

1-1 By: Ashby, et al. (Senate Sponsor - Huffman) H.B. No. 9  
 1-2 (In the Senate - Received from the House May 1, 2023;  
 1-3 May 2, 2023, read first time and referred to Committee on Finance;  
 1-4 May 16, 2023, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 16, Nays 1; May 16, 2023,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22		X		
1-23	X			
1-24	X			
1-25	X			

1-26 COMMITTEE SUBSTITUTE FOR H.B. No. 9 By: Huffman

1-27 A BILL TO BE ENTITLED  
 1-28 AN ACT

1-29 relating to the development and funding of broadband and  
 1-30 telecommunications services.

1-31 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-32 SECTION 1. Chapter 403, Government Code, is amended by  
 1-33 adding Subchapter T to read as follows:

1-34 SUBCHAPTER T. TEXAS BROADBAND INFRASTRUCTURE FUND

1-35 Sec. 403.601. DEFINITIONS. In this subchapter:

1-36 (1) "Broadband Equity, Access, and Deployment  
 1-37 Program" means the federal Broadband Equity, Access, and Deployment  
 1-38 Program established by the Infrastructure Investment and Jobs Act  
 1-39 (Pub. L. No. 117-58).

1-40 (2) "Fund" means the broadband infrastructure fund  
 1-41 established under Section 49-d-16, Article III, Texas  
 1-42 Constitution.

1-43 (3) "Next generation 9-1-1 service fund" means the  
 1-44 fund established under Section 771.0713, Health and Safety Code.

1-45 Sec. 403.602. LEGISLATIVE FINDINGS; PUBLIC PURPOSE. The  
 1-46 legislature finds that:

1-47 (1) the creation of the fund will meet an imperative  
 1-48 public need and serve the economic, educational, and health care  
 1-49 needs of this state; and

1-50 (2) the use of the fund is in furtherance of the public  
 1-51 purpose of expanding and ensuring access to reliable, high-speed  
 1-52 broadband and telecommunications connectivity.

1-53 Sec. 403.603. BROADBAND INFRASTRUCTURE FUND. (a) The  
 1-54 broadband infrastructure fund is a special fund in the state  
 1-55 treasury outside the general revenue fund. The fund consists of:

1-56 (1) money transferred or deposited to the credit of  
 1-57 the fund by the constitution, general law, or the General  
 1-58 Appropriations Act;

1-59 (2) revenue that the legislature by general law  
 1-60 dedicates for deposit to the credit of the fund;

2-1 (3) investment earnings and interest earned on money  
 2-2 in the fund; and

2-3 (4) gifts, grants, and donations to the fund.

2-4 (b) The fund shall be administered by the comptroller who  
 2-5 may use money from the fund for any purpose authorized by Subsection  
 2-6 (c).

2-7 (c) The fund may be used only for:

2-8 (1) a purpose described by Chapter 490I;

2-9 (2) providing funding for 9-1-1 and next generation  
 2-10 9-1-1 services under Chapter 771, Health and Safety Code;

2-11 (3) supporting the deployment of next generation 9-1-1  
 2-12 service, including its costs of equipment, operations, and  
 2-13 administration, as provided by Section 771.0713, Health and Safety  
 2-14 Code;

2-15 (4) supporting the Texas Broadband Pole Replacement  
 2-16 Program established under Section 403.503, as added by Chapter 659  
 2-17 (H.B. 1505), Acts of the 87th Legislature, Regular Session, 2021;

2-18 (5) providing matching funds for federal money  
 2-19 provided for the Broadband Equity, Access, and Deployment Program;

2-20 (6) expanding access to broadband service in  
 2-21 economically distressed communities to support increased  
 2-22 connectivity needs in those areas; and

2-23 (7) administering and enforcing this subchapter.

2-24 Sec. 403.604. MANAGEMENT AND INVESTMENT OF FUND. (a) In  
 2-25 this section, "trust company" means the Texas Treasury Safekeeping  
 2-26 Trust Company.

2-27 (b) The trust company shall hold and invest the fund, and  
 2-28 any accounts established in the fund, for and in the name of the  
 2-29 comptroller, taking into account the purposes for which money in  
 2-30 the fund may be used. The fund may be invested with the state  
 2-31 treasury pool and may be pooled with other state assets for purposes  
 2-32 of investment.

2-33 (c) The overall objective for the investment of the fund is  
 2-34 to maintain sufficient liquidity to meet the needs of the fund while  
 2-35 striving to preserve the purchasing power of the fund over a full  
 2-36 economic cycle.

2-37 (d) The trust company has any power necessary to accomplish  
 2-38 the purposes of managing and investing the assets of the fund. In  
 2-39 managing the assets of the fund, through procedures and subject to  
 2-40 restrictions the trust company considers appropriate, the trust  
 2-41 company may acquire, exchange, sell, supervise, manage, or retain  
 2-42 any kind of investment that a prudent investor, exercising  
 2-43 reasonable care, skill, and caution, would acquire or retain in  
 2-44 light of the purposes, terms, distribution requirements, and other  
 2-45 circumstances of the fund then prevailing, taking into  
 2-46 consideration the investment of all the assets of the fund rather  
 2-47 than a single investment.

2-48 (e) The trust company shall recover the costs incurred in  
 2-49 managing and investing the fund only from the fund.

2-50 (f) The trust company annually shall provide a written  
 2-51 report to the comptroller with respect to the investments of the  
 2-52 fund.

2-53 (g) The trust company shall adopt a written investment  
 2-54 policy that is appropriate for the fund. The trust company shall  
 2-55 present the investment policy to the investment advisory board  
 2-56 established under Section 404.028. The investment advisory board  
 2-57 shall submit to the trust company recommendations regarding the  
 2-58 policy.

2-59 (h) The comptroller annually shall provide to the trust  
 2-60 company a forecast of the cash flows into and out of the fund. The  
 2-61 comptroller shall provide updates to the forecasts as appropriate  
 2-62 to ensure that the trust company is able to achieve the fund's  
 2-63 objective specified by Subsection (c).

2-64 (i) The trust company shall disburse money from the fund as  
 2-65 directed by the comptroller.

2-66 Sec. 403.605. RULEMAKING. The comptroller may adopt rules  
 2-67 as necessary to administer this subchapter.

2-68 SECTION 2. This Act takes effect January 1, 2024, if the  
 2-69 constitutional amendment proposed by the 88th Legislature, Regular

3-1 Session, 2023, creating the broadband infrastructure fund to expand  
3-2 high-speed broadband access and assist in the financing of  
3-3 connectivity projects takes effect. If that amendment is not  
3-4 approved by the voters, this Act has no effect.

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