

**SUBJECT:** Allowing Houston to create a spaceport development corporation

**COMMITTEE:** International Relations and Economic Development — favorable, without amendment

**VOTE:** 9 ayes — Anchia, Frullo, Blanco, Cain, Larson, Metcalf, Perez, Raney, Romero  
0 nays

**WITNESSES:** For — Bob Mitchell, Bay Area Houston Economic Partnership; Mario Diaz, City of Houston; (*Registered, but did not testify:* Bill Kelly, City of Houston Mayor's Office)  
  
Against — None

**BACKGROUND:** Local Government Code sec. 507.003 allows a county to create a spaceport development corporation. A municipality is eligible to create one only in combination with one or more counties.

**DIGEST:** HB 303 would allow a municipality with a population of 2 million or more (Houston) to authorize creation of a spaceport development corporation. The city's governing body would appoint the directors of the corporation.  
  
The 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, 2019.

**SUPPORTERS SAY:** HB 303 would allow large cities to operate a spaceport independently of a county, which would expedite the expansion of commercial space activities at the Houston Airport System.  
  
Municipalities that have the resources and infrastructure to pursue spaceport development should not be required to partner with a county.

The bill would build on synergies around NASA's presence in Houston, spur the creation of jobs and investment, and help make Texas an attractive market for astronaut training, spacecraft manufacturing, launching of micro-satellites, and other commercial space activities.

Under HB 303, a Houston spaceport would benefit from the statutory authorities of spaceport development corporations, including eligibility to draw funds from the state's Spaceport Trust Fund and the authority to issue bonds and offer higher education courses and degree programs.

Because municipalities already have the right of eminent domain and bonding authority, the bill would not expand the powers of a city but allow existing municipal rights to be exercised through a spaceport corporation.

**OPPONENTS  
SAY:**

By making it easier for a large municipality to form a spaceport development corporation, HB 303 could increase the role of government in picking winners and losers in the marketplace. Spaceport development corporations allow for preferential tax treatment to attract a particular industry to a particular location, and their statutory powers of eminent domain and bond issuance could result in more government interference in the marketplace.