SECOND REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 2638

101ST GENERAL ASSEMBLY

5116H.04P

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DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 620.2450, 620.2451, and 620.2453, RSMo, and to enact in lieu thereof eleven new sections relating to broadband services, with penalty provisions.

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

Section A. Sections 620.2450, 620.2451, and 620.2453, RSMo, are repealed and 2 eleven new sections enacted in lieu thereof, to be known as sections 1.512, 1.513, 8.055, 3 8.475, 67.485, 620.2450, 620.2451, 620.2453, 620.2465, 620.2468, and 1, to read as follows: 1.512. 1. As used in this section, the following terms mean:

- (1) "Broadband" or "broadband service", any service providing advanced 3 telecommunications capability with the same downstream data rate and upstream data 4 rate as required to satisfy the definition of "broadband" by the Federal **Communications Commission and that:**
 - (a) Does not require the end user to dial up a connection;
 - (b) Has the capacity to always be on;
 - (c) Has transmission speeds that are based on regular available bandwidth rates, not sporadic or burstable rates, with latency suitable for real-time applications and services such as voice over internet protocol and video conferencing; and
- 11 (d) Has a monthly usage capacity reasonably comparable to that of residential terrestrial fixed broadband offerings in urban areas. 12

14 As the Federal Communications Commission updates the downstream data rate and the

- 15 upstream data rate, the council shall publish the revised data rates within sixty days of
- 16 the federal update;

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.

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- 17 (2) "Council", the broadband development council;
- 18 (3) "Digital navigation service", a person or entity that helps or teaches people to safely and effectively use the internet;
 - (4) "Downstream data rate", the transmission speed from the service provider source to the end user;

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- 22 (5) "Internet protocol address" or "IP address", a unique string of numbers 23 separated by periods that identifies each computer using the internet protocol to 24 communicate over a network;
 - (6) "Unserved area", an area that has no access to broadband service;
- 26 (7) "Upstream data rate", the transmission speed from the end user to the 27 service provider source.
 - 2. There is hereby established the "Broadband Development Council". The office of broadband development of the department of economic development shall provide administrative, personnel, and technical support to the council as necessary.
 - 3. The council shall consist of:
- 32 (1) The director of the department of economic development or his or her 33 designee;
- 34 (2) The chief information officer within the office of administration or his or her 35 designee;
 - (3) The commissioner of higher education or his or her designee;
 - (4) The commissioner of education or his or her designee;
- 38 (5) The director of the state office of broadband development or his or her 39 designee;
 - The following members of the public, appointed by and serving at the pleasure of the governor, with the advice and consent of the senate:
 - Two members representing providers that deploy a large volume of broadband service, one of which shall provide service in a rural area;
 - (b) One member from each congressional district representing business users of this state; and
- (c) One member from each congressional district representing residential users 47 of this state.

49 Members appointed under this subdivision shall serve no more than two three-year terms. However, the terms shall be staggered with one-third of the inaugural members, 51 chosen by lot, serving one additional year and another one-third of the inaugural 52 members, chosen by lot, serving an additional two years. Members appointed under this subdivision shall be deemed part-time public officials and may have other

employment. Any person employed by, owning an interest in, or otherwise associated with a broadband deployment project, project sponsor, or project participant is not disqualified from serving as a council member but shall recuse himself or herself from board actions if the member has a conflict of interest or would violate the rules of the Missouri ethics commission;

- (7) Three senators appointed by the president pro tempore of the senate, two of whom shall be members of the majority party and one of whom shall be a member of the minority party; and
- (8) Three members of the house of representatives appointed by the speaker of the house, two of whom shall be members of the majority party and one of whom shall be a member of the minority party.
- 4. (1) The council shall select a chair and vice chair from among its members. The director of the department of economic development shall chair the first meeting of the council until a chair is selected. Terms of the chair and vice chair shall be two years, and no member may serve more than two consecutive terms in either position. The council shall appoint a secretary-treasurer, who need not be a member of the council and who, among other tasks or functions designated by the council, shall keep records of its proceedings.
- (2) Fifteen voting members of the council shall constitute a quorum, and a simple majority of the members present shall be sufficient for any action taken by vote of the council.
- (3) The council may appoint committees or subcommittees for the purposes of investigations and recommendations. Members of these committees or subcommittees need not be members of the council.
- (4) No member of the council who serves by virtue of his or her office shall receive compensation or reimbursement of expenses for serving as a member. Members appointed under subdivision (5) of subsection 3 of this section and the members of any committee or subcommittee are entitled to be reimbursed for actual and necessary expenses.
- (5) No member shall be subject to antitrust or unfair competition liability based on membership or participation in the council. The council shall be deemed to provide an essential governmental function and shall have state-action immunity.
 - 5. (1) The council shall:
- (a) Explore any and all ways to expand access to broadband services including, but not limited to, middle mile, last mile, and wireless applications;
- (b) Gather data regarding the various speeds provided to consumers and compare that data to the speeds the internet service provider advertises;

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- 91 (c) Explore the potential for increased use of broadband service for the purposes 92 of education, career readiness, workforce preparation, and alternative career training;
 - (d) Explore ways to encourage state and municipal agencies to expand the development and use of broadband services to better serve the public;
- 95 (e) Assist in expanding electronic instruction and distance education services, 96 including digital navigation services;
 - (f) Advise and make recommendations to the general assembly regarding:
 - a. Strategies to make broadband service available to unserved and underserved areas;
 - b. Statutory changes that may enhance and expand broadband in the state; and
- 101 c. Strategies to increase adoption of the Affordable Connectivity Program or any 102 successor program; and
 - (g) Submit a report to the general assembly and governor on or before January first each year. The report shall include a summary of the actions taken by the council during the previous year.
 - (2) In addition to other powers, the council is hereby granted the powers necessary and appropriate to carry out and effectuate the duties described under subdivision (1) of this subsection. The council shall have the power to:
 - (a) Promote awareness of public facilities that have community broadband access that can be used for distance education and workforce development;
 - (b) Advise on the deployment of online government portals so that all public bodies and political subdivisions have websites, one-stop government access, and the ability to stream audio and video of public meetings;
 - (c) Make and execute contracts, commitments, and other agreements necessary or convenient to exercise its powers including, but not limited to, hiring consultants to assist in the mapping of the state and categorization of areas within the state; and
 - (d) Perform any other activities to further its purpose.
 - (3) The council may:
- 119 (a) Retain outside expert consultants to assist in the purposes of this section. 120 Any retention and contracting of expert consultants shall be transparent, and the 121 council shall make publicly available any contracts, retention agreements, payments, 122 and invoicing for services; and
- 123 (b) Take action to increase awareness of issues concerning broadband services 124 and to educate and inform the public.
- 6. (1) The council shall establish a mapping of broadband services in the state based on analysis of data, broadband demand, and other relevant information. The

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- council shall publish an annual assessment and map of the status of broadband that shall specifically designate underserved and unserved areas of the state.
 - (2) The council shall establish a public map that is interactive and reflects estimated downstream data rates and upstream data rates in regions, counties, cities, communities, streets, or other areas. The public map shall not be so specific as to show data rates at a particular street address or physical location but may include data regarding capacity, based upon fiber count.
 - (3) The mapping shall be based on information collected or received by the council including, but not limited to, data collected from:
 - (a) State agencies, federal agencies, public institutions of higher education, and private entities that collect data on broadband services;
 - (b) Industry-provided information;
 - (c) Consumer data; and
 - (d) A voluntary data collection program that the council may establish. The program may include voluntarily submitted data from internet service providers and include any home or region data rate meters utilized by the provider and voluntarily submitted data from customers of an internet service provider, reflecting the person's data rate at a particular IP address, which may be based upon a web-based test or analysis program. Any data collected through a voluntary data collection program shall not be deemed public information and is not subject to public release or availability. Any voluntary data collection program established by the council shall:
 - a. Clearly state to the providers or customers submitting information that the data rate speed may become public, including references to the provider or customer's physical address;
 - b. Clearly state submission of information is voluntary and shall be deemed as consent to use and make public such information; and
 - c. Not include any customer's browsing history, search history, usage records, billing records, or otherwise publicly identify the customer by name, IP address, or physical address.
 - (4) The mapping and designations therein shall be revised on a continuing basis by the council.
 - (5) Any map of broadband services accessible to the public shall exclude:
- 159 (a) The location or identity of any critical infrastructure used by public or 160 private entities to provide internet services;
 - (b) Any identifying information of users, including name and IP addresses; and
- 162 (c) Any information designated as confidential for public security reasons by the 163 United States Department of Homeland Security or the department of public safety.

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However, it shall be the duty of the public and private entities to make the council aware of such confidential designation, and the actual or estimated upstream data rates and downstream data rates of an area or region of the state shall not be excluded from public or private maps unless the council determines good cause for the exclusion.

- 7. Any entity that has received or hereafter receives state or federal moneys to install infrastructure for broadband services shall furnish nonproprietary information to the council concerning the location, type, and extent of such infrastructure.
- 8. The council shall partner with a research organization, or contract with such an organization, to annually survey each county and school district in the state in order to assess the internet speeds available in such areas and identify areas with challenges to high-speed internet access.
- 9. (1) Notwithstanding the provisions of chapter 610, information provided to the council, its consultants, or its other agents that is identified as confidential information when submitted shall be exempt from disclosure and shall be secured and safeguarded. Such information may include, but not be limited to, physical plant locations, subscriber levels, market penetration data, and any other proprietary business information or any other information that constitutes a trade secret.
- (2) Any person who makes any unauthorized disclosure of such confidential information or data shall be guilty of a class A misdemeanor.
- 10. This section shall not be construed to confer authority to regulate broadband, broadband services, broadband internet access services, broadband service providers, or internet service providers on the broadband development council, the office of broadband development within the department of economic development, or the department of economic development beyond the authority stated in this section.
- 1.513. 1. The state of Missouri or the attorney general is hereby authorized to seek the deposit of federal funds designated for broadband deployment in Missouri from broadband providers who default or otherwise fail to complete deployment as agreed upon with the federal government. Such federal funds shall be deposited into a fund that is under the supervision of the Missouri office of broadband development.
- 2. Any provider in Missouri who defaults or otherwise fails to deploy broadband after receiving federal funds or any moneys from any other state for broadband services shall disclose such default or failure to deploy broadband services on any application to receive any state moneys in Missouri within seven days of such notice of default or failure to deploy broadband services. Any provider who has defaulted in this state or any other state shall be presumed incapable of fulfilling the provider's obligations to deploy broadband internet in Missouri. Such presumption shall be rebuttable.

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- 3. The Missouri office of broadband development is hereby authorized to 13 14 adjudicate any such findings under subsection 2 of this section in a manner consistent 15 with Missouri law.
- 8.055. Beginning January 1, 2024, unified high speed Wi-Fi internet access shall be provided to the public within the capitol building and on capitol grounds. Such Wi-Fi access shall be of adequate bandwidth and connectivity to accommodate the number 4 of users in the capitol building and on capitol grounds.
- 8.475. 1. This section shall be known and may be cited as the "Vertical Real Estate Act".
 - 2. As used in this section, the following terms mean:
 - (1) "Ground facilities", any shed, building, server room, or other ancillary structure providing an essential service to a tower including, but not limited to, distributing power or providing communications backhaul;
 - (2) "Tower", a structure that hosts an antenna or other equipment used for the purpose of transmitting cellular or wireless signals for communications purposes, including telephonically, or for computing purposes, including all associated equipment;
- (3) "Vertical real estate", any communication or broadcast tower or other structure or installation mounted on a rooftop or other prominent place, along with any facilities associated with that structure, that is suitable for mounting communications equipment upon and any associated ground facilities necessary to accommodate the communications purpose or any real estate suitable for the installation of a telecommunications vertical asset. Nothing in this definition shall prohibit terrestrial, 16 middle-mile, or last-mile broadband or high-speed internet wiring or facilities installation under section 67.1847. Classification as "vertical real estate" shall not prevent any utility installation including, but not limited to, water, electric, or sewer services.
 - 3. Any political subdivision of the state of Missouri is hereby authorized to erect vertical real estate or towers on its property unless otherwise proscribed by law. Any such political subdivision is hereby authorized to enter into public-private partnerships in order to effectuate construction of vertical real estate or towers.
- 67.485. 1. Two or more political subdivisions may elect to form a broadband 2 infrastructure improvement district for the delivery of broadband internet service to the 3 residents of such political subdivisions. The authority under this section shall be in 4 addition to the authority given to municipalities to form a broadband infrastructure improvement district under section 71.1000 or any other authority granted to political 6 subdivisions to form a broadband infrastructure improvement district under Missouri law. The district shall be a body politic and corporate. The district shall give funding

8 priority to unserved areas and underserved areas of the district. For purposes of this 9 section, public universities and public school districts are included in the meaning of 10 "political subdivision".

2. A political subdivision that elects to form or join a broadband infrastructure improvement district shall submit to the eligible voters of the political subdivision a proposition at a regular or special election, in substantially the following form:

Shall	(insert name of the political subdivision) enter
into a broadband	infrastructure improvement district to be
known as	?

If a majority of votes cast on the proposition are in favor of the proposition, the political subdivision shall form or join the broadband infrastructure improvement district with other political subdivisions that approve the proposition. If a majority of votes cast on the proposition oppose the proposition, the political subdivision shall not form or join a broadband infrastructure improvement district unless and until the proposition is resubmitted to voters and voters approve the proposition.

3. A broadband infrastructure improvement district shall have the power to:

- (1) Contract with a publicly owned or private broadband internet service provider to provide broadband internet service to the residents of the district; and
- (2) Finance the provision or expansion of broadband internet service through grants, loans, bonds, or user fees.

A district shall not have the power to levy, assess, apportion, or collect any tax upon property within the district nor upon any political subdivision that is part of the district.

- 4. (1) The district governing board shall be composed of at least one representative from each political subdivision, but in no case shall there be fewer than four representatives.
- (2) Annually, on or before the last Monday in April, the governing body of each political subdivision that is part of a district shall appoint representatives to the district governing board for a one-year term. Each political subdivision shall appoint an equal number of representatives. A representative shall hold office until his or her successor is duly appointed or until the representative is recalled. The governing body of a political subdivision, by majority vote, may recall and replace its representative at any time. If a representative's position is vacated, the governing body of that representative's political subdivision shall fill the vacancy within thirty days by

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43 appointing a new representative who shall serve the remainder of the term. A representative may be reappointed to successive terms without limit. 44

- (3) For the purpose of transacting business, the presence of representatives representing more than fifty percent of the political subdivisions that are part of the district shall constitute a quorum. Any action adopted by a majority of the votes cast at a meeting of the governing board at which a quorum is present shall be the action of the board. Each representative shall be entitled to cast one vote.
- (4) Each district political subdivision may reimburse its representative for expenses as the political subdivision determines reasonable.
- (5) (a) The officers of a district shall be the chair of the board, the vice chair of the board, the clerk of the district, and the treasurer of the district.
- (b) The chair shall preside at all meetings of the board and shall make and sign all contracts on behalf of the district upon approval by the board. The chair shall perform all duties incident to the position and office.
- (c) During an absence or inability of the chair to render or perform his or her duties or exercise his or her powers, the same shall be performed and exercised by the vice chair, and, when so acting, the vice chair shall have all the powers and be subject to all the responsibilities hereby given to or imposed upon the chair.
- (d) During an absence or inability of the vice chair to render or perform his or her duties or exercise his or her powers, the board shall elect from among its representatives an acting vice chair who shall have the powers and be subject to all the responsibilities hereby given or imposed upon the vice chair.
- (e) Upon the death, disability, resignation, or removal of the chair or vice chair, the board shall elect a successor to such vacant office until the next term.
- (6) The board shall adopt bylaws for the regulation of its affairs and the conduct of its business.
- Additional political subdivisions may join a broadband infrastructure 5. improvement district. The board may offer admission to additional political subdivisions upon such terms and conditions as the board deems fair, reasonable, and in the best interests of the district. The governing body of any political subdivision that desires to be admitted to the district shall apply for admission to the board. The board shall determine the financial, economic, governance, and operational effects that are 75 likely to occur if such political subdivision is admitted and thereafter offer or deny admission to the applicant political subdivision. If the board offers admission, it shall specify any terms and conditions, including financial obligations, upon which the Upon resolution of the board, the applicant political admission is predicated. subdivision shall join the district.

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- 80 6. A political subdivision may withdraw from a district in the same manner as a political subdivision joining a district under subsection 5 of this section. 81
 - 7. (1) The board may authorize admitting one or more private partners in the broadband improvement district upon such terms and conditions as the board, in the board's sole discretion, deems to be fair, reasonable, and in the best interests of the district. A private partner desiring admission to the district shall apply for admission to the board. For purposes of this subsection, "private partner" includes, but is not limited to, an electric cooperative or public utility providing services within the state.
 - The board shall determine the financial, economic, governance, and operational effects that are likely to occur if a private partner is admitted and thereafter either grant or deny authority for admission of the petitioning private partner. If the board grants such authority, the board shall also specify any terms and conditions, including financial obligations, upon which such admission is predicated. resolution of the board, such applicant private partner shall become a district member.
 - (3) The board and the private partner shall by agreement specify the ownership and other financial determinants of the private partner's participation in the district. Such determinations shall be considered to be within the public purposes of the district, absent a judicial determination that such public purposes do not exist.
 - (4) A private partner admitted to a district under this subsection may finance the installation or expansion of broadband internet service through grants, loans, bonds, user fees, or any other financing methods that do not negatively impact the cost of service provided to the district's residents, customers, or rate-payers.
 - 8. The dissolution of a broadband infrastructure improvement district shall follow the procedures established under sections 67.950 and 67.955.
 - 9. Nothing in this section shall be construed to prohibit or limit the ability of a municipality or other political subdivision to enter into a contract or cooperative agreement as authorized by section 70.220 or by other legal means.
- 620.2450. 1. 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 and improve the reliability of broadband internet service in unserved and underserved areas of the state. The department of economic development shall administer and act as the fiscal agent for the grant program and shall be responsible for receiving and reviewing grant applications and awarding grants under sections 620.2450 to 620.2458. Funding for the grant program established under this section shall be subject to appropriation by the general assembly.
 - 2. As used in sections 620.2450 to 620.2458, the following terms shall mean:
- 9 "Project", the acquisition and installation of retail broadband internet service in unserved and underserved areas of the state;

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- (2) "Underserved area", a project area without access to wireline or fixed wireless 11 12 broadband internet service of speeds of [at least twenty-five] the higher of:
- (a) One hundred megabits per-second download and [three] one hundred megabits 14 per-second upload; or
- 15 The minimum speed established by the Federal Communications **(b)** 16 Commission as authorized in 7 U.S.C. 950bb(e)(1) to (2);
 - [(2)] (3) "Unserved area", a project area without access to wireline or fixed wireless broadband internet service of speeds of at least [ten] twenty-five megabits per-second download and [one megabit] three megabits per-second upload.
 - 620.2451. 1. Grants awarded under sections 620.2450 to 620.2458 shall fund the acquisition and installation of retail broadband internet service [at], prioritizing projects providing speeds of [at least twenty-five] the higher of:
 - (1) One hundred megabits per-second download and [three] one hundred megabits per-second upload[, but] that is scalable to higher speeds; or
 - (2) The minimum acceptable speed established by the Federal Communications Commission as authorized in 7 U.S.C. 950bb(e)(1) to (2). Any provider that is incapable of meeting the speed requirement under this subdivision shall be allowed to continue deploying broadband infrastructure at current speeds, provided that each provider quarterly updates the office of broadband development regarding the provider's maximum speed.
 - 2. The department shall maintain a record of all federal grants awarded to entities for the purposes of providing, maintaining, and expanding rural broadband in the state of Missouri. In cases in which funds have been awarded by a federal agency but later retained, withheld, or otherwise not distributed to the original grant recipient due to failure to meet performance standards or other criteria, the department shall seek to have the funds awarded to another eligible, qualified Missouri broadband provider.
 - 3. The funds awarded by the department to an entity for the purposes of providing, maintaining, and expanding rural broadband in the state of Missouri shall require the entity to use the funds specifically for purposes set forth in the grant. If the entity uses the proceeds or funds for any other purposes or fails to comply with any requirement established by the department through the grant or funds awarded pursuant thereto, the entity shall return any remaining proceeds expended or the value of any incentives or services received by the entity to which a monetary value can be assigned, to be repaid to the department as required by the terms of the grant or contract.

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620.2453. An eligible applicant shall submit an application to the department of economic development on a form prescribed by the department. An application for a grant under sections 620.2450 to 620.2458 shall include the following information:

- (1) A description of the project area;
- 5 (2) A description of the kind and amount of broadband internet infrastructure that is 6 proposed to be deployed;
 - (3) Evidence demonstrating the unserved or underserved nature of the project area;
 - (4) The number of households that would have new access to broadband internet service, or whose broadband internet service would be upgraded, as a result of the grant;
- 10 (5) A list of significant community institutions that would benefit from the proposed 11 grant;
- 12 (6) The total cost of the proposal and the [timeframe] time frame in which it will be completed;
 - (7) A list identifying sources of funding or in-kind contributions, including government funding, that would supplement any awarded grant; [and]
 - (8) A map or list of addresses showing the highest broadband speeds available within the applicant's area of service in the same manner in which the applicant is specified to provide data to the Federal Communications Commission under the Broadband Deployment Accuracy and Technological Availability Act, 47 U.S.C. Section 641 et seq. Such map or list of addresses shall be utilized by the department of economic development to determine the speeds available to individual addresses and eligibility for grant funding. Any map made publicly available as a result of maps provided by broadband providers under this subdivision shall be aggregated and anonymized to show the highest broadband speeds available; and
 - (9) Any other information required by the department of economic development.
 - 620.2465. 1. The department shall implement a program to increase high-speed internet access in unserved and underserved areas. The department may use its discretion in choosing the method of the program, but the program shall provide high-speed internet access to as many residents who do not have high-speed internet access as quickly as practicable, with preference given to residents who have no internet access.
 - 2. The department may promulgate all necessary rules and regulations for the administration of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently

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held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after the effective date of this section shall be invalid and void.

620.2468. The state office of broadband development within the department of economic development shall have the authority to engage in site inspections of 3 broadband providers that have received grants or loans for projects from the state office 4 of broadband development. The authority to inspect shall last until the project is complete and operational.

- Section 1. 1. There is hereby established in the Missouri department of economic development the "Office of Broadband Development", for the purpose of furthering the goal of connecting Missouri with high-speed internet, creating a long-4 term plan on broadband access and adoption, and helping to fulfill the statutory mission of the broadband development council. The director of the office of broadband shall be 6 selected by, and report directly to, the director of the department of economic development and will provide support and coordination to the broadband development council.
- 2. The office shall be administered by the director of the office of broadband 10 development. The department of economic development shall provide administrative support and staff as deemed necessary to assist the office of broadband development and to fulfill the statutory mission of the broadband development council.

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