

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 1, 2025

TO: Honorable Ken King, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB2964 by Landgraf (Relating to the provision of broadband service in certain rural counties.), As
Introduced**

There could be an indeterminate revenue loss from interest earnings on the Broadband Infrastructure Fund. However, the amount and timing of disbursements are not known; therefore, the fiscal impact cannot be determined.

The bill would require the Comptroller to allocate up to \$750 million from the Broadband Infrastructure Fund (BIF) to provide grants, low interest loans, and other financial incentives to eligible counties to provide fiber-to-the-premises broadband service to residential or commercial addresses that are not served by fiber-to-the-premises service according to the United States Federal Communications Commission. Counties would be eligible if they have a county seat population between 5,000 and 25,000, and were not selected for the Bringing Online Opportunities to Texas II (BOOT II) program.

The bill requires the Broadband Development Office (BDO) to establish certain administrative guidelines and prioritize certain types of projects. It would also require BDO to report annually to the Legislature on program status, and conduct a comprehensive review of the program.

According to the Comptroller's Office, 77 counties would be eligible for funding under the bill's provisions. The bill could result in a faster disbursement of money from the BIF, which could result in less interest earnings on the money held within the fund. As the amount and timing of those disbursements are not known, the fiscal impact cannot be estimated.

Local Government Impact

The fiscal implications of the bill to units of local government cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, WP, LCO, CSmi, NV