

**House Bill 5174**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

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;

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

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

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

(5) establish a forum for public and private stakeholders across the semiconductor manufacturing industry in this

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state to focus on education, research and development, and commercial production.

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

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

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

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

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- (9) the University of Houston;
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- (11) Texas Tech University;
- (12) Texas State University;
- ( ) Texas State Technical College System; [FA1]
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Sec. 481.654. ADMINISTRATIVE ATTACHMENT. (a) The consortium is administratively attached to the office of the governor.

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

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

(1) three members appointed by the governor;

(2) two members appointed by the lieutenant governor;

(3) two members appointed by the speaker of the house of representatives;

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

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

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

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

Sec. 481.656. DUTIES OF EXECUTIVE COMMITTEE.

(a) The executive committee shall:

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(a) The executive committee shall:

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

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

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

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

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

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

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

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

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

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

(5) any research accomplishments associated with the consortium.

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

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- (1) gifts, grants, or donations to the fund; and
- (2) money from any other source designated by the legislature.
- (b) Money in the fund may be used to:
  - (1) provide matching funding to state entities, including institutions of higher education, for semiconductor manufacturing and design projects;
  - (2) award grants to business entities with an established presence in this state to encourage economic development related to semiconductor manufacturing and design; and
  - (3) subject to Subsection (c), pay for staff support services described by Section 481.656(b).
- (c) The consortium shall request from the Legislative Budget Board approval to use money in the fund for the purpose described by Subsection (b)(3). A request under this subsection shall be considered approved on the 30th day after receipt by the Legislative Budget Board unless expressly disapproved.

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

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SECTION 2. Same as House version.

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