

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 28, 2025

TO: Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB144 by King (Relating to plans for the management and inspection of distribution poles.), As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for HB144, As Passed 2nd House: a negative impact of (\$2,722,862) 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>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$1,361,431)
2027	(\$1,361,431)
2028	(\$1,361,431)
2029	(\$1,361,431)
2030	(\$1,361,431)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$1,361,431)	9.0
2027	(\$1,361,431)	9.0
2028	(\$1,361,431)	9.0
2029	(\$1,361,431)	9.0
2030	(\$1,361,431)	9.0

Fiscal Analysis

The bill would amend the Utilities Code to require each electric cooperative, electric utility, and municipally owned utility that distributes electric energy to the public to submit to the Public Utility Commission of Texas (PUC) a plan for the management and inspection of distribution poles in the cooperative or utility owns in the cooperative's or utility's system no later than January 1, 2026.

The bill would require each submitted plan to include a statement of the plan's scope and objective, the roles and responsibilities of the individuals overseeing and executing the plan, a description of the cooperative's or utility's process for training and certification of inspection personnel and a proposed budget for the

implementation of the plan. For each distribution pole to be inspected, the plans must have a deadline when inspections will be completed, a process by which inspection records will be submitted, and a timeline for remedial action required for a pole identified as unreliable, unsafe, or needing repair.

The bill would require each entity to submit an update to PUC once every three years detailing the entity's compliance with the plan's objective, the costs of implementing the plan and the inspection results and repair schedule. Entities must submit an update to PUC annually, specifically noting whether each inspected distribution pole passed the inspection and was deemed safe, reliable, and able to withstand extreme weather conditions like high winds.

The bill would take effect immediately upon a vote of two-thirds of all members of each chamber; otherwise, the bill would take effect on September 1, 2025.

Methodology

Based on the analysis of the PUC, this estimate assumes the agency would require 9.0 additional full time equivalents (FTE) positions to implement the provisions of the bill. Six Engineer III-V (\$115,500 per year with estimated benefits of \$32,825) would be needed for the knowledge and expertise on distribution poles. Two Attorneys III (\$115,500 per year with estimated benefits of \$32,825) would be needed for rulemaking and legal issues. A Financial Examiners IV-V (\$100,000 per year with estimated benefits of \$28,420) would be needed to review the proposed budget of submitted plans. Other associated costs include \$22,110 per year for payroll contributions, travel and other operating expenses.

Technology

PUC anticipates information technology expenditures of \$24,300 per year.

Local Government Impact

According to information from the Public Utility Commission, there could be a fiscal impact to local government entities given that municipally owned utilities and electric cooperatives will be required to submit distribution pole plans under this bill. However, this impact cannot be determined as the cost to develop and submit a plan is unknown.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JMc, RStu, GDZ, JBel, WP