

The House Committee on Economic Development and Tourism offers the following substitute to HB 1440:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 34 of Title 50 of the Official Code of Georgia Annotated, relating to the
2 OneGeorgia Authority, so as to enact the "Richard H. Smith Georgia CHIPS Advancement
3 in Research and Economic Development Act"; to provide for definitions; to provide for grant
4 and loan programs to incentivize and attract semiconductor companies to locate or relocate
5 to this state; to provide for research and development and advanced packaging incentives to
6 support such relocations; to provide for the establishment and purposes of the Kemp CHIPS
7 Economic Development Fund and the Research and Development and Advanced Packaging
8 Incentives Fund; to establish the Georgia CHIPS and Advanced Technology Consortium to
9 serve as an advisory body; to provide for an executive committee and its duties; to provide
10 for related matters; to provide for an effective date; to repeal conflicting laws; and for other
11 purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13 **SECTION 1.**

14 This Act shall be known and may be cited as the "Richard H. Smith Georgia CHIPS
15 Advancement in Research and Economic Development Act."

SECTION 2.

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Chapter 34 of Title 50 of the Official Code of Georgia Annotated, relating to the OneGeorgia Authority, is amended by adding a new Code section to read as follows:

"50-34-21.

(a) As used in this Code section, the term:

(1) 'Consortium' means the Georgia CHIPS and Advanced Technology Consortium established pursuant to this Code section.

(2) 'Executive committee' means the executive committee of the consortium.

(b) Subject to available funding, the authority shall establish grant programs, loan programs, or both for the purposes of:

(1) Leveraging the expertise and capacity of institutions of higher education in this state, industry, and nonprofit organizations focused on semiconductor and advanced technology economic and workforce development to develop a comprehensive strategic plan to ensure ongoing semiconductor innovation;

(2) Sustaining the leadership of this state in advanced semiconductor research, design, and manufacturing;

(3) Attracting public and private investment in this state related to research, development, commercialization, and manufacturing of semiconductors;

(4) Identifying and expanding opportunities for workforce training and development related to the research, design, and manufacturing of semiconductors and related advanced technologies;

(5) Establishing a forum for public and private stakeholders across the semiconductor manufacturing industry in this state to focus on education, research and development, and commercial production; and

(6) Encouraging and supporting the authorization and creation of joint development authorities to attract and support the semiconductor industry and related suppliers.

42 (c) The authority shall be authorized to receive and administer public and private funds
43 received pursuant to this Code section. Such funds shall be distributed through the
44 following separate funds, to the extent authorized by law:

45 (1) The Kemp CHIPS Economic Development Fund is hereby created. Such fund may
46 be used to provide grants to semiconductor companies who relocate to this state as well
47 as those currently in Georgia to support the expansion of the industry. Such grants and
48 loans:

49 (A) Shall be performance based and customized for the specific needs of each
50 company;

51 (B) May be utilized by a company seeking to locate to Georgia that has been vetted
52 commercially by the consortium and awarded federal funding to assist in the buildout
53 of their domestic commercial manufacturing;

54 (C) May be used to assist with employee relocation related expenses;

55 (D) May be directed using a preference for companies whose product also has a
56 demonstrated or feasible end-use for electric vehicles; and

57 (E) May be used to establish a site development fund to assist communities in the
58 preparation of sites for the semiconductor industry that can be applied for by economic
59 development organizations or local government entities; and

60 (2) The Research and Development and Advanced Packaging Incentives Fund is hereby
61 created. Such fund may be used for the following purposes:

62 (A) Pathway to workforce education and training grants for eligible recipients
63 including technical and community colleges in this state, local school systems,
64 nonprofit organizations supporting summer camps, and other entities supporting
65 development training or introduction to careers in semiconductors, microelectronics,
66 and respective laboratories;

67 (B) Providing matching funds for advanced packaging pilot facilities to advance an
68 institute of higher education application to apply for a national advanced packaging

69 pilot facility that would be located in Georgia. The funds would be utilized should an
70 institute be a recipient of such designation from a federal program; and

71 (C) Georgia innovation funds for:

72 (i) Public-private commercialization initiatives for grants to match private investment
73 supporting research and development commercialization in partnership with Georgia
74 institutions of higher education;

75 (ii) University research and development initiatives aimed at helping institutions of
76 higher education in this state recruit distinguished researchers and engineers from
77 around the world to the State of Georgia to bolster both the standing of institutions of
78 higher education in this state and economic development efforts state wide; and

79 (iii) Microelectronics incubator initiatives to assist small business growth and create
80 new jobs through increased access to capital. Funding for such initiatives is intended
81 to assist all small businesses but shall focus on traditionally marginalized
82 communities and businesses that focus on uplifting those communities.

83 (d)(1) The Georgia CHIPS and Advanced Technology Consortium (GCATC) is
84 established as an advisory panel to the authority for purposes of administering grant and
85 loan programs pursuant to this Code section. The consortium shall be composed of a
86 designee of each of the following institutions of higher education appointed by the office
87 of the president of each respective institution:

88 (A) Georgia Institute of Technology;

89 (B) University of Georgia;

90 (C) Georgia State University;

91 (D) Kennesaw State University;

92 (E) University of North Georgia;

93 (F) University of West Georgia;

94 (G) Valdosta State University;

95 (H) Columbus State University;

- 96 (I) Morehouse College; and
97 (J) Georgia Southern University.
- 98 (2) In addition to the appointments under paragraph (1) of this subsection, the executive
99 committee established under subsection (e) of this Code section may appoint any other
100 entity or individual the executive committee considers necessary.
- 101 (3) In making appointments under paragraphs (1) and (2) of this subsection, priority shall
102 be given to individuals with experience in semiconductor design and manufacturing.
- 103 (e)(1) The consortium shall be governed by an executive committee composed of the
104 following members:
- 105 (A) Three members appointed by the Governor;
106 (B) Two members appointed by the President of the Senate;
107 (C) Two members appointed by the Speaker of the House of Representatives;
108 (D) The chancellor of the University System of Georgia or his or her designee; and
109 (E) The president of Technical College System of Georgia or his or her designee.
- 110 (2) In making appointments under paragraph (1) of this subsection, priority shall be
111 given to individuals with experience in manufacturing, design, industrial development,
112 academic research, and scientific research in the field of semiconductors.
- 113 (3) In making appointments under paragraph (1) of this subsection, the Governor, the
114 President of the Senate, and the Speaker of the House of Representatives shall coordinate
115 to ensure that at least two representatives from the commercial semiconductor design and
116 manufacturing sectors with an established presence in the state are appointed to the
117 executive committee.
- 118 (f)(1) The executive committee shall:
- 119 (A) Develop and execute a comprehensive statewide strategic plan to further the
120 purposes set out in subsection (b) of this Code section;

121 (B) Solicit recommendations from consortium members on funding and research
122 opportunities related to semiconductor research, design, commercialization, and
123 manufacturing;

124 (C) Appoint an executive director of the consortium and determine the title, functions,
125 duties, powers, and salary for the executive director; and

126 (D) Prepare and submit the report required by paragraph (2) of this subsection.

127 (2) Not later than December 1 of each even-numbered year, the executive committee
128 shall prepare and submit a report to the authority that outlines:

129 (A) Activities undertaken to meet the purposes set out in subsection (b) of this Code
130 section;

131 (B) A summary of the funding and research opportunities identified under
132 subparagraph (B) of paragraph (1) of this subsection;

133 (C) Any legislative recommendations to further the purposes set out in subsection (b)
134 of this Code section;

135 (D) Any prospective grants or funding the consortium members expect to apply for or
136 receive; and

137 (E) Any research accomplishments associated with the consortium."

138 **SECTION 3.**

139 This Act shall become effective upon its approval by the Governor or upon its becoming law
140 without such approval.

141 **SECTION 4.**

142 All laws and parts of laws in conflict with this Act are repealed.