

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 26, 2025

TO: Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB14 by Harris (relating to support for the development of the nuclear energy industry.), Committee Report 2nd House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB14, Committee Report 2nd House, Substituted: a negative impact of (\$5,339,439) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$2,734,662)
2027	(\$2,604,777)
2028	(\$2,639,557)
2029	(\$2,604,777)
2030	(\$2,639,557)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Revenue Gain/(Loss) from New GR-DED Texas Advanced Nuclear Development Fund</i>	<i>Probable Savings/(Cost) from New GR-DED Texas Advanced Nuclear Development Fund</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$2,734,662)	\$1,753,119	(\$1,753,119)	13.0
2027	(\$2,604,777)	\$1,623,234	(\$1,623,234)	13.0
2028	(\$2,639,557)	\$1,658,014	(\$1,658,014)	13.0
2029	(\$2,604,777)	\$1,623,234	(\$1,623,234)	13.0
2030	(\$2,639,557)	\$1,658,014	(\$1,658,014)	13.0

Fiscal Analysis

The bill would amend the Government Code by adding Chapter 483 to create the Texas Advanced Nuclear Energy Office (Office) within the Office of the Governor (OOG) in order to promote and develop advanced nuclear reactor projects. The bill would direct the Office to conduct a study of the necessity and feasibility of taking on regulatory functions for nuclear energy facilities. The report would be submitted to the Legislature not later than December 1, 2026.

The Governor would employ a director of the Office to administer a grant program, establish standards for

proper use of funding, facilitate advanced nuclear reactor projects, and hire necessary staff. The director may employ a nuclear permitting coordinator according to certain criteria.

The bill would create the Texas Advanced Nuclear Development Fund (Fund) as a dedicated account in the General Revenue Fund. The Fund would be created for the purpose of providing reimbursement grants to businesses, nonprofit organizations, and governmental entities, including institutions of higher education; and provide for administration costs associated with the Office. Under the provisions of the bill, the new account would be composed of gifts, grants, or donations to the fund; and money from any other source designated by the Legislature.

The bill would establish certain requirements for reimbursement grant programs for Project Development and Supply Chain, Advanced Nuclear Construction, and Completion Bonus. The Office would evaluate an application for a grant according to certain criteria.

The bill would require the Public Utility Commission (PUC) to provide consultation services to OOG on the design of the program rules, administration of the fund, and on the Completion Bonus Grant program.

The Office, the Fund, and the reimbursement grant programs would expire September 1, 2040.

Methodology

This analysis assumes that all administrative costs for the Office will be from the new Texas Advanced Nuclear Development Account.

It is anticipated that the OOG would need 10 additional FTEs in order to support the Texas Advanced Nuclear Energy Office: 1 Director VI, 1 License and Permit Specialist V, 0.5 Compliance Analyst IV, 1 Financial Analyst IV, 1 Research Specialist IV, 1 Grant Specialist III, 1 Attorney IV, 1 Information Technology Support Specialist V, 0.5 Systems Analyst I, 0.5 Accountant V, 0.5 Human Resource Specialist III, and 1 Project Manager IV. The total estimate for FTE-related costs, training, travel, and various operating costs in the 2026-27 biennium for the OOG associated with the Office is anticipated to be \$3,376,353.

The PUC anticipates the need of 3 additional FTEs (1 Project Manager III-V and 2 Management Analyst III-IV). The total estimate for FTE-related costs, travel, and various operating costs in the 2026-27 biennium for the PUC associated with the bill is anticipated to be \$973,443.

The amount of legislative appropriations or gifts, grants, and donations to the new Texas Advanced Nuclear Development Account is unknown.

Note: 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.

Technology

PUC anticipates information technology expenditures of \$8,100 per year.

Local Government Impact

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

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 473 Public Utility Commission of Texas, 781 Higher Education Coordinating Board

LBB Staff: JMc, RStu, SD, BRI, NV, JPE, KK, WP, LCO, KCu