

1 AN ACT

2 relating to the establishment and administration of the Texas Space  
3 Commission and the Texas Aerospace Research and Space Economy  
4 Consortium.

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

6 SECTION 1. Subtitle F, Title 4, Government Code, is amended  
7 by adding Chapter 482 to read as follows:

8 CHAPTER 482. TEXAS AEROSPACE AND TECHNOLOGY SUPPORT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 482.001. DEFINITIONS. In this chapter:

11 (1) "Board" means the board of directors of the  
12 commission.

13 (2) "Commission" means the Texas Space Commission.

14 (3) "Fund" means the space exploration and aeronautics  
15 research fund.

16 (4) "Institution of higher education" has the meaning  
17 assigned by Section 61.003, Education Code.

18 SUBCHAPTER B. TEXAS SPACE COMMISSION

19 Sec. 482.101. ESTABLISHMENT; PURPOSE. (a) The Texas Space  
20 Commission is established to strengthen this state's proven  
21 leadership in civil, commercial, and military aerospace activity.

22 (b) The purpose of the commission is to promote innovation  
23 in the fields of space exploration and commercial aerospace  
24 opportunities, including the integration of space, aeronautics,

1 and aviation industries into the economy of this state.

2 Sec. 482.102. ADMINISTRATIVE ATTACHMENT. (a) The  
3 commission is administratively attached to the office of the  
4 governor, and the office of the governor shall provide  
5 administrative support to the commission as provided by this  
6 section. The equal employment opportunity officer and the internal  
7 auditor of the office of the governor shall serve the same functions  
8 for the commission as they serve for the office of the governor.

9 (b) The office of the governor and the board shall enter  
10 into a memorandum of understanding detailing:

11 (1) the administrative support the commission  
12 requires from the office of the governor to fulfill the purposes of  
13 this chapter;

14 (2) the reimbursement of administrative expenses to  
15 the office of the governor; and

16 (3) any other provisions available by law to ensure  
17 the efficient operation of the commission as attached to the office  
18 of the governor.

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

23 Sec. 482.104. STATE AUDITOR. Nothing in this chapter  
24 limits the authority of the state auditor under Chapter 321 or other  
25 law.

26 Sec. 482.105. BOARD OF DIRECTORS. (a) The commission is  
27 governed by a nine-member board of directors. The board is composed

1 of:

2 (1) three members appointed by the governor;

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

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

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

11 (1) commercial aerospace;

12 (2) civil aviation;

13 (3) military aerospace;

14 (4) space economic development;

15 (5) space-related academic research; and

16 (6) nonprofit support of the space economy.

17 (c) Members of the board appointed by the governor,  
18 lieutenant governor, and speaker of the house serve at the pleasure  
19 of the appointing office for staggered six-year terms, with the  
20 terms of two members expiring on January 31 of each odd-numbered  
21 year.

22 (d) If a vacancy occurs on the board, the appropriate  
23 appointing authority shall appoint a successor, in the same manner  
24 as the original appointment, to serve for the remainder of the  
25 unexpired term. The appropriate appointing authority shall appoint  
26 the successor not later than the 30th day after the date the vacancy  
27 occurs.

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

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

6 Sec. 482.106. EXECUTIVE DIRECTOR. (a) The board shall hire  
7 an executive director. The executive director shall perform the  
8 duties required by this chapter and any duty delegated by the board.

9 (b) The executive director must have a demonstrated ability  
10 to lead and develop academic, commercial, military, or governmental  
11 partnerships and coalitions.

12 (c) The executive director may hire staff as necessary to  
13 implement the duties of the commission under this chapter.

14 Sec. 482.107. BOARD OF DIRECTORS: AUTHORITY. (a) The board  
15 shall:

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

18 (2) develop and execute a strategic plan in accordance  
19 with Section 482.201;

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

23 (4) identify research and funding opportunities for  
24 entities within this state that:

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

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

4           (C) promote and further research involving  
5 materials derived from or developed through space exploration and  
6 space flight;

7           (5) capitalize, promote, and assist in the development  
8 of workforce training to further the development of emerging  
9 technologies required for all aspects of space exploration; and

10           (6) solicit proposals on funding and research  
11 opportunities related to the objectives in this chapter from the  
12 Texas Aerospace Research and Space Economy Consortium established  
13 under Subchapter G.

14           (b) The board shall employ a chief compliance officer to  
15 monitor and report to the board regarding compliance with this  
16 chapter and rules adopted under this chapter. The chief compliance  
17 officer shall ensure that all grant proposals comply with this  
18 chapter and rules adopted under this chapter before the proposals  
19 are submitted to the board for approval.

20           (c) The board may:

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

23           (2) adopt and use an official seal;

24           (3) solicit and accept gifts or grants, and contract  
25 with any entity;

26           (4) acquire and convey property or an interest in  
27 property;

1           (5) procure insurance and pay premiums on insurance of  
2 any type, in accounts, and from insurers as the board considers  
3 necessary and advisable to accomplish any of the commission's  
4 purposes;

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

8           (7) make grants to enhance the capacity of  
9 institutions of higher education to participate in and support  
10 classified research;

11           (8) provide matching funding to external funding  
12 provided by relevant federal agencies, private industry, or private  
13 research organizations; and

14           (9) engage in the planning and implementation of  
15 aerospace-related educational opportunities within this state in  
16 coordination with the Texas Aerospace Research and Space Economy  
17 Consortium established under Subchapter G.

18                           SUBCHAPTER C. STRATEGIC PLAN

19           Sec. 482.201. STRATEGIC PLAN. (a) The commission shall  
20 develop and annually update a strategic plan for the promotion of  
21 space, aeronautics, and aviation economic development in this  
22 state.

23           (b) The strategic plan must include a list of potential  
24 projects that further the purpose of the commission, and, for each  
25 project:

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

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

3           (c) The strategic plan may include any other information the  
4 commission determines is relevant to furthering the purpose of the  
5 commission.

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

9           SUBCHAPTER D. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND

10           Sec. 482.301. SPACE EXPLORATION AND AERONAUTICS RESEARCH  
11 FUND; ESTABLISHMENT. (a) The space exploration and aeronautics  
12 research fund is established to provide grants to eligible entities  
13 as provided by this chapter.

14           (b) The fund is a trust fund outside the treasury with the  
15 comptroller and administered by the commission.

16           (c) The fund is composed of:

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

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

21           Sec. 482.302. SPACE EXPLORATION AND AERONAUTICS RESEARCH  
22 FUND; GRANTS. (a) Using money available in the fund, the  
23 commission may provide grants to eligible entities described by  
24 Subsection (b) for the purposes of:

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

27                   (2) research involving any aspect of space exploration

1 and space flight;

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

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

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

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

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

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

14 (c) The board shall comply with the provisions of this  
15 chapter in developing the procedures for administration and  
16 approval of grants through the fund.

17 (d) The commission shall provide written notification to  
18 the Legislative Budget Board not later than the 30th day after the  
19 date a grant award is made from the fund.

20 SUBCHAPTER E. ETHICS AND AUDIT

21 Sec. 482.401. CONFLICT OF INTEREST. (a) The board shall  
22 adopt conflict-of-interest rules to govern members of the board and  
23 commission employees.

24 (b) A board member or commission employee shall recuse  
25 himself or herself, as provided by Section 482.402, if the board  
26 member or employee, or a person who is related to the board member  
27 or employee within the second degree of affinity or consanguinity,



1 has a professional or financial interest in an entity receiving or  
2 applying to receive money from the commission.

3 (c) A person has a financial interest in an entity receiving  
4 or applying to receive money from the commission if the person:

5 (1) owns or controls, directly or indirectly, an  
6 ownership interest, including sharing in profits, proceeds, or  
7 capital gains, in an entity, or in a foundation or similar  
8 organization affiliated with an entity, receiving or applying to  
9 receive money from the commission; or

10 (2) could reasonably foresee that an action or  
11 recommendation by the board or commission could result in a  
12 financial benefit to the person.

13 (d) Nothing in this subchapter limits the authority of the  
14 board to adopt additional conflict-of-interest standards.

15 Sec. 482.402. DISCLOSURE OF CONFLICT OF INTEREST; RECUSAL.

16 (a) If a board member has a conflict of interest as described by  
17 Section 482.401 regarding an application that comes before the  
18 board for review or other action, the board member shall:

19 (1) provide written notice to the executive director  
20 and the presiding officer of the board or the next ranking member of  
21 the board if the presiding officer has the conflict of interest;

22 (2) disclose the conflict of interest in an open  
23 meeting of the board; and

24 (3) recuse himself or herself from participating in  
25 the review, discussion, deliberation, and vote on the application  
26 and from accessing information regarding the matter to be decided.

27 (b) If a commission employee has a conflict of interest

1 described by Section 482.401 regarding an application that comes  
2 before the employee for review or other action, the employee shall:

3 (1) provide written notice to the executive director  
4 of the conflict of interest; and

5 (2) recuse himself or herself from participating in  
6 the review of the application and be prevented from accessing  
7 information regarding the matter to be decided.

8 (c) A board member or commission employee with a conflict of  
9 interest may seek a waiver as provided by Section 482.403.

10 (d) A board member or commission employee who reports a  
11 potential conflict of interest or another impropriety or  
12 self-dealing of the member or employee and who fully complies with  
13 the recommendations of the general counsel and recusal requirements  
14 is considered in compliance with the conflict-of-interest  
15 provisions of this subchapter. The member or employee is subject to  
16 other applicable laws, rules, requirements, and prohibitions.

17 (e) A board member or commission employee who intentionally  
18 violates this section is subject to removal from further  
19 participation in the commission's review process.

20 Sec. 482.403. EXCEPTIONAL CIRCUMSTANCES REQUIRING  
21 PARTICIPATION; INVESTIGATION OF UNREPORTED CONFLICT OF INTEREST.

22 (a) The board shall adopt rules governing the waiver of the  
23 conflict-of-interest requirements of this subchapter under  
24 exceptional circumstances for a board member or commission  
25 employee. The rules must:

26 (1) authorize the executive director or a board member  
27 to propose granting a waiver by submitting to the presiding officer

1 of the board a written statement about the conflict of interest, the  
2 exceptional circumstance requiring the waiver, and any proposed  
3 limitations to the waiver;

4 (2) require a proposed waiver to be publicly reported  
5 at a meeting of the board;

6 (3) require a majority vote of the board members  
7 present and voting to grant a waiver; and

8 (4) require the commission to retain documentation of  
9 each waiver granted.

10 (b) The board shall adopt rules governing the investigation  
11 and consequences of unreported conflicts of interest.

12 Sec. 482.404. CODE OF CONDUCT. (a) The board shall adopt a  
13 code of conduct applicable to each board member and commission  
14 employee.

15 (b) The code of conduct at a minimum must include provisions  
16 prohibiting the member, the employee, or the member's or employee's  
17 spouse from:

18 (1) accepting or soliciting any gift, favor, or  
19 service that could reasonably influence the member or employee in  
20 the discharge of official duties or that the member, employee, or  
21 spouse of the member or employee knows or should know is being  
22 offered with the intent to influence the member's or employee's  
23 official conduct;

24 (2) accepting employment or engaging in any business  
25 or professional activity that would reasonably require or induce  
26 the member or employee to disclose confidential information  
27 acquired in the member's or employee's official position;

1           (3) accepting other employment or compensation that  
2 could reasonably impair the member's or employee's independent  
3 judgment in the performance of official duties;

4           (4) making personal investments or having a financial  
5 interest that could reasonably create a substantial conflict  
6 between the member's or employee's private interest and the member's  
7 or employee's official duties;

8           (5) intentionally or knowingly soliciting, accepting,  
9 or agreeing to accept any benefit for exercising the member's  
10 official powers or performing the member's or employee's official  
11 duties in favor of another;

12           (6) leasing, directly or indirectly, any property,  
13 capital equipment, employee, or service to any entity that receives  
14 a grant from the commission;

15           (7) submitting a grant application for funding by the  
16 board;

17           (8) serving on the board of directors of an  
18 organization established with a grant from the commission; or

19           (9) serving on the board of directors of a grant  
20 recipient.

21           SUBCHAPTER F. PROCEDURE FOR MAKING AWARDS

22           Sec. 482.501. RULES FOR GRANT AWARD PROCEDURE. (a) The  
23 board shall adopt rules regarding the procedure for awarding grants  
24 to an applicant under this chapter, including a procedure for the  
25 Texas Aerospace Research and Space Economy Consortium to make  
26 recommendations to the board for grant awards.

27           (b) The board may not award a grant to an applicant who has

1 made a gift or grant to the commission or a nonprofit organization  
2 established to provide support to the commission.

3 Sec. 482.502. MULTIYEAR PROJECTS. The board may grant  
4 money for a multiyear project. The board shall specify the total  
5 amount of money approved to fund the multiyear project. The total  
6 amount specified is considered for purposes of this subchapter to  
7 have been awarded in the state fiscal year that the project is  
8 approved by the board. The board shall distribute only the money  
9 that will be expended during that fiscal year. The board shall  
10 distribute the remaining grant money as the money is needed in each  
11 subsequent state fiscal year.

12 Sec. 482.503. PREFERENCE FOR TEXAS SUPPLIERS. The board  
13 shall establish standards to ensure that grant recipients purchase  
14 goods and services from suppliers in this state to the extent  
15 reasonably possible, in a good faith effort to achieve a goal of  
16 more than 50 percent of those purchases from suppliers in this  
17 state.

18 Sec. 482.504. GRANT EVALUATION. (a) The executive  
19 director shall determine the grant review process under this  
20 section. The executive director may terminate grants that do not  
21 meet contractual obligations.

22 (b) The executive director shall report at least annually to  
23 the board on the progress and continued merit of each grant funded  
24 by the commission.

25 (c) The board shall establish and implement reporting  
26 requirements to ensure that each grant recipient complies with the  
27 terms and conditions in the grant contract, including verification

1 of the amounts of matching money dedicated to the research that is  
2 the subject of the grant award to the grant recipient.

3 (d) The commission shall implement a system to:

4 (1) track the dates on which grant recipient reports  
5 are due and are received by the commission; and

6 (2) monitor the status of any required report that is  
7 not timely submitted to the commission by a grant recipient.

8 Sec. 482.505. GRANT RECORDS. The commission shall maintain  
9 complete records of:

10 (1) the review of each grant application submitted to  
11 the board, including an application reviewed in accordance with  
12 rules adopted under this chapter, even if the grant application is  
13 not funded by the board or is withdrawn after submission;

14 (2) each grant recipient's financial reports,  
15 including the amount of matching money dedicated to the research  
16 specified for the grant award;

17 (3) each grant recipient's progress reports; and

18 (4) the board's review of the grant recipient's  
19 financial reports and progress reports.

20 SUBCHAPTER G. TEXAS AEROSPACE RESEARCH AND SPACE ECONOMY

21 CONSORTIUM

22 Sec. 482.601. DEFINITIONS. In this subchapter:

23 (1) "Consortium" means the Texas Aerospace Research  
24 and Space Economy Consortium.

25 (2) "Executive committee" means the executive  
26 committee of the consortium.

27 Sec. 482.602. SUNSET PROVISION. The consortium is subject

1 to Chapter 325 (Texas Sunset Act). Unless continued in existence as  
2 provided by that chapter, the consortium is abolished and this  
3 subchapter expires September 1, 2032.

4 Sec. 482.603. ESTABLISHMENT; PURPOSE. The Texas Aerospace  
5 Research and Space Economy Consortium is established to:

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

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

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

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

16 (2) provide funding and research recommendations to  
17 the commission.

18 Sec. 482.604. CONSORTIUM COMPOSITION. The consortium is  
19 composed of:

20 (1) each institution of higher education; and

21 (2) any other entity that the executive committee  
22 considers necessary.

23 Sec. 482.605. ADMINISTRATIVE ATTACHMENT. The consortium is  
24 administratively attached to the office of the governor for the  
25 purpose of receiving and administering appropriations and other  
26 funds under this subchapter. The office of the governor is not  
27 responsible for providing to the consortium staff, human resources,

1 contract monitoring, purchasing, or any other administrative  
2 support services.

3 Sec. 482.606. EXECUTIVE COMMITTEE COMPOSITION. (a) The  
4 consortium is governed by an independent executive committee  
5 composed of the following nine members:

6 (1) two members appointed by the governor;

7 (2) two members appointed by the lieutenant governor;

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

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

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

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

16 (b) In making appointments under Subsection (a), the  
17 governor, the lieutenant governor, and the speaker of the house of  
18 representatives, respectively, shall:

19 (1) prioritize appointing individuals with experience  
20 in:

21 (A) aeronautics;

22 (B) space economic development; and

23 (C) academic engagement with the space economy;

24 and

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

27 (c) A vacancy on the executive committee is filled in the



1 same manner as the initial appointment.

2 (d) The executive committee shall:

3 (1) elect a presiding officer from among the members  
4 of the committee; and

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

6 Sec. 482.607. GIFTS, GRANTS, AND DONATIONS. The executive  
7 committee may solicit and accept on behalf of the consortium gifts,  
8 grants, or donations from any public or private source for the  
9 purpose of carrying out this subchapter.

10 Sec. 482.608. GENERAL DUTIES. (a) The executive committee  
11 shall:

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

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

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

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

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

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

27 (b) A member of the consortium may participate in consortium

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

6 Sec. 482.609. BIENNIAL REPORT. Not later than December 31  
7 of each even-numbered year, the executive committee shall submit to  
8 the commission a written report that includes for that biennium:

9 (1) the activities and objectives of the consortium;

10 (2) a synopsis of the funding and research  
11 opportunities identified by the consortium;

12 (3) legislative recommendations, if any;

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

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

17 SECTION 2. This Act takes effect September 1, 2023.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 3447 was passed by the House on May 1, 2023, by the following vote: Yeas 128, Nays 16, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 3447 on May 23, 2023, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 3447 on May 28, 2023, by the following vote: Yeas 125, Nays 11, 2 present, not voting.

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Chief Clerk of the House

H.B. No. 3447

I certify that H.B. No. 3447 was passed by the Senate, with amendments, on May 16, 2023, by the following vote: Yeas 29, Nays 2; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 3447 on May 28, 2023, by the following vote: Yeas 29, Nays 2.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor