

116J.395 BORDER-TO-BORDER BROADBAND DEVELOPMENT GRANT PROGRAM.

Subdivision 1. **Establishment.** A grant program is established under the Department of Employment and Economic Development to award grants to eligible applicants in order to promote the expansion of access to broadband service in unserved or underserved areas of the state.

Subd. 2. **Eligible expenditures.** Grants may be awarded under this section to fund the acquisition and installation of middle-mile and last-mile infrastructure that support broadband service scalable to speeds of at least 100 megabits per second download and 100 megabits per second upload.

Subd. 3. **Eligible applicants.** Eligible applicants for grants awarded under this section include:

- (1) an incorporated business or a partnership;
- (2) a political subdivision;
- (3) an Indian tribe;
- (4) a Minnesota nonprofit organization organized under chapter 317A;
- (5) a Minnesota cooperative association organized under chapter 308A or 308B; and

(6) a Minnesota limited liability corporation organized under chapter 322B or 322C for the purpose of expanding broadband access.

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

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

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

- (1) the location of the project;
- (2) the kind and amount of broadband infrastructure to be purchased for the project;
- (3) evidence regarding the unserved or underserved nature of the community in which the project is to be located;
- (4) the number of households passed that will have access to broadband service as a result of the project, or whose broadband service will be upgraded as a result of the project;
- (5) significant community institutions that will benefit from the proposed project;
- (6) evidence of community support for the project;
- (7) the total cost of the project;

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

(9) evidence that no later than six weeks before submission of the application the applicant contacted, in writing, all entities providing broadband service in the proposed project area to ask for each broadband service provider's plan to upgrade broadband service in the project area to speeds that meet or exceed the state's broadband speed goals in section 237.012, subdivision 1, within the time frame specified in the proposed grant activities;

(10) the broadband service providers' written responses to the inquiry made under clause (9); and

(11) any additional information requested by the commissioner.

Subd. 5a. **Challenge process.** (a) Within three days of the close of the grant application process, the office shall publish on its Web site the proposed geographic broadband service area and the proposed broadband service speeds for each application submitted.

(b) An existing broadband service provider in or proximate to the proposed project area may, within 30 days of publication of the information under paragraph (a), submit in writing to the commissioner a challenge to an application. A challenge must contain information demonstrating that:

(1) the provider currently provides or has begun construction to provide broadband service to the proposed project area at speeds equal to or greater than the state speed goal contained in section 237.012, subdivision 1; or

(2) the provider commits to complete construction of broadband infrastructure and provide broadband service in the proposed project area at speeds equal to or greater than the state speed goal contained in section 237.012, subdivision 1, no later than 18 months after the date grant awards are made under this section for the grant cycle under which the application was submitted.

(c) The commissioner must evaluate the information submitted in a provider's challenge under this section, and is prohibited from funding a project if the commissioner determines that the provider's commitment to provide broadband service that meets the requirements of paragraph (b) in the proposed project area is credible.

(d) If the commissioner denies funding to an applicant as a result of a broadband service provider's challenge made under this section, and the broadband service provider does not fulfill the provider's commitment to provide broadband service in the project area, the commissioner is prohibited from denying funding to an applicant as a result of a challenge by the same broadband service provider for the following two grant cycles, unless the commissioner determines that the broadband service provider's failure to fulfill the provider's commitment was the result of factors beyond the broadband service provider's control.

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

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

(1) are constructed in areas identified by the director of the Office of Broadband Development as underserved;

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

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

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

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

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

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

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

(9) leverage greater amounts of funding for the project from other private and public sources.

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

Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than 50 percent of the total cost of a project.

(b) Grants awarded to a single project under this section must not exceed \$5,000,000.

Subd. 8. **Application evaluation report.** By June 30 of each year, the Office of Broadband Development shall publish on the Department of Employment and Economic Development's Web site 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.

History: 2014 c 312 art 3 s 3; 2016 c 135 art 4 s 6; 2016 c 189 art 5 s 3-6