

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

5-25-23

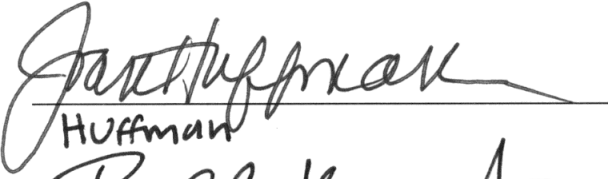
Date

Honorable Dan Patrick
President of the Senate

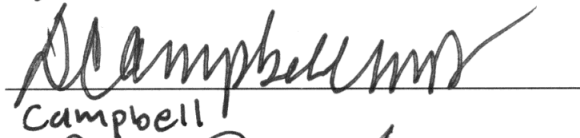
Honorable Dade Phelan
Speaker of the House of Representatives

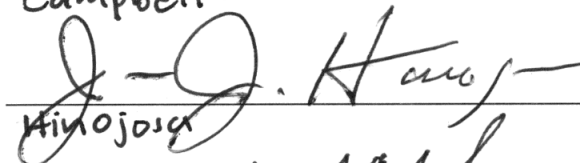
Sirs:

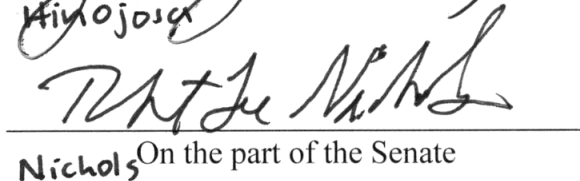
We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB 9 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.


Huffman


Behencourt



Campbell


Hinojosa

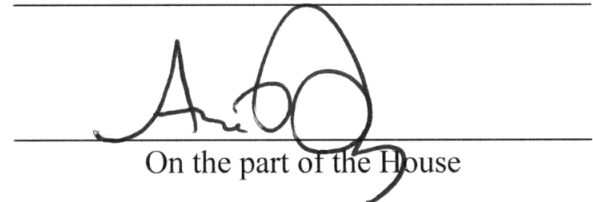

Nichols
On the part of the Senate








Joni Rose


Arbo
On the part of the House

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

3rd Printing

H.B. No. 9

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the development and funding of broadband and
3 telecommunications services.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Chapter 403, Government Code, is amended by
6 adding Subchapter T to read as follows:

7 SUBCHAPTER T. TEXAS BROADBAND INFRASTRUCTURE FUND

8 Sec. 403.601. DEFINITIONS. In this subchapter:

9 (1) "Broadband Equity, Access, and Deployment
10 Program" means the federal Broadband Equity, Access, and Deployment
11 Program established by the Infrastructure Investment and Jobs Act
12 (Pub. L. No. 117-58).

13 (2) "Fund" means the broadband infrastructure fund
14 established under Section 49-d-16, Article III, Texas
15 Constitution.

16 (3) "Next generation 9-1-1 service fund" means the
17 fund established under Section 771.0713, Health and Safety Code.

18 Sec. 403.602. LEGISLATIVE FINDINGS; PUBLIC PURPOSE. The
19 legislature finds that:

20 (1) the creation of the fund will meet an imperative
21 public need and serve the economic, educational, and health care
22 needs of this state; and

23 (2) the use of the fund is in furtherance of the public
24 purpose of expanding and ensuring access to reliable, high-speed

1 broadband and telecommunications connectivity.

2 Sec. 403.603. BROADBAND INFRASTRUCTURE FUND. (a) The
3 broadband infrastructure fund is a special fund in the state
4 treasury outside the general revenue fund. The fund consists of:

5 (1) money transferred or deposited to the credit of
6 the fund by the constitution, general law, or the General
7 Appropriations Act;

8 (2) revenue that the legislature by general law
9 dedicates for deposit to the credit of the fund;

10 (3) investment earnings and interest earned on money
11 in the fund; and

12 (4) gifts, grants, and donations to the fund.

13 (b) The fund shall be administered by the comptroller who
14 may use money from the fund for any purpose authorized by Subsection
15 (c).

16 (c) The fund may be used only for:

17 (1) a purpose described by Chapter 490I;

18 (2) providing funding for 9-1-1 and next generation
19 9-1-1 services under Chapter 771, Health and Safety Code;

20 (3) supporting the deployment of next generation 9-1-1
21 service, including its costs of equipment, operations, and
22 administration, as provided by Section 771.0713, Health and Safety
23 Code;

24 (4) supporting the Texas Broadband Pole Replacement
25 Program established under Section 403.503, as added by Chapter 659
26 (H.B. 1505), Acts of the 87th Legislature, Regular Session, 2021;

27 (5) providing matching funds for federal money

1 provided for the Broadband Equity, Access, and Deployment Program;

2 (6) expanding access to broadband service in
3 economically distressed communities to support increased
4 connectivity needs in those areas; and

5 (7) administering and enforcing this subchapter.

6 (d) For the purposes of Subsection (c)(5), the comptroller:

7 (1) shall consider an applicant's potential
8 contribution toward matching the funds for federal money provided
9 for the Broadband Equity, Access, and Deployment Program; and

10 (2) may only provide state matching funds if a state
11 contribution is necessary for the economic feasibility of a
12 proposed project.

13 Sec. 403.604. MANAGEMENT AND INVESTMENT OF FUND. (a) In
14 this section, "trust company" means the Texas Treasury Safekeeping
15 Trust Company.

16 (b) The trust company shall hold and invest the fund, and
17 any accounts established in the fund, for the comptroller, taking
18 into account the purposes for which money in the fund may be used.
19 The fund may be invested with the state treasury pool and may be
20 pooled with other state assets for purposes of investment.

21 (c) The overall objective for the investment of the fund is
22 to maintain sufficient liquidity to meet the needs of the fund while
23 striving to preserve the purchasing power of the fund over a full
24 economic cycle.

25 (d) In managing the assets of the fund, the trust company
26 may acquire, exchange, sell, supervise, manage, or retain any kind
27 of investment that a prudent investor, exercising reasonable care,

1 skill, and caution, would acquire or retain in light of the
2 purposes, terms, distribution requirements, and other
3 circumstances of the fund then prevailing, taking into
4 consideration the investment of all the assets of the fund rather
5 than a single investment.

6 (e) The trust company shall recover the costs incurred in
7 managing and investing the fund only from the fund.

8 (f) The trust company annually shall provide a written
9 report to the comptroller with respect to the investments of the
10 fund.

11 (g) The trust company shall adopt a written investment
12 policy that is appropriate for the fund. The trust company shall
13 present the investment policy to the investment advisory board
14 established under Section 404.028. The investment advisory board
15 shall submit to the trust company recommendations regarding the
16 policy.

17 (h) The comptroller annually shall provide to the trust
18 company a forecast of the cash flows into and out of the fund. The
19 comptroller shall provide updates to the forecasts as appropriate
20 to ensure that the trust company is able to achieve the fund's
21 objective specified by Subsection (c).

22 (i) The trust company shall disburse money from the fund as
23 directed by the comptroller.

24 Sec. 403.605. RULEMAKING. The comptroller may adopt rules
25 as necessary to administer this subchapter.

26 SECTION 2. Section 403.502, Government Code, as added by
27 Chapter 659 (H.B. 1505), Acts of the 87th Legislature, Regular

1 Session, 2021, is amended by adding Subsection (b-1) to read as
2 follows:

3 (b-1) In addition to the money transferred under Subsection
4 (b), the comptroller may transfer to the credit of the pole
5 replacement fund an available amount from the broadband
6 infrastructure fund established under Section 49-d-16, Article
7 III, Texas Constitution.

8 SECTION 3. (a) The comptroller of public accounts shall
9 make a one-time transfer in the amount of \$155,200,000 from the
10 broadband infrastructure fund established under Section 49-d-16,
11 Article III, Texas Constitution, to the next generation 9-1-1
12 service fund established under Section 771.0713, Health and Safety
13 Code.

14 (b) The comptroller of public accounts shall make a one-time
15 transfer in the amount of \$75 million from the broadband
16 infrastructure fund established under Section 49-d-16, Article
17 III, Texas Constitution, to the broadband pole replacement fund
18 established under Section 403.502, Government Code, as added by
19 Chapter 659 (H.B. 1505), Acts of the 87th Legislature, Regular
20 Session, 2021.

21 (c) Notwithstanding Section 5, Chapter 10 (S.B. 8), Acts of
22 the 87th Legislature, 3rd Called Session, 2021, the comptroller of
23 public accounts may not use funds appropriated under that section
24 to support the Texas Broadband Pole Replacement Program established
25 under Section 403.503, Government Code, as added by Chapter 659
26 (H.B. 1505), Acts of the 87th Legislature, Regular Session, 2021,
27 after the effective date of this Act.

1 (d) The comptroller of public accounts shall transfer the
2 amounts described by Subsections (a) and (b) of this section not
3 later than September 15, 2024.

4 SECTION 4. This Act takes effect January 1, 2024, if the
5 constitutional amendment proposed by the 88th Legislature, Regular
6 Session, 2023, creating the broadband infrastructure fund to expand
7 high-speed broadband access and assist in the financing of
8 connectivity projects in the state takes effect. If that amendment
9 is not approved by the voters, this Act has no effect.

House Bill 9
Conference Committee Report
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

SECTION 1. Chapter 403, Government Code, is amended by adding Subchapter T to read as follows:

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SUBCHAPTER T. TEXAS BROADBAND INFRASTRUCTURE FUND

Same heading as House version.

Same heading as House version.

Sec. 403.601. DEFINITIONS. In this subchapter:

Sec. 403.601. DEFINITIONS. In this subchapter:

Sec. 403.601. Same as Senate version.

(1)-(3)

(1)-(3) Same as House version

(4) "Office" means the broadband development office established under Section 4901.0102.

(5) "Universal service fund" means the fund established under Section 56.021, Utilities Code.

Sec. 403.602. LEGISLATIVE FINDINGS; PUBLIC PURPOSE.

Sec. 403.602. Same as House version.

Sec. 403.602. Same as House version.

Sec. 403.603. BROADBAND INFRASTRUCTURE FUND. (a) The broadband infrastructure fund is a special fund in the state treasury outside the general revenue fund. The fund consists of:

Sec. 403.603. BROADBAND INFRASTRUCTURE FUND. (a) The broadband infrastructure fund is a special fund in the state treasury outside the general revenue fund. The fund consists of:

Sec. 403.603. Same as Senate version.

(1) appropriations from the legislature for deposit to the credit of the fund;

(2) money transferred or deposited to the credit of the fund by the constitution *or by* general law;

(1) money transferred or deposited to the credit of the fund by the constitution, general law, *or the General Appropriations Act;*

(3) revenue that the legislature by general law dedicates for deposit to the credit of the fund;

(2) revenue that the legislature by general law dedicates for deposit to the credit of the fund;

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- (4) investment earnings and interest earned on money in the fund; and
- (5) gifts, grants, and donations to the fund.
- (b) The fund shall be administered by the comptroller who, **after taking into account any transfer required by this subchapter**, may use money from the fund for any purpose authorized by Subsection (c).
- (c) The fund may be used only for:
 - (1) a purpose described by Chapter 490I;
 - (2) providing funding to the universal service fund for the purposes described by Section 56.021, Utilities Code;**
 - (3) providing funding for 9-1-1 and next generation 9-1-1 services under Chapter 771, Health and Safety Code;
 - (4) supporting the deployment of next generation 9-1-1 service, including its costs of equipment, operations, and administration, as provided by Section 771.0713, Health and Safety Code;
 - (5) supporting the Texas Broadband Pole Replacement Program established under Section 403.503, as added by Chapter 659 (H.B. 1505), Acts of the 87th Legislature, Regular Session, 2021;
 - (6) providing matching funds for federal money provided for the Broadband Equity, Access, and Deployment Program;
 - (7) supporting increased connectivity needs for qualifying schools under the federal Schools and Libraries Program ("E-rate program") as provided by 47 C.F.R. Part 54, Subpart F, or similar legislation providing federal funding for broadband and telecommunications initiatives;**

SENATE VERSION (IE)

- (3) investment earnings and interest earned on money in the fund; and
- (4) gifts, grants, and donations to the fund.
- (b) The fund shall be administered by the comptroller who may use money from the fund for any purpose authorized by Subsection (c).
- (c) The fund may be used only for:
 - (1) a purpose described by Chapter 490I;
 - (2) providing funding for 9-1-1 and next generation 9-1-1 services under Chapter 771, Health and Safety Code;
 - (3) supporting the deployment of next generation 9-1-1 service, including its costs of equipment, operations, and administration, as provided by Section 771.0713, Health and Safety Code;
 - (4) supporting the Texas Broadband Pole Replacement Program established under Section 403.503, as added by Chapter 659 (H.B. 1505), Acts of the 87th Legislature, Regular Session, 2021;
 - (5) providing matching funds for federal money provided for the Broadband Equity, Access, and Deployment Program;

CONFERENCE

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

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Conference Committee Report
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

(8) improving public safety telecommunications connectivity, including support for school safety;

(9) expanding access to broadband service in economically distressed communities to support increased connectivity needs in those areas **and promote economic development, job growth, and development of advanced mobile and transportation-based broadband technology in those areas;**
and

(10) administering and enforcing this subchapter.

(6) expanding access to broadband service in economically distressed communities to support increased connectivity needs in those areas; and

(7) administering and enforcing this subchapter.

**() For the purposes of Subsection (c)(5), the comptroller:
(1) shall consider an applicant's potential contribution toward matching the funds for federal money provided for the Broadband Equity, Access, and Deployment Program; and**

(2) may only provide state matching funds if a state contribution is necessary for the economic feasibility of a proposed project. [FA2]

Sec. 403.604. MANAGEMENT AND INVESTMENT OF FUND. (a) In this section, "trust company" means the Texas Treasury Safekeeping Trust Company.

(b) The trust company shall hold and invest the fund, and any accounts established in the fund, for **and in the name of** the comptroller, taking into account the purposes for which money in the fund may be used. The fund may be invested with the state treasury pool and may be pooled with other state assets for purposes of investment.

Sec. 403.604. MANAGEMENT AND INVESTMENT OF FUND. (a) In this section, "trust company" means the Texas Treasury Safekeeping Trust Company.

(b) The trust company shall hold and invest the fund, and any accounts established in the fund, for the comptroller, taking into account the purposes for which money in the fund may be used. The fund may be invested with the state treasury pool and may be pooled with other state assets for purposes of investment. [FA1(1)]

Sec. 403.604. Same as Senate version.

House Bill 9
Conference Committee Report
Section-by-Section Analysis

HOUSE VERSION

(c) The overall objective for the investment of the fund is to maintain sufficient liquidity to meet the needs of the fund while striving to preserve the purchasing power of the fund over a full economic cycle.

(d) ***The trust company has any power necessary to accomplish the purposes of managing and investing the assets of the fund.*** In managing the assets of the fund, ***through procedures and subject to restrictions the trust company considers appropriate,*** the trust company may acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

(e) The trust company shall recover the costs incurred in managing and investing the fund only from the fund.

(f) The trust company annually shall provide a written report to the comptroller with respect to the investments of the fund.

(g) The trust company shall adopt a written investment policy that is appropriate for the fund. The trust company shall present the investment policy to the investment advisory board established under Section 404.028. The investment advisory board shall submit to the trust company recommendations regarding the policy.

(h) The comptroller annually shall provide to the trust company a forecast of the cash flows into and out of the fund. The comptroller shall provide updates to the forecasts as

SENATE VERSION (IE)

(c) The overall objective for the investment of the fund is to maintain sufficient liquidity to meet the needs of the fund while striving to preserve the purchasing power of the fund over a full economic cycle.

(d) In managing the assets of the fund, the trust company may acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment. [FA1(2A)-(2B)]

(e) The trust company shall recover the costs incurred in managing and investing the fund only from the fund.

(f) The trust company annually shall provide a written report to the comptroller with respect to the investments of the fund.

(g) The trust company shall adopt a written investment policy that is appropriate for the fund. The trust company shall present the investment policy to the investment advisory board established under Section 404.028. The investment advisory board shall submit to the trust company recommendations regarding the policy.

(h) The comptroller annually shall provide to the trust company a forecast of the cash flows into and out of the fund. The comptroller shall provide updates to the forecasts as

CONFERENCE

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SENATE VERSION (IE)

CONFERENCE

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appropriate to ensure that the trust company is able to achieve the fund's objective specified by Subsection (c).

(i) The trust company shall disburse money from the fund as directed by the comptroller.

Sec. 403.605. TRANSFERS TO UNIVERSAL SERVICE FUND. Not later than September 15 of each year, the comptroller shall transfer from the fund to the universal service fund an amount necessary to provide the services required under Section 56.021, Utilities Code, as determined by the comptroller in consultation with the Public Utility Commission of Texas.

Sec. 403.606. TRANSFERS TO NEXT GENERATION 9-1-1 SERVICE FUND. Not later than September 15 of each year, the comptroller shall transfer from the fund to the next generation 9-1-1 service fund an amount equal to the difference between the fees collected under Section 771.0711(b), Health and Safety Code, during the preceding state fiscal year and the amount that would have been collected during that preceding state fiscal year if the amount of the monthly fee under Section 771.0711(b), Health and Safety Code, were 85 cents, as determined by the comptroller in consultation with the Commission on State Emergency Communications.

Sec. 403.607. TRANSFERS TO TEXAS EDUCATION AGENCY. Not later than September 15 of each year, the comptroller shall transfer to the commissioner of education

appropriate to ensure that the trust company is able to achieve the fund's objective specified by Subsection (c).

(i) The trust company shall disburse money from the fund as directed by the comptroller.

No equivalent provision.

No equivalent provision.

No equivalent provision.

Same as Senate version.

Same as Senate version.

Same as Senate version.

House Bill 9
Conference Committee Report
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HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

an amount necessary to provide matching funds to schools under the federal Schools and Libraries Program ("E-rate program") as provided by 47 C.F.R. Part 54, Subpart F, or similar legislation providing federal funding for broadband and telecommunications initiatives, as determined by the comptroller in consultation with the Texas Education Agency.

Sec. 403.608. RULEMAKING.

SECTION 2. Section 403.502, Government Code, as added by Chapter 659 (H.B. 1505), Acts of the 87th Legislature, Regular Session, 2021, is amended by adding Subsection (b-1) to read as follows:

(b-1) In addition to the money transferred under Subsection (b), the comptroller may transfer to the credit of the pole replacement fund an available amount from the broadband infrastructure fund established under Section 49-d-16, Article III, Texas Constitution.

SECTION 3. Section 771.0713, Health and Safety Code, is amended by adding Subsection (b-1) and amending Subsection (g) to read as follows:

(b-1) In addition to the money transferred under Subsection (b), the comptroller may transfer to the credit of the next generation 9-1-1 service fund an available amount from the broadband infrastructure fund established under Section 49-d-16, Article III, Texas Constitution.

(g) This section expires September 1, 2035 [2025].

Sec. 403.605. Same as House version.

No equivalent provision.

No equivalent provision.

Sec. 403.605. Same as House version.

SECTION 2. Same as House version.

Same as Senate version.

House Bill 9
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HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

SECTION 4. Section 56.022, Utilities Code, is repealed.

No equivalent provision.

Same as Senate version.

SECTION 5. (a) The comptroller of public accounts shall make a one-time transfer in the amount of **\$1 billion** from the broadband infrastructure fund established under Section 49-d-16, Article III, Texas Constitution, to the **broadband development account** established under **Section 4901.0108, Government Code**.

No equivalent provision.

SECTION 3. (a) The comptroller of public accounts shall make a one-time transfer in the amount of **\$155,200,000** from the broadband infrastructure fund established under Section 49-d-16, Article III, Texas Constitution, to the **next generation 9-1-1 service fund** established under **Section 771.0713, Health and Safety Code**.

(b) The comptroller of public accounts shall make a one-time transfer in the amount of \$75 million from the broadband infrastructure fund established under Section 49-d-16, Article III, Texas Constitution, to the broadband pole replacement fund established under Section 403.502, Government Code, as added by Chapter 659 (H.B. 1505), Acts of the 87th Legislature, Regular Session, 2021.

(b) The comptroller of public accounts shall make a one-time transfer in the amount of \$75 million from the broadband infrastructure fund established under Section 49-d-16, Article III, Texas Constitution, to the broadband pole replacement fund established under Section 403.502, Government Code, as added by Chapter 659 (H.B. 1505), Acts of the 87th Legislature, Regular Session, 2021.

(c) The comptroller of public accounts shall transfer the amounts described by Subsections (a) and (b) of this section not later than **the 30th day after the effective date of this Act**.

(c) Notwithstanding Section 5, Chapter 10 (S.B. 8), Acts of the 87th Legislature, 3rd Called Session, 2021, the comptroller of public accounts may not use funds appropriated under that section to support the Texas Broadband Pole Replacement Program established under Section 403.503, Government Code, as added by Chapter 659 (H.B. 1505), Acts of the 87th Legislature, Regular Session, 2021, after the effective date of this Act.

(d) The comptroller of public accounts shall transfer the amounts described by Subsections (a) and (b) of this section not later than **September 15, 2024**.

House Bill 9
Conference Committee Report
Section-by-Section Analysis

HOUSE VERSION

SECTION 6. This Act takes effect January 1, 2024, if the constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, creating the broadband infrastructure fund to assist in the financing of *broadband and telecommunications services* projects *in the state* takes effect. If that amendment is not approved by the voters, this Act has no effect.

SENATE VERSION (IE)

SECTION 2. This Act takes effect January 1, 2024, if the constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, creating the broadband infrastructure fund to *expand high-speed broadband access and* assist in the financing of *connectivity* projects takes effect. If that amendment is not approved by the voters, this Act has no effect.

CONFERENCE

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

SECTION 4. This Act takes effect January 1, 2024, if the constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, creating the broadband infrastructure fund to *expand high-speed broadband access and* assist in the financing of *connectivity* projects *in the state* takes effect. If that amendment is not approved by the voters, this Act has no effect.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 27, 2023

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB9 by Ashby (Relating to the development and funding of broadband and telecommunications services.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for HB9, Conference Committee Report : an impact of \$0 through the biennium ending August 31, 2025.

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 General Revenue Related Funds
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from Texas Broadband Infrastructure Fund	Probable Revenue Gain from Next Gen 9-1-1 Svc Fund 195	Probable Revenue Gain from Broadband Pole Replcmt Fnd 188
2024	(\$230,200,000)	\$155,200,000	\$75,000,000
2025	\$0	\$0	\$0
2026	\$0	\$0	\$0
2027	\$0	\$0	\$0
2028	\$0	\$0	\$0

Fiscal Analysis

The bill would amend Government Code Chapter 403, adding Subchapter T regarding the Texas Broadband Infrastructure Fund (BIF).

The BIF, created by House Joint Resolution 125, would be administered by the Comptroller and would consist of appropriations, transfers, dedicated revenue, investment and interest earnings, gifts, grants, and donations. The Texas Treasury Safekeeping Trust Company would actively manage the BIF, maintaining liquidity to meet the needs and preserve the purchasing power of the fund.

Money in the BIF could only be used for purposes of expanding broadband and telecommunications across the state, per Government Code Chapter 490I, as well as providing funding for 9-1-1 and Next Generation 9-1-1 services, the Pole Replacement Program, matching funds for federal money for the Broadband Equity, Access, and Deployment (BEAD) Program, expanding broadband access in economically distressed communities, and administration and enforcement costs.

The bill would authorize the Comptroller to transfer additional available amounts in the BIF to the Pole Replacement Fund or the Next Generation 9-1-1 Service Fund.

The bill would require the Comptroller to transfer from the BIF one-time amounts of \$155,200,000 to the Next Generation 9-1-1 Service Fund No. 0195, and \$75,000,000 to the Pole Replacement Fund No. 188, before September 15, 2024. Funds previously appropriated to the Pole Replacement Fund by Senate Bill 8, Eighty-seventh Legislature, Third Called Session could not be used after the effective date of the bill.

The provisions of the bill would take effect on January 1, 2024, only if the constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, creating the broadband infrastructure fund to assist in the financing of broadband and telecommunications services projects in the state takes effect.

Methodology

According to provisions in the bill, \$230,200,000 would be transferred out of the BIF during the 2024-25 biennium. This includes one-time transfers of \$155,200,000 to Fund 195, Next Generation 9-1-1 Service Fund No. 195 and \$75,000,000 to the Pole Replacement Fund No. 188.

According to the Commission on State Emergency Communications, of the amounts transferred to the Next Generation 9-1-1 Service Fund, approximately \$22.6 million would be available to support regional planning commissions in the statewide 9-1-1 program.

It is assumed that the transfers from the BIF to the Next Generation 9-1-1 Service and Broadband Pole Replacement funds would take place in fiscal 2024, and that all funds previously appropriated to the Broadband Pole Replacement fund will be expended by the effective date of the bill.

It is assumed that any administrative or technology costs associated with implementing the bill could be absorbed using existing resources.

It is assumed that the fiscal impact is determined by the required transfers outlined in the bill, and that no other amounts would be appropriated to the BIF. Because future appropriations, transfers, and revenues associated with the BIF, as well as any gifts, grants, or donations are unknown, the total fiscal impact as a result of administering the BIF cannot be determined.

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.

Local Government Impact

According to the Commission on State Emergency Communications, out of amounts transferred to the Next Generation 9-1-1 Service Fund, about \$132.6 million would be distributed to local emergency communications districts (ECDs). No other local impact is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 473 Public Utility Commission of Texas, 477 Commission on State Emergency Communications, 701 Texas Education Agency

LBB Staff: JMc, CMA, LCO, CSmi, KK, SMAT, NV

**Certification of Compliance with
Rule 13, Section 6(b), House Rules of Procedure**

Rule 13, Section 6(b), House Rules of Procedure, requires that a copy of a conference committee report signed by a majority of each committee of the conference be furnished to each member of the committee in person or, if unable to deliver in person, by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under Rule 13, Section 10(a). The paper copies of the report submitted to the chief clerk under Rule 13, Section 10(b), must contain a certificate that the requirement of Rule 13, Section 6(b), has been satisfied, and that certificate must be attached to the copy of the report furnished to each member under Rule 13, Section 10(d). Failure to comply with this requirement is not a sustainable point of order.

I certify that a copy of the conference committee report on HB 9 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before paper copies of the report were submitted to the chief clerk under Rule 13, Section 10(b), House Rules of Procedure.

Fred Ashby
(Signature)

5-25-23
(Date)