

BILL ANALYSIS

C.S.H.B. 4196

By: Ordaz

Trade, Workforce & Economic Development
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that in an era when innovation and digital integration are key to global competitiveness, there is a need for Texas to strategically transition its traditional manufacturing processes into more modern, efficient systems. By using smart manufacturing technologies and best practices, manufacturers can navigate the complexities of digital transformation and realize substantial benefits in productivity, talent retention, sustainability, and innovation. C.S.H.B. 4196 seeks to remove barriers to automation and digital technology adoption by establishing the task force on modernizing manufacturing to thoroughly examine the current state of manufacturing in Texas and identify obstacles to the integration of automation and digital technologies, propose realistic modernization strategies, and assess the economic implications for Texas.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4196 amends the Government Code to establish the task force on modernizing manufacturing to study the modernization of manufacturing in Texas. The bill sets out the 15-member task force consisting of the following individuals:

- the executive director of the Texas Economic Development and Tourism Office (TEDTO) or the executive director's designee; and
- the following members appointed by the governor, on the recommendation of the executive director of TEDTO or that designee:
 - two members representing small manufacturers with an established presence in Texas;
 - two members representing mid-sized manufacturers with an established presence in Texas;
 - two members representing large manufacturers with an established presence in Texas;
 - two experts in automation and digital technologies related to manufacturing;
 - one member representing the Texas Workforce Commission; and
 - two members representing organized labor in the manufacturing industry;
 - one member representing the Texas Education Agency (TEA);
 - one member representing the Texas Higher Education Coordinating Board (THECB); and

- one additional member representing TEDTO.

The bill requires the executive director of TEDTO or the executive director's designee to serve as the presiding officer of the task force and requires the task force to meet at the call of the presiding officer.

C.S.H.B. 4196 requires the task force to do the following:

- study the current state of manufacturing in Texas, with a focus on the adoption of automation and digital technologies;
- identify barriers to the adoption of automation and digital technologies in manufacturing;
- develop recommendations for policies and programs to support the modernization of manufacturing in Texas, including incentives for the adoption of automation and digital technologies;
- evaluate the potential economic effect of modernizing manufacturing, including job creation and retention, increased productivity, and competitiveness; and
- prepare and deliver a report, not later than October 1, 2026, on the task force's findings and recommendations for legislative or other action to the governor, the lieutenant governor, the speaker of the house of representatives, and each standing committee of the legislature with primary jurisdiction over economic development matters.

The bill authorizes the task force to establish subcommittees as necessary to carry out its duties and requires TEDTO to provide the staff and facilities necessary to assist the task force in performing those duties. The bill abolishes the task force and sets the bill's provisions to expire September 1, 2027.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 4196 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute expands the membership of the task force to include two members representing organized labor in the manufacturing industry, one member representing TEA, and one member representing the THECB, whereas the introduced did not.