

1-1 By: Bonnen, et al. (Senate Sponsor - Huffman) H.B. No. 5174  
 1-2 (In the Senate - Received from the House May 8, 2023;  
 1-3 May 8, 2023, read first time and referred to Committee on Finance;  
 1-4 May 10, 2023, reported favorably by the following vote: Yeas 13,  
 1-5 Nays 0; May 10, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14			X	
1-15			X	
1-16			X	
1-17			X	
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			
1-23	X			
1-24	X			

1-25 A BILL TO BE ENTITLED  
 1-26 AN ACT

1-27 relating to the establishment and administration of the Texas  
 1-28 Semiconductor Innovation Consortium.

1-29 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-30 SECTION 1. Chapter 481, Government Code, is amended by  
 1-31 adding Subchapter GG to read as follows:

1-32 SUBCHAPTER GG. TEXAS SEMICONDUCTOR INNOVATION CONSORTIUM

1-33 Sec. 481.651. DEFINITIONS. In this subchapter:

1-34 (1) "Consortium" means the Texas Semiconductor  
 1-35 Innovation Consortium.

1-36 (2) "Executive committee" means the executive  
 1-37 committee of the consortium.

1-38 (3) "Fund" means the Texas Semiconductor Innovation  
 1-39 Fund.

1-40 (4) "Institution of higher education" has the meaning  
 1-41 assigned by Section 61.003, Education Code.

1-42 Sec. 481.652. ESTABLISHMENT; PURPOSES. (a) The Texas  
 1-43 Semiconductor Innovation Consortium is established as an advisory  
 1-44 panel to the governor and the legislature.

1-45 (b) The purposes of the consortium are to:

1-46 (1) leverage the expertise and capacity of  
 1-47 institutions of higher education, industry, and nonprofit  
 1-48 stakeholders to develop a comprehensive strategic plan to ensure  
 1-49 ongoing semiconductor innovation;

1-50 (2) sustain the leadership of this state in advanced  
 1-51 semiconductor research, design, and manufacturing;

1-52 (3) attract public and private investment in this  
 1-53 state related to research, development, commercialization, and  
 1-54 manufacturing of semiconductors;

1-55 (4) identify and expand opportunities for workforce  
 1-56 training and development related to the research, design, and  
 1-57 manufacturing of semiconductors; and

1-58 (5) establish a forum for public and private  
 1-59 stakeholders across the semiconductor manufacturing industry in  
 1-60 this state to focus on education, research and development, and  
 1-61 commercial production.

2-1 Sec. 481.653. COMPOSITION OF CONSORTIUM. (a) The  
 2-2 consortium is composed of a designee of each of the following  
 2-3 institutions of higher education appointed by the office of the  
 2-4 president of the institution:

- 2-5 (1) The University of Texas at Arlington;
- 2-6 (2) The University of Texas at Austin;
- 2-7 (3) The University of Texas at Dallas;
- 2-8 (4) The University of Texas at El Paso;
- 2-9 (5) The University of Texas Rio Grande Valley;
- 2-10 (6) The University of Texas at San Antonio;
- 2-11 (7) Texas A&M University;
- 2-12 (8) Prairie View A&M University;
- 2-13 (9) the University of Houston;
- 2-14 (10) the University of North Texas;
- 2-15 (11) Texas Tech University;
- 2-16 (12) Texas State University;
- 2-17 (13) Lamar University;
- 2-18 (14) Lamar State College - Orange;
- 2-19 (15) Lamar State College - Port Arthur;
- 2-20 (16) Lamar Institute of Technology;
- 2-21 (17) Austin Community College; and
- 2-22 (18) Dallas Community College.

2-23 (b) In addition to the appointments under Subsection (a),  
 2-24 the executive committee established under Section 481.655 may  
 2-25 appoint any other entity or individual the executive committee  
 2-26 considers necessary.

2-27 (c) In making appointments under Subsections (a) and (b),  
 2-28 priority shall be given to individuals with experience in  
 2-29 semiconductor design and manufacturing.

2-30 Sec. 481.654. ADMINISTRATIVE ATTACHMENT. (a) The  
 2-31 consortium is administratively attached to the office of the  
 2-32 governor.

2-33 (b) The office shall provide the staff and facilities  
 2-34 necessary to assist the consortium in performing the consortium's  
 2-35 duties under this subchapter.

2-36 Sec. 481.655. EXECUTIVE COMMITTEE COMPOSITION. (a) The  
 2-37 consortium is governed by an executive committee composed of the  
 2-38 following members:

- 2-39 (1) three members appointed by the governor;
- 2-40 (2) two members appointed by the lieutenant governor;
- 2-41 (3) two members appointed by the speaker of the house  
 2-42 of representatives;
- 2-43 (4) the chancellor of The Texas A&M University System  
 2-44 or the chancellor's designee; and
- 2-45 (5) the chancellor of The University of Texas System  
 2-46 or the chancellor's designee.

2-47 (b) In making appointments under Subsection (a), priority  
 2-48 shall be given to individuals with experience in manufacturing,  
 2-49 design, industrial development, academic research, and scientific  
 2-50 research in the field of semiconductors.

2-51 (c) In making appointments under Subsection (a), the  
 2-52 governor, the lieutenant governor, and the speaker of the house of  
 2-53 representatives shall coordinate to ensure that at least two  
 2-54 representatives from the commercial semiconductor design and  
 2-55 manufacturing sectors with an established presence in the state are  
 2-56 appointed to the executive committee.

2-57 Sec. 481.656. DUTIES OF EXECUTIVE COMMITTEE. (a) The  
 2-58 executive committee shall:

- 2-59 (1) develop and execute a comprehensive statewide  
 2-60 strategic plan to further the objectives of the consortium as  
 2-61 established under Section 481.652;
- 2-62 (2) solicit recommendations from consortium members  
 2-63 on funding and research opportunities related to semiconductor  
 2-64 research, design, commercialization, and manufacturing;
- 2-65 (3) appoint an executive director of the consortium  
 2-66 and determine the title, functions, duties, powers, and salary for  
 2-67 the executive director; and
- 2-68 (4) prepare and submit the report required by Section  
 2-69 481.657.

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

3-4 Sec. 481.657. BIENNIAL REPORT. Not later than December 1 of  
3-5 each even-numbered year, the executive committee shall prepare and  
3-6 submit to the governor and the Legislative Budget Board a written  
3-7 report that outlines:

3-8 (1) activities undertaken to meet the purposes of the  
3-9 consortium under Section 481.652;

3-10 (2) a summary of the funding and research  
3-11 opportunities identified under Section 481.656(a)(2);

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

3-14 (4) any prospective grants or funding the consortium  
3-15 members expect to apply for or receive; and

3-16 (5) any research accomplishments associated with the  
3-17 consortium.

3-18 Sec. 481.658. TEXAS SEMICONDUCTOR INNOVATION FUND. (a)  
3-19 The Texas Semiconductor Innovation Fund is created as a dedicated  
3-20 account within the general revenue fund. The fund consists of:

3-21 (1) gifts, grants, or donations to the fund; and

3-22 (2) money from any other source designated by the  
3-23 legislature.

3-24 (b) Money in the fund may be used to:

3-25 (1) provide matching funding to state entities,  
3-26 including institutions of higher education, for semiconductor  
3-27 manufacturing and design projects;

3-28 (2) award grants to business entities with an  
3-29 established presence in this state to encourage economic  
3-30 development related to semiconductor manufacturing and design; and

3-31 (3) subject to Subsection (c), pay for staff support  
3-32 services described by Section 481.656(b).

3-33 (c) The consortium shall request from the Legislative  
3-34 Budget Board approval to use money in the fund for the purpose  
3-35 described by Subsection (b)(3). A request under this subsection  
3-36 shall be considered approved on the 30th day after receipt by the  
3-37 Legislative Budget Board unless expressly disapproved.

3-38 SECTION 2. This Act takes effect immediately if it receives  
3-39 a vote of two-thirds of all the members elected to each house, as  
3-40 provided by Section 39, Article III, Texas Constitution. If this  
3-41 Act does not receive the vote necessary for immediate effect, this  
3-42 Act takes effect September 1, 2023.

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