

HB 2078 -- COMPETITIVE SERVICES OFFERED BY MUNICIPALITIES

SPONSOR: Fraker

This bill prohibits a municipality from offering to provide competitive services, as defined in the bill, unless the municipality offered the services prior to August 28, 2016, the services are not being offered to 50% of the addresses by any combination of service providers within the municipality, the fiscal impact to the municipality of offering the services is less than \$500,000 over the initial 5-year period the service will be offered, single actual or potential business or a city, town, or village, on behalf of such business, makes a request for a communications service of a specific speed in excess of one gigabit per second download speed at a specific location that all service providers are unable or unwilling to provide, or the offering of the services is approved by the voters of the municipality.

Before a municipality may put the issue of offering competitive services on the ballot, the municipality must complete a feasibility study concerning the offering of the services, release the results of the study to the public at least 90 days prior to the vote, and determine the total estimated cost of the project for the municipality over the following five-year period. If the issue fails to receive a majority vote of approval, the issue cannot be resubmitted to the voters for two years.

If the municipality offers a competitive service and a private business also offers the service:

(1) The municipality cannot use revenue generated from other services offered by the municipality to provide a financial subsidy to support the service unless the voters approve a specific revenue stream for the service;

(2) The municipality cannot use assets or funds of the municipality to support the service unless the voters approve a specific revenue stream for the service;

(3) The municipality may provide infrastructure owned by the municipality for the purpose of providing a competitive service if the municipal subdivision offering the service enters into an agreement with the municipality to pay the fair market value of the infrastructure, unless the voters approve the use of the infrastructure without payment.

A municipality may issue a loan to a municipal subdivision wishing to provide competitive services under certain conditions delineated in the bill.

If a municipality violates any of these requirements, a suit may be filed against the municipality, and if a court finds that the municipality has committed a violation, certain court orders are authorized. If a court finds that the municipality has committed multiple violations, additional court orders are authorized.

This bill is similar to HB 437 (2015).