

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 7305
BILL NUMBER: SB 352

NOTE PREPARED: Apr 16, 2021
BILL AMENDED: Apr 1, 2021

SUBJECT: Broadband Development.

FIRST AUTHOR: Sen. Houchin
FIRST SPONSOR: Rep. Manning

BILL STATUS: Enrolled

FUNDS AFFECTED: GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill requires the Office of Community and Rural Affairs (OCRA) to establish a process to be used before each formal submission of applications for grants from the Rural Broadband Fund (fund) in which the OCRA will: (1) invite any prospective grant applicant to submit a letter of intent identifying all addresses and census blocks that the applicant intends to include in a grant application; and (2) make all addresses and census blocks submitted in letters of intent publicly available for a period of time, during which eligible broadband service providers will have the opportunity to challenge a listed address or census block.

The bill provides that challenges under the new process are to be based on the asserted deployment of "minimum broadband Internet" (defined as a terrestrial connection to the Internet that provides an actual speed of at least 25 megabits per second downstream and at least three megabits per second upstream) at a specific address. It specifies that the process established is to precede and remain distinct from the statutory procedures for actual grant applications.

The bill provides that the Department of Transportation (INDOT) may require a private entity to agree, as a condition of INDOT leasing a right-of-way to the private entity, that facilities constructed or installed by the private entity in or under the right-of-way, which if removed would: (1) cause irreparable soil disturbance; or (2) have a detrimental effect on INDOT's facilities or on the facilities of other utilities; will be considered abandoned without additional consideration, upon the private entity's written notice to INDOT. It provides that upon being abandoned, a facility may no longer be used for any purpose by any public or private entity.

Effective Date: Upon passage.

Explanation of State Expenditures: *Office of Community and Rural Affairs (OCRA):* The bill requires the OCRA to establish a process to be used before each formal request for the submission of grant applications from the rural broadband fund, and stipulates required components of the process. [This process is related to letters of intent and challenges, and it is distinct from the procedures in statute related to the grant applications themselves.]

The bill also requires the OCRA to amend its guidelines implementing the broadband grant program as necessary by July 1, 2021, to reflect the changes made by the bill. Implementing the provisions of the bill represent an additional workload on the agency, but should likely be accomplished within existing resources.

Explanation of State Revenues: The INDOT may require a private entity to agree as a condition of leasing a right-of-way that facilities constructed or installed by the private entity will be considered abandoned without additional consideration if removing the facilities would result in certain detrimental effects. This could impact state revenues to the extent that such a facility may no longer be used by any public or private entity upon such abandonment, but this will likely have a minimal impact on General Fund revenue.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of Community and Rural Affairs; Indiana Department of Transportation.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Olivia Smith, 317-232-9869.