

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 19, 2023

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB9 by Ashby (Relating to the development and funding of broadband and telecommunications services.), **As Passed 2nd House**

The fiscal impact of the bill cannot be determined due to the unknown amounts and timing of any transfers to the new Broadband Infrastructure Fund and expenditures from the fund.

The bill would amend Government Code Chapter 403, adding Subchapter T regarding the Texas Broadband Infrastructure Fund (BIF).

The BIF, created by House Joint Resolution 125, would be administered by the Comptroller and would consist of transfers or deposits by the constitution, general law, or the General Appropriations Act. It would also consist of dedicated revenue, investment and interest earnings, and any gifts, grants, or donations to the fund. The Texas Treasury Safekeeping Trust Company would actively manage the BIF, maintaining liquidity to meet the needs and preserve the purchasing power of the fund.

Money in the BIF could only be used for purposes of expanding broadband and telecommunications across the state, per Government Code Chapter 490I. This would include providing funding for the 9-1-1 and Next Generation 9-1-1 services, the Pole Replacement Program, matching funds for federal money for the Broadband Equity, Access, and Deployment (BEAD) Program, and expanding access to broadband services in economically distressed communities.

The provisions of the bill would take effect on January 1, 2024, only if the constitutional amendment 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 takes effect.

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 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

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts, 473 Public Utility Commission of Texas, 477 Commission on State Emergency Communications, 701 Texas Education Agency

LBB Staff: JMc, CMA, LCO, CSmi, KK, SMAT, NV