

By: Parker

S.B. No. 1700

A BILL TO BE ENTITLED

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 at least 90 percent of the work required to complete  
12 the contract.

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 efficiencies achieved by using generative  
22 artificial intelligence technology, such as the amount of time and  
23 money saved in the procurement process.

24 Sec. 2054.704. RULES. The department may adopt the rules  
25 necessary to establish and administer the division.

26 SECTION 2. As soon as practicable after the effective date  
27 of this Act, the Department of Information Resources shall adopt

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1 the rules necessary to implement Subchapter S, Chapter [2054](#),  
2 Government Code, as added by this Act.

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