

BILL ANALYSIS

C.S.H.B. 3447
By: Bonnen
State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

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. C.S.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.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the board of directors of the Texas Space Commission in SECTION 2 of this bill.

ANALYSIS

C.S.H.B. 3447 sets out provisions providing for the creation, management, and administration of the Texas Space Commission, the space exploration and aeronautics research fund, and the Texas Aerospace Research and Space Economy Consortium.

Texas Space Commission

C.S.H.B. 3447 amends the Government Code to establish the Texas Space Commission to strengthen the state's proven leadership in civil, commercial, and military aerospace activity with the stated purpose of promoting innovation in the field of space exploration and commercial aerospace opportunities, including the integration of space, aeronautics, and aviation industries into the Texas economy. The commission is governed by a nine-member board of directors, with three members appointed by the governor, three members appointed by the lieutenant governor, and three members appointed by the governor from a list of names submitted by the speaker of the house of representatives. The bill requires priority in making appointments or selecting persons for inclusion on the list submitted to the governor to be given to individuals with experience in commercial aerospace, civil aviation, military aerospace, space economic development, space-related academic research, and nonprofit support of the space economy.

Board members serve for two-year terms and are eligible to be reappointed for additional terms. A vacancy on the board is filled in the same manner as the original appointment.

C.S.H.B. 3447 provides for the administrative attachment of the commission to the governor's office, which is required to provide the staff and facilities necessary to assist the commission in performing its duties. The bill authorizes the commission to do the following as necessary to perform its duties:

- 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;
- conduct proceedings and other activities;
- establish and create boards, committees, or other entities, which may include an advisory board composed of representatives of military, federal government, and private aeronautic entities;
- delegate authority or duties to such committees, boards, or other entities;
- provide financial services to support aerospace-related development within Texas, including by capitalizing, underwriting, leasing, selling, or securing funding for aerospace-related infrastructure and acquiring, accepting, or administering grants and contracts to perform activities that are consistent with the commission's purpose;
- execute intergovernmental agreements and development agreements consistent with existing law, including institutions of higher education and nonprofit entities; and
- engage in the planning and implementation of aerospace-related educational opportunities within Texas in coordination with the Texas Aerospace Research and Space Economy Consortium.

C.S.H.B. 3447 requires the commission's board of directors to do the following:

- adopt rules as necessary to implement the commission's duties;
- elect a presiding officer from among the board's members; and
- appoint an executive director of the commission and determine the director's title, functions, duties, powers, and salary.

The bill authorizes the executive director to hire staff as necessary to implement the duties of the commission.

C.S.H.B. 3447 requires the commission to develop and annually update a strategic plan for the promotion of space, aeronautics, and aviation economic development in Texas. The bill requires the plan to include a list of potential projects that further the commission's purpose and, for each project, the following:

- the estimated total cost for completion, including a potential state matching cost; and
- an assessment of the availability of external funding sources.

The plan may also include any other information the commission determines is relevant to the furtherance of the commission's purpose. The bill requires the commission to submit the plan not later than December 31 of each year to the governor, lieutenant governor, and speaker.

Space Exploration and Aeronautics Research Fund

C.S.H.B. 3447 requires the commission to establish the space exploration and aeronautics research fund as a trust fund outside the treasury with the comptroller of public accounts and administered by the commission. The fund consists of money from gifts, grants, or donations provided to the commission and money from any source designated by the legislature. The bill authorizes the commission to utilize money available in the fund to provide grants to eligible entities for the following purposes:

- development of emerging technologies required for all aspects of human space flight;
- research involving all aspects of space exploration and space flight;
- workforce training to promote space exploration and space flight; and
- curation of post-mission materials involved in space exploration and space flight.

The entities eligible to receive a grant are a business or non-profit entity involved in the space exploration, research, or aeronautics industry and a governmental entity with which the commission has entered into an intergovernmental agreement. The bill requires the commission to develop procedures for the administration and approval of grants, including procedures to ensure that a grant is in the public interest and serves the public purpose of economic development and diversification.

Aerospace Research and Space Economy Consortium

C.S.H.B. 3447 amends the Education Code to establish the Texas Aerospace Research and Space Economy Consortium, governed by a nine-member independent executive committee, for the following purposes:

- identifying research opportunities for entities within Texas that, as follows:
 - strengthen the state's proven leadership in civil, commercial, and military aerospace activity;
 - enhance the state's position in aeronautics research and development, astronautics, space commercialization, and space flight infrastructure; and
 - enhance the integration of the space, aeronautics, astronautics, and aviation industries into the state economy; and
- providing funding and research recommendations to the commission.

The consortium is composed of each public institution of higher education in Texas and any other entity that the executive committee considers necessary. The bill provides for the administrative attachment of the consortium to the Texas Higher Education Coordinating Board (THECB) for the purpose of receiving and administering appropriations and other funds, but establishes that the THECB is not responsible for providing staff, human resources, contract monitoring, purchasing, or any other administrative support services to the consortium. The bill prohibits the THECB from using funds intended to carry out the bill's provisions relating to the consortium for any costs incurred by the THECB thereunder.

C.S.H.B. 3447 establishes that the consortium's executive committee consists of two members each appointed by the governor, lieutenant governor, and speaker, as well as the president of Rice University and the chancellors of The Texas A&M University System and The University of Texas System, or their designee. The bill requires priority in appointments to be given to individuals in aeronautics, space economic development, and academic engagement with the space economy. The governor, lieutenant governor, and speaker must also ensure that the appointments reflect, to the extent possible, the ethnic and geographic diversity of Texas. The bill establishes that a vacancy on the executive committee is filled in the same manner as the initial appointment and authorizes the executive committee to solicit and accept on the consortium's behalf gifts, grants, or donations from any public or private source for the purpose of carrying out the provisions governing the consortium.

C.S.H.B. 3447 requires the executive committee to do the following:

- develop and execute a comprehensive statewide strategic plan to further the consortium's purposes;
- gather and coordinate recommendations from consortium members on funding and research opportunities in accordance with the consortium's purposes;
- establish procedures and policies for the consortium's administration, including:
 - procedures for documenting compliance by members of the committee and consortium and consortium staff with applicable laws governing conflicts of interest;
 - designation of a member of the committee as the committee's liaison to the commission; and
 - procedures for entering into contracts with The Texas A&M University System as necessary for the system to provide administrative and staff support to the consortium; and

- elect a presiding officer from among its membership and meet at the call of that presiding officer.

The bill authorizes a consortium member to participate in consortium fact-finding, strategic planning, and the formation of applicable executive committee recommendations. Before assisting the executive committee, a consortium member must designate a liaison to the executive committee to represent that member.

C.S.H.B. 3447 requires the executive committee to submit to the commission a written report on December 31 of each even-numbered year that includes for the biennium the following:

- the consortium's activities and objectives;
- a synopsis of any identified funding and research opportunities;
- legislative recommendations, if any;
- prospective grants or funding the consortium members expect to receive, if any; and
- research accomplishments associated with the consortium, if any.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3447 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Texas Space Commission

The substitute revises the provisions regarding the composition of the commission's board of directors, including with respect to the appointment of members, as follows:

- omits the specification that the members govern as an independent board;
- increases from two to three the number of members appointed by the lieutenant governor;
- replaces the provision giving the speaker authority to appoint two members directly with a provision providing the governor the authority to appoint three members from a list of names submitted by the speaker;
- reduces from five to three the number of members appointed by the governor on the governor's own accord;
- includes nonprofit support of the space economy among the fields experience in which is grounds for prioritization for board membership; and
- omits the provision requiring the appointive officers to coordinate to ensure at least one representative is appointed to the board from each of the following entities:
 - the U.S. military;
 - NASA;
 - a commercial spaceflight operator with a presence in Texas; and
 - a designee of the consortium.

Whereas the introduced required the commission to adopt rules to implement the bill's provisions, elect a presiding officer for the board, and select a person to act as the executive director of the commission, the substitute requires the board of directors instead to take those actions.

Space Exploration and Aeronautics Research Fund

The introduced and the substitute both provide for the creation of the space exploration and aeronautics research fund for grantmaking. However, whereas the introduced provided for the

creation of the fund as a trust fund outside the treasury with the comptroller, the substitute requires the commission instead to establish the fund as such and requires the commission to administer it. Additionally, the substitute includes a provision absent from the introduced requiring the commission specifically to establish procedures to ensure that a grant awarded is in the public interest and serves the public purpose of economic development and diversification.

Texas Aerospace Research and Space Economy Consortium

The introduced required that priority be given in appointments to the executive committee governing the consortium to individuals with experience in administration of research and development relevant to space, aeronautics, space economic development, astronautics, and other academic disciplines relevant to space. The substitute requires priority to be given instead to individuals with experience in aeronautics, space economic development, and academic engagement with the space economy.

The substitute authorizes the executive committee both to solicit and accept gifts, grants, and donations on the consortium's behalf, whereas the introduced did not include an authorization for the executive committee to solicit gifts, grants, and donations on the consortium's behalf.

The substitute omits the provision from the introduced that made implementation of an applicable provision of the bill by the consortium mandatory only if a specific appropriation is made for that purpose.

Effective Date

The introduced provided for the possible immediate effect of the bill's provisions, whereas the substitute does not.