



# TEXAS CHIPS ACT HOUSE BILL 5174



Texas Economic Development & Tourism | Office of Governor Greg Abbott



*“Texas is the birthplace of the chip that changed world—and where the future of America’s semiconductor industry is already building. Today, Texas is the top state for semiconductor manufacturing, having led the nation for 12 years in the export of semiconductors and other electronic components. Significant industry investments announced in Texas in the last two years will further accelerate domestic semiconductor manufacturing, reducing reliance on foreign production and supply chains and further ensuring our nation’s security. Texas has the innovation, the infrastructure and the talent to continue to lead the American resurgence in critical semiconductor manufacturing and the technologies of tomorrow.”*

— Governor Greg Abbott



Texas is the #1 state in the U.S. for semiconductor manufacturing capacity, serving as a top location for industry investment and a critical force for bolstering domestic chip production. Initiatives enacted through the Texas CHIPS Act, passed during the 88th Legislative Session, will continue to help our state develop innovative strategies and programs to support semiconductor technology and innovation while growing semiconductor manufacturing, research, design and a skilled workforce.

**Texas CHIPS Act:** In June 2023, Governor Abbott signed into law the Texas CHIPS Act (House Bill 5174) to leverage Texas’ investments in the semiconductor industry, encourage semiconductor-related companies to expand in the state, further develop the expertise and capacity at Texas higher education institutions and maintain the state’s position as the nation’s leader in semiconductor manufacturing. The Texas CHIPS Act establishes the Texas Semiconductor Innovation Consortium (TSIC) and the Texas Semiconductor Innovation Fund (TSIF).

**Texas CHIPS Office:** The TSIC and TSIF will be administered by the Texas CHIPS Office, a newly formed division within the Texas Economic

Development & Tourism Office (EDT) in the Office of the Governor (OOG). EDT and OOG will provide the necessary resources to assist the TSIC in performing its duties.



### Texas Semiconductor Innovation Consortium (TSIC):

The TSIC will serve as an advisory panel to the Governor and the Texas Legislature; will be governed by an executive committee charged with developing and executing a comprehensive statewide strategic plan to further the objectives of the TSIC; and will be required to prepare and submit a biennial written report to the Governor and the Legislative Budget Board.



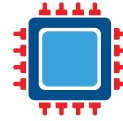
In June 2023, Governor Greg Abbott signed into law the Texas CHIPS Act (House Bill 5174).

The TSIC will leverage the expertise and capacity of institutions of higher education, industry and non-profit stakeholders to develop a comprehensive strategic plan to ensure ongoing semiconductor innovation; sustain Texas' leadership in semiconductor research, design and manufacturing; attract public and private investment in Texas related to semiconductors; identify and expand opportunities for workforce training and development related to semiconductors; and establish a forum for public and private stakeholders across the semiconductor manufacturing industry with Texas to focus on education, research and commercial production.

The TSIC is made up of a designee appointed by the office of the president for each of the following academic institutions of higher education:



The executive committee governing the TSIC includes three members appointed by the Governor, two members appointed by each of the Lieutenant Governor and Speaker of the House, in addition to the Chancellor of the Texas A&M University System and the Chancellor of the University of Texas System or their designees.



**Texas Semiconductor Innovation Fund (TSIF):** The TSIF may be used to match funding to state entities, such as institutions of higher education, for semiconductor research, design and manufacturing projects; and for grants to business entities with an established presence within the state of Texas to encourage economic development related to semiconductor manufacturing and design.

**Texas CHIPS Act Funding:** In June 2023, Texas lawmakers appropriated \$698 million for the new semiconductor fund. In addition, the Legislature appropriated more than \$660 million for the creation of advanced research and development centers at The University of Texas at Austin and Texas A&M University.

**The Future of Semiconductors:** Here in Texas, we are building the technologies of tomorrow. As the birthplace of the integrated circuit, new programs and initiatives through the Texas CHIPS Act show our state's firm commitment to leading the nation and the world towards the future of semiconductors. Thanks to these initiatives, coupled with a number of unmatched competitive business advantages for companies in the semiconductor industry, Texas is sure to remain today's premier destination for semiconductor industry advancement.

For more on the strong Texas semiconductor industry and updates on semiconductor initiatives and incentives established through Texas CHIPS Office and the Texas CHIPS Act, visit: [gov.texas.gov/semiconductors](http://gov.texas.gov/semiconductors).

## CONTACT US



### OFFICE OF THE GOVERNOR TEXAS ECONOMIC DEVELOPMENT & TOURISM

The Texas Economic Development & Tourism Office (EDT) serves as the state's leading economic development organization marketing Texas as the world's premier business investment destination. The office pursues business expansion and relocation prospects, with the goal of developing job creation and export opportunities for the Texas business community.

[gov.texas.gov/semiconductors](http://gov.texas.gov/semiconductors)



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