

By: Landgraf

H.B. No. 2964

A BILL TO BE ENTITLED

AN ACT

relating to the provision of broadband service in certain rural counties.

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

SECTION 1. Section 490I.0103(c), Government Code, is amended to read as follows:

(c) This chapter does not grant the comptroller authority to regulate broadband services or broadband service providers or, except as required of an applicant or recipient under Section 490I.0106 or 490I.01063, to require broadband service providers to submit information to the comptroller.

SECTION 2. Section 490I.0106(b), Government Code, is amended to read as follows:

(b) The office shall establish eligibility and award criteria for making awards under this section [~~chapter~~] for each applicable notice of funds availability. The comptroller by rule may prescribe the manner in which the office shall provide notice to applicants of the applicable criteria. In establishing eligibility and award criteria, the office shall:

(1) take into consideration grants and other financial incentives awarded by the federal government for the deployment of broadband service;

(2) prioritize the applications of applicants that will expand access to and adoption of broadband service in

1 designated areas in which the highest percentage of broadband
2 serviceable locations are unserved or underserved locations;

3 (3) prioritize the applications of applicants that
4 will expand access to broadband service in public and private
5 primary and secondary schools and institutions of higher education;

6 (4) give preference to an applicant that provided the
7 information requested by the office under Section 490I.0105 or
8 490I.01061; and

9 (5) take into consideration whether an applicant has
10 forfeited federal funding for defaulting on a project to deploy
11 qualifying broadband service.

12 SECTION 3. Chapter 490I, Government Code, is amended by
13 adding Section 490I.01063 to read as follows:

14 Sec. 490I.01063. FUNDING FOR CERTAIN RURAL COUNTIES. (a)
15 In this section:

16 (1) "Eligible county" means a county with a county
17 seat that has a population of 5,000 or more but not more than 25,000
18 that was not selected for the Bringing Online Opportunities to
19 Texas II program by the broadband development office, and in which
20 no broadband infrastructure development project has received state
21 or federal funds.

22 (2) "Fiber-to-the-premises" means the delivery of
23 broadband services directly to an individual residential or
24 commercial premises using fiber-optic cables.

25 (b) The comptroller shall allocate an amount, not to exceed
26 \$750 million, in the broadband infrastructure fund to be used by the
27 office to provide grants, low-interest loans, and other financial

1 incentives for the planning, design, construction, and deployment
2 of broadband networks in eligible counties to provide
3 fiber-to-the-premises service to residential or commercial
4 addresses that are not served by fiber-to-the-premises service
5 according to the United States Federal Communications Commission's
6 Broadband Serviceable Location Fabric Data.

7 (c) The office shall establish guidelines for:

8 (1) applying for funds;

9 (2) project approval; and

10 (3) monitoring broadband deployment.

11 (d) The office shall prioritize projects that demonstrate:

12 (1) a plan for providing reliable broadband service to
13 underserved or unserved areas by deploying a fiber-optic network
14 with gigabit passive optical network technology;

15 (2) potential for collaborating with a local
16 government or private entity that can expedite the construction
17 process; or

18 (3) a commitment from a county or private entity to
19 provide financial or in-kind contributions for a project.

20 (e) The office shall report to the legislature not later
21 than December 31 each year:

22 (1) the total amount of funds distributed under this
23 section;

24 (2) a list of eligible counties and projects funded;

25 (3) the number of eligible addresses that have been
26 provided fiber-to-the-premises service through funds awarded under
27 this section; and

1 (4) any challenges or delays in implementing the
2 provisions of this section.

3 (f) The office shall conduct a comprehensive review of the
4 program established under this section not later than September 1,
5 2030, to evaluate the program's effectiveness at closing the
6 broadband access gap in rural counties.

7 SECTION 4. Section 490I.0108(d), Government Code, is
8 amended to read as follows:

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

11 (1) creating or updating the map described by Section
12 490I.0105;

13 (2) administering a ~~[the]~~ broadband development
14 program under Section 490I.0106 or 490I.01063;

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

17 (4) engaging in outreach to communities regarding the
18 expansion, adoption, affordability, and use of broadband service
19 and the programs administered by the office and equipment.

20 SECTION 5. Section 490I.0110(i), Government Code, is
21 amended to read as follows:

22 (i) A person who is professionally affiliated with a person
23 serving as a member of the board of advisors is not eligible for
24 funding from a ~~[the]~~ broadband development program under Section
25 490I.0106 or 490I.01063 if the member is involved in decisions
26 regarding the award of grants, loans, or other financial incentives
27 under those sections ~~[that section]~~.

1 SECTION 6. The broadband development office shall establish
2 the guidelines required by Section 490I.01063, Government Code, as
3 added by this Act, not later than April 1, 2026.

4 SECTION 7. This Act takes effect September 1, 2025.