

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 16, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB5 by Nichols (Relating to the expansion of broadband services to certain areas.), **As Introduced**

Depending upon the amount of grants, loans or incentives needed to expand broadband services in needed areas of the state and upon the costs to staff and perform the duties of the State Broadband Development Office, 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 State Broadband Development Office (SBDO), which is administratively attached to The University of Texas System. The SBDO would be required to establish and annually update a map that designates the eligibility of each census block. The map would have to be published by the SBDO on its website by September 1, 2022. The bill would require the SBDO to develop a state broadband plan by September 1, 2022.

The SBDO is 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 census blocks.

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 SBDO or creating or updating the map.

According to The University of Texas System, the proposed legislation is anticipated to result in a five year general revenue cost to the agency of \$2.7 million and require 2.5 additional FTEs.

Additionally, there would be indeterminate costs to staff and perform the duties of the SBDO and the amount of grants, loans or incentives needed to expanded broadband services in needed areas is unknown.

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

According to the Texas Association of Counties, no significant fiscal impact to counties is anticipated.

According to the cities of Abilene, El Paso, and Houston, no fiscal impact is anticipated.

Source Agencies: 300 Trusteed Programs - Gov, 304 Comptroller of Public Accounts, 473 Public Utility Commission of Texas, 710 Texas A&M Univ System Admin, 720 UT Sys Admin, 768 Texas Tech Univ Sys Admin, 783 Univ of Houston Sys Admin

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