

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 26, 2021

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB5 by Ashby (Relating to the expansion of broadband services to certain areas.), **Conference Committee Report**

Depending upon the amount of grants, loans or incentives needed to expand broadband services in needed areas of the state, there would be an indeterminate fiscal implication to the state. Therefore, the fiscal implications of the bill cannot be determined.

The bill would create the Broadband Development Office (BDO) within the Comptroller's Office. The BDO would be required to establish a program to award grants, low interest loans, and other financial incentives to applicants for the purpose of expanding access to and adoption of broadband service in eligible designated areas. The amount of grants, loans or incentives needed is unknown.

The BDO would be required to establish and annually update a map that classifies each designated area in the state as eligible or ineligible for BDO program incentives. The map would have to be published by the BDO on the Comptroller's website by September 1, 2022.

The bill would create the new Broadband Development Account in the General Revenue Fund. The account would consist of legislative appropriations, gifts, grants, donations, and federal funds received for the purpose of broadband development. Money in the account could only be used for purposes of administering the BDO, creating or updating the map, creating or updating the state broadband plan, or engaging in outreach to communities regarding the expansion and adoption of broadband service and the programs administered by the office.

According to the Comptroller's Office, the proposed legislation is anticipated to result in a five year General Revenue cost to the agency of \$3.8 million and require 5.0 additional FTEs to staff and perform the duties of the BDO.

The legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

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

Source Agencies: 300 Trusteed Programs - Gov, 304 Comptroller of Public Accounts

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