

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 1, 2025

TO: Honorable Cole Hefner, Chair, House Committee on Homeland Security, Public Safety & Veterans' Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB41 by Hefner (Relating to the acquisition or use of certain foreign equipment or services by a governmental entity.), **As Introduced**

The fiscal implications of the bill cannot be determined due to an unknown amount of funding that may be appropriated to the Law Enforcement Secure Unmanned Aircraft Grant Program to be distributed in the form of grants.

The bill would establish the Law Enforcement Secure Unmanned Aircraft Grant Program. This program would be administered by the Office of the Attorney General (OAG), and provide grants for the replacement of unmanned aircraft that are prohibited by the bill.

The OAG would be responsible for designating an entity for the study or disposal of unmanned aircraft prohibited by the bill.

The bill would prohibit governmental entities from acquiring or using an unmanned aircraft or related equipment or services produced by a Chinese, Iranian, North Korean, Russian, or Syrian company. The bill would establish an exception to allow entities to continue utilizing their existing unmanned aircraft not in compliance with the bill until September 1, 2030.

The bill would require the Department of Information Resources (DIR) to develop a model security plan for prohibited and suspect technologies, including a list of companies prohibited under the provisions of the bill, and to make the security plan available to state agencies.

This analysis assumes any administrative costs to DIR and OAG associated with the implementation of the bill could be absorbed using the agency's existing resources. The Texas Military Department indicates there will be no fiscal impact to their agency. The Department of Public Safety indicates a total cost of \$16,223,978 for the replacement of their unmanned aircraft fleet to comply with the bill.

This analysis assumes that the Department of Public Safety and any other impacted state agencies that operate unmanned aircraft fleets may receive an indeterminate amount of grant funding through the Law Enforcement Secure Unmanned Aircraft Grant Program to assist with replacing existing aircraft with compliant models over the five-year timeframe.

Local Government Impact

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

Source Agencies: 302 Office of the Attorney General, 313 Department of Information Resources, 401 Military Department, 405 Department of Public Safety

LBB Staff: JMc, MGol, LCO, JKe