

SUBJECT: Authorizing a municipality to create a spaceport development corporation

COMMITTEE: Special Purpose Districts — favorable, without amendment

VOTE: 8 ayes — D. Bonnen, D. Miller, Alvarado, Clardy, Goldman, Krause, Stickland, E. Thompson

0 nays

1 absent — Lucio

WITNESSES: For — Tony Martinez, City of Brownsville; (*Registered, but did not testify*): Kippy Caraway, City of Houston; Robert Flores, Texas Association of Mexican American Chambers of Commerce; Jason Hilts, Mario A. Martinez, and Gilberto Salinas, Brownsville Economic Development Council; Keith Stretcher, City of Midland)

Against — Jim Allison, County Judges and Commissioners Association of Texas

BACKGROUND: The 76th Legislature enacted legislation allowing local communities to create spaceport development corporations. A county or a combination of one or more municipalities and one or more counties are eligible to authorize the creation of a spaceport development corporation. These corporations have the ability to issue bonds, acquire property, and be exempt from certain taxes to attract private space corporations and their related infrastructure. They also may promote or develop new or expanded business enterprises, educational training, or job training relating to a spaceport and loan money to help fund a spaceport. Spaceport development corporations are governed by a board of seven directors. They have a presiding officer and meet every three months.

A spaceport includes:

- an area intended to be used to launch or land a spacecraft;
- a spaceport building or facility and an area to accommodate it; and
- a right-of-way related to launching or landing area, building, or facility that is appurtenant to a launching or landing area.

DIGEST: HB 545 would expand the entities eligible to authorize the creation of a spaceport development corporation to include a single municipality.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2013.

SUPPORTERS SAY: The privatization of space is a rapidly developing industry, and several private companies already have developed a presence in the state, such as SpaceX, XCOR, and Blue Origin.

One of the goals the Legislature in 2007 when it authorized spaceport development corporations was to make an area attractive to private space corporations and their related infrastructure. Use of the spaceport development corporation statute should be encouraged by all possible participating entities. This bill would add a single municipality to the list of entities eligible to create spaceport development corporations, giving interested municipalities the autonomy to act.

Concern about competing spaceport development corporations is unfounded because there are few areas of the state that would be conducive to supporting a spaceport. Also, while the privatization of space is developing, there is not enough activity in this area to result in development corporations springing up in the same area.

OPPONENTS SAY: Allowing a single municipality the authority to create a spaceport development corporation without the cooperation of a county or other nearby municipalities could result in competing development corporations. To avoid competition within the same area, a municipality should be limited to creating a spaceport development corporation in a county where one does not already exist.

NOTES: A related bill, HB 1791 by J. Davis, would establish limited liability protections and other changes related to space flight activities. On April 24, the House passed HB 2623 by Oliveira, which would restrict access to Boca Chica Beach during spacecraft launches.