

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 29, 2011**

**TO:** Honorable Byron Cook, Chair, House Committee on State Affairs

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB2765** by Gallego (Relating to the update of discounted telecommunication services provided to educational institutions, libraries, hospitals, and health centers.), **As Introduced**

**There is an indeterminate savings to the state from the provisions of this bill because it would continue the prohibition on rate increases for private network services, the provision of discounted rates for private network services, and other benefits currently provided to educational institutions, libraries, hospitals and telemedicine centers under Chapters 58 of the Utilities Code.**

The bill would amend the Utilities Code to continue the prohibition on rate increases for private network services, the provision of discounted rates for private network services, and other benefits currently provided to educational institutions, libraries, hospitals and telemedicine centers under Chapters 58 of the Utilities Code for another 8 years through January 1, 2020. The bill would also add nonprofit health centers to the list of eligible entities under the chapter, clarify the definition of “health center” and update the language in the statute to include new technologies.

The exact savings due to implementing the provisions of the bill cannot be determined because the fiscal impact would depend on the actions of telecommunications service providers in setting rates. Since the potential increased costs would vary by entity if the date on which the benefits provided in Chapters 58 are set to expire were not changed by the bill, savings to the state cannot be determined.

**Local Government Impact**

It is anticipated that there would be an indeterminate savings to local government entities that are currently benefitting from provisions in Chapter 58. However, the amount of savings due to implementing the provisions of the bill cannot be determined because the fiscal impact would depend on the actions of telecommunications service providers in setting rates. Since the potential increased costs would vary by entity if the date on which the benefits provided in Chapters 58 are set to expire were not changed by the bill, savings to local entities cannot be determined.

**Source Agencies:** 473 Public Utility Commission of Texas

**LBB Staff:** JOB, KJG, MW, RAN, AG