

BILL ANALYSIS

Senate Research Center
89R9575 KRM-D

S.B. 1758
By: Birdwell
Natural Resources
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Concerns have been raised regarding the ability of cement kilns, including associated aggregate production operations, and semiconductor wafer manufacturers to operate in proximity to one another, particularly in areas such as Grayson County where both industries find favorable conditions for site location.

S.B. 1758 creates a pilot program in Grayson County to determine a scientific-based zone within which existing semiconductor wafer manufacturers could incur, without negative impact, the vibrations caused by cement kilns and aggregate production operations. This bill requires a study and report to be conducted by The University of Texas Bureau of Economic Geology in consultation with owners or operators of the semiconductor wafer manufacturer and cement kilns and aggregate operations in Grayson County. The study will be delivered to the legislature for further consideration. To allow time for the study and actions of the legislature, this bill prohibits the authorization of cement kilns and associated aggregate permits within ten miles of such semiconductor wafer manufacturers in Grayson County until September 1, 2031.

Further, based on the critical need for aggregate materials and the stationary nature of the natural resources produced for the materials, this bill creates a limitation of liability for cement kilns who are in operation prior to the date a semiconductor wafer manufacturing facility began operation.

As proposed, S.B. 1758 amends current law relating to the operation of a cement kiln and the production of aggregates near a semiconductor wafer manufacturing facility.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 382, Health and Safety Code, by adding Subchapters M and M-1, as follows:

SUBCHAPTER M. CEMENT PRODUCTION AND SEMICONDUCTOR WAFER MANUFACTURING FACILITY

Sec. 382.601. DEFINITIONS. Defines "portland cement kiln" and "semiconductor wafer manufacturing facility."

Sec. 382.602. LIMITATION OF LIABILITY. Provides that an owner or operator of a facility operating under a new source review permit issued under Chapter 382 (Clean Air Act) that authorizes the operation of a portland cement kiln is not liable for damages to a semiconductor wafer manufacturing facility resulting from seismic or vibrational disturbances caused by the cement facility owner or operator's activities on the site of the cement facility if the cement facility began operating before the date the semiconductor wafer manufacturing facility began operating.

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

Sec. 382.651. DEFINITIONS. Defines "aggregate production operation," "bureau," "portland cement kiln," and "semiconductor wafer manufacturing facility."

Sec. 382.652. GRAYSON COUNTY PILOT PROGRAM. Provides that this subchapter applies only to:

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

(2) a facility that 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 includes or is sited adjacent to an aggregate production operation.

Sec. 382.653. STUDY AND REPORT. (a) Requires the Bureau of Economic Geology (bureau) to conduct a study, in consultation with owners or operators of facilities described by Section 382.652 in Grayson County, to analyze seismological data related to aggregate production operations, assess the vibrational impact of the production of aggregates on bedrock, 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 determine whether a minimum distance of more than 10 miles 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.

(b) Authorizes the bureau, in conducting the study under this section, to collaborate with the Texas Commission on Environmental Quality (TCEQ) and any other state agency, political subdivision, or institution of higher education and any other stakeholder or private entity as necessary and enter into a nondisclosure agreement with a private entity.

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

(d) Requires the bureau, not later than March 31, 2026, to 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. CEMENT PRODUCTION OPERATIONS WITHIN STUDY AREA. Prohibits TCEQ from issuing, renewing, or amending a permit or authorizing the use of a standard permit 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. Provides that this subchapter expires September 1, 2031.

SECTION 2. Makes application of Section 382.602, Health and Safety Code, as added by this Act, prospective.

SECTION 3. Effective date: upon passage or September 1, 2025.