

AN ACT

relating to the artificial intelligence division within the Department of Information Resources.

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

SECTION 1. Chapter 2054, Government Code, is amended by adding Subchapter S to read as follows:

SUBCHAPTER S. ARTIFICIAL INTELLIGENCE DIVISION

Sec. 2054.701. ESTABLISHMENT AND ADMINISTRATION OF DIVISION. (a) The department shall establish an artificial intelligence division within the department.

(b) The executive director shall direct the administration and oversight of the artificial intelligence division, including the division's organization within the department.

(c) The department may 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, Education Code.

Sec. 2054.702. GENERATIVE ARTIFICIAL INTELLIGENCE TECHNOLOGY. (a) The division shall assist state agencies and other entities that use the department's services in the implementation of generative artificial intelligence technology for:

(1) projects to modernize or replace legacy systems, as defined by Section 2054.571; and

(2) other projects appropriate for the use of

1 generative artificial intelligence technology as determined by the
2 department.

3 (b) In assisting agencies and entities with projects under
4 Subsection (a), the division may:

5 (1) use generative artificial intelligence technology
6 developed or procured by the department to complete the project; or

7 (2) contract with a vendor to use generative
8 artificial intelligence technology to complete the project.

9 (c) If the division contracts with a vendor under Subsection
10 (b), the vendor's generative artificial intelligence technology
11 must complete a majority of the work required to complete the
12 project.

13 Sec. 2054.703. COST ANALYSIS REPORT. The division shall
14 prepare a cost analysis report for each project completed under
15 Section 2054.702 that includes:

16 (1) a summary of the time, money, and resources saved
17 by using a generative artificial intelligence technology compared
18 to the time, money, and resources that would have been required
19 using traditional systems to perform equivalent tasks; and

20 (2) a concise overview focused on information
21 demonstrating the cost and time efficiencies achieved by using
22 generative artificial intelligence technology for the project.

23 Sec. 2054.704. EFFICIENT USE OF RESOURCES. The department
24 shall coordinate division activities under this subchapter and the
25 activities under any other law relating to artificial intelligence
26 systems to ensure efficient system implementation and to streamline
27 the use of department resources, including information sharing and

1 personnel.

2 Sec. 2054.705. RULES. The department may adopt the rules
3 necessary to establish and administer the division.

4 SECTION 2. As soon as practicable after the effective date
5 of this Act, the Department of Information Resources shall adopt
6 the rules necessary to implement Subchapter S, Chapter [2054](#),
7 Government Code, as added by this Act.

8 SECTION 3. This Act takes effect September 1, 2025.

H.B. No. 2818

President of the Senate

Speaker of the House

I certify that H.B. No. 2818 was passed by the House on April 25, 2025, by the following vote: Yeas 111, Nays 14, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2818 on May 28, 2025, by the following vote: Yeas 105, Nays 32, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2818 was passed by the Senate, with amendments, on May 26, 2025, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor