

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Bonnen

H.B. No. 5246

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the administration, powers, and duties of the Texas  
3 Space Commission, the Texas Aerospace Research and Space Economy  
4 Consortium, and other governmental entities and institutions  
5 regarding aerospace, aviation, and space exploration initiatives  
6 and to the abolishment of the spaceport trust fund.

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

8 SECTION 1. Sections 481.0066(d), (e), and (e-1), Government  
9 Code, are amended to read as follows:

10 (d) The aerospace and aviation office shall:

11 (1) analyze aerospace-related [~~space-related~~] and  
12 aviation-related research currently conducted in this state and may  
13 conduct activities designed to further that research;

14 (2) analyze the state's economic position in the  
15 aerospace and aviation industries;

16 (3) develop short-term and long-term business  
17 strategies as part of an industry-specific strategic plan to  
18 promote the retention, development, and expansion of aerospace and  
19 aviation industry facilities in the state that is consistent with  
20 and complementary of the office strategic plan;

21 (4) as part of and to further the purposes of the  
22 industry-specific strategic plan described by Subdivision (3),  
23 develop short-term and long-term policy initiatives or recommend  
24 reforms the state may undertake or implement to:

1 (A) increase investment in aerospace and  
2 aviation activities;

3 (B) [~~support the retention, development, and~~  
4 ~~expansion of spaceports in this state,~~

5 [~~(C)~~] identify and encourage educational,  
6 economic, and defense-related opportunities for aerospace and  
7 aviation activities;

8 (C) [~~(D) determine the appropriate level of~~  
9 ~~funding for the spaceport trust fund created under Section 481.0069~~  
10 ~~and~~] support ongoing projects that have been assisted by the former  
11 spaceport trust fund [~~, including recommending to the legislature an~~  
12 ~~appropriate funding level for the fund~~]; and

13 (D) [~~(E)~~] partner with the Texas Higher  
14 Education Coordinating Board to foster technological advancement  
15 and economic development for aerospace [~~spaceport~~] activities by  
16 strengthening higher education programs and supporting aerospace  
17 activities; [~~and~~

18 [~~(F) partner with the Texas Workforce Commission~~  
19 ~~to support initiatives that address the high technology skills and~~  
20 ~~staff resources needed to better promote the state's efforts in~~  
21 ~~becoming the leading space exploration state in the nation,~~]

22 (5) act as a liaison with other state and federal  
23 entities with related economic, educational, and defense  
24 responsibilities to support the marketing of the state's aerospace  
25 and aviation capabilities; and

26 (6) provide technical support and expertise to the  
27 state and to local [~~spaceport~~] authorities regarding aerospace and

1 aviation business matters[~~;~~ and  
2 [~~(7)~~ be responsible for the promotion and development  
3 of spaceports in this state].

4 (e) The governor shall appoint an aerospace and aviation  
5 advisory committee consisting of[~~;~~

6 [~~(1)~~] seven qualified members to assist in the state's  
7 economic development efforts to recruit and retain aerospace and  
8 aviation jobs and investment[~~;~~ and

9 [~~(2)~~ one member for each active spaceport development  
10 corporation in the state who represents the interests of each  
11 respective spaceport development corporation].

12 (e-1) The aerospace and aviation advisory committee shall:

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

15 (2) assist the office and the aerospace and aviation  
16 office in meeting the state's economic development efforts to  
17 recruit and retain aerospace and aviation jobs and investment;

18 (3) [~~advise the office, the aerospace and aviation  
19 office, and the governor on an appropriate funding level for the  
20 spaceport trust fund,~~

21 [~~(4)~~] advise the office, the aerospace and aviation  
22 office, and the governor on recruitment, retention, and expansion  
23 of aerospace and aviation industry activities; and

24 (4) [~~(5)~~] collect and disseminate information on  
25 federal, state, local, and private community economic development  
26 programs that assist or provide loans, grants, or other funding to  
27 aerospace and aviation industry activities.

1 SECTION 2. Sections 482.101(a) and (b), Government Code,  
2 are amended to read as follows:

3 (a) The Texas Space Commission is established to strengthen  
4 this state's proven leadership in civil, commercial, and military  
5 outer space [~~aerospace~~] activity.

6 (b) The purpose of the commission is to promote:

7 (1) innovation in the fields of space exploration and  
8 commercial aerospace;

9 (2) commercial aerospace opportunities; and

10 (3) [~~, including~~] the integration of the space and [~~7~~]  
11 aeronautics [~~, and aviation~~] industries into the economy of this  
12 state.

13 SECTION 3. Section 482.103, Government Code, is amended to  
14 read as follows:

15 Sec. 482.103. SUNSET PROVISION. The commission is subject  
16 to Chapter 325 (Texas Sunset Act). Unless continued in existence as  
17 provided by that chapter, the commission is abolished and this  
18 chapter expires September 1, 2033 [~~2032~~].

19 SECTION 4. Section 482.105, Government Code, is amended by  
20 amending Subsections (a), (b), (c), (e), and (f) and adding  
21 Subsection (a-1) to read as follows:

22 (a) The commission is governed by a [~~nine-member~~] board of  
23 directors [~~. The board is~~] composed of the following nine voting  
24 members:

25 (1) three members appointed by the governor;

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

1           (3) three members appointed by the speaker of the  
2 house of representatives.

3           (a-1) The executive director of the Texas Economic  
4 Development and Tourism Office serves as an ex officio nonvoting  
5 member of the board.

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

- 10           (1) the nongovernmental commercial space industry  
11 [aerospace];
- 12           (2) governmental space operations [~~civil aviation~~];
- 13           (3) military space operations [~~aerospace~~];
- 14           (4) space-related [~~space~~] economic development;
- 15           (5) space-related academic research; and
- 16           (6) nonprofit support of the space economy.

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

22           (e) Not later than the 30th day after the date a voting board  
23 member's term expires, the appropriate appointing authority shall  
24 appoint a replacement.

25           (f) The board shall elect a presiding officer from among the  
26 voting members of the board.

27           SECTION 5. Section 482.107, Government Code, is amended to

1 read as follows:

2           Sec. 482.107. BOARD OF DIRECTORS: AUTHORITY. (a) The board  
3 shall:

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

6           (2) develop and execute a strategic plan in accordance  
7 with Section 482.201;

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

11           (4) identify research and funding opportunities for  
12 entities within this state that:

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

16           (B) enhance the integration of the space and [7]  
17 aeronautics[~~, aeronautics, and aviation~~] industries into this  
18 state's economy; and

19           (C) promote and further research involving  
20 materials derived from or developed through space exploration and  
21 space flight;

22           (5) capitalize, promote, and assist in the development  
23 of workforce training to further the development of emerging  
24 technologies required for all aspects of space exploration; [~~and~~]

25           (6) solicit proposals from the Texas Aerospace  
26 Research and Space Economy Consortium established under Chapter 483  
27 for projects [~~on funding~~] and [~~research~~] opportunities related to

1 the objectives in this chapter that could be funded with money from  
2 the fund; and

3 (7) enter into an interagency agreement with the Texas  
4 Aerospace Research and Space Economy Consortium regarding the  
5 submission of proposals for projects eligible for a grant from the  
6 fund [~~from the Texas Aerospace Research and Space Economy~~  
7 ~~Consortium established under Subchapter G~~].

8 (b) The board shall employ a chief compliance officer to  
9 monitor and report to the board regarding compliance with this  
10 chapter and rules adopted under this chapter. The chief compliance  
11 officer shall ensure that all grant proposals comply with this  
12 chapter and rules adopted under this chapter [~~before the proposals~~  
13 ~~are submitted to the board for approval~~].

14 (b-1) The board shall employ a general counsel to advise the  
15 commission and perform duties assigned by the board.

16 (c) The board may:

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

19 (2) adopt and use an official seal;

20 (3) solicit and accept gifts, ~~or~~ grants, or  
21 donations and contract with any entity;

22 (4) acquire and convey property or an interest in  
23 property;

24 (5) procure insurance and pay premiums on insurance of  
25 any type, in accounts, and from insurers as the board considers  
26 necessary and advisable to accomplish any of the commission's  
27 purposes;

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

4           (7) make grants to enhance the capacity of  
5 institutions of higher education to participate in and support  
6 classified research;

7           (8) provide matching funding to external funding  
8 provided by relevant federal agencies, private industry, or private  
9 research organizations; ~~and~~

10          (9) engage in the planning and implementation of space  
11 exploration and spaceflight-related ~~[aerospace-related]~~  
12 educational opportunities within this state in coordination with  
13 the Texas Aerospace Research and Space Economy Consortium  
14 established under Chapter 483; and

15          (10) subject to the governor's approval, enter into an  
16 intergovernmental agreement with another state or the United  
17 States, including the United States Department of Defense and the  
18 National Aeronautics and Space Administration, as necessary to  
19 carry out the purposes of this chapter ~~[Subchapter G]~~.

20          SECTION 6. Subchapter B, Chapter 482, Government Code, is  
21 amended by adding Sections 482.108 and 482.109 to read as follows:

22          Sec. 482.108. PROCUREMENT OF CERTAIN SPACE-RELATED  
23 VEHICLES AND EQUIPMENT. (a) Notwithstanding Section 2155.083 or  
24 any other law and subject to Subsection (b), the board may authorize  
25 the commission to procure, lease, or otherwise secure access to  
26 capacity on or through a spacefaring vehicle, platform, or  
27 infrastructure, including a rocket, shuttle, spaceplane,

1 satellite, space station, lunar or planetary base, and other  
2 orbital, suborbital, or extraterrestrial transport or habitation  
3 system, regardless of whether the vehicle, platform, or  
4 infrastructure is owned or operated by a governmental, commercial,  
5 or private entity.

6 (b) Before the commission takes a proposed action under  
7 Subsection (a), the board must:

8 (1) determine the proposed action:

9 (A) promotes or serves a legitimate and clearly  
10 defined public purpose;

11 (B) provides demonstrable value, taking into  
12 consideration:

13 (i) the feasibility and cost-effectiveness  
14 of the proposed action;

15 (ii) alternative approaches to attaining  
16 the same or a similar public purpose as the proposed action; and

17 (iii) potential benefits of the proposed  
18 action; and

19 (C) is subject to appropriate controls and  
20 contractual requirements sufficient to protect the interests of the  
21 state;

22 (2) discuss the determinations the board must find  
23 under Subdivision (1) in an open meeting held in accordance with  
24 Chapter 551; and

25 (3) by a majority vote of the voting board members  
26 present and voting, authorize the action in an open meeting held in  
27 accordance with Chapter 551.

1       Sec. 482.109. CERTAIN GRANT APPLICATIONS AND DEFENSE,  
2 MILITARY, AND AEROSPACE ISSUES: CLOSED MEETING. (a) The board may  
3 conduct a closed meeting in accordance with Subchapter E, Chapter  
4 551, to deliberate or confer with one or more employees,  
5 consultants of the commission, or legal counsel of the commission  
6 to discuss:

7           (1) a grant application being considered by the board  
8 if, before conducting the closed meeting, a majority of the voting  
9 members of the board in an open meeting vote that deliberating or  
10 conferring in an open meeting would:

11                   (A) reveal the grant applicant's confidential  
12 information;

13                   (B) reveal national security information; or

14                   (C) have a detrimental effect on the position of  
15 the commission in negotiations with a grant applicant; or

16           (2) a matter related to:

17                   (A) the establishment of an office, base, or  
18 major facility in this state by the United States Department of  
19 Defense or the National Aeronautics and Space Administration; or

20                   (B) an economic incentive a governmental body may  
21 offer to a private entity or nonprofit organization to meet a match  
22 requirement or other requirement established by the United States  
23 Department of Defense or the National Aeronautics and Space  
24 Administration in relation to grants or strategic endeavors.

25           (b) Notwithstanding any other law, the commission may  
26 disclose a matter discussed under Subsection (a)(2) with any state  
27 agency if the presiding officer of the board determines it

1 necessary to accomplish the establishment of an office, base, or  
2 major facility in this state by the United States Department of  
3 Defense or the National Aeronautics and Space Administration.

4 (c) Any vote or final action taken on a matter described by  
5 Subsection (a)(1) or (2) must be conducted in an open meeting.

6 SECTION 7. Section 482.201(a), Government Code, is amended  
7 to read as follows:

8 (a) The commission shall develop and annually update a  
9 strategic plan for the promotion of space and [~~7~~] aeronautics [~~7~~ and  
10 ~~aviation~~] economic development in this state.

11 SECTION 8. Section 482.301(a), Government Code, is amended  
12 to read as follows:

13 (a) The space exploration and aeronautics research fund is  
14 established to provide grants to eligible entities and for other  
15 purposes as provided by this chapter.

16 SECTION 9. Section 482.302, Government Code, is amended by  
17 amending Subsections (a) and (b) and adding Subsections (b-1), (e),  
18 (e-1), (f), (g), and (h) to read as follows:

19 (a) Using money available in the fund, the commission may  
20 provide grants to eligible entities described by Subsection (b) for  
21 the purposes of:

22 (1) development of emerging technologies required for  
23 any aspect of human space flight, including aeronautics;

24 (2) research involving any aspect of space exploration  
25 and space flight, including aeronautics;

26 (3) workforce training to promote space exploration  
27 and space flight, including aeronautics;

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

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

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

7 (1) a business or nonprofit entity involved in the  
8 space exploration and space [7] research industry[7] or the  
9 aeronautics industry; ~~and~~

10 (2) a governmental entity involved in the space  
11 exploration and space research industry or the aeronautics  
12 industry; and

13 (3) the Texas Aerospace Research and Space Economy  
14 Consortium established under Chapter 483 [~~with which the commission~~  
15 ~~has entered into an intergovernmental agreement for that purpose~~].

16 (b-1) If the board approves a grant for a governmental  
17 entity described by Subsection (b)(2), the governmental entity  
18 shall enter into an intergovernmental agreement with the commission  
19 with respect to the project or activity for which the grant was  
20 awarded.

21 (e) The commission shall establish sufficient controls to  
22 ensure that a grant awarded under this subchapter promotes the  
23 purposes listed in Subsection (a).

24 (e-1) Using money available in the fund, and subject to the  
25 approval of the governor, the commission may provide grants to, or  
26 fund the costs and expenses incurred under agreements between the  
27 commission and, another state, the United States, or entities

1 described by Subsection (b) for the purposes of:

2 (1) establishing a space-related office, base, or  
3 major facility in this state by the United States Department of  
4 Defense or the National Aeronautics and Space Administration; and

5 (2) relocating or acquiring decommissioned assets  
6 related to the space industry to this state.

7 (f) The commission shall adopt a policy on advance payments  
8 to grant recipients.

9 (g) Except as otherwise provided by this section, money  
10 awarded under this subchapter may be used for authorized expenses,  
11 including honoraria, salaries and benefits, travel, conference  
12 fees and expenses, consumable supplies, other operating expenses,  
13 contracted research and development, capital equipment, and  
14 construction or renovation of state or private facilities.

15 (h) An entity receiving money under this subchapter for  
16 space exploration or aeronautics research may not spend more than  
17 five percent of the money for indirect costs. For purposes of this  
18 subsection, "indirect costs" means the expenses of doing business  
19 that are not readily identified with a particular grant, contract,  
20 project, function, or activity, but are necessary for the general  
21 operation of the entity or the performance of the entity's  
22 activities.

23 SECTION 10. Subchapter D, Chapter 482, Government Code, is  
24 amended by adding Section 482.303 to read as follows:

25 Sec. 482.303. USE OF FUND FOR OTHER PURPOSE. Money  
26 available in the fund may be used to fund the costs and expenses  
27 incurred under intergovernmental agreements between the commission

1 and another state or the United States under this subchapter.

2 SECTION 11. Section 482.501, Government Code, is amended to  
3 read as follows:

4 Sec. 482.501. RULES; CERTAIN LIMITATIONS ON [~~FOR~~] GRANT  
5 AWARDS [~~AWARD PROCEDURE~~]. (a) The board shall adopt rules  
6 regarding the procedure for awarding grants to applicants [~~an~~  
7 ~~applicant~~] under this chapter. The rules must authorize the  
8 commission to:

9 (1) identify the specific purpose under Section  
10 482.302(a) for which the commission awards a grant; and

11 (2) obtain information from the Texas Aerospace  
12 Research and Space Economy Consortium established under Chapter 483  
13 as necessary to make award determinations [~~, including a procedure~~  
14 ~~for the Texas Aerospace Research and Space Economy Consortium to~~  
15 ~~make recommendations to the board for grant awards~~].

16 (b) The board may not award a grant to an applicant who has  
17 made a gift or grant to the commission or a nonprofit organization  
18 established to provide support to the commission during the  
19 preceding two years.

20 SECTION 12. Section 482.505, Government Code, is amended to  
21 read as follows:

22 Sec. 482.505. GRANT RECORDS; PUBLIC INFORMATION EXCEPTION.

23 (a) The commission shall maintain complete records of:

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



1           Sec. 483.003 [~~482.603~~]. ESTABLISHMENT; PURPOSE. The Texas  
2 Aerospace Research and Space Economy Consortium is established to:

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

5           (A) strengthen this state's proven leadership in  
6 civil, commercial, and military space-related [~~aerospace~~]  
7 activity;

8           (B) enhance this state's position in aeronautics  
9 research and development [~~, aeronautics~~], space commercialization,  
10 and space flight infrastructure and in the development of space  
11 travel technologies; and

12           (C) enhance the integration of the space and [~~7~~]  
13 aeronautics [~~, aeronautics, and aviation~~] industries into this  
14 state's economy; and

15           (2) provide [~~funding and~~] research recommendations to  
16 the commission.

17           Sec. 483.004 [~~482.604~~]. CONSORTIUM COMPOSITION. (a)  
18 Subject to Subsections (b) and (c), the [~~The~~] consortium is  
19 composed of:

20           (1) each participating institution of higher  
21 education; and

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

24           (b) An institution of higher education is considered a  
25 participating member of the consortium if the institution submits  
26 to the executive committee the name of a local campus liaison to  
27 represent the institution on the consortium.

1        (c) Selection of an entity for membership in the consortium  
2 under Subsection (a)(2) must be based on an application process  
3 established by the executive committee.

4        Sec. 483.005 [~~482.605~~]. ADMINISTRATIVE ATTACHMENT. (a) The  
5 consortium is administratively attached to the Texas A&M  
6 Engineering Experiment Station [~~office of the governor~~] for the  
7 purpose of receiving and administering appropriations and other  
8 funds under this subchapter. The Texas A&M Engineering Experiment  
9 Station [~~office of the governor~~] is not responsible for providing  
10 to the consortium staff, human resources, contract monitoring,  
11 purchasing, or any other administrative support services.

12        (b) The executive committee shall establish procedures for  
13 entering into contracts with The Texas A&M University System or  
14 applicable subcontractors as necessary to provide administrative  
15 and staff support to the consortium.

16        Sec. 483.006 [~~482.606~~]. EXECUTIVE COMMITTEE COMPOSITION.

17 (a) The consortium is governed by an independent executive  
18 committee composed of the following nine members:

- 19            (1) two members appointed by the governor;
- 20            (2) two members appointed by the lieutenant governor;
- 21            (3) two members appointed by the speaker of the house  
22 of representatives;
- 23            (4) the chancellor of The Texas A&M University System  
24 or the chancellor's designee;
- 25            (5) the chancellor of The University of Texas System  
26 or the chancellor's designee; and
- 27            (6) the president of Rice University or the

1 president's designee.

2 (a-1) An appointed member of the committee serves at the  
3 pleasure of the appointing official.

4 (b) In making appointments under Subsection (a), the  
5 governor, the lieutenant governor, and the speaker of the house of  
6 representatives, respectively, shall:

7 (1) prioritize appointing individuals with experience  
8 in:

9 (A) aeronautics;

10 (B) space economic development; and

11 (C) academic engagement with the space economy;

12 and

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

15 (c) If a [A] vacancy occurs on the executive committee, the  
16 appropriate appointing official shall appoint a successor [is  
17 filled] in the same manner as the initial appointment. The  
18 appropriate appointing official shall appoint the successor not  
19 later than the 30th day after the date the vacancy occurs.

20 (d) The executive committee shall:

21 (1) elect a presiding officer from among the members  
22 of the committee; and

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

24 Sec. 483.007 [~~482.607~~]. GIFTS, GRANTS, AND DONATIONS. On  
25 behalf of the consortium, the [The] executive committee may  
26 solicit, [and] accept, give, or spend any [~~on behalf of the~~  
27 ~~consortium~~] gifts, grants, or donations from any public or private

1 source for the purpose of carrying out this subchapter.

2 Sec. 483.008 [~~482.608~~]. GENERAL DUTIES. (a) The executive  
3 committee shall:

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

6 (2) gather and coordinate recommendations from  
7 consortium members on [~~funding and~~] research opportunities in  
8 accordance with the purposes of the consortium; and

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

11 (A) procedures for documenting compliance by  
12 members of the committee and members of the consortium [~~and~~  
13 ~~consortium staff~~] with applicable laws governing conflicts of  
14 interest;

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

17 (C) procedures for submitting to the board of  
18 directors of the commission a request for a grant from the space  
19 exploration and aeronautics research fund established under  
20 Chapter 482 for recommended projects and activities and for  
21 entering into necessary agreements if awarded a grant [~~entering~~  
22 ~~into contracts with The Texas A&M University System as necessary~~  
23 ~~for that system to provide administrative and staff support to the~~  
24 ~~consortium~~].

25 (b) A member of the consortium may participate in consortium  
26 fact-finding and strategic planning and the formation of  
27 recommendations for purposes of Subsections (a)(1) and (a)(2).

1 Before assisting the executive committee as provided by this  
2 subsection, a member of the consortium must designate a liaison to  
3 the executive committee to represent that member.

4 Sec. 483.009 [~~482.609~~]. BIENNIAL REPORT. Not later than  
5 December 31 of each even-numbered year, the executive committee  
6 shall submit to the commission a written report that includes for  
7 that biennium:

- 8 (1) the activities and objectives of the consortium;
- 9 (2) a synopsis of the funding and research  
10 opportunities identified by the consortium;
- 11 (3) legislative recommendations, if any;
- 12 (4) prospective grants or funding the consortium  
13 members expect to receive, if any; and
- 14 (5) research accomplishments associated with the  
15 consortium, if any.

16 Sec. 483.010. COMPENSATION; EXPENSES. Executive committee  
17 members serve without compensation but are entitled to  
18 reimbursement for actual expenses incurred in attending committee  
19 meetings. Those expenses are paid from funds appropriated to the  
20 consortium.

21 Sec. 483.011. APPLICABILITY OF OTHER LAW. Chapter 2110  
22 does not apply to the size, composition, or duration of the  
23 executive committee.

24 SECTION 14. Section 481.0069, Government Code, is repealed.

25 SECTION 15. (a) In this section:

- 26 (1) "Office" means the Texas Economic Development and  
27 Tourism Office.

1           (2) "Spaceport development corporation" has the  
2 meaning assigned by Section 507.001, Local Government Code.

3           (b) On September 1, 2025, the spaceport trust fund is  
4 abolished and the balance of the fund is transferred to the general  
5 revenue fund for use in accordance with legislative appropriation,  
6 except as provided by Subsections (d) and (e) of this section.

7           (c) The abolishment of the spaceport trust fund and the  
8 repeal of Section 481.0069, Government Code, do not affect the  
9 validity of a contract between the office and a spaceport  
10 development corporation that is entered into under Section  
11 481.0069(e), Government Code, before September 1, 2025.

12           (d) Money that was deposited in the spaceport trust fund as  
13 a gift, grant, or donation under Section 481.0069(c)(1), Government  
14 Code, shall be held in trust by the comptroller outside the state  
15 treasury and shall be administered by the comptroller as trustee as  
16 provided by this subsection. The comptroller may:

17           (1) spend money encumbered by the specific terms of  
18 the gift, grant, or donation only in accordance with those terms;

19           (2) return to the donor or grantor, on request, any  
20 portion of the amount of a gift, grant, or donation described by  
21 this subsection that remains on deposit; or

22           (3) transfer to the general revenue fund for use in  
23 accordance with legislative appropriation any other remaining  
24 money deposited as a gift, grant, or donation under Section  
25 481.0069(c)(1), Government Code.

26           (e) Money from the spaceport trust fund that is encumbered  
27 because the money is obligated by contract before September 1,

1 2025, but under the terms of the contract will not be distributed  
2 until a later date shall be held in trust by the comptroller as  
3 trustee outside the state treasury and shall be administered by the  
4 comptroller as trustee to ensure that the money is distributed in  
5 accordance with the terms of the contract. If the office determines  
6 that the money will not be distributed in accordance with the terms  
7 of contract, the office shall certify that fact to the comptroller.  
8 On that certification, the comptroller shall transfer that money to  
9 the general revenue fund to be used in accordance with legislative  
10 appropriation.

11 (f) On or after the effective date of this Act, the  
12 following payments or other amounts shall be remitted to the  
13 comptroller for deposit to the general revenue fund:

14 (1) any interest or income earned on the investment of  
15 money in the spaceport trust fund;

16 (2) any money returned by a spaceport development  
17 corporation under a contract entered into under Section 481.0069,  
18 Government Code; and

19 (3) any money received by a donor or grantor under  
20 Subsection (d)(2) of this section that is subsequently returned to  
21 the state.

22 SECTION 16. The term of a member serving on the aerospace  
23 and aviation advisory committee immediately preceding the  
24 effective date of this Act expires on that date. The member may be  
25 reappointed to the committee.

26 SECTION 17. This Act takes effect September 1, 2025.

ADOPTED

MAY 23 2025

*Latey Saw*  
Secretary of the Senate

By: HUFFMAN

H.B. No. 10246

Substitute the following for H.B. No. 5246:

By: *Jan Huffman*

C.S. H.B. No. 5246

A BILL TO BE ENTITLED

1

AN ACT

2

relating to the administration, powers, and duties of the Texas  
3 Space Commission and Texas Aerospace Research and Space Economy  
4 Consortium, to other governmental entities regarding aerospace,  
5 aviation, and space exploration initiatives and activities, and to  
6 the abolishment of the spaceport trust fund.

7

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

8

SECTION 1. Sections 481.0066(d), (e), and (e-1), Government  
9 Code, are amended to read as follows:

10

(d) The aerospace and aviation office shall:

11

(1) analyze aerospace-related [~~space-related~~] and  
12 aviation-related research currently conducted in this state and may  
13 conduct activities designed to further that research;

14

(2) analyze the state's economic position in the  
15 aerospace and aviation industries;

16

(3) develop short-term and long-term business  
17 strategies as part of an industry-specific strategic plan to  
18 promote the retention, development, and expansion of aerospace and  
19 aviation industry facilities in the state that is consistent with  
20 and complementary of the office strategic plan;

21

(4) as part of and to further the purposes of the  
22 industry-specific strategic plan described by Subdivision (3),  
23 develop short-term and long-term policy initiatives or recommend  
24 reforms the state may undertake or implement to:

1 (A) increase investment in aerospace and  
2 aviation activities;

3 (B) [~~support the retention, development, and~~  
4 ~~expansion of spaceports in this state,~~

5 [~~(C)~~] identify and encourage educational,  
6 economic, and defense-related opportunities for aerospace and  
7 aviation activities;

8 (C) [~~(D) determine the appropriate level of~~  
9 ~~funding for the spaceport trust fund created under Section 481.0069~~  
10 ~~and] support ongoing projects that have been assisted by the former  
11 spaceport trust fund[~~, including recommending to the legislature an~~  
12 ~~appropriate funding level for the fund]; and~~~~

13 (D) [~~(E)~~] partner with the Texas Higher  
14 Education Coordinating Board to foster technological advancement  
15 and economic development for aerospace [~~spaceport~~] activities by  
16 strengthening higher education programs and supporting aerospace  
17 activities; [~~and~~

18 [~~(F) partner with the Texas Workforce Commission~~  
19 ~~to support initiatives that address the high technology skills and~~  
20 ~~staff resources needed to better promote the state's efforts in~~  
21 ~~becoming the leading space exploration state in the nation,]~~

22 (5) act as a liaison with other state and federal  
23 entities with related economic, educational, and defense  
24 responsibilities to support the marketing of the state's aerospace  
25 and aviation capabilities; and

26 (6) provide technical support and expertise to the  
27 state and to local [~~spaceport~~] authorities regarding aerospace and

1 aviation business matters[~~, and~~

2 [~~(7) be responsible for the promotion and development~~  
3 ~~of spaceports in this state]~~.

4 (e) The governor shall appoint an aerospace and aviation  
5 advisory committee consisting of[~~+~~

6 [~~(1)~~] seven qualified members to assist in the state's  
7 economic development efforts to recruit and retain aerospace and  
8 aviation jobs and investment[~~, and~~

9 [~~(2) one member for each active spaceport development~~  
10 ~~corporation in the state who represents the interests of each~~  
11 ~~respective spaceport development corporation]~~.

12 (e-1) The aerospace and aviation advisory committee shall:

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

15 (2) assist the office and the aerospace and aviation  
16 office in meeting the state's economic development efforts to  
17 recruit and retain aerospace and aviation jobs and investment;

18 (3) [~~advise the office, the aerospace and aviation~~  
19 ~~office, and the governor on an appropriate funding level for the~~  
20 ~~spaceport trust fund,~~

21 [~~(4)~~] advise the office, the aerospace and aviation  
22 office, and the governor on recruitment, retention, and expansion  
23 of aerospace and aviation industry activities; and

24 (4) [~~(5)~~] collect and disseminate information on  
25 federal, state, local, and private community economic development  
26 programs that assist or provide loans, grants, or other funding to  
27 aerospace and aviation industry activities.

1 SECTION 2. Section 482.001, Government Code, is amended by  
2 adding Subdivision (2-a) to read as follows:

3 (2-a) "Consortium" means the Texas Aerospace Research  
4 and Space Economy Consortium established under Subchapter G.

5 SECTION 3. Sections 482.101(a) and (b), Government Code,  
6 are amended to read as follows:

7 (a) The Texas Space Commission is established to strengthen  
8 this state's proven leadership in civil, commercial, and military  
9 outer space [~~aerospace~~] activity.

10 (b) The purpose of the commission is to promote:

11 (1) innovation in the fields of space exploration and  
12 commercial space [~~aerospace~~];

13 (2) commercial space opportunities; and

14 (3) [~~, including~~] the integration of the space and [~~7~~]  
15 aeronautics [~~, and aviation~~] industries into the economy of this  
16 state.

17 SECTION 4. Section 482.103, Government Code, is amended to  
18 read as follows:

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, 2033 [~~2032~~].

23 SECTION 5. Section 482.105, Government Code, is amended by  
24 amending Subsections (a), (b), (c), (e), and (f) and adding  
25 Subsection (a-1) to read as follows:

26 (a) The commission is governed by a [~~nine-member~~] board of  
27 directors [~~, The board is~~] composed of the following nine voting

1 members:

- 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 (a-1) The executive director of the Texas Economic  
8 Development and Tourism Office serves as an ex officio nonvoting  
9 member of the board.

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

- 14 (1) the nongovernmental commercial space industry  
15 [aerospace];
- 16 (2) governmental space operations [civil aviation];
- 17 (3) military space operations [aerospace];
- 18 (4) space-related [space] economic development;
- 19 (5) space-related academic research; and
- 20 (6) nonprofit support of the space economy.

21 (c) Voting members [Members] of the board appointed by the  
22 governor, lieutenant governor, and speaker of the house serve [~~at~~  
23 ~~the pleasure of the appointing office]~~ for staggered six-year  
24 terms, with the terms of three [two] members expiring on January 31  
25 of each odd-numbered year.

26 (e) Not later than the 30th day after the date a voting board  
27 member's term expires, the appropriate appointing authority shall

1 appoint a replacement.

2 (f) The board shall elect a presiding officer from among the  
3 voting members of the board.

4 SECTION 6. Section 482.107, Government Code, is amended to  
5 read as follows:

6 Sec. 482.107. BOARD OF DIRECTORS: AUTHORITY. (a) The board  
7 shall:

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

10 (2) develop and execute a strategic plan in accordance  
11 with Section 482.201;

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

15 (4) identify research and funding opportunities for  
16 entities within this state that:

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

20 (B) enhance the integration of the space and [7]  
21 aeronautics[~~, astronautics, and aviation~~] industries into this  
22 state's economy; and

23 (C) promote and further research involving  
24 materials derived from or developed through space exploration and  
25 space flight;

26 (5) capitalize, promote, and assist in the development  
27 of workforce training to further the development of emerging

1 technologies required for all aspects of space exploration; ~~and]~~

2 (6) solicit recommendations from the consortium for  
3 projects [~~proposals on funding~~] and [~~research~~] opportunities  
4 related to the objectives in this chapter that may be funded with  
5 money from the fund;

6 (7) market and promote the state as the premier  
7 location for space-related industries and promote commission  
8 activities;

9 (8) develop a database that provides information on  
10 the promotion of space-related and aeronautics-related economic  
11 development in this state; and

12 (9) establish procedures for the commission as  
13 necessary to provide administrative and staff support to the  
14 consortium [~~from the Texas Aerospace Research and Space Economy~~  
15 ~~Consortium established under Subchapter G~~].

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

22 (b-1) The board shall employ a general counsel to advise the  
23 commission and the consortium and perform other duties assigned by  
24 the board.

25 (c) The board may:

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

1           (2) adopt and use an official seal;

2           (3) solicit and accept gifts, ~~[or]~~ grants, or  
3 donations, including donations of goods or services provided in  
4 accordance with commission specifications at no cost to the  
5 commission;

6           (4) ~~[and]~~ contract with any entity;

7           (5) ~~[(4)]~~ acquire and convey property or an interest  
8 in property;

9           (6) ~~[(5)]~~ procure insurance and pay premiums on  
10 insurance of any type, in accounts, and from insurers as the board  
11 considers necessary and advisable to accomplish any of the  
12 commission's purposes;

13           (7) ~~[(6)]~~ make grants to public or private persons  
14 with an established presence within this state to encourage  
15 economic development related to space and aerospace;

16           (8) ~~[(7)]~~ make grants to enhance the capacity of  
17 institutions of higher education to participate in and support  
18 classified research;

19           (9) ~~[(8)]~~ provide matching funding to external  
20 funding provided by relevant federal agencies, private industry, or  
21 private research organizations; ~~[and]~~

22           (10) ~~[(9)]~~ engage in the planning and implementation  
23 of space exploration and spaceflight-related ~~[aerospace-related]~~  
24 educational opportunities within this state in coordination with  
25 the consortium; and

26           (11) subject to the governor's approval, enter into an  
27 intergovernmental agreement with another state or the United

1 States, including the United States Department of Defense and the  
2 National Aeronautics and Space Administration, as necessary to  
3 carry out the purposes of this chapter [~~Texas Aerospace Research~~  
4 ~~and Space Economy Consortium established under Subchapter G~~].

5 SECTION 7. Subchapter B, Chapter 482, Government Code, is  
6 amended by adding Sections 482.108 and 482.109 to read as follows:

7 Sec. 482.108. PROCUREMENT OF CERTAIN SPACE-RELATED  
8 VEHICLES AND EQUIPMENT. (a) Notwithstanding Section 2155.083 or  
9 any other law and subject to Subsection (b), the board may authorize  
10 the commission to procure, lease, or otherwise secure access to  
11 capacity on or through a spacefaring vehicle, platform, or  
12 infrastructure, including a rocket, shuttle, spaceplane,  
13 satellite, space station, lunar or planetary base, and other  
14 orbital, suborbital, or extraterrestrial transport or habitation  
15 system, regardless of whether the vehicle, platform, or  
16 infrastructure is owned or operated by a governmental, commercial,  
17 or private entity.

18 (b) Before the commission takes a proposed action under  
19 Subsection (a), the board must:

20 (1) determine the proposed action:

21 (A) promotes or serves a legitimate and clearly  
22 defined public purpose;

23 (B) provides demonstrable value, taking into  
24 consideration:

25 (i) the feasibility and cost-effectiveness  
26 of the proposed action;

27 (ii) alternative approaches to attaining

1 the same or a similar public purpose as the proposed action; and  
2 (iii) potential benefits of the proposed  
3 action; and  
4 (C) is subject to appropriate controls and  
5 contractual requirements sufficient to protect the interests of the  
6 state;  
7 (2) discuss the determinations the board must find  
8 under Subdivision (1) in an open meeting held in accordance with  
9 Chapter 551; and  
10 (3) by a majority vote of the voting board members  
11 present and voting, authorize the action in an open meeting held in  
12 accordance with Chapter 551.  
13 Sec. 482.109. CERTAIN GRANT APPLICATIONS AND DEFENSE,  
14 MILITARY, AND AEROSPACE ISSUES: CLOSED MEETING. (a) The board may  
15 conduct a closed meeting in accordance with Subchapter E, Chapter  
16 551, to deliberate or confer with one or more employees,  
17 consultants of the commission, or legal counsel of the commission  
18 to discuss:  
19 (1) a grant application being considered by the board  
20 if, before conducting the closed meeting, a majority of the voting  
21 members of the board in an open meeting vote that deliberating or  
22 conferring in an open meeting would:  
23 (A) reveal the grant applicant's confidential  
24 information;  
25 (B) reveal national security information; or  
26 (C) have a detrimental effect on the position of  
27 the commission in negotiations with a grant applicant; or

1           (2) a matter related to:

2                   (A) the establishment of an office, base, or  
3 major facility in this state by the United States Department of  
4 Defense or the National Aeronautics and Space Administration; or

5                   (B) an economic incentive a governmental body may  
6 offer to a private entity or nonprofit organization to meet a match  
7 requirement or other requirement established by the United States  
8 Department of Defense or the National Aeronautics and Space  
9 Administration in relation to grants or strategic endeavors.

10           (b) Notwithstanding any other law, the commission may  
11 disclose a matter discussed under Subsection (a)(2) with any state  
12 agency if the presiding officer of the board determines it  
13 necessary to accomplish the establishment of an office, base, or  
14 major facility in this state by the United States Department of  
15 Defense or the National Aeronautics and Space Administration.

16           (c) Any vote or final action taken on a matter described by  
17 Subsection (a)(1) or (2) must be conducted in an open meeting.

18           SECTION 8. Sections 482.201(a) and (d), Government Code,  
19 are amended to read as follows:

20           (a) The commission shall develop and biennially [~~annually~~]  
21 update a strategic plan for the promotion of space and [~~7~~]  
22 aeronautics [~~7, and aviation~~] economic development in this state.

23           (d) The board shall submit the strategic plan to the  
24 governor, the lieutenant governor, and the speaker of the house of  
25 representatives not later than December 31 of each even-numbered  
26 year.

27           SECTION 9. Section 482.301(a), Government Code, is amended

1 to read as follows:

2 (a) The space exploration and aeronautics research fund is  
3 established to provide grants to eligible entities and for other  
4 purposes as provided by this chapter.

5 SECTION 10. The heading to Section 482.302, Government  
6 Code, is amended to read as follows:

7 Sec. 482.302. USE OF [~~SPACE EXPLORATION AND AERONAUTICS~~  
8 ~~RESEARCH~~] FUND FOR [~~+~~] GRANTS.

9 SECTION 11. Section 482.302, Government Code, is amended by  
10 amending Subsections (a) and (b) and adding Subsections (b-1), (e),  
11 (e-1), (f), (g), and (h) to read as follows:

12 (a) Using money available in the fund, the commission may  
13 provide grants to eligible entities described by Subsection (b) for  
14 the purposes of:

15 (1) development of emerging technologies required for  
16 any aspect of human space flight, including aeronautics;

17 (2) research involving any aspect of space exploration  
18 and space flight, including aeronautics;

19 (3) workforce training to promote space exploration  
20 and space flight, including aeronautics;

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

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

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

27 (1) a business or nonprofit entity involved in the

1 space exploration and space [7] research industry[7] or the  
2 aeronautics industry; ~~and~~

3 (2) a governmental entity involved in the space  
4 exploration and space research industry or the aeronautics  
5 industry; and

6 (3) the consortium [~~with which the commission has~~  
7 ~~entered into an intergovernmental agreement for that purpose~~].

8 (b-1) If the board approves a grant for a governmental  
9 entity described by Subsection (b)(2), the governmental entity  
10 shall enter into an intergovernmental agreement with the commission  
11 with respect to the project or activity for which the grant was  
12 awarded.

13 (e) The commission shall establish sufficient controls to  
14 ensure that a grant awarded under this subchapter promotes the  
15 purposes listed in Subsection (a).

16 (e-1) Using money available in the fund, and subject to the  
17 approval of the governor, the commission may provide grants to, or  
18 fund the costs and expenses incurred under agreements between the  
19 commission and, another state, the United States, or entities  
20 described by Subsection (b) for the purposes of:

21 (1) establishing a space-related office, base, or  
22 major facility in this state by the United States Department of  
23 Defense or the National Aeronautics and Space Administration; and

24 (2) relocating or acquiring decommissioned assets  
25 related to the space industry to this state.

26 (f) The commission shall adopt a policy on advance payments  
27 to grant recipients.

1       (g) Except as otherwise provided by this section, money  
2 awarded under this subchapter may be used for authorized expenses,  
3 including honoraria, salaries and benefits, travel, conference  
4 fees and expenses, consumable supplies, other operating expenses,  
5 contracted research and development, capital equipment, and  
6 construction or renovation of state or private facilities.

7       (h) An entity receiving money under this subchapter for  
8 space exploration or aeronautics research may not spend more than  
9 five percent of the money for indirect costs. For purposes of this  
10 subsection, "indirect costs" means the expenses of doing business  
11 that are not readily identified with a particular grant, contract,  
12 project, function, or activity, but are necessary for the general  
13 operation of the entity or the performance of the entity's  
14 activities.

15       SECTION 12. Subchapter D, Chapter 482, Government Code, is  
16 amended by adding Section 482.303 to read as follows:

17       Sec. 482.303. USE OF FUND FOR OTHER PURPOSES. Money  
18 available in the fund may be used to fund the costs and expenses  
19 incurred under intergovernmental agreements between the commission  
20 and another state or the United States under this subchapter.

21       SECTION 13. Section 482.501, Government Code, is amended to  
22 read as follows:

23       Sec. 482.501. RULES; CERTAIN LIMITATIONS ON [FOR] GRANT  
24 AWARDS [AWARD PROCEDURE]. (a) The board shall adopt rules  
25 regarding the procedure for awarding grants to applicants [an  
26 applicant] under this chapter. The rules must authorize the  
27 commission to:

1           (1) identify the specific purpose under Section  
2 482.302(a) for which the commission awards a grant; and

3           (2) obtain information from the consortium as  
4 necessary to make award determinations~~[, including a procedure for~~  
5 ~~the Texas Aerospace Research and Space Economy Consortium to make~~  
6 ~~recommendations to the board for grant awards]~~.

7           (b) The board may not award a grant to an applicant who has  
8 made a gift, ~~[or]~~ grant, or donation to the commission or a  
9 nonprofit organization established to provide support to the  
10 commission during the preceding year.

11           SECTION 14. Section 482.505, Government Code, is amended to  
12 read as follows:

13           Sec. 482.505. (a) GRANT RECORDS; PUBLIC INFORMATION  
14 EXCEPTION. The commission shall maintain complete records of:

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

19           (2) ~~[each grant recipient's]~~ financial reports of each  
20 grant recipient described by Section 482.302(b), including the  
21 amount of matching money dedicated to the project ~~[research]~~  
22 specified for the grant award, if applicable;

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

24           (4) the board's review of the grant recipient's  
25 financial reports, if applicable, and progress reports.

26           (b) A grant application submitted to the commission is  
27 confidential and not subject to disclosure under Chapter 552.

1 SECTION 15. Subchapter G, Chapter 482, Government Code, is  
2 amended to read as follows:

3 SUBCHAPTER G. TEXAS AEROSPACE RESEARCH AND SPACE ECONOMY  
4 CONSORTIUM

5 Sec. 482.601. DEFINITION [~~DEFINITIONS~~]. In this  
6 subchapter, [+

7 [~~(1)~~] "~~Consortium~~" means the ~~Texas Aerospace Research~~  
8 ~~and Space Economy Consortium.~~

9 [(~~2~~)] "executive [~~Executive~~] committee" means the  
10 executive committee of the consortium.

11 Sec. 482.602. SUNSET PROVISION. The consortium is subject  
12 to Chapter 325 (Texas Sunset Act). Unless continued in existence as  
13 provided by that chapter, the consortium is abolished and this  
14 subchapter expires September 1, 2033 [~~2032~~].

15 Sec. 482.603. ESTABLISHMENT; PURPOSE. The Texas Aerospace  
16 Research and Space Economy Consortium is established as an advisory  
17 committee to the board to:

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

20 (A) strengthen this state's proven leadership in  
21 civil, commercial, and military space-related [~~aerospace~~]  
22 activity;

23 (B) enhance this state's position in aeronautics  
24 research and development [~~aeronautics~~], space commercialization,  
25 and space flight infrastructure and in the development of space  
26 travel technologies; and

27 (C) enhance the integration of the space and [~~and~~]

1 aeronautics [~~7, astronautics, and aviation~~] industries into this  
2 state's economy; and

3 (2) provide [~~funding and~~] research recommendations to  
4 the commission.

5 Sec. 482.604. CONSORTIUM COMPOSITION. (a) Subject to  
6 Subsections (b) and (c), the [~~The~~] consortium is composed of:

7 (1) each participating institution of higher  
8 education; and

9 (2) any other entity that the executive committee  
10 considers necessary.

11 (b) An institution of higher education is considered a  
12 participating member of the consortium if the institution submits  
13 to the executive committee the name of a local campus liaison to  
14 represent the institution on the consortium.

15 (c) Selection of an entity for membership in the consortium  
16 under Subsection (a)(2) must be based on an application process  
17 established by the executive committee.

18 Sec. 482.605. ADMINISTRATIVE ATTACHMENT. The consortium is  
19 administratively attached to the commission [~~office of the~~  
20 ~~governor~~] for the purpose of receiving and administering  
21 appropriations and other funds under this subchapter. [~~The office~~  
22 ~~of the governor is not responsible for providing to the consortium~~  
23 ~~staff, human resources, contract monitoring, purchasing, or any~~  
24 ~~other administrative support services.~~]

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

- 1 (1) two members appointed by the governor;  
2 (2) two members appointed by the lieutenant governor;  
3 (3) two members appointed by the speaker of the house  
4 of representatives;  
5 (4) the chancellor of The Texas A&M University System  
6 or the chancellor's designee;  
7 (5) the chancellor of The University of Texas System  
8 or the chancellor's designee; and  
9 (6) the president of Rice University or the  
10 president's designee.

11 (a-1) An appointed member of the executive committee serves  
12 at the pleasure of the appointing official.

13 (b) In making appointments under Subsection (a), the  
14 governor, the lieutenant governor, and the speaker of the house of  
15 representatives, respectively, shall:

16 (1) prioritize appointing individuals with experience  
17 in:

- 18 (A) aeronautics;  
19 (B) space economic development; and  
20 (C) academic engagement with the space economy;

21 and

22 (2) ensure that the appointments reflect, to the  
23 extent possible, multiple [~~the ethnic and~~] geographic regions  
24 [~~diversity~~] of this state.

25 (c) If a [A] vacancy occurs on the executive committee, the  
26 appropriate appointing official shall appoint a successor [~~is~~  
27 ~~filled~~] in the same manner as the initial appointment. The

1 appropriate appointing official shall appoint the successor not  
2 later than the 30th day after the date the vacancy occurs.

3 (d) The executive committee shall:

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

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

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

12 Sec. 482.608. GENERAL DUTIES. (a) The executive committee  
13 shall:

14 (1) develop an organizational [~~and execute a~~  
15 ~~comprehensive statewide strategic~~] plan to further the purposes of  
16 the consortium;

17 (2) gather and coordinate recommendations from  
18 consortium members on [~~funding and~~] research and development  
19 opportunities in accordance with the purposes of the consortium;  
20 and

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

23 (A) procedures for documenting compliance by  
24 members of the committee and members of the consortium [~~and~~  
25 ~~consortium staff~~] with applicable laws governing conflicts of  
26 interest;

27 (B) designation of a member of the committee as

1 the committee's liaison to the commission; and

2 (C) procedures for submitting to the board a  
3 request to fund recommended projects and activities [~~entering into~~  
4 ~~contracts with The Texas A&M University System as necessary for~~  
5 ~~that system to provide administrative and staff support to the~~  
6 ~~consortium~~].

7 (b) A member of the consortium may participate in consortium  
8 fact-finding [~~and strategic planning~~] and the formation of  
9 recommendations for purposes of Subsections (a)(1) and (a)(2).  
10 Before assisting the executive committee as provided by this  
11 subsection, a member of the consortium must designate a liaison to  
12 the [~~executive~~] committee to represent that member.

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

- 16 (1) the activities and objectives of the consortium;  
17 (2) a synopsis of the funding and research  
18 opportunities identified by the consortium;  
19 (3) legislative recommendations, if any;  
20 (4) prospective grants or funding the consortium  
21 members expect to receive, if any; and  
22 (5) research accomplishments associated with the  
23 consortium, if any.

24 Sec. 482.610. COMPENSATION; EXPENSES. Executive committee  
25 members serve without compensation but are entitled to  
26 reimbursement for actual expenses incurred in attending committee  
27 meetings. Those expenses are paid from funds appropriated to the

1 consortium.

2 Sec. 482.611. APPLICABILITY OF OTHER LAW. Chapter 2110  
3 does not apply to the size, composition, or duration of the  
4 executive committee.

5 SECTION 16. Section 481.0069, Government Code, is repealed.

6 SECTION 17. (a) In this section:

7 (1) "Office" means the Texas Economic Development and  
8 Tourism Office.

9 (2) "Spaceport development corporation" has the  
10 meaning assigned by Section 507.001, Local Government Code.

11 (b) On the effective date of this Act, the spaceport trust  
12 fund is abolished and the balance of the fund is transferred to the  
13 general revenue fund for use in accordance with legislative  
14 appropriation, except as provided by Subsections (d) and (e) of  
15 this section.

16 (c) The abolishment of the spaceport trust fund and the  
17 repeal of Section 481.0069, Government Code, do not affect the  
18 validity of a contract between the office and a spaceport  
19 development corporation that is entered into under Section  
20 481.0069(e), Government Code, before the effective date of this  
21 Act.

22 (d) Money that was deposited in the spaceport trust fund as  
23 a gift, grant, or donation under Section 481.0069(c)(1), Government  
24 Code, shall be held in trust by the comptroller outside the state  
25 treasury and shall be administered by the comptroller as trustee as  
26 provided by this subsection. The comptroller may:

27 (1) spend money encumbered by the specific terms of

1 the gift, grant, or donation only in accordance with those terms;

2 (2) return to the donor or grantor, on request, any  
3 portion of the amount of a gift, grant, or donation described by  
4 this subsection that remains on deposit; or

5 (3) transfer to the general revenue fund for use in  
6 accordance with legislative appropriation any other remaining  
7 money deposited as a gift, grant, or donation under Section  
8 481.0069(c)(1), Government Code.

9 (e) Money from the spaceport trust fund that is encumbered  
10 because the money is obligated by contract before the effective  
11 date of this Act, but under the terms of the contract will not be  
12 distributed until a later date, shall be held in trust by the  
13 comptroller as trustee outside the state treasury and shall be  
14 administered by the comptroller as trustee to ensure that the money  
15 is distributed in accordance with the terms of the contract. If the  
16 office determines that the money will not be distributed in  
17 accordance with the terms of the contract, the office shall certify  
18 that fact to the comptroller. On that certification, the  
19 comptroller shall transfer that money to the general revenue fund  
20 to be used in accordance with legislative appropriation.

21 (f) On or after the effective date of this Act, the  
22 following payments or other amounts shall be remitted to the  
23 comptroller for deposit to the general revenue fund:

24 (1) any interest or income earned on the investment of  
25 money in the spaceport trust fund;

26 (2) any money returned by a spaceport development  
27 corporation under a contract entered into under Section 481.0069,

1 Government Code; and

2                   (3) any money received by a donor or grantor under  
3 Subsection (d)(2) of this section that is subsequently returned to  
4 the state.

5           SECTION 18. The term of a member serving on the aerospace  
6 and aviation advisory committee immediately preceding the  
7 effective date of this Act expires on that date. The member may be  
8 reappointed to the committee.

9           SECTION 19. This Act takes effect September 1, 2025.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**May 24, 2025**

**TO:** Honorable Dustin Burrows, Speaker of the House, House of Representatives

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB5246** by Bonnen (Relating to the administration, powers, and duties of the Texas Space Commission and Texas Aerospace Research and Space Economy Consortium, to other governmental entities regarding aerospace, aviation, and space exploration initiatives and activities, and to the abolishment of the spaceport trust fund.), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB5246, As Passed 2nd House: a positive impact of \$7,206,000 through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five- Year Impact:**

<i>Fiscal Year</i>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2026	\$7,206,000
2027	\$0
2028	\$0
2029	\$0
2030	\$0

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<b>Probable Revenue Gain/(Loss) from Spaceport Trust Fund 806</b>	<b>Probable Revenue Gain/(Loss) from General Revenue Fund 1</b>
2026	(\$7,206,000)	\$7,206,000
2027	\$0	\$0
2028	\$0	\$0
2029	\$0	\$0
2030	\$0	\$0

**Fiscal Analysis**

The bill would modify the purpose, duties, and makeup of the board of directors of the Texas Space Commission. It would extend the date of Sunset review and abolishment of the Texas Space Commission by one year to September 1, 2033.

The bill would direct the Texas Aerospace Research and Space Economy Consortium (TARSEC) to act as an advisory committee to the Texas Space Commission board of directors and move the administrative attachment

of TARSEC to the Texas Space Commission.

The bill would abolish the Spaceport Trust Fund Account 0806 on September 1, 2025. The balance of the trust fund, with certain exceptions, would be transferred to the General Revenue Fund.

### **Methodology**

The Spaceport Trust Fund 0806 currently has a cash balance of \$7,180,000. That amount, plus any interest earned before September 1, 2025, and less any expenditures made before the date of transfer or encumbrances described in the bill, would be transferred to the General Revenue Fund on September 1, 2025.

### **Technology**

No technology impact is anticipated.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 405 Department of Public Safety, 601 Department of Transportation, 710 Texas A&M University System Administrative and General Offices, 712 Texas A&M Engineering Experiment Station, 717 Texas Southern University, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

**LBB Staff:** JMc, SD, KK, LCO, KCu, RStu, NV

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**May 21, 2025**

**TO:** Honorable Joan Huffman, Chair, Senate Committee on Finance

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB5246** by Bonnen (relating to the administration, powers, and duties of the Texas Space Commission and Texas Aerospace Research and Space Economy Consortium, to other governmental entities regarding aerospace, aviation, and space exploration initiatives and activities, and to the abolishment of the spaceport trust fund.), **Committee Report 2nd House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB5246, Committee Report 2nd House, Substituted: a positive impact of \$7,206,000 through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five- Year Impact:**

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	\$7,206,000
2027	\$0
2028	\$0
2029	\$0
2030	\$0

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<i>Probable Revenue Gain/(Loss) from Spaceport Trust Fund 806</i>	<i>Probable Revenue Gain/(Loss) from General Revenue Fund 1</i>
2026	(\$7,206,000)	\$7,206,000
2027	\$0	\$0
2028	\$0	\$0
2029	\$0	\$0
2030	\$0	\$0

**Fiscal Analysis**

The bill would modify the purpose, duties, and makeup of the board of directors of the Texas Space Commission. It would extend the date of Sunset review and abolishment of the Texas Space Commission by one year to September 1, 2033.

The bill would direct the Texas Aerospace Research and Space Economy Consortium (TARSEC) to act as an advisory committee to the Texas Space Commission board of directors and move the administrative attachment

of TARSEC to the Texas Space Commission.

The bill would abolish the Spaceport Trust Fund Account 0806 on September 1, 2025. The balance of the trust fund, with certain exceptions, would be transferred to the General Revenue Fund.

### **Methodology**

The Spaceport Trust Fund 0806 currently has a cash balance of \$7,180,000. That amount, plus any interest earned before September 1, 2025, and less any expenditures made before the date of transfer or encumbrances described in the bill, would be transferred to the General Revenue Fund on September 1, 2025.

### **Technology**

No technology impact is anticipated.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 405 Department of Public Safety, 601 Department of Transportation, 710 Texas A&M University System Administrative and General Offices, 712 Texas A&M Engineering Experiment Station, 717 Texas Southern University, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

**LBB Staff:** JMc, KK, LCO, KCu, RStu, NV

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**May 14, 2025**

**TO:** Honorable Joan Huffman, Chair, Senate Committee on Finance

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB5246** by Bonnen (Relating to the administration, powers, and duties of the Texas Space Commission, the Texas Aerospace Research and Space Economy Consortium, and other governmental entities and institutions regarding aerospace, aviation, and space exploration initiatives and to the abolishment of the spaceport trust fund.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB5246, As Engrossed: a positive impact of \$7,206,000 through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five- Year Impact:**

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	\$7,206,000
2027	\$0
2028	\$0
2029	\$0
2030	\$0

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<i>Probable Revenue Gain/(Loss) from Spaceport Trust Fund 806</i>	<i>Probable Revenue Gain/(Loss) from General Revenue Fund 1</i>
2026	(\$7,206,000)	\$7,206,000
2027	\$0	\$0
2028	\$0	\$0
2029	\$0	\$0
2030	\$0	\$0

**Fiscal Analysis**

The bill would modify the purpose, duties, and makeup of the board of directors of the Texas Space Commission. It would extend the date of Sunset review and abolishment of the Texas Space Commission by one year to September 1, 2033.

The bill would move the administrative attachment of the Texas Aerospace Research and Space Economy Consortium (TARSEC) from the Office of the Governor to the Texas A&M Engineering Experiment Station.

The bill would abolish the Spaceport Trust Fund Account 0806 on September 1, 2025. The balance of the trust fund, with certain exceptions, would be transferred to the General Revenue Fund.

**Methodology**

The Spaceport Trust Fund 0806 currently has a cash balance of \$7,180,000. That amount, plus any interest earned before September 1, 2025, and less any expenditures made before the date of transfer or encumbrances described in the bill, would be transferred to the General Revenue Fund on September 1, 2025.

**Technology**

No technology impact is anticipated.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 405 Department of Public Safety, 601 Department of Transportation, 710 Texas A&M University System Administrative and General Offices, 712 Texas A&M Engineering Experiment Station, 717 Texas Southern University, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

**LBB Staff:** JMc, KK, KCu, RStu, LCO, NV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 15, 2025

TO: Honorable Giovanni Capriglione, Chair, House Committee on Delivery of Government Efficiency

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB5246 by Bonnen (Relating to the administration, powers, and duties of the Texas Space Commission, the Texas Aerospace Research and Space Economy Consortium, and other governmental entities and institutions regarding aerospace, aviation, and space exploration initiatives and to the abolishment of the spaceport trust fund.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB5246, As Introduced: a positive impact of \$7,180,000 through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2026	\$7,180,000
2027	\$0
2028	\$0
2029	\$0
2030	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from Spaceport Trust Fund 806	Probable Revenue Gain/(Loss) from General Revenue Fund 1
2026	(\$7,180,000)	\$7,180,000
2027	\$0	\$0
2028	\$0	\$0
2029	\$0	\$0
2030	\$0	\$0

Fiscal Analysis

The bill would amend the Government Code to modify the purpose of the Aerospace and Aviation Office; modify the purpose, duties, and the composition of the board of directors of the Texas Space Commission; and move the administrative attachment of the Texas Aerospace Research and Space Economy Consortium (TARSEC) from the Office of the Governor to the Texas A&M Engineering Experiment Station. The bill would direct the TARSEC executive committee to establish procedures for entering into contracts with the Texas A&M University System or applicable subcontractors as necessary to provide administrative support to

TARSEC.

The bill would abolish the Spaceport Trust Fund Account 0806 on September 1, 2025. The balance of the trust fund, with certain exceptions, would be transferred to the General Revenue Fund.

**Methodology**

The Spaceport Trust Fund 0806 currently has a cash balance of \$7,180,000. That amount, plus any interest earned before September 1, 2025, and less any expenditures made before the date of transfer or encumbrances described in the bill, would be transferred to the General Revenue Fund on September 1, 2025.

**Technology**

No technology impact is anticipated.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 405 Department of Public Safety, 601 Department of Transportation, 710 Texas A&M University System Administrative and General Offices, 712 Texas A&M Engineering Experiment Station, 717 Texas Southern University, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

**LBB Staff:** JMc, RStu, LCO, KCu, NV