

## **BILL ANALYSIS**

Senate Research Center  
89R30941 LRM-D

C.S.H.B. 2818  
By: Capriglione (Parker)  
Business & Commerce  
5/22/2025  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The author has informed the committee that, traditionally, the Department of Information Resources (DIR) contracts for legacy modernization projects or other projects requested by state agencies through a procurement process, and the cost to complete these projects sometimes exceeds the amount of money an agency has budgeted due in part to the number of people needed to complete a project. H.B. 2818 seeks to assist state agencies in the modernization of legacy systems and the completion of other projects in a more efficient manner by establishing the artificial intelligence division within DIR to oversee and support the use of generative artificial intelligence technologies in state projects.

(Original Author's/Sponsor's Statement of Intent)

C.S.H.B. 2818 amends current law relating to the artificial intelligence division within the Department of Information Resources.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Department of Information Resources in SECTION 1 (Section 2054.705, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 2054, Government Code, by adding Subchapter S, as follows:

#### **SUBCHAPTER S. ARTIFICIAL INTELLIGENCE DIVISION**

Sec. 2054.701. ESTABLISHMENT AND ADMINISTRATION OF DIVISION. (a) Requires the Texas Department of Information Resources (DIR) to establish an artificial intelligence division (division) within DIR.

(b) Requires the executive director of DIR (executive director) to direct the administration and oversight of the division, including the division's organization within DIR.

(c) Authorizes DIR to hire the personnel necessary to administer the duties of the division, including hiring personnel through institutions of higher education, as defined by Section 61.003 (Definitions), Education Code.

Sec. 2054.702. GENERATIVE ARTIFICIAL INTELLIGENCE TECHNOLOGY. (a) Requires the division to assist state agencies and other entities that use DIR's services in the implementation of generative artificial intelligence technology for projects to modernize or replace legacy systems, as defined by Section 2054.571 (Definition) and other projects appropriate for the use of generative artificial intelligence technology as determined by DIR.

(b) Authorizes the division, in assisting agencies and entities with projects under Subsection (a), to use generative artificial intelligence technology developed or

procured by DIR to complete the project or contract with a vendor to use generative artificial intelligence technology to complete the project.

(c) Requires that a vendor's generative artificial intelligence technology, if the division contracts with the vendor under Subsection (b), complete a majority of the work required to complete the project.

Sec. 2054.703. COST ANALYSIS REPORT. Requires the division to prepare a cost analysis report for each project completed under Section 2054.702 that includes a summary of the time, money, and resources saved by using a generative artificial intelligence technology compared to the time, money, and resources that would have been required using traditional systems to perform equivalent tasks and a concise overview focused on information demonstrating the cost and time efficiencies achieved by using generative artificial intelligence technology for the project

Sec. 2054.704. EFFICIENT USE OF RESOURCES. Requires DIR to coordinate division activities under this subchapter and the activities under any other law relating to artificial intelligence systems to ensure efficient system implementation and to streamline the use of DIR resources, including information sharing and personnel.

Sec. 2054.705. RULES. Authorizes DIR to adopt the rules necessary to establish and administer the division.

SECTION 2. Requires DIR, as soon as practicable after the effective date of this Act, to adopt the rules necessary to implement Subchapter S, Chapter 2054 (Information Resources), Government Code, as added by this Act.

SECTION 3. Effective date: September 1, 2025.