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**HOUSE BILL 1606**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** Representatives Dye, Hudgins, Mosbrucker, Smith, Tarleton, Eslick, Appleton, Doglio, and Frame

AN ACT Relating to the authority of the community economic revitalization board with respect to loans and grants to political subdivisions and federally recognized Indian tribes for broadband; adding a new section to chapter 43.160 RCW; and creating a new section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  The legislature recognizes that high-speed internet connectivity through broadband is essential to support: Educational opportunity; innovations in the provision of education, public safety, and health care; and business growth. The legislature also finds that open-access dark fiber networks create a public platform that bolsters the private sector's ability to provide broadband internet access to communities for which access was previously cost-prohibitive. Therefore, to efficiently and sustainably expand access to broadband throughout Washington, this act establishes a grant and loan program through the community economic revitalization board for local governments and federally recognized Indian tribes to develop open-access dark fiber networks.

NEW SECTION. **Sec.**  A new section is added to chapter 43.160 RCW to read as follows:

(1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Broadband" means dark fiber, open access networks.

(b) "Local governments" includes cities, towns, counties, municipal corporations, public port districts, quasi-municipal corporations, and special purpose districts.

(2) Subject to the availability of amounts appropriated for this specific purpose, the board is authorized to make broadband loans and grants to local governments and to federally recognized Indian tribes for the purposes of financing the cost to build infrastructure to provide high-speed, open-access broadband service for the purpose of economic development or community development. However, no more than fifty percent of all financial assistance approved by the board in any biennium may consist of grants to local governments and federally recognized Indian tribes.

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

(a) The board may not provide financial assistance:

(i) For a project where the primary purpose is to facilitate or promote gambling; and

(ii) For equipment or facilities that would enable a public entity to provide retail telecommunications services or services that the entity is not authorized by statute to provide;

(b) The board may provide financial assistance for projects that encourage, foster, develop, and improve broadband within the state in order to:

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

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

(c) An application must be approved by: (i) The local government and supported by the local associate development organization or local workforce development council; or (ii) the governing body of the federally recognized Indian tribe;

(d) The board may allow de minimis general system improvements to be funded if they are critically linked to the viability of the project;

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

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

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

(iii) The commitment of local matching resources and local participation;

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

(v) The project's readiness to proceed.

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

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

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