

SENATE
STATE OF MINNESOTA
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S.F. No. 2889

(SENATE AUTHORS: CHAMPION)

| DATE | D-PG | OFFICIAL STATUS |
|------------|------|---|
| 03/24/2025 | 1006 | Introduction and first reading Referred to Agriculture, Veterans, Broadband, and Rural Development |

- 1.1

A bill for an act
- 1.2

relating to broadband; renaming the Office of Broadband Development to the
- 1.3

Office of Broadband Development and Digital Equity; modifying the duties and
- 1.4

reporting requirements of the office; expanding the state's broadband goals;
- 1.5

establishing a multifamily dwelling grant program; amending definitions for the
- 1.6

purposes of broadband development; amending Minnesota Statutes 2024, sections
- 1.7

13.598, subdivision 13; 116J.39; 116J.391, subdivision 1; 116J.394; 116J.395,
- 1.8

subdivisions 6, 8; 116J.397; 237.012, by adding a subdivision; proposing coding
- 1.9

for new law in Minnesota Statutes, chapter 116J.
- 1.10

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.11

Section 1. Minnesota Statutes 2024, section 13.598, subdivision 13, is amended to read:
- 1.12

Subd. 13. **Office of Broadband Development and Digital Equity; deployment**
- 1.13

data. Disclosure of deployment data provided by a broadband provider to the Office of
- 1.14

Broadband Development and Digital Equity is governed by section 116J.397.
- 1.15

Sec. 2. Minnesota Statutes 2024, section 116J.39, is amended to read:
- 1.16

116J.39 OFFICE OF BROADBAND DEVELOPMENT AND DIGITAL EQUITY.
- 1.17

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
- 1.18

the meanings given them.
- 1.19

(b) "Broadband" or "broadband service" means any service providing advanced
- 1.20

telecommunications capability and Internet access with transmission speeds that, at a
- 1.21

minimum, meet the Federal Communications Commission definition for broadband.
- 1.22

(c) "Local unit of government" has the meaning given in section 116G.03, subdivision
- 1.23

3.

(d) "Office" means the Office of Broadband Development and Digital Equity established in subdivision 2, paragraph (a).

Subd. 2. **Office established; purpose.** (a) An Office of Broadband Development and Digital Equity is established within the Department of Employment and Economic Development and shall remain in existence until the commissioner certifies that the state has met the broadband goals established in section 237.012. The director shall be appointed by the governor and shall serve in the unclassified service. The director must be qualified by experience and training in broadband. The office may employ staff necessary to carry out the office's duties under subdivision 4.

(b) The purpose of the office is to encourage, foster, develop, and improve broadband access, broadband adoption, and related digital inclusion activities needed for digital equity within the state in order to:

(1) drive job creation, promote innovation, and expand markets for Minnesota businesses;

(2) serve the ongoing and growing needs of Minnesota's education systems, health care system, public safety system, industries and businesses, governmental operations, and citizens; and

(3) improve accessibility for underserved communities and populations.

Subd. 3. **Organization.** The office shall consist of a director of the Office of Broadband Development and Digital Equity, as well as any staff necessary to carry out the office's duties under subdivision 4.

Subd. 4. **Duties.** (a) The office shall have the power and duty to:

(1) serve as the central broadband and digital equity planning body for the state of Minnesota;

(2) coordinate with state, regional, local, and private entities to develop, to the maximum extent practicable, a uniform statewide broadband access and usage policy;

(3) develop, recommend, and implement a statewide plan to encourage cost-effective broadband access, and to make recommendations for increased usage, particularly in rural and other underserved areas;

(4) coordinate efforts, in consultation and cooperation with the commissioner of commerce, local units of government, and private entities, to meet the state's broadband goals in section 237.012;

(5) develop, coordinate, and implement the state's broadband infrastructure development program under section 116J.391;

(6) provide consultation services to local units of government or other project sponsors in connection with the planning, acquisition, improvement, construction, or development of any broadband deployment project;

(7) encourage public-private partnerships to increase deployment and adoption of broadband services and applications, including recommending funding options and possible incentives to encourage investment in broadband expansion;

(8) monitor the broadband development efforts of other states and nations in areas such as business, education, public safety, and health;

(9) consult with the commissioner of commerce to monitor broadband-related activities at the federal level, including regulatory and policy changes and the potential impact on broadband deployment and sustainability in the state;

(10) serve as an information clearinghouse for federal programs providing financial assistance to institutions located in rural areas seeking to obtain access to high-speed broadband service, and use this information as an outreach tool to make institutions located in rural areas that are unserved or underserved with respect to broadband service aware of the existence of federal assistance;

(11) provide logistical and administrative support for the Governor's Broadband Task Force;

(12) provide an annual report, as required by subdivision 5;

(13) coordinate an ongoing collaborative effort of stakeholders to evaluate and address security, vulnerability, and redundancy issues in order to ensure the reliability of broadband networks; ~~and~~

(14) perform any other activities consistent with the office's purpose;

(15) develop, recommend, and implement a statewide digital equity plan that encourages broadband adoption, computer access, and training related to digital skills and online safety, focusing on the needs of people who have historically had limited digital opportunity, including households with limited incomes, people with limited English proficiency, people who live in multifamily dwellings, and people who are members of a racial or ethnic minority group; and

4.1 (16) develop, coordinate, and implement programs that are necessary to meet the state's
4.2 digital equity goals.

4.3 (b) In carrying out its duties under this subdivision, the Office of Broadband Development
4.4 and Digital Equity shall have no authority to regulate or compel action on the part of any
4.5 provider of broadband service.

4.6 Subd. 5. **Reporting.** (a) Beginning January 15, 2014, and each year thereafter, the Office
4.7 of Broadband Development and Digital Equity shall report to the legislative committees
4.8 with jurisdiction over broadband policy and finance on the office's activities during the
4.9 previous year.

4.10 (b) The report shall contain, at a minimum:

4.11 (1) an analysis of the current availability and use of broadband, including average
4.12 broadband speeds and enrollment, within the state;

4.13 (2) information gathered from schools, libraries, hospitals, and public safety facilities
4.14 across the state, determining the actual speed and capacity of broadband currently in use
4.15 and the need, if any, for increases in speed and capacity to meet current or anticipated needs;

4.16 (3) an analysis of incumbent broadband infrastructure within the state and its ability to
4.17 spur economic development;

4.18 (4) an analysis of the degree to which new, additional, or improved broadband
4.19 infrastructure would spur economic development in the state;

4.20 (5) a summary of the office's activities in coordinating broadband infrastructure
4.21 development under section 116J.391;

4.22 (6) suggested policies, incentives, and legislation designed to accelerate the achievement
4.23 of the goals under section 237.012, subdivisions 1 ~~and~~ 2, and 3;

4.24 (7) any proposed legislative and policy initiatives; ~~and~~

4.25 (8) any other information requested by the legislative committees with jurisdiction over
4.26 broadband policy and finance, or that the office deems necessary; and

4.27 (9) a summary of the office's activities to coordinate digital inclusion programs, including
4.28 broadband adoption, computer distribution, and training related to digital skills and online
4.29 safety.

4.30 (c) The report may be submitted electronically and is subject to section 3.195, subdivision
4.31 1.

5.1 Sec. 3. Minnesota Statutes 2024, section 116J.391, subdivision 1, is amended to read:

5.2 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
5.3 the meanings given them.

5.4 (b) "Broadband" or "broadband service" has the meaning given in section 116J.39,
5.5 subdivision 1, paragraph (b).

5.6 (c) "Broadband conduit" means a conduit, pipe, innerduct, or microduct for fiber optic
5.7 or other cables that support broadband and wireless facilities for broadband service.

5.8 (d) "Local unit of government" has the meaning given in section 116G.03, subdivision
5.9 3.

5.10 (e) "Office" means the Office of Broadband Development and Digital Equity established
5.11 in section 116J.39.

5.12 Sec. 4. Minnesota Statutes 2024, section 116J.394, is amended to read:

5.13 **116J.394 DEFINITIONS.**

5.14 (a) For the purposes of sections 116J.394 to 116J.398, the following terms have the
5.15 meanings given them.

5.16 (b) "Broadband" or "broadband service" has the meaning given in section 116J.39,
5.17 subdivision 1, paragraph (b).

5.18 (c) "Broadband infrastructure" means networks of deployed telecommunications
5.19 equipment and technologies necessary to provide high-speed Internet access and other
5.20 advanced telecommunications services for end users.

5.21 (d) "Commissioner" means the commissioner of employment and economic development.

5.22 (e) "Last-mile infrastructure" means broadband infrastructure that serves as the final leg
5.23 connecting the broadband service provider's network to the end-use customer's on-premises
5.24 telecommunications equipment.

5.25 (f) "Middle-mile infrastructure" means broadband infrastructure that links a broadband
5.26 service provider's core network infrastructure to last-mile infrastructure.

5.27 (g) "Political subdivision" means any county, city, town, school district, special district
5.28 or other political subdivision, or public corporation.

5.29 (h) "Underserved areas" means areas of Minnesota in which households or businesses
5.30 lack access to ~~wire-line~~ broadband service at speeds of at least 100 megabits per second
5.31 download and at least 20 megabits per second upload.

6.1 (i) "Unserved areas" means areas of Minnesota in which households or businesses lack
6.2 access to ~~wire-line~~ broadband service, as defined in section 116J.39.

6.3 Sec. 5. Minnesota Statutes 2024, section 116J.395, subdivision 6, is amended to read:

6.4 Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants, the
6.5 commissioner shall give priority to applications that are constructed in areas identified by
6.6 the director of the Office of Broadband Development and Digital Equity as unserved.

6.7 (b) In evaluating applications and awarding grants, the commissioner may give priority
6.8 to applications that:

6.9 (1) are constructed in areas identified by the director of the Office of Broadband
6.10 Development and Digital Equity as underserved;

6.11 (2) offer new or substantially upgraded broadband service to important community
6.12 institutions including, but not limited to, libraries, educational institutions, public safety
6.13 facilities, and healthcare facilities;

6.14 (3) facilitate the use of telehealth and electronic health records;

6.15 (4) serve economically distressed areas of the state, as measured by indices of
6.16 unemployment, poverty, or population loss that are significantly greater than the statewide
6.17 average;

6.18 (5) provide technical support and train residents, businesses, and institutions in the
6.19 community served by the project to utilize broadband service;

6.20 (6) include a component to actively promote the adoption of the newly available
6.21 broadband services in the community;

6.22 (7) provide evidence of strong support for the project from citizens, government,
6.23 businesses, and institutions in the community;

6.24 (8) provide access to broadband service to a greater number of unserved or underserved
6.25 households and businesses;

6.26 (9) leverage greater amounts of funding for the project from other private and public
6.27 sources; or

6.28 (10) commit to implementation of workforce best practices, meaning all laborers and
6.29 mechanics performing construction, installation, remodeling, or repairs on the project sites
6.30 for which the grant is provided:

(i) are paid the prevailing wage rate as defined in section 177.42, subdivision 6, and the applicant and all of its construction contractors and subcontractors agree that the payment of prevailing wage to such laborers and mechanics is subject to the requirements and enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45, which the commissioner of labor and industry shall have the authority to enforce; or

(ii) receive from the employer:

(A) at least 40 hours of hands-on skills training annually;

(B) employer-paid family health insurance coverage; and

(C) employer-paid retirement benefit payments equal to no less than 15 percent of the employee's total taxable wages.

(c) The commissioner shall endeavor to award grants under this section to qualified applicants in all regions of the state.

(d) The commissioner shall endeavor to award no less than 50 percent of grant awards from general fund appropriations for the border-to-border broadband grant program under section 116J.396 for applicants that agree to implement the workforce best practices in this section. The applicant's agreement to implement the workforce best practices described in paragraph (b) must be an express condition of providing the grant in the grant agreement.

Sec. 6. Minnesota Statutes 2024, section 116J.395, subdivision 8, is amended to read:

Subd. 8. **Application evaluation report.** By June 30 of each year, the Office of Broadband Development and Digital Equity shall publish on the Department of Employment and Economic Development's website and provide to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over broadband a list of all applications for grants under this section received during the previous year and, for each application:

(1) the results of any quantitative weighting scheme or scoring system the commissioner used to award grants or rank the applications;

(2) the grant amount requested; and

(3) the grant amount awarded, if any.

8.1 Sec. 7. **[116J.3953] MULTIFAMILY BROADBAND DEVELOPMENT GRANT**
8.2 **PROGRAM.**

8.3 Subdivision 1. **Establishment.** A grant program is established under the Department of
8.4 Employment and Economic Development to award grants to provide broadband services
8.5 and digital equity in multifamily housing.

8.6 Subd. 2. **Eligible properties.** Properties eligible for receipt of funding under this section
8.7 include multifamily residential properties and manufactured home parks.

8.8 Subd. 3. **Eligible expenses.** Eligible expenditures of grants awarded under this section
8.9 include:

8.10 (1) installing Internet and Wi-Fi infrastructure;

8.11 (2) providing reduced-cost broadband services;

8.12 (3) providing technical assistance to property managers and owners of eligible properties
8.13 regarding Internet service options and installing and managing Internet service options for
8.14 residents; and

8.15 (4) outreach efforts and digital navigation support for residents to support Internet access
8.16 and to meet other technology needs.

8.17 Subd. 4. **Program administration.** (a) The commissioner must develop application
8.18 materials for the grant program.

8.19 (b) The commissioner may only award grants for eligible expenses at eligible properties.

8.20 (c) Among comparable proposals to use grants on expenses described in subdivision 3,
8.21 clauses (1) and (2), the commissioner must prioritize funding for properties that:

8.22 (1) have a substantial share of unserved households; or

8.23 (2) are in a location where the percentage of households below the poverty line is higher
8.24 than the national average.

8.25 Sec. 8. Minnesota Statutes 2024, section 116J.397, is amended to read:

8.26 **116J.397 UPDATED BROADBAND DEPLOYMENT DATA AND MAPS.**

8.27 (a) Beginning in 2016 and continuing each year thereafter, the Office of Broadband
8.28 Development and Digital Equity shall contract with one or more independent organizations
8.29 that have extensive experience working with Minnesota broadband providers to:

9.1 (1) collect broadband deployment data from Minnesota providers, verify its accuracy
9.2 through on-the-ground testing, and create state and county maps available to the public by
9.3 April 15, 2017, and each April 15 thereafter, showing the availability of broadband service
9.4 at various upload and download speeds throughout Minnesota;

9.5 (2) analyze the deployment data collected to help inform future investments in broadband
9.6 infrastructure; and

9.7 (3) conduct business and residential surveys that measure broadband adoption and use
9.8 in the state.

9.9 (b) Data provided by a broadband provider under this section is nonpublic data under
9.10 section 13.02, subdivision 9. Maps produced under this paragraph are public data under
9.11 section 13.03.

9.12 Sec. 9. Minnesota Statutes 2024, section 237.012, is amended by adding a subdivision to
9.13 read:

9.14 Subd. 4. **State broadband adoption.** It is a state goal that by 2028 and thereafter:

9.15 (1) 95 percent of Minnesota households have a home broadband subscription and are
9.16 enrolled in an Internet service plan;

9.17 (2) 70 percent of eligible Minnesota households receive available Internet service
9.18 discounts; and

9.19 (3) 95 percent of Minnesota households have access to a personal computer or a
9.20 comparable device.