

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.

President of the Senate

Speaker of the House

I certify that H.B. No. 9 was passed by the House on April 27, 2023, by the following vote: Yeas 140, Nays 8, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 9 on May 23, 2023, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 9 on May 28, 2023, by the following vote: Yeas 134, Nays 8, 2 present, not voting.

Chief Clerk of the House

H.B. No. 9

I certify that H.B. No. 9 was passed by the Senate, with amendments, on May 18, 2023, by the following vote: Yeas 30, Nays 1; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 9 on May 28, 2023, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor