

**BILL ANALYSIS**

Senate Research Center  
89R27428 MCF-F

H.B. 112  
By: Button et al. (Parker)  
Economic Development  
5/23/2025  
Engrossed

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

The global economy is becoming increasingly competitive and global conflicts can lead to uncertainty and supply chain disruptions. Developing robust infrastructure and proactive economic development strategies is important to attract new businesses, retain existing employers, and ensure the stability of our supply chain for national and state security.

H.B. 112 seeks to address this issue by creating the framework for the establishment of Texas science park districts and the Texas Science Park Commission.

H.B. 112 amends current law relating to the creation and operation of a science park district in certain counties.

**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 Subtitle C, Title 12, Local Government Code, by adding Chapter 398, as follows:

**CHAPTER 398. TEXAS SCIENCE PARK DISTRICTS**

**SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 398.001. DEFINITIONS. Defines "board," "commission," "director," and "district."

Sec. 398.002. APPLICABILITY. Provides that this chapter applies only in a county with a population of 800,000 or more or adjacent to a county with a population of 800,000 or more.

Sec. 398.003. PURPOSE; DECLARATION OF INTENT. (a) Provides that the creation of a Texas science park district (district) under this chapter is essential to accomplish the purposes of Section 52-a (Programs and Loans of Grants of Public Money for Economic Development), Article III (Legislative Department), Texas Constitution, and other public purposes stated in this chapter.

(b) Provides that the purpose of a Texas science park district is to establish an ecosystem that supports the creation of a resilient domestic supply chain to safeguard both national and state security, promote scientific research and technological innovation, support the establishment and growth of technology companies, promote and encourage commercial development and workforce development, facilitate collaboration between higher education, the science and technology industry, and government, and support the development of infrastructure.

(c) Provides that the district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

## SUBCHAPTER B. CREATION OF DISTRICT; TEMPORARY BOARD

Sec. 398.051. CREATION OF TEXAS SCIENCE PARK DISTRICT. (a) Authorizes the owner or owners of territory composed of a number of acres that is at least equal to the minimum established under Section 398.052 to petition the Texas Economic Development and Tourism Office (office) for creation of a district for that territory.

(b) Requires that a petition described by Subsection (a) describe the territory to be included in the proposed district and demonstrate that the territory meets the requirements of Section 398.052 and any additional requirements determined by the Texas Science Park Commission (commission).

(c) Authorizes the office, if the office determines that a petition described by Subsection (a) conforms to the requirements of this chapter and that the creation of the district would be of benefit to the territory to be included in the district, to approve the creation of the district and appoint the temporary board in accordance with Section 398.053.

(d) Requires the office, if the office finds that the petition does not conform to the requirements of this chapter or that the creation of the district is not of benefit to the territory in the proposed district, to either deny the petition or require petitioners to amend the petition.

Sec. 398.052. REQUIREMENTS FOR DISTRICT TERRITORY. (a) Requires that the territory for which a district authorized to be created under this chapter meet certain requirements.

(b) Requires the commission to establish a minimum number of acres that the territory of a district to be created under this chapter is required to include at the time a petition is submitted for the creation of the district.

Sec. 398.053. TEMPORARY BOARD. (a) Requires the office, after the office approves the creation of a district, to request the appointment of a temporary board of members of the board of directors of a district (board) for the district to include temporary directors appointed by certain persons.

(b) Requires the commission to establish qualifications for knowledge and experience that a person must possess in order to be appointed as a temporary director under this section.

(c) Requires the temporary board to develop a strategic plan for the district, approve initial projects and resource allocation, establish policies for the operation and development of the district, and submit to the governor, Comptroller of Public Accounts of the State of Texas (comptroller), and members of the legislature a report detailing the activities, expenditures, and progress of the district on the first and second anniversaries of the creation of the district.

(d) Provides that the temporary board has all of the powers and duties of a board elected under Subchapter C.

(e) Requires the temporary directors to serve staggered terms of one or two years. Requires the directors, at the first meeting of the temporary board, to draw lots to determine which four directors serve a term of one year and which five directors serve a term of two years.

(f) Requires that a vacancy in the office of temporary director be filled by appointment by the appropriate appointing official.

(g) Authorizes an official who appoints a temporary director to appoint a successor temporary director if the term of the director expires before the election called for the director's successor under Section 398.101 is held.

#### SUBCHAPTER C. DISTRICT ADMINISTRATION

Sec. 398.101. BOARD OF DIRECTORS; TERMS. (a) Provides that the district is governed by a board of nine elected directors.

(b) Provides that directors serve staggered two-year terms.

(c) Requires the temporary board to call an election for four director positions to be held on an authorized uniform election date under Section 41.001 (Uniform Election Dates), Election Code, as soon as practicable after the district is created. Requires the board to call an election for the remaining five director positions to be held on an authorized uniform election date under Section 41.001, Election Code, in the year following the first election.

(d) Provides that a temporary director, or a successor temporary director, serves until the date a successor for the director is elected.

(e) Requires that the election be held in accordance with the Election Code, to the extent not inconsistent with this chapter.

(f) Requires that a vacancy in the office of director be filled by the remaining members of the board for the unexpired term.

Sec. 398.102. QUALIFICATIONS. Requires a person, to serve as a director, to be at least 18 years old and meet certain criteria.

Sec. 398.103. BOND. Authorizes the board to require an officer or employee to execute a bond payable to the district and conditioned on the faithful performance of the person's duties.

Sec. 398.104. COMPENSATION; EXPENSES. (a) Provides that a director serves without compensation but is authorized to be reimbursed for a reasonable and necessary expense incurred in performing an official duty.

(b) Provides that to receive reimbursement under Subsection (a) the director is required to report the expense to the board and the board is required to approve the expense.

Sec. 398.105. REMOVAL OF DIRECTOR. Authorizes a majority of the directors, after notice and hearing, to remove a director for misconduct or failure to carry out the director's duties.

Sec. 398.106. OFFICERS. Requires the directors to select from among the directors a president, a vice president, a secretary, and any other officers the board considers necessary.

Sec. 398.107. MEETINGS. (a) Requires a board to hold regular meetings at times to be fixed by the board or special meetings as necessary.

(b) Requires the board to hold its meetings at a designated meeting place.

Sec. 398.108. QUORUM; OFFICERS' DUTIES. (a) Provides that five directors constitute a quorum and a concurrence of five is sufficient in any matter relating to the business of the district.

(b) Provides that the president presides at all board meetings and is the chief executive officer of the district.

(c) Provides that the vice president acts as the president if the president is incapacitated or absent from a meeting.

(d) Provides that the secretary acts as the president if both the president and vice president are incapacitated or absent from a meeting.

(e) Provides that the secretary is responsible for ensuring that all the records and books of the district are properly kept.

(f) Authorizes the board to appoint another director or an employee as assistant or deputy secretary to assist the secretary. Authorizes the assistant or deputy secretary to certify the authenticity of any record of the district.

Sec. 398.109. BYLAWS. Authorizes the board to adopt bylaws to govern certain matters.

#### SUBCHAPTER D. POWERS AND DUTIES

Sec. 398.151. GENERAL POWERS. (a) Provides that a district has the powers necessary or convenient to carry out and effect certain purposes and provisions of this chapter.

(b) Authorizes a district to accept gifts, grants, and donations from any source, including private and nonprofit organizations.

Sec. 398.152. DISTRICT PRIORITIES. (a) Requires a district to prioritize the development of state-of-the-art facilities, including research and development centers, technology incubators and accelerators, advanced manufacturing facilities, and office space for new businesses and technology firms.

(b) Requires the district to adopt guidelines for district projects to meet certain criteria.

Sec. 398.153. REAL PROPERTY RESTRICTIONS. (a) Authorizes the district to adopt restrictions on the use of real property in the district.

(b) Requires that a restriction adopted under this section be compatible with and equal to or more stringent than a restriction adopted by each municipality or county that overlaps the territory in which the restriction is adopted.

Sec. 398.154. ANNUAL REPORT. Requires the district to submit to the governor, comptroller, and members of the legislature an annual report detailing the activities, expenditures, and progress of the district.

#### SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 398.201. DISBURSEMENTS AND TRANSFERS OF MONEY. Requires the board by resolution to establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Sec. 398.202. MONEY USED FOR PROJECTS OR SERVICES. Authorizes the district to acquire, construct, finance, operate, or maintain a project or service authorized under this chapter using any money available to the district for that purpose.

#### SUBCHAPTER F. BONDS

Sec. 398.251. ISSUANCE OF BONDS. Authorizes the district to issue bonds for the purpose of defraying all or part of the cost of any project for a district purpose.

Sec. 398.252. MANNER OF REPAYMENT OF BONDS. Authorizes the board to provide for the payment of principal of and interest and redemption price on bonds from certain sources.

Sec. 398.253. USE OF BOND PROCEEDS. Authorizes the district to use bond proceeds to pay certain expenses.

#### SUBCHAPTER G. ACCOUNTABILITY

Sec. 398.301. AUDIT. Requires the board, notwithstanding Section 403.0241(b)(2) (relating to the inclusion of a special purpose district of this state that during the most recent fiscal year had certain debts in the Special Purpose District Public Information Database), Government Code, to transmit records and other information to the comptroller annually for purposes of providing the comptroller with information on the district to include in the Special Purpose District Public Information Database established under Section 403.0241 (Special Purpose District Public Information Database), Government Code.

Sec. 398.302. PUBLIC MEETINGS. Requires the board to hold at least one public meeting each quarter of the calendar year for the sole purpose of receiving public input on major projects and initiatives in the district.

#### SUBCHAPTER H. TEXAS SCIENCE PARK COMMISSION

Sec. 398.351. CREATION OF COMMISSION; COMPOSITION. (a) Provides that the commission is established within the office.

(b) Provides that the commission is composed of the following seven members: two members appointed by the governor from a list of not less than five nominees submitted by the lieutenant governor, two members appointed by the governor from a list of not less than five nominees submitted by the speaker of the house of representatives, and three members of the public appointed by the governor.

(c) Authorizes the governor, in making an appointment under Subsection (b), to reject one or more of the nominees on a list submitted to the governor under Subsection (b) and request a new list of different nominees.

(d) Requires the governor to appoint from the seven members appointed to the commission a chairperson of the commission.

Sec. 398.352. COMPREHENSIVE PLAN. Requires the commission to develop a comprehensive plan for the creation and operation of districts. Requires that the plan meet certain criteria.

Sec. 398.353. ADMINISTRATIVE SUPPORT; FUNDING. (a) Requires the office to provide administrative support and resources, including funding from the office's budget, as necessary to the commission to support the fulfillment of the commission's duties. Authorizes the office to supplement the commission's funding with gifts, grants, or donations received by the office.

(b) Authorizes a legislative member of the commission to provide staffing and administrative support from the member's office to the commission.

Sec. 398.354. REPORT. Requires the commission, not later than December 1, 2026, to prepare and submit to the governor, the lieutenant governor, the speaker of the house of representatives, and each standing committee of each house of the legislature with

primary jurisdiction over business and commerce a report that includes the commission's plan and recommendations.

Sec. 398.355. ABOLISHMENT. Provides that the commission is abolished September 1, 2027.

SECTION 2. Effective date: September 1, 2025.