

By: Bonnen

H.B. No. 5174

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Texas semiconductor innovation consortium and fund.

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

SECTION 1. Amending Government Code, Chapter 481 to read as follows:

SUBCHAPTER FF. TEXAS SEMICONDUCTOR INNOVATION CONSORTIUM

Sec. 481.610. ESTABLISHMENT. The Texas Semiconductor Innovation Consortium is established as an advisory panel to the governor and the legislature. The objectives of the consortium are:

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

(b) sustain Texas leadership in advanced semiconductor research, design, and manufacturing;

(c) attract public and private investment in the state related to research, development, commercialization, and manufacturing of semiconductors;

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

(e) establish a forum for public and private stakeholders across the semiconductor manufacturing industry within the state to

1 focus on education, research and development, and commercial  
2 production.

3 Sec. 481.611. COMPOSITION. (a) The consortium is composed  
4 of a designee appointed by the office of the president for each of  
5 the following general academic institutions of higher education:

6 (1) The University of Texas at Arlington;

7 (2) The University of Texas at Austin;

8 (3) The University of Texas at Dallas;

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

10 (5) The University of Texas at Rio Grande Valley;

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

12 (7) Texas A&M University;

13 (8) Prairie View A&M University;

14 (9) The University of Houston;

15 (10) The University of North Texas;

16 (11) Texas Tech University;

17 (12) Texas State University;

18 (13) Lamar University;

19 (14) Lamar State College - Orange;

20 (15) Lamar State College - Port Arthur;

21 (16) Lamar Institute of Technology;

22 (17) Austin Community College; and

23 (18) Dallas Community College.

24 (b) In addition to the appointments made under Subsection  
25 (a), the executive committee established under Government Code,  
26 Section 481.613 may appoint any other entity or individual that it  
27 deems beneficial.

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

4       Sec. 481.612. ADMINISTRATIVE ATTACHMENT. The consortium is  
5 administratively attached to the office of the governor for the  
6 purpose of receiving and administering appropriations and other  
7 funds under this chapter. The office shall provide the staff and  
8 facilities necessary to assist the consortium in performing its  
9 duties.

10       Sec. 481.613. EXECUTIVE COMMITTEE COMPOSITION. (a) The  
11 consortium is governed by an executive committee composed of the  
12 following members:

13               (1) 3 members appointed by the governor;  
14               (2) 2 members appointed by the lieutenant governor;  
15               (3) 2 members appointed by the speaker of the house of  
16 representatives;

17               (4) the Chancellor of the Texas A&M University System  
18 or their designee; and

19               (5) the Chancellor of the University of Texas System  
20 or their designee.

21       (b) In making appointments under Subsection (a), priority  
22 shall be given to individuals with experience in manufacturing,  
23 design, industrial development, academic research, and scientific  
24 research in the field of semiconductors. In making appointments  
25 under Subsection (a), the governor, lieutenant governor, and  
26 speaker of the house of representatives shall coordinate to ensure  
27 that at least two representatives from the commercial semiconductor

1 design and manufacturing sectors with an established presence in  
2 the state are appointed.

3 Sec. 481.614. GENERAL DUTIES. The executive committee  
4 shall:

5 (a) develop and execute a comprehensive statewide strategic  
6 plan to further the objectives of the consortium as established in  
7 Section 481.610;

8 (b) solicit recommendations from consortium members on  
9 funding and research opportunities related to semiconductor  
10 research, design, commercialization, and manufacturing;

11 (c) select a person to act as the executive director of the  
12 consortium, having such official title, functions, duties, powers,  
13 and salary as the executive committee may prescribe. The executive  
14 director may enter into agreements with the office of the governor  
15 for staff support services to facilitate the work of the  
16 consortium. Funds deposited to the Semiconductor Innovation Fund  
17 may be utilized for the implementation of this subsection pursuant  
18 to Government Code, Section 481.617; and

19 (d) report the recommendations assembled in Subsection  
20 (b) as outlined in Government Code, Section 481.615.

21 Sec. 481.615 BIENNIAL REPORT. Not later than December 1 of  
22 each even-numbered year, the executive committee shall prepare and  
23 submit a written report to the governor and the legislative budget  
24 board that outlines:

25 (a) activities undertaken to meet the objectives of the  
26 consortium;

27 (b) a synopsis of the funding and research opportunities

1 identified in Section 481.614, Subsection (b);

2 (c) any legislative recommendations to further the  
3 objectives of the consortium;

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

6 (e) any research accomplishments associated with the  
7 consortium.

8 SUBCHAPTER FF. TEXAS SEMICONDUCTOR INNOVATION FUND

9 Sec. 481.616. FUND ESTABLISHMENT AND COMPOSITION. The  
10 Texas Semiconductor Innovation Fund is created as a dedicated  
11 account within the General Revenue Fund. The fund consists of:

12 (a) gifts, grants, or donations; and

13 (b) any other source designated by the legislature.

14 Sec. 481.617. FUND USE AND BALANCE MANAGEMENT. (a) The  
15 fund may be utilized at the discretion of the legislature to:

16 (1) Provide appropriations to state entities and  
17 institutions of higher education as matches for semiconductor  
18 manufacturing and design projects; and

19 (2) Issue grants to private businesses with an  
20 established presence within the state of Texas to encourage  
21 economic development related to semiconductor manufacturing and  
22 design.

23 (b) The fund may be utilized for the purposes described  
24 Government Code, 481.614, Subsection (c), subject to approval by  
25 the legislative budget board. Such a request shall be considered  
26 approved within 30 days of receipt by the legislative budget board  
27 unless expressly disapproved.

1        (c) The comptroller of public accounts shall return all  
2 unexpended balances in the fund to general revenue on October 1 of  
3 each even numbered year unless authorization is granted by the  
4 legislative budget board to maintain the unexpended fund balance.  
5 Such authorization shall be requested by the comptroller no later  
6 than August 31 of each even numbered year, and shall be considered  
7 approved within 30 days of receipt by the legislative budget board  
8 unless expressly disapproved.

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