

1-1 By: Birdwell, Hagenbuch S.B. No. 1758  
1-2 (In the Senate - Filed February 28, 2025; March 13, 2025,  
1-3 read first time and referred to Committee on Natural Resources;  
1-4 April 7, 2025, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 7, Nays 2; April 7, 2025,  
1-6 sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Birdwell	X			
1-10	Zaffirini	X			
1-11	Alvarado	X			
1-12	Blanco	X			
1-13	Flores	X			
1-14	Hancock		X		
1-15	Hughes	X			
1-16	Parker	X			
1-17	Sparks		X		

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1758 By: Birdwell

1-19 A BILL TO BE ENTITLED  
1-20 AN ACT

1-21 relating to the operation of a cement kiln and the production of  
1-22 aggregates near a semiconductor wafer manufacturing facility.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Chapter 382, Health and Safety Code, is amended  
1-25 by adding Subchapters M and M-1 to read as follows:

1-26 SUBCHAPTER M. CEMENT OR AGGREGATE PRODUCTION AND SEMICONDUCTOR  
1-27 WAFER MANUFACTURING FACILITY

1-28 Sec. 382.601. DEFINITIONS. In this subchapter:

1-29 (1) "Aggregate production operation" has the meaning  
1-30 assigned by Section 28A.001, Water Code.

1-31 (2) "Portland cement kiln" means a system, including  
1-32 any solid, gaseous, or liquid fuel combustion equipment, used to  
1-33 calcine and fuse raw materials, including limestone and clay, to  
1-34 produce portland cement clinker.

1-35 (3) "Semiconductor wafer manufacturing facility"  
1-36 means a manufacturing facility that conducts any of the following  
1-37 processes with respect to semiconductor production:

1-38 (A) growing single-crystal ingots or boules;

1-39 (B) wafer slicing;

1-40 (C) etching and polishing;

1-41 (D) bonding;

1-42 (E) cleaning;

1-43 (F) epitaxial deposition; or

1-44 (G) metrology.

1-45 Sec. 382.602. LIMITATION OF LIABILITY. An owner or  
1-46 operator of a facility operating under a new source review permit  
1-47 issued under this chapter that authorizes the operation of a  
1-48 portland cement kiln, or the production of aggregates at an  
1-49 aggregate production operation, is not liable for damages to a  
1-50 semiconductor wafer manufacturing facility resulting from seismic  
1-51 or vibrational disturbances caused by the cement or aggregate  
1-52 production facility owner's or operator's activities on the site of  
1-53 the cement or aggregate production facility if the cement or  
1-54 aggregate production facility began operating before the date the  
1-55 semiconductor wafer manufacturing facility began operating.

1-56 SUBCHAPTER M-1. CEMENT OR AGGREGATE PRODUCTION AND SEMICONDUCTOR  
1-57 WAFER MANUFACTURING FACILITY PILOT PROGRAM: GRAYSON COUNTY

1-58 Sec. 382.651. DEFINITIONS. In this subchapter:

1-59 (1) "Aggregate production operation" has the meaning  
1-60 assigned by Section 28A.001, Water Code.

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

(3) "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.

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

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

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

(2) a facility that:

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

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

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

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

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

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

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

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

(1) collaborate with:

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

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

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

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

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

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

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

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

SECTION 3. Section 382.602, Health and Safety Code, as

added by this Act, applies only to a cause of action that accrues on or after the effective date of this Act. A cause of action that accrues before the effective date of this Act is governed by the law applicable to the cause of action immediately before the effective date of this Act, and that law is continued in effect for that purpose.

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

\* \* \* \* \*