

## **BILL ANALYSIS**

S.B. 1636  
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Economic & Small Business Development  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties assert that private commercial space companies have made historic strides in recent years, and they cite as an example the American company that recently became the first private space entity to successfully berth with a space station, deliver cargo, and return to Earth. These parties note that, for the first time in more than three decades, American rockets are regaining international market share in the commercial satellite launch sector by winning launches away from major international competitors. According to these parties, Texas may have the opportunity to host those launches from a commercial orbital launch site and help launch the world's most advanced, American-made rockets into Earth's orbit, which would provide high-paying high-tech jobs, infrastructure investments, tourism, and other economic benefits.

While space flight entities in partnership with their local communities and economic development corporations are creating spaceports in Texas, industry observers note that state laws defining space flight activities, regulating private sector spaceport development, and governing the spaceport trust fund need to be modernized to reflect the evolving state of space industry innovation. S.B. 1636 seeks to promote the development of the commercial space launch industry and a commercial orbital launch site in Texas by modernizing the statutory framework for space flight activities and by clarifying the limitations on liability for space flight entities in Texas.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 1636 amends the Civil Practice and Remedies Code to redefine, among other terms defined or redefined, "space flight entity" as a person who conducts space flight activities and who, to the extent required by federal law, has obtained the appropriate Federal Aviation Administration (FAA) license or other authorization. The bill includes among those entities encompassed within that definition a manufacturer or supplier of specified components, services, or vehicles used by the space flight entity and reviewed by the FAA as part of issuing the license or other authorization; an advisor of a space flight entity; an owner or lessor of real property on which space flight activities are conducted, including a municipality, county, political subdivision, or spaceport development corporation in Texas with a contractual relationship with a space flight entity; and a municipality, county, economic development organization, or other political subdivision in the territory or extraterritorial jurisdiction of which space flight activities are conducted.

S.B. 1636 grants a space flight entity immunity from liability to any person for damages resulting from nuisance arising from testing, launching, reentering, or landing, and exempts such an entity from being subject to any claim for nuisance arising from testing, launching, reentering, or landing. The bill precludes injunctive relief with respect to space flight activities. The bill

establishes that these amended statutory provisions do not limit liability for breach of a contract for use of real property by a space flight entity or preclude an action by a federal or state governmental entity to enforce a valid statute or regulation.

S.B. 1636 establishes that the signing of the space flight activity waiver agreement by the space flight participant that renders the agreement effective and enforceable is signed by the participant on the participant's behalf and that of any of the participant's heirs, executors, administrators, representatives, attorneys, successors, and assignees.

S.B. 1636 amends the Local Government Code to redefine "spacecraft" and "spaceport."

S.B. 1636 amends the Government Code to specify that the following items must be certified by the Texas Economic Development and Tourism Office to the comptroller of public accounts for the expenditure of money in the spaceport trust fund: that a viable business entity has been established that has a business plan that demonstrates that the entity has the expertise and capability necessary to launch and land spacecraft, as an alternative to launching and landing a reusable launch vehicle; that a development corporation for spaceport facilities has established a development plan for the spaceport project and demonstrated the financial ability to fund at least 75 percent of the required funding, rather than such a corporation establishing a development plan and securing at least 90 percent of the required funding; and that the spaceport or launch operator has obtained or applied for the appropriate FAA license or other appropriate authorization, rather than the operator has obtained the appropriate FAA license.

S.B. 1636 amends the Penal Code to establish that noise arising from space flight activities, if lawfully conducted, does not constitute "unreasonable noise" for purposes of statutory provisions relating to disorderly conduct.

#### **EFFECTIVE DATE**

September 1, 2013.