

## **BILL ANALYSIS**

Senate Research Center  
88R20126 DIO-F

H.J.R. 125  
By: Ashby (Huffman)  
Finance  
5/12/2023  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

According to recent studies conducted by the state broadband development office, almost 2.8 million Texas households (roughly seven million Texans) lack broadband Internet access. This means that nearly a quarter of Texans do not have the quality of Internet access necessary to attend online classes, see a healthcare provider from their living room, complete an online job application, start a business online, or access digital marketplaces from their kitchen table. These barriers negatively affect Texans' quality of life and limit economic opportunities for the people of Texas and the state overall. Given the ever-increasing demand for access to the Internet, both in Texas and across the world, H.J.R. 125 proposes a constitutional amendment to create the broadband infrastructure fund to assist in the financing of broadband and telecommunications services projects.

H.J.R. 125 proposes a constitutional amendment creating the broadband infrastructure fund to assist in the financing of broadband and telecommunications services projects in the state.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Article III, Texas Constitution, by adding Section 49-d-16, as follows:

Sec. 49-d-16. (a) Defines "comptroller" and "fund."

(b) Creates the broadband infrastructure fund (fund) as a special fund in the state treasury outside the general revenue fund.

(c) Provides that the fund consists of appropriations from the legislature for deposit to the credit of the fund, money transferred or deposited to the credit of the fund by this constitution or by general law, revenue that the legislature by general law dedicates for deposit to the credit of the fund, investment earnings and interest earned on money in the fund, and gifts, grants, and donations to the fund.

(d) Requires that the money in the fund be administered by the Comptroller of Public Accounts of the State of Texas (comptroller). Authorizes the money from the fund to be used, without further appropriation, only for the expansion of access to and adoption of broadband and telecommunications services, including the development, construction, reconstruction, and expansion of broadband and telecommunications infrastructure or services; the operation of broadband and telecommunications infrastructure; the provision of broadband and telecommunications services, including services authorized by general law to be funded by the universal service fund; and the reasonable expenses of administering and managing the investments of the fund.

(e) Requires the legislature by general law to provide for the manner in which the assets of the fund are authorized to be used, subject to the limitations of this section. Authorizes the money in the fund to be used in conjunction with other funds or financial resources, including money from the federal government, in accordance with procedures, standards, and limitations established by federal law and general law of this state.

(f) Requires the comptroller, not later than January 15, 2024, to transfer \$5 billion from the economic stabilization fund to the fund.

(g) Provides that, for purposes of Section 22 (Restriction on Rate of Growth of Appropriations), Article VIII (Taxation and Revenue), of this constitution:

(1) money in the fund is dedicated by this constitution; and

(2) an appropriation of state tax revenues from the economic stabilization fund for the purpose of depositing money to the credit of the fund is treated as if it were an appropriation of revenues dedicated by this constitution.

(h) Provides that this section, unless extended by adoption of a concurrent resolution approved by a record vote of two-thirds of the members of each house of the legislature, expires on September 1, 2035. Provides that a resolution suspends the expiration of this section until September 1 of the 10th year following the adoption of the resolution.

(i) Requires the comptroller, immediately before the expiration of this section, to transfer any unexpended and unobligated balance remaining in the fund to the economic stabilization fund.

SECTION 2. Provides that the following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the amendment to Article III (Legislative Department) of this constitution as proposed by the 88th Legislature, Regular Session, 2023, creating the broadband infrastructure fund to assist in the financing of broadband and telecommunications services projects in the state.

(b) Provides that the change made to Article III of this constitution by the amendment described in Subsection (a) takes effect January 1, 2024.

(c) Provides that this temporary provision expires January 1, 2025.

SECTION 3. Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 7, 2023. Sets forth the required language of the ballot.