

March 10, 2023 | Regular Session, Issue 8 | 88th Regular Session

Every Friday, this newsletter will keep you up to speed on some of the legislation important to Texas Farm Bureau members that Austin staff are following. Please do not hesitate to contact the appropriate staff with any questions.

# **Rural Connectivity**

**HB 9:** Relating to the development and funding of broadband and telecommunications services, making an appropriation.

#### Ashby, Trent (R)

#### Summary:

HB 9 sets up a new funding mechanism for the Texas Broadband Infrastructure Fund.

#### Background

The Texas Broadband Infrastructure Fund was established during the 87th Texas Legislature. It seeks to expand and ensure access to reliable, high-speed connectivity.

Currently, the Texas Broadband Infrastructure Fund is funded by "(1) appropriations of money to the account by the legislature; (2) gifts, donations, and grants, including federal grants; and (3) interest earned on the investment of the money in the account."

#### **Proposed Changes**

HB 9 would create the Texas Broadband Infrastructure Fund to provide \$5 billion in state funding to ensure expansion of broadband throughout rural Texas. The fund would be administered by the Comptroller's Broadband Development Office, along with the Public Utility Commission.

The funding would only be used for efforts aimed at the expansion of broadband services and fully funding the Texas Universal Service Fund (TUSF). The TUSF is a subsidy that is provided to rural telecommunications companies to provide phone

service in remote areas of the state. The bill would also provide for flexibility as broadband technology rapidly advances.

The creation of this fund and dedication of the funding would have to be approved by constitutional amendment: **HJR 125** by Rep. Ashby.

TFB **supports** HB 9 and HJR 125. (TFB Policy: Utilities Section 148, Page 53, Lines 50-53)

## Water

**HB 3059:** Relating to fees charged by a groundwater conservation district (GWCD), authorizing an increase in the rate of a fee.

### King, Tracy (D)

### Summary:

HB 3059 amends the fees charged by a groundwater conservation district.

Specifically, 20 cents/1,000 gallons is the maximum rate a GWCD can charge per one thousand gallons of water exported from a tax-based district. This limitation also applies to a fee-based district.

Beginning on Jan. 1, 2024, the maximum rate of 20 cents for each thousand gallons of water exported may be imposed by a district. In addition, the rate shall automatically increase 3%per year.

The bill also authorizes the use of fees and other district funds to be used to assist private landowners with wells affected water level declines.

TFB is **neutral** on HB 3059. (TFB Policy: Groundwater Section, Page 71, Lines 108-110. Groundwater Section, Page 73, Lines 222-226)

## Taxes

**<u>HB 5</u>**: Relating to agreements to create jobs and to generate state and local tax revenue for this state.

### Hunter, Todd (R)

### Summary:

HB 5 amends the Government Code by adding Subchapter S. The purpose of this bill is to create jobs while generating both state and local revenue. This is necessary to encourage economic growth and stability within the state. The process of acquiring an abatement is extensive and must be done on a form prescribed by the

comptroller. This bill implies that it would give school districts the opportunity to grant property tax abatements to businesses in exchange for payments. Furthermore, this bill provides transparency to taxpayers with regard to how the state incentive dollars are being used and benefitted.

#### Background

This bill is similar to the expired program Chapter 313. However, it eliminates the definitive economic development requirements. Chapter 313 had a requirement of creating a minimum number of 25 qualifying jobs and paying 110% of the area's average wage.

TFB is **neutral** on HB 5. (TFB Policy: Other Taxes Section, Page 49, Lines 136-137. Other Taxes Section, Page 49, Lines 122-135. Other Taxes Section, Page 50, Lines 177-179. Renewable Energy Section, Page 52, Lines 72-73.)

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