

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 3429**

(SENATE AUTHORS: SPARKS)

DATE	D-PG	OFFICIAL STATUS
04/04/2016		Introduction and first reading Referred to Jobs, Agriculture and Rural Development

1.1 A bill for an act  
 1.2 relating to telecommunications; modifying the border-to-border broadband grant  
 1.3 program; modifying Minnesota's statewide broadband goals; appropriating  
 1.4 money; amending Minnesota Statutes 2014, sections 116J.395, subdivisions 2, 6;  
 1.5 237.012; Minnesota Statutes 2015 Supplement, section 116J.394.

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

1.7 Section 1. Minnesota Statutes 2015 Supplement, section 116J.394, is amended to read:

1.8 **116J.394 DEFINITIONS.**

1.9 (a) For the purposes of sections 116J.394 to 116J.396, the following terms have  
 1.10 the meanings given them.

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

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

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

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

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

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

2.1 (h) "Underserved areas" means areas of Minnesota in which households or  
 2.2 businesses lack access to wire-line broadband service at speeds that meet the state  
 2.3 broadband goals of ~~ten to 20 megabits per second download and five to ten megabits~~  
 2.4 ~~per second upload~~ under section 237.012.

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

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

2.8 Subd. 2. **Eligible expenditures.** Grants may be awarded under this section to fund  
 2.9 the acquisition and installation of middle-mile and last-mile infrastructure that support  
 2.10 broadband service scalable to speeds of ~~at least 100 megabits per second download and~~  
 2.11 ~~100 megabits per second upload~~ at least meeting the high-speed goal under section  
 2.12 237.012, subdivision 1.

2.13 Sec. 3. Minnesota Statutes 2014, section 116J.395, subdivision 6, is amended to read:

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

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

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

2.21 ~~(2)~~ (1) offer new or substantially upgraded broadband service to important  
 2.22 community institutions including, but not limited to, libraries, educational institutions,  
 2.23 public safety facilities, and healthcare facilities;

2.24 ~~(3)~~ (2) facilitate the use of telemedicine and electronic health records;

2.25 ~~(4)~~ (3) serve economically distressed areas of the state, as measured by indices of  
 2.26 unemployment, poverty, or population loss that are significantly greater than the statewide  
 2.27 average; one or more businesses located outside of the metropolitan area, as defined in  
 2.28 section 473.121, subdivision 2, that have provided to the city in which the business or  
 2.29 businesses are located a written statement indicating that the lack of wireline broadband  
 2.30 service at speeds scalable to the high-speed goal under section 237.012, subdivision 1,  
 2.31 has impeded business growth or threatens the business or businesses' ability to remain in  
 2.32 the city;

2.33 ~~(5)~~ (4) provide technical support and train residents, businesses, and institutions in  
 2.34 the community served by the project to utilize broadband service;

3.1 ~~(6)~~ (5) include a component to actively promote the adoption of the newly available  
3.2 broadband services in the community;

3.3 ~~(7)~~ (6) provide evidence of strong support for the project from citizens, government,  
3.4 businesses, and institutions in the community;

3.5 ~~(8)~~ (7) provide access to broadband service to a greater number of ~~unserved or~~  
3.6 underserved households and businesses; or

3.7 ~~(9)~~ (8) leverage greater amounts of funding for the project from other private and  
3.8 public sources.

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

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

3.12 Sec. 4. Minnesota Statutes 2014, section 237.012, is amended to read:

3.13 **237.012 BROADBAND GOALS.**

3.14 Subdivision 1. **Universal access and high-speed goal.** It is a state goal that as soon  
3.15 as possible, but no later than ~~2015~~ 2026, all state residents and businesses have access to  
3.16 high-speed broadband that provides minimum upload and download speeds of ~~ten to 20~~  
3.17 100 megabits per second ~~and minimum upload speeds of five to ten megabits per second.~~

3.18 Subd. 2. **State broadband leadership position.** It is a goal of the state that by  
3.19 ~~2015~~ 2026 and thereafter, the state be in:

3.20 (1) the top five states of the United States for broadband speed universally accessible  
3.21 to residents and businesses;

3.22 (2) the top five states for broadband access; and

3.23 (3) the top 15 when compared to countries globally for broadband penetration.

3.24 Sec. 5. **BROADBAND GRANT PROGRAM; APPROPRIATION.**

3.25 \$100,000,000 in fiscal year 2017 is appropriated from the general fund to  
3.26 the commissioner of employment and economic development for deposit in the  
3.27 border-to-border broadband fund account under Minnesota Statutes, section 116J.396.  
3.28 The appropriation must be used for grants and the purposes specified under Minnesota  
3.29 Statutes, section 116J.395.