

Subject Broadband Service Extension

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## Overview

House File 3605, as amended by the H3605DE2 amendment, establishes a grant program to assist broadband providers to extend broadband service to unserved locations through a reverse auction process. The bill also regulates the use of easements to provide broadband service.

## Summary

Section	Description
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| 1 | <p><b>[116J.395] Border-to-border broadband development grant program.</b></p> <p><b>Subd. 8. Application evaluation report.</b> Adds annual reporting requirements with respect to the broadband line extension program under section 116J.3951.</p>  |
| 2 | <p><b>[116J.3951] Broadband line extension program.</b></p> <p><b>Subd. 1. Program established.</b> Establishes the broadband line extension grant program in DEED.</p> <p><b>Subd. 2. Portal.</b> Requires the department to implement a website portal allowing persons to report that broadband service is unavailable at their address.</p> <p><b>Subd. 3. Data sharing.</b> Requires the department to send via e-mail to broadband service providers every six months a list of addresses without broadband service obtained from the portal. Providers may notify the department of addresses on the list at which they do provide broadband service. The department must inform persons at those addresses that service is available and forward contact information of the provider.</p> <p><b>Subd. 4. Reverse auction process.</b> Specifies that providers may submit bids to the department to extend broadband service to unserved addresses, including the amount the provider will pay and the amount the provider proposes that the department pay to extend service. Grants may not exceed \$25,000 per line</p> |

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extension. The department must select the bids requiring the least amount of financial support from the state.

**Subd. 5. Line extension agreement; requirement.** Requires the department to enter into a line extension agreement with winning bidders.

**Subd. 6. Line extension agreement.** Specifies the content of a line agreement, including a commitment from the provider to extend broadband service scalable to 100 megabits per second download and upload to each address in its bid. The winning bidder has an exclusive right to apply a grant to extend service to those customers for one year.

**Subd. 7. Expenditure limit.** Caps the department's spending on the program to \$5 million in each fiscal year through FY 2025.

3	<b>[116J.396] Border-to-border broadband fund.</b>
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**Subd. 2. Expenditures.** Expands the scope of allowable expenditures from the border-to-border broadband fund to include the line extension grant program.

4	<b>[116J.399] Broadband easements.</b>
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**Subd. 1. Definition.** Defines terms.

**Subd. 2. Use of existing easements for broadband services.** Allows a provider or affiliate or an entity that has entered into an agreement with a provider to use an easement to install broadband infrastructure and provide broadband service. Use of the easement runs with the land and begins six months after the provider serves notice on the property owner, unless the owner files a court challenge under subdivision 4.

**Subd. 3. Notice to property owner.** Specifies the content of two written notices that a provider must send to a property owner before an easement can be used to provide broadband service.

**Subd. 4. Action for damages.** Specifies the process a property owner must use to initiate an action challenging the use of an easement to provide broadband service.

**Subd. 5. Deposit and hearing required.** Allows a provider, after a property owner files a claim for damages, to deposit with the court the provider's estimate of damages, after which the easement may be used, contingent on the provider's obligation to pay the amount of damages awarded by the court.

**Subd. 6. Calculation of damages; burden of proof.** Specifies that a property owner has the burden to prove a net reduction in the value of the property

**Section** **Description**

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caused by the installation of broadband infrastructure and provision of broadband service. A provider is responsible for a property owner's attorney fees if the court award exceeds 140 percent of the provider's damage deposit made in subdivision 5.

**Subd. 7. No limits on existing easement.** Provides that nothing in this section limits a provider's existing easement rights.

**Subd. 8. Local government right-of-way management preserved.** Provides that the placement of broadband infrastructure is governed by section 237.163, and that a provider must submit notice to a local government prior to placing broadband infrastructure in or adjacent to a public right-of-way.

**Subd. 9. Railroad right-of-way crossings.** Provides that the placing of broadband infrastructure in an existing easement located in a railroad right-of-way is subject to sections 237.04 and 237.045.



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