

HOUSE RESEARCH

Bill Summary

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Overview

House File 2381 amends provisions of the state's broadband grant program, administered by the Office of Broadband Development in the Department of Employment and Economic Development. The bill appropriates \$35 million from the general fund in FY 2017 for grants.

Section

- 1 **[116J.391] Subd. 1. Definitions.** Amends the definition of "broadband conduit."
- 2 **[116J.394] Definitions.** Amends definitions of "unserved areas" and "underserved areas."
- 3 **[116J.395] Subd. 4. Application process.** Requires the commissioner of DEED to publish the criteria and weighting scheme that will be used to evaluate or rank applications at least 30 days before applications may be submitted for the current grant cycle
- 4 **[116J.395] Subd. 5. Application contents.** Requires grant applicants to include names of vendors that provided the applicant information on the project, as well as the vendor's experience constructing broadband projects.
- 5 **[116J.395] Subd. 5a. Incumbent right of first refusal.** Adds a subdivision requiring an applicant to send a copy of the grant application to all incumbent broadband providers serving the proposed project area. Requires an applicant to withdraw its application if an incumbent provider provides the applicant written notice of its intent to begin construction of a broadband project that meets or exceeds the state broadband goals within 12 months of the date grant awards are to be made, and to complete construction within 24 months.
- 6 **[116J.395] Subd. 8. Application evaluation report.** Requires the Office of Broadband Development to submit an annual report to the legislature listing all grant applications

Section

received during the previous year, the grant amounts requested and awarded, and the results of any quantitative scoring system used to rank applications.

- 7** **[237.012] Subd. 1. Universal access and high-speed goal.** Amends the state goal to require universal access to broadband speeds of at least 25 Mbps download and three Mbps upload by 2022.
- 8** **Appropriation.** Appropriates \$35 million in fiscal year 2017 from the general fund to the commissioner of DEED for broadband grants, \$500,000 of which is targeted to projects in areas with a significant proportion of households earning 200 percent or less of federal poverty-income guidelines. Directs the commissioner to award 60 percent of grant funds in unserved areas and 40 percent in underserved areas.