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S.B. No. 1758

A BILL TO BE ENTITLED

AN ACT

relating to the operation of a cement kiln and the production of aggregates near a semiconductor wafer manufacturing facility.

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

SECTION 1. Chapter 382, Health and Safety Code, is amended by adding Subchapters M and M-1 to read as follows:

SUBCHAPTER M. CEMENT OR AGGREGATE PRODUCTION AND SEMICONDUCTOR  
WAFER MANUFACTURING FACILITY

Sec. 382.601. DEFINITIONS. In this subchapter:

(1) "Aggregate production operation" has the meaning assigned by Section 28A.001, Water Code.

(2) "Portland cement kiln" means a system, including any solid, gaseous, or liquid fuel combustion equipment, used to calcine and fuse raw materials, including limestone and clay, to produce portland cement clinker.

(3) "Semiconductor wafer manufacturing facility" means a manufacturing facility that conducts any of the following processes with respect to semiconductor production:

(A) growing single-crystal ingots or boules;

(B) wafer slicing;

(C) etching and polishing;

(D) bonding;

(E) cleaning;

(F) epitaxial deposition; or

1                    (G) metrology.

2            Sec. 382.602. LIMITATION OF LIABILITY. An owner or  
3 operator of a facility operating under a new source review permit  
4 issued under this chapter that authorizes the operation of a  
5 portland cement kiln, or the production of aggregates at an  
6 aggregate production operation, is not liable for damages to a  
7 semiconductor wafer manufacturing facility resulting from seismic  
8 or vibrational disturbances caused by the cement or aggregate  
9 production facility owner's or operator's activities on the site of  
10 the cement or aggregate production facility if the cement or  
11 aggregate production facility began operating before the date the  
12 semiconductor wafer manufacturing facility began operating.

13    SUBCHAPTER M-1. CEMENT OR AGGREGATE PRODUCTION AND SEMICONDUCTOR  
14    WAFER MANUFACTURING FACILITY PILOT PROGRAM: GRAYSON COUNTY

15            Sec. 382.651. DEFINITIONS. In this subchapter:

16                    (1) "Aggregate production operation" has the meaning  
17 assigned by Section 28A.001, Water Code.

18                    (2) "Bureau" means the Bureau of Economic Geology of  
19 The University of Texas at Austin.

20                    (3) "Portland cement kiln" means a system, including  
21 any solid, gaseous, or liquid fuel combustion equipment, used to  
22 calcine and fuse raw materials, including limestone and clay, to  
23 produce portland cement clinker.

24                    (4) "Semiconductor wafer manufacturing facility" has  
25 the meaning assigned by Section 382.601.

26            Sec. 382.652. GRAYSON COUNTY PILOT PROGRAM. This  
27 subchapter applies only to:

1           (1) a semiconductor wafer manufacturing facility that  
2 begins commercial operation after January 1, 2025, and before  
3 December 31, 2025; and

4           (2) a facility that:

5                 (A) is proposed to be constructed under or is  
6 operating under a new source review permit that authorizes the  
7 construction or operation of a portland cement kiln; and

8                 (B) is associated with a facility that produces  
9 aggregates at an aggregate production operation.

10          Sec. 382.653. STUDY AND REPORT. (a) The bureau shall  
11 conduct a study, in consultation with owners or operators of  
12 facilities described by Section 382.652 in Grayson County, to:

13                 (1) analyze seismological data related to aggregate  
14 production operations;

15                 (2) assess the vibrational impact of the production of  
16 aggregates on bedrock;

17                 (3) analyze vibrational parameters necessary to  
18 ensure the successful operation of a semiconductor wafer  
19 manufacturing facility within 10 miles of a facility described by  
20 Section 382.652(2); and

21                 (4) investigate whether a minimum distance between a  
22 facility described by Section 382.652(2) and a semiconductor wafer  
23 manufacturing facility is necessary to prevent seismic or  
24 vibrational disruption to the operation of the semiconductor wafer  
25 manufacturing facility, considering the depth of the excavation  
26 activities conducted for the production of aggregates.

27          (b) In conducting the study under this section, the bureau

1 may:

2 (1) collaborate with:

3 (A) the commission and any other state agency,  
4 political subdivision, or institution of higher education; and

5 (B) any other stakeholder or private entity as  
6 necessary; and

7 (2) enter into a nondisclosure agreement with a  
8 private entity.

9 (c) In addition to money appropriated by the legislature to  
10 the bureau for the purpose of this section, the bureau may accept  
11 gifts, grants, and other donations for the purposes of conducting  
12 the study under this section.

13 (d) Not later than August 1, 2026, the bureau shall prepare  
14 and submit to the governor, the lieutenant governor, the speaker of  
15 the house of representatives, and each standing legislative  
16 committee with primary jurisdiction over the environment or natural  
17 resources a report on the results of the study conducted under this  
18 section and any recommendations for legislative or other action.

19 Sec. 382.654. OPERATIONS WITHIN STUDY AREA. The commission  
20 may not issue, renew, or amend a permit or authorize the use of a  
21 standard permit or a permit by rule under this chapter for the  
22 construction or operation of a facility described by Section  
23 382.652(2) within 10 miles of a facility described by Section  
24 382.652(1) in Grayson County.

25 Sec. 382.655. EXPIRATION. This subchapter expires  
26 September 1, 2031.

27 SECTION 2. If any provision of this Act or its application

1 to any person or circumstance is held invalid, the invalidity does  
2 not affect the other provisions or applications of this Act that can  
3 be given effect without the invalid provision or application, and  
4 to this end the provisions of this Act are severable.

5       SECTION 3. Section 382.602, Health and Safety Code, as  
6 added by this Act, applies only to a cause of action that accrues on  
7 or after the effective date of this Act. A cause of action that  
8 accrues before the effective date of this Act is governed by the law  
9 applicable to the cause of action immediately before the effective  
10 date of this Act, and that law is continued in effect for that  
11 purpose.

12       SECTION 4. This Act takes effect immediately if it receives  
13 a vote of two-thirds of all the members elected to each house, as  
14 provided by Section 39, Article III, Texas Constitution. If this  
15 Act does not receive the vote necessary for immediate effect, this  
16 Act takes effect September 1, 2025.