

HOUSE RESEARCH

Bill Summary

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Authors: Gunther and others

Subject: Broadband Infrastructure Grant Program

Analyst: Jeanne LeFevre (296-5043)

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Overview

This bill creates a new Broadband Infrastructure Grant Program in the Department of Employment and Economic Development and appropriates \$2 million to fund the program.

Section

1 Broadband Infrastructure Grant Program.

Subd. 1. Establishes a grant program in the Department of Employment and Economic Development to provide grants to cities outside the metropolitan area for up to 80 percent of the costs of public infrastructure for broadband development projects.

Subd. 2. Infrastructure construction to be supported by grants must be used in partnership with a private service provider and must be capable of transmitting at speeds of at least 256 kilobits per second.

Subd. 3. Grant applications must include city council resolution certifying that local matching funds are available. Establishes 7 criteria for evaluating grant applications, which include:

- project must be "eligible" under subdivision 2 in terms of speed of transmission capability

Section

- applicant must have done a market analysis to determine demand
- applicant must show that service is not currently available
- applicant must have notified service providers in adjacent areas of application
- applicant must have demonstrated community efforts to increase broadband utilization
- applicant must have conducted a feasibility study
- the project must create or maintain full-time jobs

Commissioner's decisions on grant applications are not subject to judicial review.

Subd. 4. Maximum total grants to a city within a two-year period is \$200,000.

Subd. 5. Three years after a grant is made, the commissioner may cancel the grant and require return of the funds if the project has not proceeded and is unlikely to be completed.

Subd. 6. Money returned under subdivision 5 may be used for additional grants under this section.

Subd. 7. Higher priority may be given to projects with local contributions of more than 20 percent.

- 2 Appropriation.** Appropriates \$2 million for the grant program created in section 1.
3 Bond sale. Authorizes the sale of state bonds to provide the money appropriated in section 2.
4 Effective date. Effective the day following final enactment.