortium, the [~~The~~] executive committee may
3 solicit, [~~and~~] accept, give, or spend any [~~on behalf of the~~
4 ~~consortium~~] gifts, grants, or donations from any public or private
5 source for the purpose of carrying out this subchapter.

6 Sec. 483.008 [~~482.608~~]. GENERAL DUTIES. (a) The executive
7 committee shall:

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

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

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

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

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

21 (C) procedures for submitting to the board of
22 directors of the commission a request for a grant from the space
23 exploration and aeronautics research fund established under
24 Chapter 482 for recommended projects and activities and for
25 entering into necessary agreements if awarded a grant [~~entering~~
26 ~~into contracts with The Texas A&M University System as necessary~~
27 ~~for that system to provide administrative and staff support to the~~

1 ~~consortium]~~.

2 (b) A member of the consortium may participate in consortium
3 fact-finding and strategic planning and the formation of
4 recommendations for purposes of Subsections (a)(1) and (a)(2).
5 Before assisting the executive committee as provided by this
6 subsection, a member of the consortium must designate a liaison to
7 the executive committee to represent that member.

8 Sec. 483.009 [~~482.609~~]. BIENNIAL REPORT. Not later than
9 December 31 of each even-numbered year, the executive committee
10 shall submit to the commission a written report that includes for
11 that biennium:

- 12 (1) the activities and objectives of the consortium;
13 (2) a synopsis of the funding and research
14 opportunities identified by the consortium;
15 (3) legislative recommendations, if any;
16 (4) prospective grants or funding the consortium
17 members expect to receive, if any; and
18 (5) research accomplishments associated with the
19 consortium, if any.

20 Sec. 483.010. COMPENSATION; EXPENSES. Executive committee
21 members serve without compensation but are entitled to
22 reimbursement for actual expenses incurred in attending committee
23 meetings. Those expenses are paid from funds appropriated to the
24 consortium.

25 Sec. 483.011 APPLICABILITY OF OTHER LAW. Chapter 2110 does
26 not apply to the size, composition, or duration of the executive
27 committee.

1 SECTION 10. Section 481.0069, Government Code, is repealed.

2 SECTION 11. (a) In this section:

3 (1) "Office" means the Texas Economic Development and
4 Tourism Office.

5 (2) "Spaceport development corporation" has the
6 meaning assigned by Section 507.001, Local Government Code.

7 (b) On September 1, 2025, the spaceport trust fund is
8 abolished and the balance of the fund is transferred to the general
9 revenue fund for use in accordance with legislative appropriation,
10 except as provided by Subsections (d) and (e) of this section.

11 (c) The abolishment of the spaceport trust fund and the
12 repeal of Section 481.0069, Government Code, do not affect the
13 validity of a contract between the office and a spaceport
14 development corporation that is entered into under Section
15 481.0069(e), Government Code, before September 1, 2025.

16 (d) Money that was deposited in the spaceport trust fund as
17 a gift, grant, or donation under Section 481.0069(c)(1), Government
18 Code, shall be held in trust by the comptroller outside the state
19 treasury and shall be administered by the comptroller as trustee as
20 provided by this subsection. The comptroller may:

21 (1) spend money encumbered by the specific terms of
22 the gift, grant, or donation only in accordance with those terms;

23 (2) return to the donor or grantor, on request, any
24 portion of the amount of a gift, grant, or donation described by
25 this subsection that remains on deposit; or

26 (3) transfer to the general revenue fund for use in
27 accordance with legislative appropriation any other remaining

1 money deposited as a gift, grant, or donation under Section
2 481.0069(c)(1), Government Code.

3 (e) Money from the spaceport trust fund that is encumbered
4 because the money is obligated by contract before September 1,
5 2025, but under the terms of the contract will not be distributed
6 until a later date shall be held in trust by the comptroller as
7 trustee outside the state treasury and shall be administered by the
8 comptroller as trustee to ensure that the money is distributed in
9 accordance with the terms of the contract. If the office determines
10 that the money will not be distributed in accordance with the terms
11 of contract, the office shall certify that fact to the comptroller.
12 On that certification, the comptroller shall transfer that money to
13 the general revenue fund to be used in accordance with legislative
14 appropriation.

15 (f) On or after the effective date of this Act, the
16 following payments or other amounts shall be remitted to the
17 comptroller for deposit to the general revenue fund:

18 (1) any interest or income earned on the investment of
19 money in the spaceport trust fund;

20 (2) any money returned by a spaceport development
21 corporation under a contract entered into under Section 481.0069,
22 Government Code; and

23 (3) any money received by a donor or grantor under
24 Subsection (d)(2) of this section that is subsequently returned to
25 the state.

26 SECTION 12. The term of a member serving on the aerospace
27 and aviation advisory committee immediately preceding the

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1 effective date of this Act expires on that date. The member may be
2 reappointed to the committee.

3 SECTION 13. This Act takes effect September 1, 2025.