

ANALYSES OF PROPOSED CONSTITUTIONAL AMENDMENTS

88th Texas Legislature November 7, 2023, Election

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SUMMARY ANALYSIS

H.J.R. 125 proposes the addition of Section 49-d-16, Article III, Texas Constitution, to create the broadband infrastructure fund for the expansion of access to and adoption of broadband and telecommunications services. The proposed amendment takes effect January 1, 2024, and expires on September 1, 2035, unless extended for 10 years by a concurrent resolution approved by a record vote of two-thirds of the members of each house of the legislature. The legislature has appropriated \$1.5 billion to the proposed fund contingent on voter approval of the proposed amendment.

BACKGROUND AND DETAILED ANALYSIS

The constitutional amendment proposed by H.J.R. 125 creates the broadband infrastructure fund as a special fund in the state treasury outside the general revenue fund and authorizes the comptroller of public accounts to administer the fund. The fund consists of money transferred or deposited to the credit of the fund by the constitution, general law, or the General Appropriations Act, revenue dedicated by general law for deposit to the credit of the fund, investment earnings and interest earned on money in the fund, and gifts, grants, and donations to the fund.

The proposed amendment prescribes that the money in the fund may be used, without further appropriation, only for the expansion of access to and adoption of broadband and telecommunications services, including the development, construction, reconstruction, expansion, operation, and provision of broadband and telecommunications infrastructure or services. The proposed amendment authorizes transfers of money from the fund to another fund to be used only as provided by general law for the expansion of access to and adoption of broadband. Money in the fund may be used in conjunction with other state or federal funds in accordance with procedures, standards, and limitations established by federal and general law.

Finally, the proposed amendment requires the comptroller to transfer to the general revenue fund any unexpended and unobligated balance remaining in the broadband infrastructure fund before the expiration date of proposed Section 49-d-16, Article III, Texas Constitution.

H.B. 9, 88th Legislature, Regular Session, enacts Subchapter T, Chapter 403, Government Code, providing for the administration of the broadband infrastructure fund, including the specific purposes for which the comptroller may disburse money from the fund. H.B. 9 takes effect only if this proposed constitutional amendment is approved by the voters.

The 2023 General Appropriations Act (Rider 18.05, page IX-122, H.B. 1, 88th Legislature, Regular Session, 2023) appropriates \$1.5 billion in general revenue to the proposed broadband infrastructure fund in

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fiscal year 2024. The appropriation is contingent on the enactment of H.B. 9 and voter approval of this proposed constitutional amendment.