

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 13, 2025

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB144** by King (Relating to plans for the management and inspection of distribution poles.), As Engrossed

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB144, As Engrossed: a negative impact of (\$3,922,340) 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<br><i>General Revenue Related Funds</i> |
|--------------------|------------------------------------------------------------------------------------|
| 2026               | (\$1,961,170)                                                                      |
| 2027               | (\$1,961,170)                                                                      |
| 2028               | (\$1,961,170)                                                                      |
| 2029               | (\$1,961,170)                                                                      |
| 2030               | (\$1,961,170)                                                                      |

All Funds, Five-Year Impact:

| <i>Fiscal Year</i> | Probable Savings/(Cost) from<br><i>General Revenue Fund</i><br>1 | <i>Change in Number of State Employees from FY 2025</i> |
|--------------------|------------------------------------------------------------------|---------------------------------------------------------|
| 2026               | (\$1,961,170)                                                    | 13.0                                                    |
| 2027               | (\$1,961,170)                                                    | 13.0                                                    |
| 2028               | (\$1,961,170)                                                    | 13.0                                                    |
| 2029               | (\$1,961,170)                                                    | 13.0                                                    |
| 2030               | (\$1,961,170)                                                    | 13.0                                                    |

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 entity's distribution 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 PUC to approve, modify, or reject a plan submitted within 180 days.

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 at least once a month, 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 14.0 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. Four Attorneys III (\$115,500 per year with estimated benefits of \$32,825) would be needed for rulemaking and legal issues. Two 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. Lastly, an Administrative Law Judge (\$120,000 per year with estimated benefits of \$34,104) would be needed to handle contested case brought before the commission. Other associated costs include \$31,875 per year for payroll contributions, travel and other operating expenses.

### **Technology**

PUC anticipates information technology expenditures of \$35,100 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, JBel, WP, GDZ