

2SSB 5935 - S AMD TO S AMD (S-5126.1/18) 614
By Senator Chase

WITHDRAWN 02/14/2018

1 Beginning on page 21, line 28 of the amendment, strike all of
2 section 19 and insert the following:

3 "Sec. 19. 2018 c 2 s 1021 (uncodified) is amended to read as
4 follows:

5 **FOR THE DEPARTMENT OF COMMERCE**

6 CERB Administered Broadband Infrastructure (91000943)

7 The appropriation in this section is subject to the following
8 conditions and limitations: During the 2017-2019 fiscal biennium, the
9 community economic revitalization board may make grants and loans to
10 local governments and federally recognized tribes to build
11 infrastructure to provide high-speed, open-access broadband service,
12 with a minimum of 25 megabits per second download speed, to rural and
13 underserved communities, for the purpose of economic development or
14 community development.

15 (1) "Local governments" means cities, towns, counties, municipal
16 corporations, public port districts, quasi-municipal corporations,
17 and special purpose districts.

18 (2) "Broadband" means networks of deployed telecommunications
19 equipment and technologies necessary to provide high-speed Internet
20 access and other advanced telecommunications services.

21 (3) The board is authorized to make rural broadband loans and
22 grants to local governments and to federally recognized Indian tribes
23 for the purposes of financing the cost to build infrastructure to
24 provide high-speed, open-access broadband service, to rural and
25 underserved communities, for the purpose of economic development or
26 community development. (~~Grants may also be authorized for purposes~~
27 ~~designated in this chapter, but only when, and to the extent that, a~~
28 ~~loan is not reasonably possible, given the limited resources of the~~
29 ~~local government or the federally recognized Indian tribe, and~~
30 ~~subject to a finding by the board that financial circumstances~~
31 ~~require grant assistance to enable the project to move forward.))
32 However, no more than ((25)) 50 percent of all financial assistance~~

1 approved by the board in any biennium may consist of grants to local
2 governments and federally recognized Indian tribes.

3 (4) Application for funding must be made in the form and manner
4 as the board may prescribe. In making grants or loans the board must
5 conform to the following requirements:

6 (a) The board may not provide financial assistance:

7 (i) For a project the primary purpose of which is to facilitate
8 or promote a retail shopping development or expansion.

9 ~~(ii) ((For any project that evidence exists would result in a
10 development or expansion that would displace existing jobs in any
11 other community in the state.~~

12 ~~((iii)))~~ For a project the primary purpose of which is to
13 facilitate or promote gambling.

14 ~~((iv)))~~ (iii) For a project located outside the jurisdiction of
15 the applicant local government or federally recognized Indian tribe.

16 ~~((v)))~~ (iv) For equipment or facilities which would enable a
17 public entity to provide retail telecommunications services or
18 services that the entity is not authorized by statute to provide.

19 ~~((vi)))~~ (v) For the deployment of publicly-owned
20 telecommunication network infrastructure ("backbone") solely for the
21 sake of creating competitive, publicly-owned telecommunication
22 network infrastructure.

23 (b) The board may provide financial assistance only(~~(~~

24 ~~(i) For projects demonstrating convincing evidence that a
25 specific private development or expansion is ready to occur and will
26 occur only if the public facility improvement is made that:~~

27 ~~(A) Results in the creation of significant private sector jobs or
28 significant private sector capital investment as determined by the
29 board;~~

30 ~~(B) Will improve the opportunities for the successful
31 maintenance, establishment, or expansion of industrial or commercial
32 plants or will otherwise assist in the creation or retention of long-
33 term economic opportunities; and~~

34 ~~(C) Is located in a rural community as defined by the board, or a
35 rural county; or~~

36 ~~(ii) For a project that does not meet the requirements of (b)(i)
37 of this subsection but is a project that:~~

38 ~~(A) Results in the creation of significant private sector jobs or
39 significant private sector capital investment as determined by the
40 board;~~

1 ~~(B) Is part of a local economic development plan consistent with~~
2 ~~applicable state planning requirements;~~

3 ~~(C) Can demonstrate project feasibility using standard economic~~
4 ~~principles; and~~

5 ~~(D) Is located in a rural community as defined by the board, or a~~
6 ~~rural county;~~

7 ~~(e) The board must develop guidelines for local participation and~~
8 ~~allowable match and activities.~~

9 ~~(d) An application must demonstrate local match and local~~
10 ~~participation, in accordance with guidelines developed by the board.~~

11 ~~(e)) for projects located in a rural community as defined by the~~
12 ~~board, or located in a rural county, that encourage, foster, develop,~~
13 ~~and improve broadband within the state in order to:~~

14 ~~(i) Drive job creation, promote innovation, and expand markets~~
15 ~~for local businesses; or~~

16 ~~(ii) Serve the ongoing and growing needs of local education~~
17 ~~systems, health care systems, public safety systems, industries and~~
18 ~~businesses, governmental operations, and citizens; and~~

19 ~~(iii) Improve accessibility for underserved communities and~~
20 ~~populations.~~

21 ~~(c) An application must be approved by the local government and~~
22 ~~supported by the local associate development organization or local~~
23 ~~workforce development council or approved by the governing body of~~
24 ~~the federally recognized Indian tribe.~~

25 ~~((+f)) (d) The board may allow de minimis general system~~
26 ~~improvements to be funded if they are critically linked to the~~
27 ~~viability of the project.~~

28 ~~((g) An application must demonstrate convincing evidence that~~
29 ~~the median hourly wage of the private sector jobs created after the~~
30 ~~project is completed will exceed the countywide median hourly wage.~~

31 ~~(h) The board must prioritize each proposed project according to:~~

32 ~~(i) The relative benefits provided to the community by the jobs~~
33 ~~the project would create, not just the total number of jobs it would~~
34 ~~create after the project is completed, but also giving consideration~~
35 ~~to the unemployment rate in the area in which the jobs would be~~
36 ~~located;~~

37 ~~(ii) The rate of return of the state's investment, including, but~~
38 ~~not limited to, the leveraging of private sector investment,~~
39 ~~anticipated job creation and retention, and expected increases in~~
40 ~~state and local tax revenues associated with the project;~~

1 ~~(iii) Whether the proposed project offers a health insurance plan~~
2 ~~for employees that includes an option for dependents of employees;~~

3 ~~(iv) Whether the public facility investment will increase~~
4 ~~existing capacity necessary to accommodate projected population and~~
5 ~~employment growth in a manner that supports infill and redevelopment~~
6 ~~of existing urban or industrial areas that are served by adequate~~
7 ~~public facilities. Projects should maximize the use of existing~~
8 ~~infrastructure and provide for adequate funding of necessary~~
9 ~~transportation improvements;~~

10 ~~(v) Whether the applicant's permitting process has been certified~~
11 ~~as streamlined by the office of regulatory assistance; and~~

12 ~~(vi) Whether the applicant has developed and adhered to~~
13 ~~guidelines regarding its permitting process for those applying for~~
14 ~~development permits consistent with section 1(2), chapter 231, Laws~~
15 ~~of 2007.~~

16 ~~(i)) (e) When evaluating and prioritizing projects, the board~~
17 ~~must give consideration, at a minimum, to the following factors:~~

18 ~~(i) The project's value to the community, including evidence of~~
19 ~~support from affected local businesses and government;~~

20 ~~(ii) The project's feasibility, using standard economic~~
21 ~~principles;~~

22 ~~(iii) Commitment of local matching resources and local~~
23 ~~participation;~~

24 ~~(iv) The project's inclusion in a capital facilities plan,~~
25 ~~comprehensive plan, or local economic development plan consistent~~
26 ~~with applicable state planning requirements; and~~

27 ~~(v) The project's readiness to proceed.~~

28 ~~(5) A responsible official of the local government or the~~
29 ~~federally recognized Indian tribe must be present during board~~
30 ~~deliberations and provide information that the board requests.~~

31 ~~((5) Before any financial assistance application is approved,~~
32 ~~the local government or the federally recognized Indian tribe seeking~~
33 ~~the assistance must demonstrate to the community economic~~
34 ~~revitalization board that no other timely source of funding is~~
35 ~~available to it at costs reasonably similar to financing available~~
36 ~~from the community economic revitalization board.))~~

37 Appropriation:

38 State Building Construction Account—State. \$5,000,000

39 Prior Biennia (Expenditures). \$0

1 Future Biennia (Projected Costs). \$0
2 TOTAL. \$5,000,000"

EFFECT: Makes community development a purpose for grants and loans; revises the percentage of financial assistance available for grants; revises project financial assistance eligibility and application criteria.

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