

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 3892

(SENATE AUTHORS: DRAHEIM)

DATE
04/09/2018

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OFFICIAL STATUS
Introduction and first reading
Referred to Jobs and Economic Growth Finance and Policy

1.1 A bill for an act
1.2 relating to broadband; making certain satellite broadband providers eligible for
1.3 grants; amending Minnesota Statutes 2016, sections 116J.394; 116J.395,
1.4 subdivisions 2, 5, 7.

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

1.6 Section 1. Minnesota Statutes 2016, section 116J.394, is amended to read:

1.7 **116J.394 DEFINITIONS.**

1.8 (a) For the purposes of sections 116J.394 to 116J.398, the following terms have the
1.9 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 infrastructure" means networks of deployed telecommunications
1.13 equipment and technologies necessary to provide high-speed Internet access and other
1.14 advanced telecommunications services for end users.

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

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

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

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

2.1 (h) "Satellite broadband equipment" means a satellite dish or modem installed at a
 2.2 broadband user's location in order to receive broadband service from a satellite broadband
 2.3 provider.

2.4 (i) "Satellite broadband provider" means an entity that provides broadband service by
 2.5 means of wireless signals transmitted between communication stations orbiting the earth
 2.6 and satellite broadband equipment installed at a broadband user's location.

2.7 (j) "Satellite dish" means a parabolic aerial installed on a building exterior that receives
 2.8 signals from and transmits signals to a satellite broadband provider's satellite communication
 2.9 station orbiting the earth.

2.10 (k) "Underserved areas" means areas of Minnesota in which households or businesses
 2.11 lack access to wire-line broadband service at speeds of at least 100 megabits per second
 2.12 download and at least 20 megabits per second upload.

2.13 ~~(j)~~ (l) "Unserved areas" means areas of Minnesota in which households or businesses
 2.14 lack access to wire-line broadband service, as defined in section 116J.39.

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

2.16 Sec. 2. Minnesota Statutes 2016, section 116J.395, subdivision 2, is amended to read:

2.17 Subd. 2. **Eligible expenditures.** Grants may be awarded under this section to fund the
 2.18 acquisition and installation of:

2.19 (1) middle-mile and last-mile infrastructure that support broadband service scalable to
 2.20 speeds of at least 100 megabits per second download and 100 megabits per second upload;
 2.21 and

2.22 (2) satellite broadband equipment installed on the premises of a broadband user located
 2.23 in an unserved area that can support broadband speeds of at least 25 megabits per second
 2.24 download and three megabits per second upload.

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

2.26 Sec. 3. Minnesota Statutes 2016, section 116J.395, subdivision 5, is amended to read:

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

2.29 (1) the location of the project;

3.1 (2) the kind and amount of broadband infrastructure or satellite broadband equipment
 3.2 to be purchased for the project;

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

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

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

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

3.9 (7) the total cost of the project;

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

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

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

3.19 (11) any additional information requested by the commissioner.

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

3.21 Sec. 4. Minnesota Statutes 2016, section 116J.395, subdivision 7, is amended to read:

3.22 Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than 50
 3.23 percent of the total cost of a project or, for a grant to a satellite broadband provider, 50
 3.24 percent of the total cost of satellite broadband equipment installed at user locations.

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

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