

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-EIGHTH LEGISLATURE**

**S.F. No. 1128**

(SENATE AUTHORS: SCHMIT, Eken and Sparks)

DATE	D-PG	OFFICIAL STATUS
03/07/2013	678	Introduction and first reading Referred to Jobs, Agriculture and Rural Development
03/14/2013	996a	Comm report: To pass as amended and re-refer to State and Local Government
03/18/2013		Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act  
 1.2 relating to telecommunications; broadband; establishing the Office of Broadband  
 1.3 Development and assigning it duties; requiring reports; appropriating money;  
 1.4 amending Minnesota Statutes 2012, section 237.012, subdivision 3; proposing  
 1.5 coding for new law in Minnesota Statutes, chapter 116J.

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

1.7 Section 1. **[116J.441] OFFICE OF BROADBAND DEVELOPMENT.**

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" means any service providing advanced  
 1.11 telecommunications capability and Internet access with transmission speeds that, at a  
 1.12 minimum, meet the Federal Communications Commission definition for broadband.

1.13 (c) "Local unit of government" means any political subdivision of the state including,  
 1.14 without limitation, counties, statutory and home rule charter cities, and towns.

1.15 (d) "Office" means the Office of Broadband Development established in subdivision  
 1.16 2.

1.17 Subd. 2. **Office established.** An Office of Broadband Development is established in  
 1.18 the executive branch with a director appointed by the governor. The director serves in the  
 1.19 unclassified service and must be qualified by experience and training in broadband. The  
 1.20 office may employ staff necessary to carry out the office's duties under subdivision 4.

1.21 Subd. 3. **Purpose.** The purpose of the office is to encourage, foster, develop, and  
 1.22 improve broadband within the state in order to:

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

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

2.4 (3) improve accessibility for underserved communities and populations.

2.5 Subd. 4. **Duties.** The office shall have the power and duty to:

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

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

2.11 (3) coordinate efforts, in consultation and cooperation with the commissioners of  
2.12 commerce, employment and economic development, and transportation, local units of  
2.13 government, and private entities, to meet the state's broadband goals in section 237.012;

2.14 (4) develop, coordinate, and implement the state's broadband infrastructure  
2.15 development program, including a "dig once" policy with the Department of Transportation;

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

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

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

2.24 (8) monitor broadband-related activities at the federal level, including regulatory and  
2.25 policy changes and the potential impact on broadband deployment and sustainability in  
2.26 the state;

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

2.32 (10) evaluate security, vulnerability, and redundancy actions necessary to ensure  
2.33 reliability;

2.34 (11) provide an annual report, as required by subdivision 5; and

2.35 (12) perform any other activities consistent with the office's purpose.

3.1 Subd. 5. **Reporting.** (a) Beginning on January 15, 2014, and each year thereafter,  
 3.2 the Office of Broadband Development shall report to the legislative committees with  
 3.3 jurisdiction over telecommunications policy and finance on the office's activities during  
 3.4 the previous year.

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

3.6 (1) an analysis of the current availability and use of broadband, including average  
 3.7 broadband speeds, within the state;

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

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

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

3.15 (5) a summary of the office's activities in coordinating broadband infrastructure  
 3.16 development;

3.17 (6) any proposed legislative and policy initiatives; and

3.18 (7) any other information requested by the legislative committees having jurisdiction  
 3.19 over telecommunications policy and finance, or that the office deems necessary.

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

3.22 Sec. 2. Minnesota Statutes 2012, section 237.012, subdivision 3, is amended to read:

3.23 Subd. 3. **Annual reports.** The ~~commissioner of commerce~~ Office of Broadband  
 3.24 Development must annually by February 10 report on the achievement of the goals  
 3.25 under subdivisions 1 and 2 to the chairs and ranking minority members of the legislative  
 3.26 committees with primary jurisdiction over telecommunication issues. The report must  
 3.27 also suggest policies, incentives, and legislation designed to accelerate the achievement of  
 3.28 the goals. The report on goals under subdivision 1 must be made through 2015.

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

3.30 Sec. 3. **STATE BROADBAND STRATEGY; REPORT.**

3.31 The Office of Broadband Development shall conduct research and produce a report  
 3.32 recommending a set of programs and strategies the state can pursue to promote the  
 3.33 improvement, more efficient and effective use, and expansion of broadband services in  
 3.34 ways that will have the greatest impact on the state's economic development, by which is

4.1 meant enhancing the ability of Minnesota citizens and businesses to develop their skills,  
4.2 to expand businesses to new markets, develop new products, reach more customers, and  
4.3 lower costs. While the state's broadband goals in Minnesota Statutes, section 237.012,  
4.4 address the universal provision of greater broadband access and speed statewide, this report  
4.5 must consider broadband as an economic development tool and must examine and analyze:

4.6 (1) how the state can best use its limited resources to adopt strategies and make  
4.7 investments to improve the use of broadband services by subgroups of broadband users,  
4.8 including mobile broadband users, that promise to deliver the greatest economic impact  
4.9 per dollar of state investment;

4.10 (2) roles the state can play in addition to financial assistance for broadband  
4.11 infrastructure, including supporting education and training for Minnesotans to enable  
4.12 them to use broadband more effectively; and

4.13 (3) strategies and opportunities for state investment to leverage additional amounts  
4.14 of private capital and financial assistance from the federal government in order to achieve  
4.15 these goals.

4.16 By January 15, 2014, the office shall submit the report to the chairs and ranking minority  
4.17 members of the senate and house committees with jurisdiction over telecommunications  
4.18 issues.

4.19 Sec. 4. **APPROPRIATION.**

4.20 \$500,000 in fiscal year 2014 and \$500,000 in fiscal year 2015 are appropriated from  
4.21 the general fund to the Office of Broadband Development for its operations.