

1-1 By: Button, et al. (Senate Sponsor - Parker) H.B. No. 112
1-2 (In the Senate - Received from the House May 14, 2025;
1-3 May 21, 2025, read first time and referred to Committee on Economic
1-4 Development; May 25, 2025, reported favorably by the following
1-5 vote: Yeas 4, Nays 1; May 25, 2025, sent to printer.)

1-6 COMMITTEE VOTE

| | Yea | Nay | Absent | PNV |
|------|------------|-----|--------|-----|
| 1-7 | | | | |
| 1-8 | King | X | | |
| 1-9 | Sparks | X | | |
| 1-10 | Alvarado | X | | |
| 1-11 | Johnson | | X | |
| 1-12 | Schwertner | X | | |

1-13 A BILL TO BE ENTITLED
1-14 AN ACT

1-15 relating to the creation and operation of a science park district in
1-16 certain counties.

1-17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-18 SECTION 1. Subtitle C, Title 12, Local Government Code, is
1-19 amended by adding Chapter 398 to read as follows:

1-20 CHAPTER 398. TEXAS SCIENCE PARK DISTRICTS

1-21 SUBCHAPTER A. GENERAL PROVISIONS

1-22 Sec. 398.001. DEFINITIONS. In this chapter:

1-23 (1) "Board" means the board of directors of a
1-24 district.

1-25 (2) "Commission" means the Texas Science Park
1-26 Commission.

1-27 (3) "Director" means a member of the board.

1-28 (4) "District" means a Texas science park district
1-29 created under this chapter.

1-30 Sec. 398.002. APPLICABILITY. This chapter applies only in
1-31 a county:

1-32 (1) with a population of 800,000 or more; or

1-33 (2) adjacent to a county with a population of 800,000
1-34 or more.

1-35 Sec. 398.003. PURPOSE; DECLARATION OF INTENT. (a) The
1-36 creation of a Texas science park district under this chapter is
1-37 essential to accomplish the purposes of Section 52-a, Article III,
1-38 Texas Constitution, and other public purposes stated in this
1-39 chapter.

1-40 (b) The purpose of a Texas science park district is to:

1-41 (1) establish an ecosystem that supports the creation
1-42 of a resilient domestic supply chain to safeguard both national and
1-43 state security;

1-44 (2) promote scientific research and technological
1-45 innovation;

1-46 (3) support the establishment and growth of technology
1-47 companies;

1-48 (4) promote and encourage commercial development and
1-49 workforce development;

1-50 (5) facilitate collaboration between higher
1-51 education, the science and technology industry, and government; and

1-52 (6) support the development of infrastructure.

1-53 (c) The district will not act as the agent or
1-54 instrumentality of any private interest even though the district
1-55 will benefit many private interests as well as the public.

1-56 SUBCHAPTER B. CREATION OF DISTRICT; TEMPORARY BOARD

1-57 Sec. 398.051. CREATION OF TEXAS SCIENCE PARK DISTRICT. (a)
1-58 The owner or owners of territory composed of a number of acres that
1-59 is at least equal to the minimum established under Section 398.052
1-60 may petition the Texas Economic Development and Tourism Office for
1-61 creation of a district for that territory.

(b) A petition described by Subsection (a) must:
 (1) describe the territory to be included in the proposed district; and

(2) demonstrate that the territory meets the requirements of Section 398.052 and any additional requirements determined by the commission.

(c) If the Texas Economic Development and Tourism 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, the office may approve the creation of the district and appoint the temporary board in accordance with Section 398.053.

(d) If the Texas Economic Development and Tourism 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, the office shall either deny the petition or require petitioners to amend the petition.

Sec. 398.052. REQUIREMENTS FOR DISTRICT TERRITORY. (a) The territory for which a district may be created under this chapter must:

(1) have access to, or an actionable plan to have access to, reliable, high-capacity electric generation or storage;

(2) have access to abundant and sustainable water sources; and

(3) be located near a major transportation network, including a major highway, rail line, seaport, or international airport.

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

Sec. 398.053. TEMPORARY BOARD. (a) After the Texas Economic Development and Tourism Office approves the creation of a district, the office shall request the appointment of a temporary board of directors for the district to include:

(1) three temporary directors appointed by the governor;

(2) three temporary directors appointed by the lieutenant governor; and

(3) three temporary directors appointed by the governor based on recommendations from the speaker of the house of representatives.

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

(c) The temporary board shall:

(1) develop a strategic plan for the district;

(2) approve initial projects and resource allocation;

(3) establish policies for the operation and development of the district; and

(4) submit to the governor, 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) The temporary board has all of the powers and duties of a board elected under Subchapter C.

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

(f) A vacancy in the office of temporary director shall be filled by appointment by the appropriate appointing official.

(g) An official who appoints a temporary director may 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) The district is governed by a board of nine elected directors.

(b) Directors serve staggered two-year terms.

(c) The temporary board shall call an election for four director positions to be held on an authorized uniform election date under Section 41.001, Election Code, as soon as practicable after the district is created. The board shall 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) A temporary director, or a successor temporary director, serves until the date a successor for the director is elected.

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

(f) A vacancy in the office of director shall be filled by the remaining members of the board for the unexpired term.

Sec. 398.102. QUALIFICATIONS. To serve as a director, a person must be at least 18 years old and:

(1) a qualified voter of the county in which the district is located;

(2) an owner of stock, whether beneficial or otherwise, of a corporate owner of property in the district;

(3) an owner of a beneficial interest in a trust that owns property in the district; or

(4) an agent, employee, or tenant of a person covered by Subdivision (1), (2), or (3).

Sec. 398.103. BOND. The board may 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) A director serves without compensation but may be reimbursed for a reasonable and necessary expense incurred in performing an official duty.

(b) To receive reimbursement under Subsection (a):

(1) the director must report the expense to the board; and

(2) the board must approve the expense.

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

Sec. 398.106. OFFICERS. The directors shall 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) A board shall hold regular meetings at times to be fixed by the board or special meetings as necessary.

(b) The board shall hold its meetings at a designated meeting place.

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

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

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

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

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

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

Sec. 398.109. BYLAWS. The board may adopt bylaws to govern:

(1) the time, place, and manner of conducting board meetings;

(2) the powers, duties, and responsibilities of the board's officers and employees;

(3) the disbursement of money by a check, draft, or warrant;

- (4) the appointment and authority of board committees;
- (5) the keeping of accounts and other records; and
- (6) any other matter the board considers appropriate.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 398.151. GENERAL POWERS. (a) A district has the powers necessary or convenient to carry out and effect the purposes and provisions of this chapter, including:

(1) a power granted to a municipal management district by Section 375.092 or 375.096, other than a power granted by Section 375.092(h);

(2) operating education and training programs in collaboration with a university system or public technical institute in this state;

(3) facilitating internships, cooperative education programs, and workforce development initiatives; and

(4) entering into agreements and otherwise collaborating with:

(A) universities and research institutions in this state;

(B) private corporations or companies operating domestically and internationally, other than a company owned by an entity affiliated with a country designated as a country of particular concern in the United States secretary of state's designations under the International Religious Freedom Act of 1998 (22 U.S.C. Section 6401 et seq.) in effect on September 1, 2025;

(C) an agency of the United States that regulates, provides funding for, or promotes science and technology; and

(D) a state agency that regulates, provides funding for, or promotes economic development and workforce development.

(b) A district may accept gifts, grants, and donations from any source, including private and nonprofit organizations.

Sec. 398.152. DISTRICT PRIORITIES. (a) A district shall prioritize the development of state-of-the-art facilities, including:

(1) research and development centers;

(2) technology incubators and accelerators;

(3) advanced manufacturing facilities; and

(4) office space for new businesses and technology firms.

(b) The district shall adopt guidelines for district projects to:

(1) minimize environmental impacts;

(2) promote energy efficiency;

(3) ensure that businesses operating in the district are not significantly negatively affected by environmental or physical externalities created by a district project, such as vibrations; and

(4) balance the effective functioning of businesses in the district and national security concerns associated with any district project that requires:

(A) a secure supply chain;

(B) protection of infrastructure and other critical resources; or

(C) security from threats of terrorism, cyberattacks, and natural disasters.

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

(b) A restriction adopted under this section must 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. The district shall 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

5-1 Sec. 398.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The
 5-2 board by resolution shall establish the number of directors'
 5-3 signatures and the procedure required for a disbursement or
 5-4 transfer of district money.

5-5 Sec. 398.202. MONEY USED FOR PROJECTS OR SERVICES. The
 5-6 district may acquire, construct, finance, operate, or maintain a
 5-7 project or service authorized under this chapter using any money
 5-8 available to the district for that purpose.

5-9 SUBCHAPTER F. BONDS

5-10 Sec. 398.251. ISSUANCE OF BONDS. The district may issue
 5-11 bonds for the purpose of defraying all or part of the cost of any
 5-12 project for a district purpose.

5-13 Sec. 398.252. MANNER OF REPAYMENT OF BONDS. The board may
 5-14 provide for the payment of principal of and interest and redemption
 5-15 price on bonds:

5-16 (1) by pledging all or any part of the revenues or
 5-17 other compensation from a project or any part of a project,
 5-18 including revenues and receipts derived by the district from the
 5-19 lease or sale of the project;

5-20 (2) by pledging all or any part of any grant, donation,
 5-21 revenue, or income received or to be received from any public or
 5-22 private source; or

5-23 (3) from a combination of such sources.

5-24 Sec. 398.253. USE OF BOND PROCEEDS. The district may use
 5-25 bond proceeds to:

5-26 (1) pay interest on the bonds during and after the
 5-27 period of the acquisition or construction of a project;

5-28 (2) pay administrative and operating expenses;

5-29 (3) create a reserve fund for the payment of principal
 5-30 and interest on the bonds; and

5-31 (4) pay all expenses incurred or that will be incurred
 5-32 in the issuance, sale, and delivery of the bonds.

5-33 SUBCHAPTER G. ACCOUNTABILITY

5-34 Sec. 398.301. AUDIT. Notwithstanding Section
 5-35 403.0241(b)(2), Government Code, the board shall transmit records
 5-36 and other information to the comptroller annually for purposes of
 5-37 providing the comptroller with information on the district to
 5-38 include in the Special Purpose District Public Information Database
 5-39 established under Section 403.0241, Government Code.

5-40 Sec. 398.302. PUBLIC MEETINGS. The board shall hold at
 5-41 least one public meeting each quarter of the calendar year for the
 5-42 sole purpose of receiving public input on major projects and
 5-43 initiatives in the district.

5-44 SUBCHAPTER H. TEXAS SCIENCE PARK COMMISSION

5-45 Sec. 398.351. CREATION OF COMMISSION; COMPOSITION. (a)
 5-46 The Texas Science Park Commission is established within the Texas
 5-47 Economic Development and Tourism Office.

5-48 (b) The commission is composed of the following seven
 5-49 members:

5-50 (1) two members appointed by the governor from a list
 5-51 of not less than five nominees submitted by the lieutenant
 5-52 governor;

5-53 (2) two members appointed by the governor from a list
 5-54 of not less than five nominees submitted by the speaker of the house
 5-55 of representatives; and

5-56 (3) three members of the public appointed by the
 5-57 governor.

5-58 (c) In making an appointment under Subsection (b), the
 5-59 governor may reject one or more of the nominees on a list submitted
 5-60 to the governor under Subsection (b) and request a new list of
 5-61 different nominees.

5-62 (d) The governor shall appoint from the seven members
 5-63 appointed to the commission a chairperson of the commission.

5-64 Sec. 398.352. COMPREHENSIVE PLAN. The commission shall
 5-65 develop a comprehensive plan for the creation and operation of
 5-66 districts. The plan must:

5-67 (1) identify parameters for consideration in
 5-68 determining potential locations and infrastructure needs for
 5-69 districts, including vulnerability to natural hazards and access to

water, wastewater treatment, energy generation, and energy reserves;

(2) identify potential funding sources for infrastructure development by districts;

(3) establish strategies for a district to partner with academic institutions, industry stakeholders, and local and state agencies;

(4) include strategies for the governance and operations of a district;

(5) identify available economic development incentives at the local, state, and national levels and recommend any necessary legislative measures to allow a district to apply for and receive those incentives;

(6) identify any other incentives that could benefit property located in a district, including ad valorem tax relief, inclusion in a tax increment reinvestment zone, and other cost share initiatives and programs;

(7) identify the types of industry, including support industries, districts should benefit;

(8) recommend a limit on the number of districts that may be created in this state; and

(9) recommend an expiration date for the authority of the office to approve the creation of districts under this chapter.

Sec. 398.353. ADMINISTRATIVE SUPPORT; FUNDING. (a) The Texas Economic Development and Tourism Office shall 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. The office may supplement the commission's funding with gifts, grants, or donations received by the office.

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

Sec. 398.354. REPORT. Not later than December 1, 2026, the commission shall 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. The commission is abolished September 1, 2027.

SECTION 2. This Act takes effect September 1, 2025.

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