

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Ashby, Anderson, Paddie, Price, Canales,  
et al.

H.B. No. 5

A BILL TO BE ENTITLED

AN ACT

relating to the expansion of broadband services to certain areas.

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

SECTION 1. Section 490H.002, Government Code, is amended to  
read as follows:

Sec. 490H.002. COMPOSITION. (a) The council is composed of  
one nonvoting member appointed by the broadband development office  
and the following [17] voting members appointed by the governor:

(1) two representatives of separate Internet service  
provider industry associations, including at least one  
representative of an association that primarily represents small  
providers, as defined by Section 56.032, Utilities Code~~[, appointed~~  
~~by the governor]~~;

(2) one representative of the health information  
technology industry~~[, appointed by the governor]~~;

(3) two representatives of unaffiliated nonprofit  
organizations that advocate for elderly persons statewide~~[,~~  
~~appointed by the governor]~~;

(4) two representatives of unaffiliated nonprofit  
organizations that have a demonstrated history of working with the  
legislature and the public to identify solutions for expanding  
broadband to rural, unserved areas of this state~~[, appointed by the~~  
~~governor]~~;

(5) one representative of an agricultural advocacy

1 organization in this state[~~, appointed by the governor~~];

2 (6) one representative of a hospital advocacy  
3 organization in this state[~~, appointed by the governor~~];

4 (7) one representative of a medical advocacy  
5 organization in this state[~~, appointed by the governor~~];

6 (8) one county official who serves in an elected  
7 office of a county with a population of less than 35,000[~~, appointed~~  
8 ~~by the governor~~];

9 (8-a) one county clerk of a county with a population of  
10 less than 60,000;

11 (8-b) one sheriff of a county with a population of less  
12 than 60,000;

13 (9) one municipal official who serves in an elected  
14 office of a municipality with a population of less than 20,000  
15 located in a county with a population of less than 60,000[~~,~~  
16 ~~appointed by the governor~~];

17 (10) one representative of an institution of higher  
18 education that has its main campus in a county with a population of  
19 less than 60,000[~~, appointed by the governor~~];

20 (11) one representative of a school district with a  
21 territory that includes only counties with a population of less  
22 than 60,000[~~, appointed by the governor~~];

23 (12) one representative from a library association[~~,~~  
24 ~~appointed by the governor~~];

25 (13) one hospital administrator employed by a licensed  
26 hospital located in a county with a population of less than 60,000

27 [~~member of the house of representatives, appointed by the speaker~~]

~~of the house of representatives]; [and]~~

(14) one representative from an electric cooperative providing broadband ~~[state senator, appointed by the lieutenant governor];~~

(15) one representative of a school district with a territory that includes all or part of a county with a population of more than 500,000; and

(16) one representative of a nonprofit organization that has a demonstrated history of facilitating broadband adoption by offering digital literacy training or providing access to broadband technology.

(b) The entities making appointments under Subsection (a) shall, to the greatest extent practicable, ensure that the composition of the council reflects the racial and ethnic composition of the state.

(c) ~~[(b)]~~ A member of the council appointed under Subsection (a) serves for a five-year term.

(d) ~~[(c)]~~ A vacancy on the council is filled in the same manner as the original appointment.

SECTION 2. Section 490H.003, Government Code, is amended to read as follows:

Sec. 490H.003. COUNCIL OFFICERS; COMMITTEES ~~[PRESIDING OFFICER]~~. (a) The governor shall designate from the members of the council a chair and vice chair ~~[the presiding officer]~~ of the council for two-year terms.

(b) The chair and the vice chair each must reside in a county with a population of:

1           (1) less than 100,000; or

2           (2) more than 250,000.

3           (c) When designating a chair or vice chair, the governor  
4 shall ensure that:

5           (1) during a term when the chair resides in a county  
6 with a population of more than 250,000, the vice chair resides in a  
7 county with a population of less than 100,000;

8           (2) during a term when the chair resides in a county  
9 with a population of less than 100,000, the vice chair resides in a  
10 county with a population of more than 250,000;

11           (3) persons described by Subdivision (1) are  
12 immediately succeeded by persons described by Subdivision (2); and

13           (4) persons described by Subdivision (2) are  
14 immediately succeeded by persons described by Subdivision (1).

15           (d) The chair may appoint subcommittees and technical  
16 advisory committees to assist with the duties of the council.

17           SECTION 3. Section 490H.004, Government Code, is amended by  
18 amending Subsection (b) and adding Subsections (c) and (d) to read  
19 as follows:

20           (b) The council shall convene at the call of the chair or, if  
21 the chair is unable to call a meeting or does not call at least one  
22 meeting to meet the requirements of Subsection (a), at the call of  
23 the vice chair [~~presiding officer~~].

24           (c) The council shall:

25           (1) post the agenda for each council meeting on the  
26 council's Internet website at least 48 hours before the meeting;  
27 and



1           (2) not later than the 14th day after the date of each  
2 meeting, post on the council's Internet website the minutes or  
3 recording of the meeting required under Section 551.021.

4           (d) As an exception to Chapter 551 and other law, the  
5 council may meet by use of video conference call. This subsection  
6 applies for purposes of constituting a quorum, for purposes of  
7 voting, and for any other purpose allowing a member of the council  
8 to fully participate in any meeting of the council. A meeting held  
9 by use of video conference call:

10           (1) must be open to the public, which includes a video  
11 broadcast of the meeting in real time through the council's  
12 Internet website;

13           (2) must specify in the meeting notice the link to the  
14 video broadcast described by Subdivision (1); and

15           (3) must provide two-way video communication between  
16 all council members attending the meeting.

17           SECTION 4. Sections 490H.006(a) and (b), Government Code,  
18 are amended to read as follows:

19           (a) The council shall:

20           (1) research the progress of:  
21               (A) broadband development in unserved areas;  
22               (B) deployment of broadband statewide;  
23               (C) purchase of broadband by residential and  
24 commercial customers; and  
25               (D) patterns and discrepancies in access to  
26 broadband;

27           (2) identify barriers to residential and commercial

broadband deployment in unserved areas;

(3) study:

(A) technology-neutral solutions to overcome barriers identified under Subdivision (2); and

(B) industry and technology trends in broadband; and

(4) analyze how statewide access to broadband would benefit:

(A) economic development;

(B) the delivery of educational opportunities in higher education and public education;

(C) state and local law enforcement;

(D) state emergency preparedness; and

(E) the delivery of health care services, including telemedicine and telehealth.

(b) The council may research another matter related to broadband ~~[only if a majority of the council approves researching the matter]~~.

SECTION 5. Subtitle F, Title 4, Government Code, is amended by adding Chapter 490I to read as follows:

CHAPTER 490I. BROADBAND DEVELOPMENT OFFICE

Sec. 490I.0101. THRESHOLD SPEED FOR BROADBAND SERVICE. (a) For purposes of this chapter, subject to Subsection (b), "broadband service" means Internet service with the capability of providing:

(1) a download speed of 25 megabits per second or faster; and

(2) an upload speed of three megabits per second or

1 faster.

2 (b) If the Federal Communications Commission adopts upload  
3 or download threshold speeds for advanced telecommunications  
4 capability under 47 U.S.C. Section 1302 that are different than  
5 those specified by Subsection (a), the comptroller may require  
6 Internet service to be capable of providing download or upload  
7 speeds that match that federal threshold in order to qualify under  
8 this chapter as "broadband service."

9 (c) Not later than the 60th day after the date the  
10 comptroller adjusts the minimum download or upload speeds required  
11 for Internet service to qualify as "broadband service," the  
12 broadband development office shall publish on the comptroller's  
13 Internet website the adjusted minimum download and upload speeds.

14 Sec. 490I.0102. OFFICE. (a) The broadband development  
15 office is an office within the comptroller's office.

16 (b) The comptroller may employ additional employees  
17 necessary for the discharge of the duties of the broadband  
18 development office.

19 (c) The broadband development office:

20 (1) is under the direction and control of the  
21 comptroller;

22 (2) shall promote the policies enumerated in this  
23 chapter; and

24 (3) may perform any action authorized by state or  
25 federal law.

26 Sec. 490I.0103. POWERS AND DUTIES. (a) The broadband  
27 development office shall:

1           (1) serve as a resource for information regarding  
2 broadband service and digital connectivity in this state;

3           (2) engage in outreach to communities regarding the  
4 expansion, adoption, affordability, and use of broadband service  
5 and the programs administered by the office; and

6           (3) serve as an information clearinghouse in relation  
7 to:

8                   (A) federal programs providing assistance to  
9 local entities with respect to broadband service; and

10                   (B) addressing barriers to digital connectivity.

11           (b) The office has the powers necessary to carry out the  
12 duties of the office under this chapter, including the power to  
13 enter into contracts and other necessary instruments.

14           (c) This chapter does not grant the comptroller authority to  
15 regulate broadband services or broadband service providers or,  
16 except as required of an applicant or recipient under Section  
17 490I.0106, to require broadband service providers to submit  
18 information to the comptroller.

19           (d) For the purpose of carrying out a duty or power of the  
20 office under this chapter, the office may:

21                   (1) advertise in any available media; and

22                   (2) promote the office's programs and functions.

23           Sec. 490I.0104. PARTICIPATION IN PROCEEDINGS OF THE FEDERAL  
24 COMMUNICATIONS COMMISSION. (a) The broadband development office  
25 may monitor, participate in, and provide input in proceedings of  
26 the Federal Communications Commission related to the geographic  
27 availability and deployment of broadband service in this state to

1 ensure that:

2 (1) the information available to the Federal  
3 Communications Commission reflects the current status of  
4 geographic availability and deployment of broadband service in this  
5 state; and

6 (2) this state is best positioned to benefit from  
7 broadband service deployment programs administered by federal  
8 agencies.

9 (b) The office may participate in a process established by  
10 the Federal Communications Commission allowing governmental  
11 entities to challenge the accuracy of the commission's information  
12 regarding the geographic availability and deployment of broadband  
13 service.

14 (c) The office shall establish procedures and a data  
15 collection process in accordance with rules established by the  
16 Federal Communications Commission for the Digital Opportunity Data  
17 Collection that will enable the office to participate in the  
18 process described by Subsection (b).

19 Sec. 490I.0105. BROADBAND DEVELOPMENT MAP. (a) The  
20 broadband development office shall create, update annually, and  
21 publish on the comptroller's Internet website a map classifying  
22 each designated area in this state as:

23 (1) an eligible area, if fewer than 80 percent of the  
24 addresses in the designated area have access to broadband service;  
25 or

26 (2) an ineligible area, if 80 percent or more of the  
27 addresses in the designated area have access to broadband service.

1        (b) The comptroller by rule may determine the scope of a  
2 designated area under Subsection (a).

3        (c) The map required by Subsection (a) must display:

4            (1) the number of broadband service providers that  
5 serve each designated area;

6            (2) for each eligible area, an indication of whether  
7 the area has access to Internet service that is not broadband  
8 service, regardless of the technology used to provide the service;  
9 and

10           (3) each public preschool or primary or secondary  
11 school in this state and an indication of whether the school has  
12 access to broadband service.

13        (d) The office must create, update, and publish the map in a  
14 manner consistent with the most current mapping methodology adopted  
15 by the Federal Communications Commission.

16        (e) Except as provided by Subsection (c), the office shall  
17 use information available from the Federal Communications  
18 Commission to create or update the map.

19        (f) If information from the Federal Communications  
20 Commission is not available or not sufficient for the office to  
21 create or update the map, the office may request the necessary  
22 information from a political subdivision or broadband service  
23 provider, and the subdivision or provider may report the  
24 information to the office. The office may not require a subdivision  
25 or provider to report information in a format different from the  
26 format required by the most current mapping methodology adopted by  
27 the Federal Communications Commission.

1       (g) Information a broadband service provider reports to the  
2 office under Subsection (f) and information provided by the Federal  
3 Communications Commission, if not publicly available, is  
4 confidential and not subject to disclosure under Chapter 552.

5       (h) The office may contract with a private consultant or  
6 other appropriate person who is not associated or affiliated with a  
7 commercial broadband provider, including a local governmental  
8 entity, to provide technical or administrative assistance to the  
9 office for the purpose of creating or updating the map.

10       (i) The office may release information reported under  
11 Subsection (f) to a contractor providing services under Subsection  
12 (h). The contractor shall:

13               (1) keep the information confidential; and  
14               (2) return the information to the office on the  
15 earliest of the following dates:

16                       (A) the date the contract expires;  
17                       (B) the date the contract is terminated; or  
18                       (C) the date the mapping project for which the  
19 contractor is providing services is complete.

20       (j) A person who contracts under Subsection (h) may not  
21 provide services for a broadband provider in this state before the  
22 second anniversary of the last day the person was under the  
23 contract.

24       (k) The office shall establish criteria for determining  
25 whether a designated area should be reclassified as an eligible  
26 area or an ineligible area. The criteria must include an evaluation  
27 of Internet speed test data and information on end user addresses.

1       (l) A broadband service provider or political subdivision  
2 may petition the office to reclassify a designated area on the map  
3 as an eligible area or ineligible area. The office shall provide  
4 notice of the petition to each broadband service provider that  
5 provides broadband service to the designated area and post notice  
6 of the petition on the comptroller's Internet website.

7       (m) Not later than the 45th day after the date that a  
8 broadband provider receives notice under Subsection (l), the  
9 provider shall provide information to the office showing whether  
10 the designated area should or should not be reclassified.

11       (n) Not later than the 75th day after the date that a  
12 broadband provider receives notice under Subsection (l), the office  
13 shall determine whether to reclassify the designated area on the  
14 map and update the map as necessary. A determination made by the  
15 office under this subsection is not a contested case for purposes of  
16 Chapter 2001.

17       (o) The office is not required to create, update, or publish  
18 a map under this section if the Federal Communications Commission  
19 produces a map that:

20               (1) enables the office to identify eligible and  
21 ineligible areas, as described by Subsection (a); and

22               (2) meets the requirements of Subsection (c).

23       Sec. 490I.0106. BROADBAND DEVELOPMENT PROGRAM. (a) The  
24 broadband development office shall establish a program to award  
25 grants, low-interest loans, and other financial incentives to  
26 applicants for the purpose of expanding access to and adoption of  
27 broadband service in designated areas determined to be eligible



1 areas by the office under Section 490I.0105.

2 (b) The office shall establish and publish criteria for  
3 making awards under Subsection (a). The office shall:

4 (1) take into consideration grants and other financial  
5 incentives awarded by the federal government for the deployment of  
6 broadband service in a designated area;

7 (2) prioritize the applications of applicants that  
8 will expand access to and adoption of broadband service in eligible  
9 areas in which the lowest percentage of addresses have access to  
10 broadband service;

11 (3) prioritize an applicant that the broadband  
12 provided by the applicant will maintain a program to, by default,  
13 block access to pornographic or other obscene materials; and

14 (4) prioritize the applications of applicants that  
15 will expand access to broadband service in public and private  
16 primary and secondary schools and institutions of higher education.

17 (c) The office may not:

18 (1) favor a particular broadband technology in  
19 awarding grants, loans, or other financial incentives;

20 (2) award grants, loans, or other financial incentives  
21 to a broadband provider that does not report information requested  
22 by the office under Section 490I.0105;

23 (3) award a grant, loan, or other financial incentive  
24 to a noncommercial provider of broadband service for an eligible  
25 area if a commercial provider of broadband service has submitted an  
26 application for the eligible area; or

27 (4) take into consideration distributions from the

1 state universal service fund established under Section 56.021,  
2 Utilities Code, when deciding to award grants, loans, or other  
3 financial incentives.

4 (d) The office shall:

5 (1) post on the comptroller's Internet website  
6 information about the application process and the receipt of awards  
7 and shall update that information as necessary; and

8 (2) post on the comptroller's Internet website  
9 information from each application, including the applicant's name,  
10 the area targeted for expanded broadband service access or adoption  
11 by the application, and any other information the office considers  
12 relevant or necessary, for a period of at least 30 days before the  
13 office makes a decision on the application.

14 (e) During the 30-day posting period described by  
15 Subsection (d) for an application, the office shall accept from any  
16 interested party a written protest of the application relating to  
17 whether the applicant or project is eligible for an award or should  
18 not receive an award based on the criteria prescribed by the office.

19 (f) Notwithstanding any deadline for submitting an  
20 application, if the office upholds a protest submitted under  
21 Subsection (e) on the grounds that one or more of the addresses in  
22 an eligible area subject to the application have access to  
23 broadband service, the applicant may resubmit the application  
24 without the challenged addresses not later than 30 days after the  
25 date that the office upheld the protest.

26 (g) The office shall establish and publish criteria for  
27 award recipients. The criteria must include requirements that

grants, loans, and other financial incentives awarded through the program be used only for capital expenses, purchase or lease of property, and other expenses, including backhaul and transport, that will facilitate the provision or adoption of broadband service.

(h) An award granted under this section does not affect the eligibility of a telecommunications provider to receive support from the state universal service fund under Section 56.021, Utilities Code.

Sec. 490I.0107. STATE BROADBAND PLAN. (a) The broadband development office shall prepare, update, and publish on the comptroller's Internet website a state broadband plan that establishes long-term goals for greater access to and adoption, affordability, and use of broadband service in this state.

(b) In developing the state broadband plan, the office shall:

(1) to the extent possible, collaborate with state agencies, political subdivisions, broadband industry stakeholders and representatives, and community organizations that focus on broadband services and technology access;

(2) consider the policy recommendations of the governor's broadband development council;

(3) favor policies that are technology-neutral and protect all members of the public;

(4) explore state and regional approaches to broadband development; and

(5) examine broadband service needs related to:

1           (A) public safety, including the needs of state  
2 agencies involved in the administration of criminal justice, as  
3 that term is defined by Article 66.001, Code of Criminal Procedure;

4           (B) public education and state and local  
5 education agencies, including any agency involved in the electronic  
6 administration of an assessment instrument required under Section  
7 39.023, Education Code; and

8           (C) public health, including the needs of state  
9 agencies involved in the administration of public health  
10 initiatives such as the Health and Human Services Commission and  
11 the Department of State Health Services.

12       Sec. 490I.0108. BROADBAND DEVELOPMENT ACCOUNT. (a) The  
13 broadband development account is an account in the general revenue  
14 fund.

15       (b) The account consists of:

16           (1) appropriations of money to the account by the  
17 legislature;

18           (2) gifts, donations, and grants, including federal  
19 grants; and

20           (3) interest earned on the investment of the money in  
21 the account.

22       (c) The comptroller shall deposit to the credit of the  
23 account federal money received by the state for the purpose of  
24 broadband development, to the extent permitted by federal law.

25       (d) Money in the account may be appropriated only to the  
26 broadband development office for purposes of:

27           (1) creating or updating the map described by Section

1 490I.0105;

2 (2) administering the broadband development program  
3 under Section 490I.0106;

4 (3) creating or updating the state broadband plan  
5 under Section 490I.0107; or

6 (4) engaging in outreach to communities regarding the  
7 expansion, adoption, affordability, and use of broadband service  
8 and the programs administered by the office.

9 (e) The account is exempt from the application of Sections  
10 403.095, 403.0956, and 404.071.

11 Sec. 490I.0109. RULEMAKING. The comptroller may adopt  
12 rules as necessary to implement this chapter.

13 SECTION 6. (a) The broadband development office  
14 established by Section 490I.0102, Government Code, as added by this  
15 Act, shall publish the map required by Section 490I.0105,  
16 Government Code, as added by this Act, on the comptroller's  
17 Internet website not later than September 1, 2022.

18 (b) Not later than January 1, 2022, the office shall publish  
19 on the comptroller's Internet website:

20 (1) a map created by the Federal Communications  
21 Commission that displays the number of broadband service providers  
22 that serve each designated area; or

23 (2) a link to a map described by Subdivision (1) of  
24 this subsection.

25 (c) For the purpose of administering the broadband  
26 development program established by Section 490I.0106, Government  
27 Code, as added by this Act, the office shall use a map described by

1 Subsection (b) of this section to determine whether an area is  
2 eligible until the office publishes the map required by Section  
3 490I.0105, Government Code, as added by this Act.

4       SECTION 7. The broadband development office established by  
5 Section 490I.0102, Government Code, as added by this Act, shall  
6 prepare the initial state broadband plan required by Section  
7 490I.0107, Government Code, as added by this Act, not later than  
8 September 1, 2022.

9       SECTION 8. This Act takes effect September 1, 2021.

ADOPTED

APR 29 2021

*Latey Law*  
Secretary of the Senate

By: Ashby/Nichols

H.B. No. 5

Substitute the following for H.B. No. 5:

By: PHN

C.S.H.B. No. 5

A BILL TO BE ENTITLED

AN ACT

relating to the expansion of broadband services to certain areas.

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

SECTION 1. Section 490H.002(a), Government Code, is amended to read as follows:

(a) The council is composed of one nonvoting member appointed by the state broadband development office and the following 17 voting members:

(1) two representatives of separate Internet service provider industry associations, including at least one representative of an association that primarily represents regulated small providers, as defined by Section 56.032, Utilities Code, appointed by the governor;

(2) one representative of the health information technology industry, appointed by the governor;

(3) two representatives of unaffiliated nonprofit organizations that advocate for elderly persons statewide, appointed by the governor;

(4) two representatives of unaffiliated nonprofit organizations that have a demonstrated history of working with the legislature and the public to identify solutions for expanding broadband to rural, unserved areas of this state, appointed by the governor;

(5) one representative of an agricultural advocacy

1 organization in this state, appointed by the governor;  
2 (6) one representative of a hospital advocacy  
3 organization in this state, appointed by the governor;  
4 (7) one representative of a medical advocacy  
5 organization in this state, appointed by the governor;  
6 (8) one county official who serves in an elected  
7 office of a county with a population of less than 35,000, appointed  
8 by the governor;  
9 (9) one municipal official who serves in an elected  
10 office of a municipality with a population of less than 20,000  
11 located in a county with a population of less than 60,000, appointed  
12 by the governor;  
13 (10) one representative of an institution of higher  
14 education that has its main campus in a county with a population of  
15 less than 60,000, appointed by the governor;  
16 (11) one representative of a school district with a  
17 territory that includes only counties with a population of less  
18 than 60,000, appointed by the governor;  
19 (12) one representative from a library association,  
20 appointed by the governor;  
21 (13) one member of the house of representatives,  
22 appointed by the speaker of the house of representatives; and  
23 (14) one state senator, appointed by the lieutenant  
24 governor.

25 SECTION 2. Section 490H.006(a), Government Code, is amended  
26 to read as follows:

27 (a) The council shall:



1           (1) research and monitor the progress of:  
2            (A) broadband development in unserved areas;  
3            (B) deployment of broadband services statewide;  
4 and  
5            (C) purchase of broadband by residential and  
6 commercial customers;  
7           (2) identify barriers to residential and commercial  
8 broadband deployment in unserved areas;  
9           (3) study:  
10            (A) technology-neutral solutions to overcome  
11 barriers identified under Subdivision (2); and  
12            (B) industry and technology trends in broadband  
13 services; and  
14           (4) analyze how statewide access to broadband would  
15 benefit:  
16            (A) economic development;  
17            (B) the delivery of educational opportunities in  
18 higher education and public education;  
19            (C) state and local law enforcement;  
20            (D) state emergency preparedness; and  
21            (E) the delivery of health care services,  
22 including telemedicine and telehealth.

23           SECTION 3. Subtitle F, Title 4, Government Code, is amended  
24 by adding Chapter 490I to read as follows:

25           CHAPTER 490I. STATE BROADBAND DEVELOPMENT OFFICE

26           Sec. 490I.0101. OFFICE. (a) The state broadband  
27 development office is established to promote the expansion of

1 access to broadband service in this state.

2 (b) The state broadband development office is  
3 administratively attached to The University of Texas System. The  
4 system may employ additional employees necessary for the discharge  
5 of the duties of the office.

6 (c) The state broadband development office:

7 (1) is under the direction and control of the board of  
8 advisors established by Section 490I.0104;

9 (2) shall promote the policies enumerated in this  
10 chapter; and

11 (3) may perform any action authorized by state or  
12 federal law.

13 Sec. 490I.0102. POWERS AND DUTIES. (a) The state broadband  
14 development office shall:

15 (1) serve as a resource for information regarding  
16 broadband service in this state;

17 (2) engage in outreach to communities regarding the  
18 expansion, adoption, and affordability of broadband service and the  
19 programs administered by the office; and

20 (3) serve as an information clearinghouse regarding  
21 federal programs that provide assistance to local entities with  
22 respect to broadband service.

23 (b) The office has the powers necessary to carry out the  
24 duties of the office under this chapter, including the power to  
25 enter into contracts and other necessary instruments.

26 (c) This chapter does not grant the office authority to  
27 regulate broadband services or broadband service providers or,

1 except as provided by Section 490I.0107, to require broadband  
2 service providers to submit information to the office.

3 Sec. 490I.0103. THRESHOLD SPEED FOR BROADBAND SERVICE. (a)  
4 For the purposes of this chapter and subject to Subsection (b),  
5 "broadband service" means Internet service with the capability of  
6 providing:

7 (1) a download speed of 25 megabits per second or  
8 faster; and

9 (2) an upload speed of 3 megabits per second or faster.

10 (b) If the Federal Communications Commission adopts  
11 download or upload threshold speeds for advanced  
12 telecommunications capability under 47 U.S.C. Section 1302 that are  
13 higher than those specified by Subsection (a), the state broadband  
14 development office by rule may require Internet service to be  
15 capable of providing download and upload speeds that match those  
16 federal threshold speeds in order to qualify as broadband service  
17 under this chapter.

18 (c) Not later than the 60th day after the date the state  
19 broadband development office adjusts the minimum download or upload  
20 speeds required for Internet service to qualify as broadband  
21 service under this chapter, the office shall publish the adjusted  
22 minimum download and upload speeds on the comptroller's Internet  
23 website.

24 Sec. 490I.0104. BOARD OF ADVISORS. (a) In this section:

25 (1) "Rural area" means a county with a population of  
26 less than 100,000 that is not adjacent to a county with a population  
27 of more than 350,000.

1                   (2) "Urban area" means:  
2                   (A) a municipality with a population of more than  
3 500,000; or  
4                   (B) a county with a population of more than 1  
5 million.  
6           (b) The state broadband development office board of  
7 advisors is composed of 12 members, appointed as follows:  
8                   (1) three members appointed by the governor,  
9 including:  
10                   (A) one member to represent the Texas Economic  
11 Development and Tourism Office; and  
12                   (B) two members to represent nonprofit  
13 corporations that work on broadband connectivity, broadband  
14 adoption, and digital literacy;  
15                   (2) three members appointed by the lieutenant  
16 governor, including:  
17                   (A) one member who resides in a rural area;  
18                   (B) one member who resides in an urban area; and  
19                   (C) one member to represent the public education  
20 community;  
21                   (3) three members appointed by the speaker of the  
22 house of representatives, including:  
23                   (A) one member who resides in a rural area;  
24                   (B) one member who resides in a county that:  
25                           (i) is adjacent to an international border;  
26                           (ii) is located not more than 150 miles from  
27 the Gulf of Mexico; and

1                    (iii) has a population of more than 60,000;  
2 and  
3                    (C) one member to represent the health and  
4 telemedicine industry;  
5                    (4) one member appointed by the board of regents of The  
6 University of Texas System;  
7                    (5) one member appointed by the board of regents of the  
8 Texas Tech University System; and  
9                    (6) one nonvoting member appointed by the state  
10 broadband development office to represent the office.  
11                    (c) Members of the board of advisors serve at the pleasure  
12 of the appointing authority for staggered two-year terms, with the  
13 terms of the members described by Subsections (b)(1) and (2)  
14 expiring February 1 of each odd-numbered year and the terms of the  
15 members described by Subsections (b)(3), (4), (5), and (6) expiring  
16 February 1 of each even-numbered year. A member may serve more than  
17 one term.  
18                    (d) Not later than the 30th day after the date a member's  
19 term expires, the appropriate appointing authority shall appoint a  
20 replacement in the same manner as the original appointment.  
21                    (e) If a vacancy occurs on the board of advisors, the  
22 appropriate appointing authority shall appoint a successor in the  
23 same manner as the original appointment to serve for the remainder  
24 of the unexpired term. The appropriate appointing authority shall  
25 appoint the successor not later than the 30th day after the date the  
26 vacancy occurs.  
27                    (f) The board of advisors shall meet at least once per month

1 with representatives from the state broadband development office  
2 for the purpose of directing and overseeing the work of the office  
3 in implementing the provisions of this chapter.

4 (g) The board of advisors may retain employees to discharge  
5 the duties of the office.

6 (h) A person who is professionally affiliated with a person  
7 serving as a member of the board of advisors is not eligible for  
8 funding from the broadband development program established under  
9 Section 490I.0107.

10 (i) The board of advisors may consult with stakeholders with  
11 technical expertise in the area of broadband and telecommunication  
12 technology.

13 (j) Meetings of the board of advisors are subject to Chapter  
14 551.

15 Sec. 490I.0105. PARTICIPATION IN PROCEEDINGS OF FEDERAL  
16 COMMUNICATIONS COMMISSION. (a) The state broadband development  
17 office may monitor, participate in, and provide input in  
18 proceedings of the Federal Communications Commission related to the  
19 geographic availability and deployment of broadband service in this  
20 state to ensure that:

21 (1) the information available to the commission  
22 reflects the current status of geographic availability and  
23 deployment of broadband service in this state; and

24 (2) this state is best positioned to benefit from  
25 broadband service deployment programs administered by federal  
26 agencies.

27 (b) The office may participate in a process established by

1 the Federal Communications Commission allowing governmental  
2 entities to challenge the accuracy of the commission's information  
3 regarding the geographic availability and deployment of broadband  
4 service.

5 (c) The office shall establish procedures and a data  
6 collection process in accordance with rules established by the  
7 Federal Communications Commission that will enable the office to  
8 participate in the process described by Subsection (b).

9 Sec. 490I.0106. BROADBAND DEVELOPMENT MAP. (a) The state  
10 broadband development office shall develop and maintain a public  
11 Internet website.

12 (b) The office shall create, update annually, and publish on  
13 the office's Internet website a map classifying each designated  
14 area in this state as:

15 (1) an eligible area, if fewer than 80 percent of the  
16 addresses in the designated area have access to broadband service;  
17 or

18 (2) an ineligible area, if 80 percent or more of the  
19 addresses in the designated area have access to broadband service.

20 (c) The office by rule may determine the scope of a  
21 designated area under Subsection (b).

22 (d) After creation of the initial map described in  
23 Subsection (b), the office may evaluate the usefulness of the  
24 standards for eligible and ineligible areas outlined in Subsection  
25 (b) and, if appropriate, make a recommendation to the legislature  
26 to revise the standards.

27 (e) The map must display:

1           (1) the number of broadband service providers that  
2 serve each eligible area;

3           (2) for each eligible area, an indication of whether  
4 the area has access to Internet service that is not broadband  
5 service, regardless of the technology used to provide the service;  
6 and

7           (3) each public school campus in this state with an  
8 indication of whether the public school campus has access to  
9 broadband service.

10          (f) The office must create, update, and publish the map in a  
11 manner consistent with the Federal Communications Commission  
12 mapping methodology prescribed under the Broadband DATA Act (Pub.  
13 L. No. 116-130).

14          (g) Except as provided by Subsection (h), the office shall  
15 use information available from the Federal Communications  
16 Commission to create or update the map.

17          (h) If information from the Federal Communications  
18 Commission is not sufficient for the office to create or update the  
19 map, the office may request the necessary information from a  
20 political subdivision or broadband service provider, and the  
21 subdivision or provider may report the information to the office.  
22 The office may not require a subdivision or provider to report  
23 information in a format different from the format required by the  
24 Federal Communications Commission mapping methodology prescribed  
25 under the Broadband DATA Act (Pub. L. No. 116-130).

26          (i) Information a broadband service provider reports to the  
27 office under Subsection (h) and information provided by the Federal



1 Communications Commission, if not publicly available, is  
2 confidential and not subject to disclosure under Chapter 552.

3 (j) The office may contract with a private consultant or  
4 other appropriate person who is not associated or affiliated with a  
5 commercial broadband provider, including a local governmental  
6 entity, to provide technical or administrative assistance to the  
7 office for the purpose of creating or updating the map.

8 (k) The office may release information reported under  
9 Subsection (h) to a contractor providing services under Subsection  
10 (j). The contractor shall:

11 (1) keep the information confidential; and

12 (2) return the information to the office on the  
13 earliest of the following dates:

14 (A) the date the contract expires;

15 (B) the date the contract is terminated; or

16 (C) the date the mapping project for which the  
17 contractor is providing services is complete.

18 (l) A person who contracts under Subsection (j) may not  
19 provide services for a broadband provider in this state before the  
20 second anniversary of the last day the contract is in effect.

21 (m) The office shall establish criteria for determining  
22 whether a designated area should be reclassified as an eligible  
23 area or an ineligible area. The criteria must include an evaluation  
24 of Internet speed test data and information on end user addresses.  
25 The criteria may also include community surveys regarding the  
26 reliability of Internet service, where available.

27 (n) A broadband service provider or political subdivision

1 may petition the office to reclassify a designated area on the map  
2 as an eligible area or ineligible area. The office shall provide  
3 notice of the petition to each broadband service provider that  
4 provides broadband service to the designated area and post notice  
5 of the petition on the office's Internet website.

6 (o) Not later than the 45th day after the date that a  
7 broadband provider receives notice under Subsection (n), the  
8 provider shall provide information to the office showing whether  
9 the designated area should or should not be reclassified.

10 (p) Not later than the 75th day after the date that a  
11 broadband provider receives notice under Subsection (n), the office  
12 shall determine whether to reclassify the designated area on the  
13 map and update the map as necessary. A determination made by the  
14 office under this subsection is not a contested case for purposes of  
15 Chapter 2001.

16 (q) The office is not required to create, update, or publish  
17 a map under this section if the Federal Communications Commission  
18 produces a map that:

19 (1) enables the office to identify eligible and  
20 ineligible areas, as described by Subsection (b); and

21 (2) meets the requirements of Subsection (f).

22 Sec. 490I.0107. BROADBAND DEVELOPMENT PROGRAM. (a) The  
23 state broadband development office shall establish a program to  
24 award grants, low-interest loans, and other financial incentives to  
25 applicants for the purpose of expanding access to and adoption of  
26 broadband service in designated areas determined to be eligible  
27 areas by the office under Section 490I.0106.

1       (b) The office shall establish and publish eligibility  
2 criteria for award recipients. The criteria must:

3           (1) include consideration of grants and other  
4 financial incentives awarded from the federal government for the  
5 deployment of broadband service in a designated area;

6           (2) require that grants, loans, and other financial  
7 incentives awarded through the program be used only for capital  
8 expenses, purchase or lease of property, and other expenses,  
9 including backhaul and transport, that will facilitate the  
10 provision or adoption of broadband service; and

11          (3) prioritize eligible areas in which the lowest  
12 percentage of addresses have access to broadband service.

13       (c) Notwithstanding Subsection (b)(3), the office may  
14 establish eligibility criteria that take into account a cost  
15 benefit analysis for awarding money to the eligible areas described  
16 by that subdivision.

17       (d) The office may not:

18           (1) favor a particular broadband technology in  
19 awarding grants, loans, or other financial incentives;

20           (2) award grants, loans, or other financial incentives  
21 to a broadband provider that does not report information requested  
22 by the office under Section 490I.0106;

23           (3) award a grant, loan, or other financial incentive  
24 to a noncommercial provider of broadband service for an eligible  
25 area if a commercial provider of broadband service has submitted an  
26 application for the eligible area; or

27           (4) take into consideration distributions from the

1 state universal service fund established under Section 56.021,  
2 Utilities Code, when deciding to award grants, loans, or other  
3 financial incentives.

4 (e) An award granted under this section does not affect  
5 distributions received by a broadband provider from the state  
6 universal service fund established under Section 56.021, Utilities  
7 Code.

8 Sec. 490I.0108. BROADBAND DEVELOPMENT FUND. (a) The  
9 broadband development fund is a special fund in the state treasury  
10 outside of the general revenue fund.

11 (b) The fund consists of:

12 (1) appropriations of money to the fund by the  
13 legislature;

14 (2) gifts, donations, and grants, including federal  
15 grants; and

16 (3) interest earned on the investment of the money in  
17 the fund.

18 (c) The comptroller shall deposit to the credit of the fund  
19 federal money received by the state for the purpose of broadband  
20 development, to the extent permitted by state and federal law.

21 (d) Money in the fund may be appropriated only to the state  
22 broadband development office for purposes of:

23 (1) administering the broadband development program;

24 (2) creating or updating the map described by Section  
25 490I.0106;

26 (3) creating or updating the state broadband plan  
27 under Section 490I.0109; or

1           (4) engaging in outreach to communities regarding the  
2 programs administered by the office and the expansion, adoption,  
3 and affordability of broadband services and equipment.

4           (e) The fund is exempt from the application of Section  
5 404.071.

6           Sec. 490I.0109. STATE BROADBAND PLAN. (a) The state  
7 broadband development office shall prepare a state broadband plan  
8 that establishes long-term goals for greater access to and  
9 affordability and adoption of broadband service in this state.

10          (b) In developing the state broadband plan, the office  
11 shall:

12           (1) collaborate, to the extent possible, with state  
13 agencies, political subdivisions, broadband industry stakeholders  
14 and representatives, and community organizations that focus on  
15 broadband services and technology access;

16           (2) give consideration to the policy recommendations  
17 of the governor's broadband development council;

18           (3) favor policies that are technology-neutral and  
19 protect all members of the public;

20           (4) explore state and regional approaches to broadband  
21 development; and

22           (5) prioritize broadband needs related to public  
23 education and state and local education agencies, including  
24 agencies involved in the electronic administration of all  
25 assessment instruments required under Section 39.023, Education  
26 Code.

27          Sec. 490I.0110. RULEMAKING. The state broadband

1 development office may adopt rules necessary to implement this  
2 chapter. Rules must be:

3 (1) proposed and adopted according to Chapter 2001;  
4 and

5 (2) approved by a majority vote of the board of  
6 advisors.

7 SECTION 4. Not later than November 1, 2021, each appointing  
8 authority shall appoint the members of the state broadband  
9 development office board of advisors as required by Section  
10 490I.0104, Government Code, as added by this Act. The board of  
11 advisors may not take action until a majority of the members have  
12 taken office.

13 SECTION 5. Not later than the first anniversary of the  
14 effective date of this Act, the state broadband development office  
15 established by Section 490I.0101, Government Code, as added by this  
16 Act, shall prepare the initial state broadband plan required by  
17 Section 490I.0109, Government Code, as added by this Act.

18 SECTION 6. (a) The state broadband development office  
19 established by Section 490I.0101, Government Code, as added by this  
20 Act, shall publish the map required by Section 490I.0106,  
21 Government Code, as added by this Act, on the office's Internet  
22 website not later than January 1, 2023.

23 (b) Not later than September 1, 2022, the office shall  
24 publish on the office's Internet website:

25 (1) a map created by the Federal Communications  
26 Commission that displays the number of broadband service providers  
27 that serve each designated area; or

1           (2) a link to a map described by Subdivision (1) of  
2 this subsection.

3           (c) For the purpose of administering the broadband  
4 development program established by Section 490I.0107, Government  
5 Code, as added by this Act, the office shall use a map described by  
6 Subsection (b) of this section to determine whether an area is  
7 eligible until the office publishes the map required by Section  
8 490I.0106, Government Code, as added by this Act.

9           SECTION 7. This Act takes effect immediately if it receives  
10 a vote of two-thirds of all the members elected to each house, as  
11 provided by Section 39, Article III, Texas Constitution. If this  
12 Act does not receive the vote necessary for immediate effect, this  
13 Act takes effect September 1, 2021.

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 29, 2021**

**TO:** 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.), **As Passed 2nd House**

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 area in the state. 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.

The bill would allow for the SBDO to participate in the proceedings of the Federal Communications Commission related to the geographic availability and deployment of broadband service in the state.

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 Fund, which would be a special fund in the state treasury outside of 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, creating or updating the map, or creating or updating the state broadband plan.

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**

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

**Source Agencies:** 300 Trusteed Programs - Gov, 304 Comptroller of Public Accounts, 473 Public Utility Commission of Texas, 720 UT Sys Admin



**LBB Staff:** JMc, LBO, AAL, LCO, HGR, AF

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 26, 2021**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB5** by Ashby (relating to the expansion of broadband services to certain areas.), **Committee Report**  
**2nd House, Substituted**

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 area in the state. 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.

The bill would allow for the SBDO to participate in the proceedings of the Federal Communications Commission related to the geographic availability and deployment of broadband service in the state.

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 Fund, which would be a special fund in the state treasury outside of 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, creating or updating the map, or creating or updating the state broadband plan.

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**

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

**Source Agencies:** 300 Trusteed Programs - Gov, 304 Comptroller of Public Accounts, 473 Public Utility Commission of Texas, 720 UT Sys Admin

**LBB Staff:** JMc, AAL, LCO, HGR, AF

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 20, 2021**

**TO:** Honorable Robert Nichols, Chair, House Committee on Transportation

**FROM:** Jerry McGinty, Director, Legislative Budget Board

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

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 State Broadband Development Office (SBDO) within the Comptroller's Office of Public Accounts. 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 January 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 amount of grants, loans or incentives needed is unknown.

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, 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 of Public Accounts, 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 SBDO.

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

**LBB Staff:** JMc, AAL, LCO, HGR, SMAT

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**March 28, 2021**

**TO:** Honorable Chris Paddie, Chair, House Committee on State Affairs

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB5** by Ashby (relating to the expansion of broadband services to certain areas.), **Committee Report**  
**1st House, Substituted**

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 State Broadband Development Office (SBDO) within the Comptroller's Office of Public Accounts. 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 January 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 amount of grants, loans or incentives needed is unknown.

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, 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 of Public Accounts, 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 SBDO.

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

**LBB Staff:** JMc, SMAT, LCO, HGR

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**March 17, 2021**

**TO:** Honorable Chris Paddie, Chair, House Committee on State Affairs

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB5** by Ashby (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, 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) within the Comptroller's Office of Public Accounts. 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 January 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 amount of grants, loans or incentives needed is unknown.

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, 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 of Public Accounts, 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 SBDO.

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

**LBB Staff:** JMc, SMat, LCO, HGr, SD