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H.B. No. 5174

A BILL TO BE ENTITLED

AN ACT

relating to the establishment and administration of the Texas Semiconductor Innovation Consortium.

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

SECTION 1. Chapter 481, Government Code, is amended by adding Subchapter GG to read as follows:

SUBCHAPTER GG. TEXAS SEMICONDUCTOR INNOVATION CONSORTIUM

Sec. 481.651. DEFINITIONS. In this subchapter:

(1) "Consortium" means the Texas Semiconductor Innovation Consortium.

(2) "Executive committee" means the executive committee of the consortium.

(3) "Fund" means the Texas Semiconductor Innovation Fund.

(4) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

Sec. 481.652. ESTABLISHMENT; PURPOSES. (a) The Texas Semiconductor Innovation Consortium is established as an advisory panel to the governor and the legislature.

(b) The purposes of the consortium are to:

(1) leverage the expertise and capacity of institutions of higher education, industry, and nonprofit stakeholders to develop a comprehensive strategic plan to ensure ongoing semiconductor innovation;

1 (2) sustain the leadership of this state in advanced
2 semiconductor research, design, and manufacturing;

3 (3) attract public and private investment in this
4 state related to research, development, commercialization, and
5 manufacturing of semiconductors;

6 (4) identify and expand opportunities for workforce
7 training and development related to the research, design, and
8 manufacturing of semiconductors; and

9 (5) establish a forum for public and private
10 stakeholders across the semiconductor manufacturing industry in
11 this state to focus on education, research and development, and
12 commercial production.

13 Sec. 481.653. COMPOSITION OF CONSORTIUM. (a) The
14 consortium is composed of a designee of each of the following
15 institutions of higher education appointed by the office of the
16 president of the institution:

17 (1) The University of Texas at Arlington;

18 (2) The University of Texas at Austin;

19 (3) The University of Texas at Dallas;

20 (4) The University of Texas at El Paso;

21 (5) The University of Texas Rio Grande Valley;

22 (6) The University of Texas at San Antonio;

23 (7) Texas A&M University;

24 (8) Prairie View A&M University;

25 (9) the University of Houston;

26 (10) the University of North Texas;

27 (11) Texas Tech University;

- 1 (12) Texas State University;
- 2 (13) Lamar University;
- 3 (14) Lamar State College - Orange;
- 4 (15) Lamar State College - Port Arthur;
- 5 (16) Lamar Institute of Technology;
- 6 (17) Austin Community College; and
- 7 (18) Dallas Community College.

8 (b) In addition to the appointments under Subsection (a),
9 the executive committee established under Section 481.655 may
10 appoint any other entity or individual the executive committee
11 considers necessary.

12 (c) In making appointments under Subsections (a) and (b),
13 priority shall be given to individuals with experience in
14 semiconductor design and manufacturing.

15 Sec. 481.654. ADMINISTRATIVE ATTACHMENT. (a) The
16 consortium is administratively attached to the office of the
17 governor.

18 (b) The office shall provide the staff and facilities
19 necessary to assist the consortium in performing the consortium's
20 duties under this subchapter.

21 Sec. 481.655. EXECUTIVE COMMITTEE COMPOSITION. (a) The
22 consortium is governed by an executive committee composed of the
23 following members:

- 24 (1) three members appointed by the governor;
- 25 (2) two members appointed by the lieutenant governor;
- 26 (3) two members appointed by the speaker of the house
27 of representatives;

1 (4) the chancellor of The Texas A&M University System
2 or the chancellor's designee; and

3 (5) the chancellor of The University of Texas System
4 or the chancellor's designee.

5 (b) In making appointments under Subsection (a), priority
6 shall be given to individuals with experience in manufacturing,
7 design, industrial development, academic research, and scientific
8 research in the field of semiconductors.

9 (c) In making appointments under Subsection (a), the
10 governor, the lieutenant governor, and the speaker of the house of
11 representatives shall coordinate to ensure that at least two
12 representatives from the commercial semiconductor design and
13 manufacturing sectors with an established presence in the state are
14 appointed to the executive committee.

15 Sec. 481.656. DUTIES OF EXECUTIVE COMMITTEE. (a) The
16 executive committee shall:

17 (1) develop and execute a comprehensive statewide
18 strategic plan to further the objectives of the consortium as
19 established under Section 481.652;

20 (2) solicit recommendations from consortium members
21 on funding and research opportunities related to semiconductor
22 research, design, commercialization, and manufacturing;

23 (3) appoint an executive director of the consortium
24 and determine the title, functions, duties, powers, and salary for
25 the executive director; and

26 (4) prepare and submit the report required by Section
27 481.657.

1 (b) The executive director may enter into agreements with
2 the office of the governor for staff support services to facilitate
3 the work of the consortium.

4 Sec. 481.657. BIENNIAL REPORT. Not later than December 1 of
5 each even-numbered year, the executive committee shall prepare and
6 submit to the governor and the Legislative Budget Board a written
7 report that outlines:

8 (1) activities undertaken to meet the purposes of the
9 consortium under Section 481.652;

10 (2) a summary of the funding and research
11 opportunities identified under Section 481.656(a)(2);

12 (3) any legislative recommendations to further the
13 purposes of the consortium;

14 (4) any prospective grants or funding the consortium
15 members expect to apply for or receive; and

16 (5) any research accomplishments associated with the
17 consortium.

18 Sec. 481.658. TEXAS SEMICONDUCTOR INNOVATION FUND. (a)
19 The Texas Semiconductor Innovation Fund is created as a dedicated
20 account within the general revenue fund. The fund consists of:

21 (1) gifts, grants, or donations to the fund; and

22 (2) money from any other source designated by the
23 legislature.

24 (b) Money in the fund may be used to:

25 (1) provide matching funding to state entities,
26 including institutions of higher education, for semiconductor
27 manufacturing and design projects;

1 (2) award grants to business entities with an
2 established presence in this state to encourage economic
3 development related to semiconductor manufacturing and design; and

4 (3) subject to Subsection (c), pay for staff support
5 services described by Section 481.656(b).

6 (c) The consortium shall request from the Legislative
7 Budget Board approval to use money in the fund for the purpose
8 described by Subsection (b)(3). A request under this subsection
9 shall be considered approved on the 30th day after receipt by the
10 Legislative Budget Board unless expressly disapproved.

11 SECTION 2. This Act takes effect immediately if it receives
12 a vote of two-thirds of all the members elected to each house, as
13 provided by Section 39, Article III, Texas Constitution. If this
14 Act does not receive the vote necessary for immediate effect, this
15 Act takes effect September 1, 2023.