

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 7, 2017

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1004 by Hancock (Relating to the deployment of network nodes in public right-of-way; authorizing fees.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Local Government Code by adding a chapter to regulate the deployment of network nodes for wireless services in public rights-of-way. Establishes various definitions for use in the chapter. Places limitations on the size of these network nodes and exempts various pieces of equipment from the calculation of this size. Prohibits municipalities from entering exclusive arrangements for the use of a public right-of-way. Places a cap on fees for the use of public-right-of-ways used for the installation of network nodes. Provides for various adjustments to an existing right-of-way fee as established in Chapter 283 of the Local Government Code. Provides for this fee to be adjusted by an amount calculated in reference to consumer price index.

The bill would establish certain rights of access on public right-of-ways for network providers. Provides certain restrictions on the construction and maintenance of network structures and facilities on these right-of-ways.

The bill would prohibit municipalities from regulating the deployment of these facilities other than as allowed in this bill. Establishes restrictions on the type of permits municipalities may require from network providers. Regulates the information that municipalities may require as part of the process of issuing permits. Establishes deadlines municipalities must follow in the processing of these permits. Regulates the application fees for these permits. Exempts certain work from permitting. Requires access to municipally owned utility poles on nondiscriminatory terms for the collocation of network nodes.

Specifies that the bill does not apply to certain non-municipal entities and that an approval for the installation, placement, maintenance, or operation of a network node or transport facility may not be construed to confer authorization to provide certain other telecommunication services.

According to the PUC, the bill would have no significant fiscal impact on the state.

The bill would take effect September 1, 2017.

Local Government Impact

According to the PUC, the bill would have a significant fiscal impact on local government, however the scale of this impact cannot be determined.

According to the Texas Municipal League, the potential loss of right-of-way fees to municipalities is estimated to be \$813 million annually.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: UP, AG, GG, GP, CL, JGA, SD, AO