

SB 85-FN - AS AMENDED BY THE SENATE

03/04/2021 0449s

2021 SESSION

21-0832

05/10

SENATE BILL

***85-FN***

AN ACT

establishing a broadband matching grant initiative and fund.

SPONSORS:

Sen. Bradley, Dist 3; Sen. Cavanaugh, Dist 16; Sen. Avard, Dist 12; Sen. Prentiss, Dist 5; Sen. Sherman, Dist 24; Sen. Ward, Dist 8; Sen. Watters, Dist 4; Sen. Daniels, Dist 11; Sen. Gannon, Dist 23; Sen. Giuda, Dist 2; Sen. Rosenwald, Dist 13; Sen. D'Allesandro, Dist 20; Sen. Hennessey, Dist 1; Sen. Carson, Dist 14; Rep. Umberger, Carr. 2; Rep. Marsh, Carr. 8; Rep. Cushing, Rock. 21

COMMITTEE:

Election Law and Municipal Affairs

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ANALYSIS

This bill establishes the broadband matching grant initiative and fund in the office of strategic initiatives.

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Explanation:

Matter added to current law appears in ***bold italics***.

Matter removed from current law appears ~~[in brackets and struckthrough.]~~

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

## STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty One*

AN ACT establishing a broadband matching grant initiative and fund.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1       1 Findings and Purpose. The COVID-19 pandemic has shown the absolute necessity for  
2 broadband Internet access for all New Hampshire residents for working, education, medicine, social  
3 interaction, and other purposes. The pandemic has also shown gaps in adequate coverage primarily  
4 in rural areas of New Hampshire. Increasingly residents are going to require better access to  
5 broadband at a sufficient upload and download speed. A matching grant that utilizes state and  
6 federal funds shall be matched by political subdivision and private funds is essential to improved  
7 broadband access. The general court recognizes that a public-private partnership is essential to  
8 developing broadband access required in New Hampshire.

9       2 New Subdivision; Broadband Matching Grant Initiative. Amend RSA 4-C by inserting after  
10 section 37 the following new subdivision:

11 Broadband Matching Grant Initiative

12       4-C:38 Broadband Matching Grant Initiative Established.

13       I. There is hereby established within the office of strategic initiatives a broadband matching  
14 grant initiative, the purpose of which shall be to provide matching grants to broadband providers,  
15 political subdivisions, and communications districts in order to improve broadband availability  
16 across the state. When awarding grants, the office of strategic initiatives shall take into  
17 consideration broad geographic coverage of broadband services in New Hampshire and participation  
18 of political subdivisions and broadband providers in the grant process that will support business and  
19 residential users.

20       II. Eligible projects shall provide high speed Internet access in unserved areas of the state  
21 that lack access to broadband services, as defined in RSA 38:38, I(f), from at least one broadband  
22 provider.

23       III. Any broadband provider, political subdivision, or communications district formed under  
24 RSA 53-G shall be eligible for a grant of up to 50 percent of the total eligible costs of a project.  
25 Projects under construction at the time of application shall be ineligible. Projects in the planning  
26 stages shall be eligible.

27       4-C:39 Program Guidelines; Rulemaking.

28       I. The office of strategic initiatives shall adopt rules under RSA 541-A and RSA 4-C:5,  
29 relative to grant application and distribution procedures.

30       II. The rules shall, at a minimum, include the following:

(a) Establishment of a technology-neutral competitive grant process based on objective criteria.

(b) Establishment of a challenge process, with reasonable timelines, through which information may be provided to the state to ensure that funds are not used to build projects in served areas or areas where construction of a network to provide broadband service is planned to be complete within one year.

(c) A method to ensure an applicant's trade secrets, financial information, and proprietary information submitted as part of an application are exempt from disclosure under RSA 91-A.

(d) Establishment of a process that promotes faster service, up to and including gigabit service.

III. The office of strategic initiatives shall ensure that any grants awarded to broadband providers are provided with an appropriate level of consultation with the local governing bodies and a determination that the grants advance the goal of deploying broadband to unserved areas within communities.

IV. Eligible costs for the program shall include, but are not limited to:

(a) Costs associated with access to utility poles and other necessary structures.

(b) Construction of broadband network infrastructure in eligible areas.

(c) Construction of service connections to individual homes or businesses.

(d) Upgrades to existing infrastructure that currently provides service that does not meet the minimum definition of broadband in RSA 38:38, I(c).

(e) All other costs directly attributable to the construction project. In cases where a cost is shared with another ongoing project, shared costs shall be prorated.

(f) Planning costs related to network design and program eligibility.

V. Eligible costs shall not include any operating expenses or other recurring costs.

VI. The broadband provider, political subdivision, or communications district shall provide a minimum of 50 percent of the total cost of the project. Sources of the match may include revenue bonds issued by the political subdivision, bonds issued by the communication district, or private investment by broadband providers either jointly or independently. Sources of the match provided by broadband providers shall not include other federal or state funding awarded specifically to support the expansion of broadband networks.

VII. The office of strategic initiatives shall not, as a condition of an award of grant money, impose any requirement, rate regulation, or other term or condition of service that differs from the applicant's terms or conditions of service in its other service areas.

4-C:40 Broadband Matching Grant Fund.

I. There is hereby established the broadband matching grant fund. The fund shall be kept separate and distinct from all other funds and shall be continually appropriated to the director of the

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1 office of strategic initiatives for the purposes of this subdivision. In addition to state appropriations,  
2 the office of strategic initiatives may accept gifts, grants, and donations for deposit into the fund.

3 II. Any federal funds received by the state for the purposes of expanding or improving  
4 Internet access that are not otherwise committed to other programs or required by the federal  
5 legislation authorizing the funds shall be deposited into the broadband matching grant fund.

6 3 New Subparagraph; Dedicated Funds; Broadband Matching Grant Fund. Amend RSA 6:12,  
7 I(b) by inserting after subparagraph (364) the following new subparagraph:

8 (365) Moneys deposited in the broadband matching grant fund under RSA 4-C:40.

9 4 Effective Date. This act shall take effect July 1, 2021.

**SB 85-FN- FISCAL NOTE**  
AS AMENDED BY THE SENATE (AMENDMENT #2021-0449s)

AN ACT                    establishing a broadband matching grant initiative and fund.

**FISCAL IMPACT:**    ☒ State                    ☒ County                    ☒ Local                    ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2021	FY 2022	FY 2023	FY 2024
<b>Appropriation</b>	\$0	\$0	\$0	\$0
<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<b>Funding Source:</b>	<input checked="" type="checkbox"/> General <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Broadband Matching Grant Fund			

**COUNTY:**

<b>Revenue</b>	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<b>Expenditures</b>	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

**LOCAL:**

<b>Revenue</b>	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<b>Expenditures</b>	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

**METHODOLOGY:**

This bill establishes a broadband matching grant initiative within the Office of Strategic Initiatives (OSI) and a nonlapsing continually appropriated Broadband Matching Grant Fund to provide matching grants to eligible broadband providers, political subdivisions and communications districts in order to improve broadband access across the state. OSI anticipates partnering with other state agencies to fulfill the objectives of the bill. The program shall be funded with state appropriations, gifts grants and donations and any federal funds received by the state for the purposes of expanding or improving Internet access that are not otherwise committed to other programs or required by the federal legislation to be used for other purposes. There is no appropriation in this bill.

The Office is unable to estimate a potential administrative cost as the number of applications are unknown, and therefore the fiscal impact of this new program is indeterminable.

Any political subdivision or communications district formed under RSA 53-G shall be eligible for a grant of up to 50 percent of the total eligible costs of a project. The fiscal impact would be based on the number and scale of eligible projects and based on rules for eligibility determined by the Office of Strategic Initiatives.

**AGENCIES CONTACTED:**

Office of Strategic Initiatives