

April 2, 2024

Members of the State and Local Government Finance & Policy Committee:

On behalf of the nearly 200 technology-enabled companies that comprise the membership of the Minnesota Technology Association, I write to voice our opposition to HF 4182.

Businesses and residents across our state rely on broadband services for access to education, work opportunities, health care, government services, and more. And through the work of the MN Office of Broadband, Minnesota has made great strides towards ensuring all Minnesotans have affordable internet access.

But passage of this bill would undermine these efforts and set back our state's progress in closing the digital divide. The "franchise fees" proposed are essentially a new tax on Minnesota residents, as the extra costs are passed on to consumers in the form of higher monthly bills.

This deeply regressive tax would hit low-income Minnesotans the hardest and widen the digital divide for citizens lacking the resources to absorb higher internet costs. If cities truly need to raise revenue to fund public access television, there are more equitable ways to do this that aren't so regressive – property taxes, for example. And at a time when it's never been so easy and inexpensive to livestream a city council meeting, it seems this bill is less about covering costs, and more about simply generating municipal revenue.

There are also significant legal issues involved as federal law expressly states that state and local governments have no authority to regulate the entry of mobile service providers, as this is the jurisdiction of the FCC. In addition, franchise fees based on the revenue of a service provider violate an FCC order that such fees be cost-based.

Legality aside, this is not the time to hinder efforts to advance broadband expansion and digital equity in Minnesota. This bill will divert resources away from new broadband deployment and increase costs for customers, with a disproportionate impact on low-income families and seniors who do not have flexibility in their budgets.

For these reasons and more, we urge you to not adopt HF4182 in its current form.

Sincerely,



Jeff Tollefson  
President & CEO  
Minnesota Technology Association