

BILL ANALYSIS

Senate Research Center
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H.B. 3447
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Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas has played a crucial role in the U.S. space program throughout the last century. Unlike any time since the space race of the 1960s, there is now fierce competition among states to define the next phase of American involvement in space. From hosting the Johnson Space Center to fostering the next generation of commercial spaceflight companies, smart investments in Texas have paid major dividends for mankind's exploration of the cosmos. H.B. 3447 seeks to provide resources and leadership to maintain the primacy of the State of Texas in aerospace and space operations into the 21st century by establishing the Texas Space Commission, which will provide strategic direction for the state's space and aerospace investments; the Texas Aerospace Research and Space Economy Consortium, which will act as a forum for higher education and industry experts in advancing the state's role in space operations; and the space exploration and aeronautics research fund, which will leverage state resources on major space-related initiatives and foster continued investment in the state's space economy.

H.B. 3447 amends current law relating to the establishment and administration of the Texas Aerospace Research and Space Economy Consortium and the Texas Space Commission.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of directors of the Texas Space Commission in SECTION 2 (Section 481.553, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 61, Education Code, by adding Subchapter V-1, as follows:

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

Sec. 61.921. DEFINITIONS. Defines "consortium" and "executive committee."

Sec. 61.922. ESTABLISHMENT; PURPOSE. Provides that the Texas Aerospace Research and Space Economy Consortium (consortium) is established to:

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

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

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

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

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

Sec. 61.923. CONSORTIUM COMPOSITION. Provides that the consortium is composed of each institution of higher education and any other entity that the executive committee of the consortium (executive committee) considers necessary.

Sec. 61.924. ADMINISTRATIVE ATTACHMENT. (a) Provides that the consortium is administratively attached to the Texas Higher Education Coordinating Board (THECB) for the purpose of receiving and administering appropriations and other funds under this subchapter. Provides that THECB is not responsible for providing to the consortium staff, human resources, contract monitoring, purchasing, or any other administrative support services.

(b) Prohibits THECB from using funds intended to carry out the purposes of this subchapter for any costs incurred by THECB under this subchapter.

Sec. 61.925. EXECUTIVE COMMITTEE COMPOSITION. (a) Provides that the consortium is governed by an independent executive committee composed of the following nine members:

(1) two members appointed by the governor;

(2) two members appointed by the lieutenant governor;

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

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

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

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

(b) Requires the governor, the lieutenant governor, and the speaker of the house of representatives, respectively, in making appointments under Subsection (a), to:

(1) prioritize appointing individuals with experience in aeronautics, space economic development, and academic engagement with the space economy; and

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

(c) Provides that a vacancy on the executive committee is filled in the same manner as the initial appointment.

(d) Requires the executive committee to elect a presiding officer from among the members of the executive committee and to meet at the call of the presiding officer.

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

Sec. 61.927. GENERAL DUTIES. (a) Requires the executive committee to:

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

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

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

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

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

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

(b) Authorizes a member of the consortium under Section 61.923 to participate in consortium fact-finding, strategic planning, and the formation of recommendations for purposes of Subsections (a)(1) and (a)(2). Requires a member of the consortium, before assisting the executive committee as provided by this subsection, to designate a liaison to the executive committee to represent that member.

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

(1) the activities and objectives of the consortium;

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

(3) legislative recommendations, if any;

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

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

SECTION 2. Amends Chapter 481, Government Code, by adding Subchapter FF, as follows:

SUBCHAPTER FF. TEXAS SPACE COMMISSION

Sec. 481.551. DEFINITIONS. Defines "board," "commission," "fund," and "institution of higher education."

Sec. 481.552. ESTABLISHMENT; PURPOSE. (a) Provides that the Texas Space Commission (commission) is established to strengthen this state's proven leadership in civil, commercial, and military aerospace activity.

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

Sec. 481.553. BOARD OF DIRECTORS; EXECUTIVE DIRECTOR. (a) Provides that the commission is governed by a nine-member board of directors (board). Provides that the board is composed of:

(1) three members appointed by the governor;

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

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

(b) Requires the governor, lieutenant governor, and speaker of the house of representatives, in making appointments or selecting persons for inclusion on the list submitted to the governor under Subsection (a), to prioritize appointing or selecting, as applicable, individuals with experience in commercial aerospace, civil aviation, military aerospace, space economic development, space-related academic research, and nonprofit support of the space economy.

(c) Provides that members of the board serve two-year terms and are authorized to be reappointed for additional terms.

(d) Provides that a vacancy on the board is filled in the same manner as the initial appointment.

(e) Requires the board to:

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

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

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

(f) Authorizes the executive director of the commission to hire staff as necessary to implement the duties of the commission under this subchapter.

Sec. 481.554. ADMINISTRATIVE ATTACHMENT. (a) Provides that the commission is administratively attached to the office of the governor.

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

Sec. 481.555. AUTHORITY. Authorizes the commission, as necessary to perform the commission's duties under this subchapter, to:

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

(2) conduct proceedings and other activities;

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

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

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

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

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

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

Sec. 481.556. STRATEGIC PLAN. (a) Requires the commission to develop and annually update a strategic plan for the promotion of space, aeronautics, and aviation economic development in this state.

(b) Requires that the strategic plan include a list of potential projects that further the purpose of the commission, and, for each project:

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

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

(c) Authorizes the strategic plan to include any other information the commission determines is relevant to furthering the purpose of the commission.

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

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

(b) Provides that the fund is a trust fund outside the treasury with the Comptroller of Public Accounts of the State of Texas and administered by the commission.

(c) Provides that the fund is composed of:

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

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

(d) Authorizes the commission, using money available in the fund, to provide grants to eligible entities described by Subsection (e) for the purposes of:

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

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

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

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

(e) Provides that the following entities are eligible for a grant made under this section:

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

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

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

SECTION 3. Effective date: September 1, 2023.