

# SENATE AMENDMENTS

## 2<sup>nd</sup> Printing

By: Anderson, King of Uvalde, Nevárez, Leman,  
Price

H.B. No. 2422

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the coordination of certain broadband projects by the  
3 Texas Department of Transportation.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Chapter 201, Transportation Code, is amended by  
6 adding Subchapter H-1 to read as follows:

7 SUBCHAPTER H-1. COORDINATION OF BROADBAND INSTALLATION

8 Sec. 201.671. DEFINITIONS. In this subchapter:

9 (1) "Broadband" means a mass-market retail service by  
10 wire or radio that provides the capability to transmit data to and  
11 receive data from all or substantially all Internet endpoints,  
12 including capabilities that are incidental to and enable the  
13 operation of the service. The term includes a service that is  
14 functionally equivalent to the service described by this  
15 subdivision.

16 (2) "Broadband conduit" means a conduit, pipe,  
17 innerduct, or microduct for fiber optic or other cables that  
18 supports broadband and wireless facilities for broadband.

19 Sec. 201.672. DUTIES. (a) The department shall encourage  
20 and coordinate efforts to plan, relocate, install, or improve  
21 broadband conduit in highway rights-of-way in conjunction with any  
22 current or planned highway construction.

23 (b) The department shall develop a strategy to facilitate  
24 the timely and efficient deployment of broadband conduit or other

1 broadband facilities on state-owned land and in state-owned  
2 buildings in areas where such a strategy is needed.

3 (c) The department shall give special consideration to  
4 projects described by Subsection (a) or (b) that are likely to  
5 improve access to broadband by rural or underserved communities.

6 (d) To the extent practicable, the department shall assist  
7 political subdivisions in taking advantage of voluntary joint  
8 trenching opportunities.

9 (e) This section does not authorize the department to  
10 require a conduit or facility in a right-of-way to be relocated at  
11 the conduit or facility owner's expense.

12 Sec. 201.673. REPORT. Annually, the department shall  
13 submit to the legislature a report that explains the actions taken  
14 by the department in carrying out this subchapter, any gains in  
15 broadband speed or access associated with voluntary joint trenching  
16 opportunities, and any costs or cost savings to the state, private  
17 entities, or end users of broadband services associated with  
18 voluntary joint trenching opportunities.

19 SECTION 2. This Act takes effect September 1, 2019.

ADOPTED

MAY 22 2019

*Leta Spaw*  
Secretary of the Senate

2402  
2402

By: Perry

H.B. No. 2402

Substitute the following for \_\_\_B. No. \_\_\_\_\_:

By: *Robert Lee Nichols*

C.S. \_\_\_B. No. \_\_\_\_\_

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11 receive data from all or substantially all Internet endpoints,  
12 including capabilities that are incidental to and enable the  
13 operation of the service. The term includes a service that is  
14 functionally equivalent to the service described by this  
15 subdivision.

16 (2) "Broadband conduit" means a conduit, pipe,  
17 innerduct, or microduct for fiber-optic or other cables that  
18 supports broadband and wireless facilities for broadband.

19 Sec. 201.672. COORDINATION. (a) The department shall  
20 provide notice on the department's Internet website of ongoing and  
21 planned highway construction projects for which the department will  
22 provide voluntary joint trenching opportunities in the state's  
23 right-of-way for broadband providers. A broadband provider may  
24 collaborate with the department to deploy broadband conduit or

1 other broadband facilities in those rights-of-way.

2 (b) The department shall give special consideration to  
3 broadband deployment described by Subsection (a) that is likely to  
4 improve access to broadband by rural or underserved communities.

5 (c) To the extent practicable, the department shall assist  
6 political subdivisions in taking advantage of voluntary joint  
7 trenching opportunities.

8 Sec. 201.673. REPORT. Annually, the department shall  
9 submit to the legislature a report that explains the actions taken  
10 by the department in carrying out this subchapter and identifies  
11 any costs or cost savings to the state and private entities  
12 associated with voluntary joint trenching opportunities.

13 SECTION 2. This Act takes effect September 1, 2019.

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 23, 2019**

**TO:** Honorable Dennis Bonnen, Speaker of the House, House of Representatives

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE:** **HB2422** by Anderson, Charles "Doc" (Relating to the coordination of certain broadband projects by the Texas Department of Transportation.), **As Passed 2nd House**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would require the Texas Department of Transportation (TxDOT) to provide notice on the TxDOT website of construction projects for which TxDOT will provide joint trenching opportunities in the state's right-of-way for broadband providers. The bill would authorize a broadband provider to collaborate with TxDOT to deploy broadband conduit or other broadband facilities in those rights-of-way. The bill would require TxDOT, to the extent practicable, to assist political subdivisions in taking advantage of joint trenching opportunities. The bill would require TxDOT to submit an annual report to the Legislature that explains the actions taken by TxDOT to carry out the provisions of the bill and identifies any costs or cost savings to the State and private entities associated with joint trenching opportunities.

Based on the information provided by TxDOT, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 601 Department of Transportation

**LBB Staff:** WP, SD, CLo, TG

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 13, 2019**

**TO:** Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB2422** by Anderson, Charles "Doc" (Relating to the coordination of certain broadband projects by the Texas Department of Transportation.), **Committee Report 2nd House, Substituted**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would require the Texas Department of Transportation (TxDOT) to provide notice on the TxDOT website of construction projects for which TxDOT will provide joint trenching opportunities in the state's right-of-way for broadband providers. The bill would authorize a broadband provider to collaborate with TxDOT to deploy broadband conduit or other broadband facilities in those rights-of-way. The bill would require TxDOT, to the extent practicable, to assist political subdivisions in taking advantage of joint trenching opportunities. The bill would require TxDOT to submit an annual report to the Legislature that explains the actions taken by TxDOT to carry out the provisions of the bill and identifies any costs or cost savings to the State and private entities associated with joint trenching opportunities.

Based on the information provided by TxDOT, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 601 Department of Transportation

**LBB Staff:** WP, CLo, TG

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 2, 2019**

**TO:** Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB2422** by Anderson, Charles "Doc" (Relating to the coordination of certain broadband projects by the Texas Department of Transportation.), **As Engrossed**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would require the Texas Department of Transportation (TxDOT) to encourage and coordinate efforts to plan, relocate, install, or improve broadband service in certain highway rights-of-way. The bill would require TxDOT to develop a strategy to facilitate the timely and efficient deployment of broadband facilities on state-owned land and in state-owned buildings in areas where such a strategy is needed. The bill would require TxDOT, to the extent practicable, to assist political subdivisions in taking advantage of voluntary joint trenching opportunities. The bill would require TxDOT to submit an annual report to the Legislature that explains the actions taken by TxDOT in carrying out the provisions of the bill, any gains in broadband speed or access associated with voluntary joint trenching opportunities, and any costs or cost savings to the state, private entities, or end users of broadband services associated with voluntary joint trenching opportunities.

Based on LBB's analysis of information provided by TxDOT, it is assumed TxDOT would accomplish the duties required by the bill either by contracting out the additional work or through the reallocation of the agency's current staff resources. It is assumed any costs associated with implementing the provisions of the bill could be absorbed within the agency's current funding.

**Local Government Impact**

According to the Texas Association of Counties, no significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 601 Department of Transportation

**LBB Staff:** WP, CLo, CMA, TG

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 14, 2019**

**TO:** Honorable Dade Phelan, Chair, House Committee on State Affairs

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB2422** by Anderson, Charles "Doc" (relating to the coordination of certain broadband projects by the Texas Department of Transportation.), **Committee Report 1st House, Substituted**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would require the Texas Department of Transportation (TxDOT) to encourage and coordinate efforts to plan, relocate, install, or improve broadband service in certain highway rights-of-way. The bill would require TxDOT to develop a strategy to facilitate the timely and efficient deployment of broadband facilities on state-owned land and in state-owned buildings in areas where such a strategy is needed. The bill would require TxDOT, to the extent practicable, to assist political subdivisions in taking advantage of voluntary joint trenching opportunities. The bill would require TxDOT to submit an annual report to the Legislature that explains the actions taken by TxDOT in carrying out the provisions of the bill, any gains in broadband speed or access associated with voluntary joint trenching opportunities, and any costs or cost savings to the state, private entities, or end users of broadband services associated with voluntary joint trenching opportunities.

Based on LBB's analysis of information provided by TxDOT, it is assumed TxDOT would accomplish the duties required by the bill either by contracting out the additional work or through the reallocation of the agency's current staff resources. It is assumed any costs associated with implementing the provisions of the bill could be absorbed within the agency's current funding.

**Local Government Impact**

According to the Texas Association of Counties, no significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 601 Department of Transportation

**LBB Staff:** WP, CMa, TG



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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**March 24, 2019**

**TO:** Honorable Dade Phelan, Chair, House Committee on State Affairs

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
 Legislative Budget Board

**IN RE: HB2422** by Anderson, Charles "Doc" (Relating to the coordination of certain broadband projects by the Public Utility Commission of Texas.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2422, As Introduced: a negative impact of (\$671,657) through the biennium ending August 31, 2021.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$287,853)
2021	(\$383,804)
2022	(\$383,804)
2023	(\$383,804)
2024	(\$383,804)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2019
2020	(\$287,853)	3.0
2021	(\$383,804)	3.0
2022	(\$383,804)	3.0
2023	(\$383,804)	3.0
2024	(\$383,804)	3.0

**Fiscal Analysis**

The bill would require the Public Utility Commission (PUC), in collaboration with the Department of Transportation (TxDOT) and private entities, to encourage and coordinate efforts to plan, relocate, install, or improve broadband service in certain highway rights-of-way. In this

collaboration, the PUC would be required to evaluate engineering and design standards, procedures and criteria for contracts or lease agreements and provide for allocation of risk, costs, and any revenue generated. Additionally, the PUC would develop a strategy to facilitate the timely and efficient deployment of broadband facilities on state-owned land and in state-owned buildings. The PUC would assist political subdivisions in adopting and implementing broadband projects. Finally, the PUC would submit a report on the number of projects receiving assistance from the PUC.

The PUC estimates the agency would need 3.0 additional FTEs to implement the provisions of the bill, due to the technical nature of the requirements. The agency does not currently have staff with this expertise. TxDOT indicates that while it is unable to determine an exact cost, it could accomplish its duties within existing resources. TxDOT also notes that based on research it conducted in 2017, the cost of installing broadband conduit in highway rights of way would be \$1.7 million to \$3.4 million per mile.

### **Methodology**

PUC would require 2.0 Engineer VI (\$95,000 each) and 1.0 Program Specialist VII (\$90,000). The total salaries would be \$280,000, the total travel and other operating expense would be \$6,000, and total insurance and retirement benefits would be \$97,804. It is assumed that this cost would be reduced by 25 percent in the first year due to time required to hire these new positions.

### **Local Government Impact**

According to the Texas Association of Counties, no significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 303 Facilities Commission, 313 Department of Information Resources,  
473 Public Utility Commission of Texas, 601 Department of  
Transportation

**LBB Staff:** WP, CMa, SGr, MB, AF