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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2381

03/08/2016 Authored by Baker, Kresha, Torkelson and Howe

The bill was read for the first time and referred to the Committee on Greater Minnesota Economic and Workforce Development Policy

1.1 A bill for an act
1.2 relating to broadband; amending a definition; amending the broadband grant
1.3 application process; requiring a report; appropriating money; amending
1.4 Minnesota Statutes 2014, sections 116J.391, subdivision 1; 116J.395,
1.5 subdivisions 4, 5, by adding a subdivision.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2014, section 116J.391, subdivision 1, is amended to read:

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

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

1.12 (c) "Broadband conduit" means a conduit, pipe, innerduct, or microduct ~~for fiber~~
1.13 ~~optic or other cables that support~~ supports broadband and wireless facilities for broadband
1.14 service.

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

1.17 (e) "Office" means the Office of Broadband Development established in section
1.18 116J.39.

1.19 Sec. 2. Minnesota Statutes 2014, section 116J.395, subdivision 4, is amended to read:

1.20 Subd. 4. **Application process.** (a) An eligible applicant must submit an application
1.21 to the commissioner on a form prescribed by the commissioner. The commissioner shall
1.22 develop administrative procedures governing the application and grant award process.
1.23 The commissioner shall act as fiscal agent for the grant program and shall be responsible
1.24 for receiving and reviewing grant applications and awarding grants under this section.

2.1 (b) At least 30 days prior to the first day applications may be submitted each fiscal
 2.2 year, the commissioner must publish the specific criteria and any quantitative weighting
 2.3 scheme or scoring system the commissioner used to evaluate or rank applications and
 2.4 award grants under subdivision 6 on the department's Web site.

2.5 Sec. 3. Minnesota Statutes 2014, section 116J.395, subdivision 5, is amended to read:

2.6 Subd. 5. **Application contents.** An applicant for a grant under this section shall
 2.7 provide the following information on the application:

2.8 (1) the location of the project;

2.9 (2) the kind and amount of broadband infrastructure to be purchased for the project;

2.10 (3) evidence regarding the unserved or underserved nature of the community in
 2.11 which the project is to be located;

2.12 (4) the number of households passed that will have access to broadband service as a
 2.13 result of the project, or whose broadband service will be upgraded as a result of the project;

2.14 (5) significant community institutions that will benefit from the proposed project;

2.15 (6) evidence of community support for the project;

2.16 (7) the total cost of the project;

2.17 (8) sources of funding or in-kind contributions for the project that will supplement
 2.18 any grant award; ~~and~~

2.19 (9) the names of each vendor that provided information to the applicant regarding the
 2.20 scope, cost, or technical aspects of the project; each vendor's experience in constructing
 2.21 broadband projects; and the ways, if any, in which the proposed project was altered based
 2.22 on vendor comments; and

2.23 (10) any additional information requested by the commissioner.

2.24 Sec. 4. Minnesota Statutes 2014, section 116J.395, is amended by adding a subdivision
 2.25 to read:

2.26 Subd. 8. **Application evaluation report.** By June 30 of each year, the office
 2.27 shall place on the Department of Employment and Economic Development's Web
 2.28 site, and provide to the chairs and ranking minority members of the senate and house
 2.29 of representatives committees with primary jurisdiction over broadband, a list of all
 2.30 applications for grants under this section received during the previous year and, for each
 2.31 application:

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

2.34 (2) the grant amount requested; and

3.1 (3) the grant amount awarded, if any.

3.2 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.3 The initial report submission required under this section is due June 30, 2016.

3.4 Sec. 5. **APPROPRIATION.**

3.5 \$35,000,000 in fiscal year 2017 is appropriated from the general fund to
3.6 the commissioner of employment and economic development for deposit in the
3.7 border-to-border broadband fund account established in Minnesota Statutes, section
3.8 116J.396, for the purposes described in that section. Of the broadband grant awards made
3.9 by the commissioner with this appropriation, the commissioner must award 60 percent
3.10 of the funds to applicants in unserved areas and 40 percent to applicants in underserved
3.11 areas, as the terms are defined in Minnesota Statutes, section 116J.394. If grant awards
3.12 are insufficient to fully expend funds available in either unserved or underserved areas,
3.13 the commissioner may expend unused funds on grants to applicants in areas in which
3.14 grant awards were fully expended.