

102.11 **ARTICLE 5**
102.12 **BROADBAND**

123.24 **ARTICLE 15**
123.25 **BROADBAND DEVELOPMENT**

102.13Section 1. **APPROPRIATIONS.**

102.14 The sums shown in the columns under "Appropriations" are added to or, if shown
102.15 in parentheses, subtracted from the appropriations in Laws 2015, First Special Session
102.16 chapter 1, article 1, or other law to the specified agencies. The appropriations are from the
102.17 general fund, or another named fund, and are available for the fiscal years indicated for
102.18 each purpose. The figure "2017" used in this article means that the appropriations listed
102.19 under it are available for the fiscal year ending June 30, 2017.

102.20 **APPROPRIATIONS**

102.21 **Available for the Year**

102.22 **Ending June 30**

102.23 **2016** **2017**

102.24Sec. 2. **DEPARTMENT OF EMPLOYMENT**
102.25**AND ECONOMIC DEVELOPMENT.** **\$ -0- \$ 85,000,000**

102.26 **Border-To-Border Broadband**
102.27 **Development Program.** (a) \$85,000,000
102.28 in fiscal year 2017 is appropriated to
102.29 the commissioner of employment and
102.30 economic development for deposit in the
102.31 border-to-border broadband fund account
102.32 created under Minnesota Statutes, section
102.33 116J.396, and may be used for the purposes
103.1 provided in Minnesota Statutes, section
103.2 116J.395. This is a onetime appropriation.

THE HOUSE BROADBAND APPROPRIATION CAME FROM ARTICLE 4.

59.6 Subd. 6. **Broadband Development** **15,000,000**

59.7 (a) \$15,000,000 in fiscal year 2017 is
59.8 from the general fund for deposit in the
59.9 border-to-border broadband fund account
59.10 under Minnesota Statutes, section 116J.396,
59.11 for the purpose of awarding grants under that
59.12 section. The base funding for this program is
59.13 \$25,000,000 in fiscal year 2018. These are
59.14 onetime appropriations.

103.3 (b) Of the appropriation in paragraph (a),
 103.4 the commissioner may include the following
 103.5 activities related to measuring progress
 103.6 toward the state's broadband goals established
 103.7 in Minnesota Statutes, section 237.012,
 103.8 as administrative costs under Minnesota
 103.9 Statutes, section 116J.395. Administrative
 103.10 costs may include the following activities
 103.11 related to measuring progress toward the
 103.12 state's broadband goals established in
 103.13 Minnesota Statutes, section 237.012:

59.15 (b) \$500,000 must be awarded to projects
 59.16 that propose to expand the availability and
 59.17 adoption of broadband service to areas
 59.18 that contain a significant proportion of
 59.19 low-income households. For the purposes of
 59.20 this subdivision, "low-income households"
 59.21 means households whose household income
 59.22 is less than or equal to 200 percent of the
 59.23 most recent calculation of the United States
 59.24 federal poverty guidelines published by the
 59.25 federal Department of Health and Human
 59.26 Services, adjusted for family size.

59.27 (c) Minnesota Statutes, section 116J.395,
 59.28 subdivision 5a, does not apply to applications
 59.29 for grants under paragraph (b) and does
 59.30 not apply to applications for grants under
 59.31 paragraph (a) in underserved areas.

59.32 (d) If grant awards in any area are insufficient
 59.33 to fully expend the funds available for
 59.34 that area, the commissioner may reallocate
 59.35 unexpended funds to other areas.

103.14 (1) collecting broadband deployment data
 103.15 from Minnesota providers, verifying its
 103.16 accuracy through on-the-ground testing, and
 103.17 creating state and county maps available
 103.18 to the public showing the availability of
 103.19 broadband service at various upload and
 103.20 download speeds throughout Minnesota;

103.21 (2) analyzing the deployment data collected
 103.22 to help inform future investments in
 103.23 broadband infrastructure; and

103.24 (3) conducting business and residential
 103.25 surveys that measure broadband adoption
 103.26 and use in the state.

103.27 (c) Data provided by a broadband provider
 103.28 under this paragraph is nonpublic data
 103.29 under Minnesota Statutes, section 13.02,
 103.30 subdivision 9. Maps produced under this
 103.31 paragraph are public data under Minnesota
 103.32 Statutes, section 13.03.

103.33 Sec. 3. Minnesota Statutes 2015 Supplement, section 116J.394, is amended to read:
 103.34 **116J.394 DEFINITIONS.**

104.1 (a) For the purposes of sections 116J.394 to 116J.396, the following terms have
 104.2 the meanings given them.

104.3 (b) "Broadband" or "broadband service" has the meaning given in section 116J.39,
 104.4 subdivision 1, paragraph (b).

104.5 (c) "Broadband infrastructure" means networks of deployed telecommunications
 104.6 equipment and technologies necessary to provide high-speed Internet access and other
 104.7 advanced telecommunications services for end users.

104.8 (d) "Commissioner" means the commissioner of employment and economic
 104.9 development.

104.10 (e) "Last-mile infrastructure" means broadband infrastructure that serves as the
 104.11 final leg connecting the broadband service provider's network to the end-use customer's
 104.12 on-premises telecommunications equipment.

123.26 Section 1. Minnesota Statutes 2015 Supplement, section 116J.394, is amended to read:
 123.27 **116J.394 DEFINITIONS.**

123.28 (a) For the purposes of sections 116J.394 to ~~116J.396~~ 116J.398, the following terms
 123.29 have the meanings given them.

123.30 (b) "Broadband" or "broadband service" has the meaning given in section 116J.39,
 123.31 subdivision 1, paragraph (b).

123.32 (c) "Broadband infrastructure" means networks of deployed telecommunications
 123.33 equipment and technologies necessary to provide high-speed Internet access and other
 123.34 advanced telecommunications services for end users.

124.1 (d) "Commissioner" means the commissioner of employment and economic
 124.2 development.

124.3 (e) "Last-mile infrastructure" means broadband infrastructure that serves as the
 124.4 final leg connecting the broadband service provider's network to the end-use customer's
 124.5 on-premises telecommunications equipment.

104.13 (f) "Middle-mile infrastructure" means broadband infrastructure that links a
 104.14 broadband service provider's core network infrastructure to last-mile infrastructure.

104.15 (g) "Political subdivision" means any county, city, town, school district, special
 104.16 district or other political subdivision, or public corporation.

104.17 (h) "Underserved areas" means areas of Minnesota in which households or
 104.18 businesses lack access to wire-line broadband service at speeds ~~that meet the state~~
 104.19 ~~broadband goals of ten to 20~~ at least 100 megabits per second download and five to ten
 104.20 at least 20 megabits per second upload.

104.21 (i) "Unserved areas" means areas of Minnesota in which households or businesses
 104.22 lack access to wire-line broadband service, ~~as defined in section 116J.39~~ at speeds of at
 104.23 least 25 megabits per second download and at least three megabits per second upload.

124.6 (f) "Middle-mile infrastructure" means broadband infrastructure that links a
 124.7 broadband service provider's core network infrastructure to last-mile infrastructure.

124.8 (g) "Political subdivision" means any county, city, town, school district, special
 124.9 district or other political subdivision, or public corporation.

124.10 (h) "Underserved areas" means areas of Minnesota in which households or
 124.11 businesses lack access to wire-line broadband service at speeds ~~that meet the state~~
 124.12 ~~broadband goals of greater than ten to 20~~ megabits per second download and five to ten
 124.13 three megabits per second upload but less than 25 megabits per second download and
 124.14 three megabits per second upload.

124.15 (i) "Unserved areas" means areas of Minnesota in which households or businesses
 124.16 lack access to wire-line broadband service, ~~as defined in section 116J.39~~ at speeds equal to
 124.17 or greater than ten megabits per second download and three megabits per second upload.

124.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

124.19 Sec. 2. Minnesota Statutes 2014, section 116J.395, subdivision 4, is amended to read:

124.20 Subd. 4. **Application process.** (a) An eligible applicant must submit an application
 124.21 to the commissioner on a form prescribed by the commissioner. The commissioner shall
 124.22 develop administrative procedures governing the application and grant award process.
 124.23 The commissioner shall act as fiscal agent for the grant program and shall be responsible
 124.24 for receiving and reviewing grant applications and awarding grants under this section.

124.25 (b) At least 30 days prior to the first day applications may be submitted each fiscal
 124.26 year, the commissioner must publish the specific criteria and any quantitative weighting
 124.27 scheme or scoring system the commissioner will use to evaluate or rank applications and
 124.28 award grants under subdivision 6 on the department's Web site.

124.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

124.30 Sec. 3. Minnesota Statutes 2014, section 116J.395, is amended by adding a subdivision
 124.31 to read:

124.32 Subd. 5a. **Incumbent right of first refusal.** (a) An applicant shall submit a copy of
 124.33 the application to all incumbent broadband service providers operating in the geographic
 125.1 area in which the proposed project is to be located at the same time the application is
 125.2 submitted to the commissioner.

125.3 (b) The commissioner may not continue to process or consider an application for a
125.4 grant award if the commissioner receives notice in writing from an incumbent broadband
125.5 service provider of the service provider's intention and commitment to begin construction,
125.6 within 12 months of the date on which grant awards are to be made under this section, and
125.7 to complete construction within 24 months of that date, of a project to extend or upgrade
125.8 broadband service to speeds equal to or greater than the state broadband speed goal
125.9 contained in section 237.012, subdivision 1, throughout the area in which the proposed
125.10 project that is the subject of the application is to be located.

125.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

125.12 Sec. 4. Minnesota Statutes 2014, section 116J.395, subdivision 6, is amended to read:

125.13 Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants,
125.14 the commissioner shall give priority to applications that: (1) are constructed in areas
125.15 identified by the director of the Office of Broadband Development as unserved; and (2) the
125.16 commissioner determines will result in the creation or retention of jobs in underserved
125.17 areas located in counties that are not metropolitan counties, as defined in section 473.121,
125.18 subdivision 4.

125.19 (b) In evaluating applications and awarding grants, the commissioner may give
125.20 priority to applications that:

125.21 (1) are constructed in areas identified by the director of the Office of Broadband
125.22 Development as underserved;

125.23 (2) offer new or substantially upgraded broadband service to important community
125.24 institutions including, but not limited to, libraries, educational institutions, public safety
125.25 facilities, and healthcare facilities;

125.26 (3) facilitate the use of telemedicine and electronic health records;

125.27 (4) serve economically distressed areas of the state, as measured by indices of
125.28 unemployment, poverty, or population loss that are significantly greater than the statewide
125.29 average;

125.30 (5) provide technical support and train residents, businesses, and institutions in the
125.31 community served by the project to utilize broadband service;

125.32 (6) include a component to actively promote the adoption of the newly available
125.33 broadband services in the community;

125.34 (7) provide evidence of strong support for the project from citizens, government,
125.35 businesses, and institutions in the community;

126.1 (8) provide access to broadband service to a greater number of unserved or
126.2 underserved households and businesses; or

126.3 (9) leverage greater amounts of funding for the project from other private and
126.4 public sources.

126.5 (c) The commissioner shall endeavor to award grants under this section to qualified
126.6 applicants in all regions of the state.

126.7 (d) Within 90 days after the first grant is awarded under this section in a fiscal year,
126.8 the commissioner shall notify in writing each applicant who did not receive a grant why
126.9 the specific application was unsuccessful.

126.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

126.11 Sec. 5. Minnesota Statutes 2014, section 116J.395, subdivision 7, is amended to read:

126.12 Subd. 7. **Limitation.** (a) No grant awarded under this section in an unserved area
126.13 may fund more than 50 percent of the total cost of a project.

126.14 (b) ~~Grants awarded to a single project under this section must not exceed \$5,000,000~~

126.15 No grant awarded under this section in an underserved area may fund more than 25
126.16 percent of the total cost of a project.

126.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

126.18 Sec. 6. Minnesota Statutes 2014, section 116J.395, is amended by adding a subdivision
126.19 to read:

126.20 Subd. 8. **Application evaluation report.** By June 30 of each year, the Office of
126.21 Broadband Development shall place on the Department of Employment and Economic
126.22 Development's Web site and provide to the chairs and ranking minority members of the
126.23 senate and house of representatives committees with primary jurisdiction over broadband
126.24 a list of all applications for grants under this section received during the previous year
126.25 and, for each application:

126.26 (1) the results of any quantitative weighting scheme or scoring system the
126.27 commissioner used to award grants or rank the applications;

126.28 (2) the grant amount requested; and

126.29 (3) the grant amount awarded, if any.

126.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

126.31 The initial report submission required under this section is due June 30, 2016.

104.24 Sec. 4. Minnesota Statutes 2014, section 116J.396, subdivision 2, is amended to read:

104.25 Subd. 2. **Expenditures.** Money in the account may be used only:

104.26 (1) for grant awards made under section 116J.395, including costs incurred by the
 104.27 Department of Employment and Economic Development to administer that section not
 104.28 to exceed three percent of any expenditures made from the border-to-border broadband
 104.29 fund account;

104.30 (2) to supplement revenues raised by bonds sold by local units of government for
 104.31 broadband infrastructure development; or

104.32 (3) to contract for the collection of broadband deployment data from providers and
 104.33 the creation of maps showing the availability of broadband service.

126.32 Sec. 7. **[116J.397] UPDATED BROADBAND DEPLOYMENT DATA AND MAPS.**

127.1 (a) Beginning in 2016 and continuing each year thereafter, the Office of Broadband
 127.2 Development shall contract with one or more independent organizations that have
 127.3 extensive experience working with Minnesota broadband providers to:

127.4 (1) collect broadband deployment data from Minnesota providers, verify its accuracy
 127.5 through on-the-ground testing, and create state and county maps available to the public by
 127.6 February 1, 2017, and each February 1 thereafter, showing the availability of broadband
 127.7 service at various upload and download speeds throughout Minnesota;

127.8 (2) analyze the deployment data collected to help inform future investments in
 127.9 broadband infrastructure; and

127.10 (3) conduct business and residential surveys that measure broadband adoption and
 127.11 use in the state.

127.12 (b) Data provided by a broadband provider under this section is nonpublic data
 127.13 under section 13.02, subdivision 9. Maps produced under this paragraph are public data
 127.14 under section 13.03.

127.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

127.16 Sec. 8. **[116J.398] BROADBAND PREVAILING WAGE EXEMPTION.**

127.17 Notwithstanding any other law to the contrary, sections 116J.871 and 177.41 to
 127.18 177.44 do not apply to the construction, installation, remodeling, and repair of last-mile
 127.19 infrastructure, as defined under section 116J.394, paragraph (e).

127.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

104.34 Sec. 5. Minnesota Statutes 2014, section 237.012, subdivision 1, is amended to read:

105.1 Subdivision 1. **Universal access and high-speed goal.** It is a state goal that as
105.2 ~~soon as possible, but no later than 2015, all state residents and businesses have access to~~
105.3 ~~high-speed broadband that provides minimum download speeds of ten to 20 megabits per~~
105.4 ~~second and minimum upload speeds of five to ten megabits per second.;~~

105.5 (1) no later than 2022, all Minnesota businesses and homes have access to

105.6 high-speed broadband that provides minimum download speeds of at least 25 megabits

105.7 per second and minimum upload speeds of at least three megabits per second; and

105.8 (2) no later than 2026, all Minnesota businesses and homes have access to at least

105.9 one provider of broadband with download speeds of at least 100 megabits per second and

105.10 upload speeds of at least 20 megabits per second.

127.21 Sec. 9. Minnesota Statutes 2014, section 237.012, subdivision 1, is amended to read:

127.22 Subdivision 1. **Universal access and high-speed goal.** (a) It is a state goal that as

127.23 ~~soon as possible, but no later than 2015~~ 2022, all state residents and businesses have access

127.24 ~~to high-speed broadband service that provides minimum download speeds of ten to 20~~ 25

127.25 ~~megabits per second and minimum upload speeds of five to ten~~ three megabits per second.

127.26 (b) It is a state goal that no later than 2026 all households in the state have access to

127.27 at least one broadband service provider offering broadband service at minimum speeds of

127.28 100 megabits per second download and 20 megabits per second upload.

127.29 Sec. 10. Minnesota Statutes 2014, section 237.012, subdivision 2, is amended to read:

127.30 Subd. 2. **State broadband leadership position.** It is a goal of the state that by

127.31 ~~2015~~ 2022 and thereafter, the state be in:

128.1 (1) the top five states of the United States for broadband speed universally accessible

128.2 to residents and businesses;

128.3 (2) the top five states for broadband access; and

128.4 (3) the top 15 when compared to countries globally for broadband penetration.

128.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.