

SECOND REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 1872

99TH GENERAL ASSEMBLY

5686H.05P

D. ADAM CRUMBLISS, Chief Clerk

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## AN ACT

To amend chapter 620, RSMo, by adding thereto nine new sections relating to broadband internet service.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 620, RSMo, is amended by adding thereto nine new sections, to be  
2 known as sections 620.2450, 620.2451, 620.2452, 620.2453, 620.2454, 620.2455, 620.2456,  
3 620.2457, and 620.2458, to read as follows:

**620.2450.** A grant program is hereby established under sections 620.2450 to  
2 620.2458 to award grants to applicants who seek to expand access to broadband internet  
3 service in unserved or underserved areas of the state, which shall be administered by the  
4 department of economic development. For the purposes of sections 620.2450 to 620.2458,  
5 the term "unserved area" shall mean a census block without access to wireline or fixed  
6 wireless broadband internet service.

**620.2451.** Grants may be awarded under sections 620.2450 to 620.2458 to fund the  
2 acquisition and installation of middle-mile and last-mile infrastructure that supports  
3 broadband internet service to speeds of at least ten megabits per second download and one  
4 megabit per second upload.

**620.2452.** Applicants eligible for grants awarded shall include:

- 2 (1) Corporations registered in this state;
- 3 (2) Incorporated businesses or partnerships;
- 4 (3) Limited liability companies registered in this state;
- 5 (4) Nonprofit organizations registered in this state;
- 6 (5) Political subdivisions; and

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

7           **(6) Rural electric cooperatives organized under chapter 394 and their broadband**  
8 **affiliates.**

**620.2453. 1. (1) An eligible applicant shall submit an application to the department**  
2 **of economic development on a form prescribed by the department.**

3           **(2) The department of economic development shall act as fiscal agent for the grant**  
4 **program and shall be responsible for receiving and reviewing grant applications and**  
5 **awarding grants under sections 620.2450 to 620.2458.**

6           **(3) The department of economic development shall develop administrative**  
7 **procedures to govern the application and grant award process and to implement the**  
8 **provisions of sections 620.2450 to 620.2458. Any rule or portion of a rule, as that term is**  
9 **defined in section 536.010, that is created under the authority delegated in this section shall**  
10 **become effective only if it complies with and is subject to all of the provisions of chapter**  
11 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and**  
12 **if any of the powers vested with the general assembly pursuant to chapter 536 to review,**  
13 **to delay the effective date, or to disapprove and annul a rule are subsequently held**  
14 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**  
15 **after August 28, 2018, shall be invalid and void.**

16           **2. At least thirty days prior to the first day applications may be submitted each**  
17 **fiscal year, the department of economic development shall publish on its website the**  
18 **specific criteria and any quantitative weighting scheme or scoring system the department**  
19 **will use to evaluate or rank applications and award grants under section 620.2456.**

**620.2454. An application for a grant under sections 620.2450 to 620.2458 shall**  
2 **include the following information:**

3           **(1) The location of the proposed project;**

4           **(2) A description of the kind and amount of broadband internet infrastructure the**  
5 **proposed project would implement;**

6           **(3) Evidence demonstrating the unserved or underserved nature of the community**  
7 **where the proposed project would be located;**

8           **(4) The number of households that would have new access to broadband internet**  
9 **service, or whose broadband internet service would be upgraded, as a result of the project;**

10           **(5) A list of significant community institutions that would benefit from the**  
11 **proposed project;**

12           **(6) Evidence demonstrating community support for the proposed project;**

13           **(7) The total cost of the proposed project;**

14           **(8) A list identifying sources of funding or in-kind contributions for the project that**  
15 **would supplement any awarded grant; and**

16           **(9) Any other information required by the department of economic development.**  
17           **620.2455. 1. Within three business days of the close of the grant application**  
18           **process, the department of economic development shall publish on its website the proposed**  
19           **geographic areas and proposed broadband internet speeds for each application submitted.**

20           **2. A broadband internet service provider that provides existing service in or**  
21           **adjacent to the proposed project area may submit, within forty-five days of publication of**  
22           **the information under subsection 1 of this section, to the department of economic**  
23           **development a written challenge to an application. Such challenge shall contain**  
24           **information demonstrating that:**

25           **(1) The provider currently provides or has begun construction to provide**  
26           **broadband internet service within the proposed project area at speeds of at least ten**  
27           **megabits per second download and one megabit per second upload; or**

28           **(2) The provider commits to complete construction of broadband internet**  
29           **infrastructure and provide broadband internet service in the proposed project area at**  
30           **speeds of at least ten megabits per second download and one megabit per second upload**  
31           **within eighteen months of the date the challenge is submitted to the department.**

32           **3. The department of economic development shall evaluate each challenge**  
33           **submitted under this section. If the department determines that the provider's**  
34           **commitment to provide broadband internet service at speeds of at least ten megabits per**  
35           **second download and one megabit per second upload in the proposed project area is**  
36           **credible, the department shall not fund the challenged project.**

37           **4. If the department of economic development denies funding to an applicant as a**  
38           **result of a broadband internet service provider challenge under this section and such**  
39           **broadband internet service provider does not fulfill its commitment to provide broadband**  
40           **internet service in the project area, the department of economic development shall not**  
41           **consider another challenge from such broadband internet service provider for the next two**  
42           **grant cycles, unless the department determines the failure to fulfill the commitment was**  
43           **due to circumstances beyond the broadband internet service provider's control.**

44           **620.2456. 1. The department of economic development shall give priority to**  
45           **applications with proposed projects in areas identified by the department as unserved.**

46           **2. The department of economic development may give priority to applications:**

47           **(1) If ninety percent of the geographical area of the state has access to broadband**  
48           **internet service at speeds of at least ten megabits per second download and one megabit per**  
49           **second upload, that propose projects in areas identified by the department as underserved;**

- 7           **(2) That offer new or substantially upgraded broadband internet service to**  
8 **important community institutions including, but not limited to, libraries, educational**  
9 **institutions, public safety facilities, and health care facilities;**
- 10           **(3) That would facilitate the use of telemedicine and electronic health records;**
- 11           **(4) That serve economically distressed areas of the state, as measured by indices of**  
12 **unemployment, poverty, or population loss that are significantly greater than the statewide**  
13 **average;**
- 14           **(5) That provide technical support and training to residents, businesses, and**  
15 **institutions in the community of the proposed project to utilize broadband internet service;**
- 16           **(6) That include plans to actively promote the adoption of the newly available**  
17 **broadband internet service in the community;**
- 18           **(7) That demonstrate strong support for the proposed project from citizens,**  
19 **businesses, and institutions in the community;**
- 20           **(8) That would provide broadband internet service to a greater number of unserved**  
21 **or underserved households and businesses; or**
- 22           **(9) That leverage greater amounts of funding for the project from other sources,**  
23 **private or public.**

24           **3. The department of economic development shall endeavor to award grants under**  
25 **sections 620.2450 to 620.2458 to qualified applicants in all regions of the state.**

**620.2457. 1. No grant awarded under sections 620.2450 to 620.2458 shall fund**  
2 **more than fifty percent of the total cost of a project.**

3           **2. No single project shall be awarded grants under sections 620.2450 to 620.2458**  
4 **whose cumulative total exceeds five million dollars.**

**620.2458. By June thirtieth of each year, the department of economic development**  
2 **shall publish on its website and provide to the general assembly a list of all applications for**  
3 **grants under sections 620.2450 to 620.2458 received during the previous year and, for each**  
4 **application:**

- 5           **(1) The results of any quantitative weighting scheme or scoring system the**  
6 **department of economic development used to award grants or rank the applications;**
- 7           **(2) The grant amount requested; and**
- 8           **(3) The grant amount awarded, if any.**

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