

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 16, 2021

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1505 by Paddie (Relating to attachments for broadband service on utility poles owned by an electric cooperative and establishing and funding a pole replacement program for deployment of certain broadband facilities.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1505, As Engrossed : an impact of \$0 through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from CORONAVIRUS RELIEF FUND 325	Probable Revenue Gain/(Loss) from Broadband Pole Replacement Fund - Outside of General Revenue
2022	(\$75,000,000)	\$75,000,000
2023	\$0	\$0
2024	\$0	\$0
2025	\$0	\$0
2026	\$0	\$0

Fiscal Analysis

The bill would create the Broadband Pole Replacement Fund (fund) as a fund in the state treasury outside General Revenue. The bill would direct the Comptroller to make a one-time transfer of \$75 million to the new fund from money received from the federal Coronavirus Capital Projects Fund.

The bill would create the Texas Broadband Pole Replacement Program, to be administered by the Comptroller. The program would reimburse pole owners or broadband service providers the lesser of 50 percent of eligible

pole replacement costs or \$5,000 for removing and replacing existing poles in unserved areas for the purpose of accommodating the attachment of an eligible broadband facility.

The bill would require the Public Utility Commission (PUC) to adopt and enforce rules on pole replacement compensation for electric cooperatives within 180 days of a change in certain federal statutes relating to pole attachments.

This 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 in, with, or outside of the Treasury, or create a dedicated revenue source.

Methodology

The PUC anticipates that the bill would have no significant fiscal impact to the agency and the provisions of the bill could be implemented using existing resources. Administrative costs to the Comptroller cannot be estimated at this time.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel

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