

## **BILL ANALYSIS**

Senate Research Center  
84R469 DDT-D

S.B. 458  
By: Lucio  
Natural Resources & Economic Development  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Since the 1990s, Texas has taken proactive steps to develop the aerospace industry in the state. The 76th Legislature, Regular Session, provided the statutory framework necessary for the creation of spaceport authorities (which design, construct, and operate commercial areas for space flight activities, including launching and landing commercial spacecraft). In 2003, the legislature transferred the primary functions of the Texas Department of Economic Development to a division within the Office of the Governor (governor's office) and also created the Spaceport Trust Fund (fund) to assist in the development of infrastructure necessary or useful for establishing spaceports. In 2013, the legislature appropriated \$15 million to the fund contingent on certification that a commercial space corporation would locate its rocket launching facilities in South Texas.

As filed, S.B. 458 amends the Government Code to reform the existing aerospace-related division in the governor's office and improve the manner by which the state addresses the planning, development, and support of aerospace initiatives to ensure that Texas is on the forefront of the aerospace industry in the nation. S.B. 458 reinforces the professional assistance that the division has on hand by strengthening the existing advisory council through adding representation of spaceport authorities. S.B. 458 builds on existing structures and empowers the division with critical reforms that focus it on the creation, retention, and expansion of the aerospace industry in the state.

As proposed, S.B. 458 amends current law relating to the aerospace and aviation office of the Texas Economic Development and Tourism Office and to the aerospace and aviation advisory committee.

### **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 Section 481.0066, Government Code, by amending Subsections (d) and (e) and adding Subsections (d-1), (d-2), (e-1), and (e-2), as follows:

(d) Requires the aerospace and aviation office of the Texas Economic Development and Tourism Office to:

(1)-(4) makes no change to these subdivisions;

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

(A) increase commercial provider investment in aerospace activities;

(B) support the retention, development, and expansion of spaceports in this state;

(C) create a business-friendly environment to assist commercial providers in the aerospace industry in conducting business in this state;

(D) promote, develop, and expand tourism related to the aerospace industry;

(E) identify and encourage educational, economic, and defense-related opportunities for aerospace activities;

(F) increase funding for the spaceport trust fund created under Section 481.0069 (Spaceport Trust Fund) and support ongoing projects that have been assisted by the fund, including recommending to the legislature an appropriate funding level for the fund;

(G) foster technological advancement and economic development for spaceport activities by strengthening higher education programs and supporting aerospace activities; and

(H) support initiatives that address the high-technology skills and staff resources needed to better promote the state's efforts in becoming the leading space exploration state in the nation;

(6)-(8) redesignates existing Subdivisions (5)-(7) as Subdivisions (6)-(8) and makes no further change to these subdivisions.

(d-1) Requires the aerospace and aviation office to make specific short-term and long-term statutory, administrative, and budget-related recommendations to the legislature and the governor regarding the policy initiatives and reforms described by Subsection (d)(5) that may be implemented by the state. Requires that the short-term recommendations include two-year and four-year plans for state action that may be implemented or achieved on or before September 1, 2019, and September 1, 2021, respectively. Requires that the long-term recommendations include 5-year, 10-year, and 15-year plans for state action that may be implemented or achieved on or before September 1, 2022, September 1, 2027, and September 1, 2032, respectively. Requires the aerospace and aviation office to submit these recommendations to the legislature and governor with the biennial report required by Subsection (d-2) not later than December 1, 2016. Provides that this subsection expires September 1, 2017.

(d-2) Requires the aerospace and aviation office, not later than December 1 of each even-numbered year, to submit to the legislature and governor, in printed or electronic form, a report detailing the actions taken by the aerospace and aviation office in carrying out the policy initiatives and reforms under Subsection (d)(5) to further the purposes of the industry-specific strategic plan as specified in the recommendations required by Subsection (d-1), including the status of all projects and activities, the funding of expenditures, the planning and research conducted, the provision of community and technical assistance, the collection of information, and an explanation of the ways in which the aerospace and aviation office has promoted the state's economic development goals through increased space exploration activities.

(e) Requires the governor to appoint an aerospace and aviation advisory committee (advisory committee) consisting of seven qualified members to assist in the state's economic development efforts to recruit and retain aerospace and aviation jobs and investment. Requires the committee to consist of:

(1) one member who represents the interests of an active spaceport development corporation created in the lower Gulf Coast area of the state;

(2) one member who represents the interests of an active spaceport development corporation created in the West Texas area of the state;

(3) three members with an aerospace professional background who are selected from the upper Gulf Coast area, the Central Texas area, and the North Texas area; and

(4) two members who are selected from the state at large.

(e-1) Creates this subsection from existing text. Requires the advisory committee to:

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

(2) assist the Texas Economic Development and Tourism Office (office) and the aerospace and aviation office in meeting the state's economic development efforts to recruit and retain aerospace and aviation jobs and investment;

(3) advise the office, the aerospace and aviation office, and the governor on an appropriate funding level for the spaceport trust fund;

(4) advise the office, the aerospace and aviation office, and the governor on recruitment, retention, and expansion of aerospace and aviation industry activities, including aerospace tourism initiatives; and

(5) collect and disseminate information on federal, state, local, and private community economic development programs that assist or provide loans, grants, or other funding to aerospace industry activities.

(e-2) Creates this subsection from existing text. Provides that members of the advisory committee:

(1) serve staggered four-year terms; and

(2) may not receive compensation for serving on the advisory committee.

SECTION 2. (a) Provides that the terms of the current members of the aerospace and aviation advisory committee expire on the effective date of this Act. Requires the governor, on that date or as soon as possible after that date, to appoint new members to the aerospace and aviation advisory committee in accordance with the requirements of Section 481.0066(e) (relating to the appointment of an aerospace and aviation advisory committee), Government Code, as amended by this Act. Requires the governor to designate four members of the committee whose terms expire on February 1, 2017, and three members of the committee whose terms expire on February 1, 2019.

(b) Provides that a member of the aerospace and aviation advisory committee serving immediately before the effective date of this Act is eligible for reappointment to the committee if the person has the qualifications for a member under Section 481.0066(e), Government Code, as amended by this Act.

SECTION 3. Effective date: September 1, 2015.