

1-1 By: Button, et al. (Senate Sponsor - King) H.B. No. 4850  
1-2 (In the Senate - Received from the House May 7, 2025;  
1-3 May 8, 2025, read first time and referred to Committee on Economic  
1-4 Development; May 14, 2025, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;  
1-6 May 14, 2025, sent to printer.)

1-7 COMMITTEE VOTE

1-8	Yea	Nay	Absent	PNV
1-9	King	X		
1-10	Sparks	X		
1-11	Alvarado	X		
1-12	Johnson	X		
1-13	Schwertner	X		

1-14 COMMITTEE SUBSTITUTE FOR H.B. No. 4850 By: Schwertner

1-15 A BILL TO BE ENTITLED  
1-16 AN ACT

1-17 relating to programs to promote economic development in the Office  
1-18 of the Governor and to the repeal of the governor's broadband  
1-19 development council.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Section 481.0066(e), Government Code, is amended  
1-22 to read as follows:

1-23 (e) The governor shall appoint an aerospace and aviation  
1-24 advisory committee consisting of:

1-25 (1) seven qualified members to assist in the state's  
1-26 economic development efforts to recruit and retain aerospace and  
1-27 aviation jobs and investment; ~~and~~

1-28 (2) one qualified member representing a federal entity  
1-29 or the United States armed forces; and

1-30 (3) one member for each active spaceport development  
1-31 corporation in the state who represents the interests of each  
1-32 respective spaceport development corporation.

1-33 SECTION 2. Section 481.167(a), Government Code, is amended  
1-34 to read as follows:

1-35 (a) The office shall establish the Texas Business and  
1-36 Community Economic Development Clearinghouse to provide  
1-37 information and assistance to businesses and communities in the  
1-38 state ~~[through the use of a statewide toll-free telephone service].~~

1-39 SECTION 3. Section 481.652(b), Government Code, is amended  
1-40 to read as follows:

1-41 (b) The purposes of the consortium are to:

1-42 (1) leverage the expertise and capacity of  
1-43 institutions of higher education, industry, and nonprofit  
1-44 stakeholders to advise and provide input to the office regarding  
1-45 [develop] a comprehensive strategic plan to ensure ongoing  
1-46 semiconductor innovation;

1-47 (2) sustain the leadership of this state in advanced  
1-48 semiconductor research, design, and manufacturing;

1-49 (3) provide recommendations to the executive  
1-50 committee on research and funding opportunities related to  
1-51 semiconductor research, design, commercialization, and  
1-52 manufacturing ~~[attract public and private investment in this state~~  
1-53 ~~related to research, development, commercialization, and~~  
1-54 ~~manufacturing of semiconductors];~~

1-55 (4) identify and advise the executive committee on  
1-56 [expand] opportunities for workforce training and development  
1-57 related to the research, design, and manufacturing of  
1-58 semiconductors; and

1-59 (5) establish a forum for public and private  
1-60 stakeholders across the semiconductor manufacturing industry in

2-1 this state to focus on education, research and development, and  
 2-2 commercial production.

2-3 SECTION 4. Section 481.654, Government Code, is amended by  
 2-4 amending Subsection (b) and adding Subsection (c) to read as  
 2-5 follows:

2-6 (b) The office shall hire or otherwise provide the staff and  
 2-7 provide the facilities necessary to assist the consortium in  
 2-8 performing the consortium's duties under this subchapter.

2-9 (c) The office shall hire an executive director. The  
 2-10 executive director shall direct staff assigned to report to the  
 2-11 executive director and assist the consortium in performing the  
 2-12 consortium's duties under this subchapter.

2-13 SECTION 5. Section 481.655, Government Code, is amended by  
 2-14 adding Subsections (a-1) and (a-2) to read as follows:

2-15 (a-1) An executive committee member appointed under  
 2-16 Subsections (a)(1) through (3) serves a six-year term at the  
 2-17 pleasure of the applicable appointing authority. The terms of  
 2-18 executive committee members appointed under Subsections (a)(1)  
 2-19 through (3) must be staggered so that, to the extent practicable,  
 2-20 the terms of one of those members expires on January 31 of each  
 2-21 odd-numbered year.

2-22 (a-2) An executive committee member who is a designee of an  
 2-23 executive committee member described by Subsection (a)(4) or (5)  
 2-24 serves a two-year term.

2-25 SECTION 6. Section 481.656(a), Government Code, is amended  
 2-26 to read as follows:

2-27 (a) The executive committee shall:

2-28 (1) advise and provide input to the office regarding  
 2-29 the [develop and execute a] comprehensive statewide strategic plan  
 2-30 to further the purposes [objectives] of:

2-31 (A) the consortium as established under Section  
 2-32 481.652; and

2-33 (B) the executive committee under this section;  
 2-34 and

2-35 (2) solicit recommendations from consortium members  
 2-36 on funding and research opportunities related to semiconductor  
 2-37 research, design, commercialization, and manufacturing[+]

2-38 [~~(3) appoint an executive director of the consortium~~  
 2-39 ~~and determine the title, functions, duties, powers, and salary for~~  
 2-40 ~~the executive director; and~~

2-41 [~~(4) prepare and submit the report required by Section~~  
 2-42 ~~481.657]~~.

2-43 SECTION 7. Subchapter GG, Chapter 481, Government Code, is  
 2-44 amended by adding Section 481.6565 to read as follows:

2-45 Sec. 481.6565. STRATEGIC PLAN. The office shall develop a  
 2-46 strategic plan for the promotion of the semiconductor economy in  
 2-47 this state.

2-48 SECTION 8. Section 481.657, Government Code, is amended to  
 2-49 read as follows:

2-50 Sec. 481.657. BIENNIAL REPORT. Not later than December 1 of  
 2-51 each even-numbered year, the office [~~executive committee~~] shall  
 2-52 prepare and submit to the governor and the Legislative Budget Board  
 2-53 a written report that outlines:

2-54 (1) activities undertaken to meet the purposes of the  
 2-55 consortium under Section 481.652;

2-56 (2) a summary of the funding and research  
 2-57 opportunities identified under Section 481.656(a)(2);

2-58 (3) any legislative recommendations to further the  
 2-59 purposes of the consortium;

2-60 (4) any prospective grants or funding the consortium  
 2-61 members expect to apply for or receive; and

2-62 (5) any research accomplishments associated with the  
 2-63 consortium.

2-64 SECTION 9. Section 481.658(b), Government Code, is amended  
 2-65 to read as follows:

2-66 (b) Money in the fund may be used to:

2-67 (1) provide matching funding to state entities,  
 2-68 including institutions of higher education, for semiconductor  
 2-69 manufacturing and design projects;

(2) award grants to business entities with an established presence in this state to encourage economic development related to semiconductor manufacturing and design; and

(3) subject to Subsection (c), pay for staff support services described by Section 481.654(b) [~~481.656(b)~~].

SECTION 10. Section 490D.051(c), Government Code, is amended to read as follows:

(c) The criteria established under Subsection (b)(1) must include a requirement that not less than 51 percent of [~~all or virtually~~] all significant parts and processing of a product originated in this state.

SECTION 11. The following provisions of the Government Code are repealed:

(1) Section 481.656(b); and

(2) Chapter 490H.

SECTION 12. This Act takes effect September 1, 2025.

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