

HCS HB 2638 -- BROADBAND SERVICES

SPONSOR: Riggs

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Broadband and Infrastructure by a vote of 7 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 10 to 0.

The following is a summary of the House Committee Substitute for HB 2638.

This bill involves broadband development in Missouri. In its main provisions the bill:

(1) Establishes the "Broadband Development Council" consisting of 29 members including members from certain state agencies, members of the general public representing certain classifications of broadband users, and three members each from the Senate appointed by the President Pro Tem and the House of Representatives appointed by the Speaker. The public members of the Council will be appointed by the Governor and serve terms as specified in the bill.

The responsibilities of the Council are specified in the bill and include exploring ways to expand access to broadband services; the potential for increased use of broadband for education, career readiness, workforce preparation and alternative career training; ways to encourage state and municipal agencies to expand service to better serve the public through the use of streaming, voice over Internet protocol, teleconferencing, and wireless networking. The Council shall make recommendations to the General Assembly regarding strategies to make broadband available to certain communities and statutory changes needed to enhance broadband access in the state. The Council must submit a report to the General Assembly and the Governor on or before January 1 of each year summarizing the actions of the Council the previous year. The bill specifies the powers of the Council.

The Council must establish a mapping of broadband services in the state based on analysis of data, demand, and other relevant information and publish an interactive public map that provides certain information based on information received by the Council from specified data sources. Any entity that receives state or federal funds to install infrastructure for broadband services must provide information to the Council concerning the location, type and extent of the infrastructure. Certain confidential information provided to the Council is exempt from disclosure, and the Council is limited to exercising its enumerated powers in the bill with regard to the regulation of broadband technology;

(2) Authorizes the Attorney General to seek the return of broadband funding from any provider that defaults or breaches agreements to deploy broadband. The Missouri Office of Broadband development may adjudicate such matters consistent with Missouri law. Providers who default in any state must provide notice to the Office, and there shall be a presumption of default in Missouri as specified in the bill;

(3) Requires unified high speed wi-fi Internet access with adequate bandwidth and connectivity to accommodate users in the Capitol building and grounds;

(4) Establishes the "Vertical Real Estate Act", which authorizes political subdivisions to erect towers and other broadband infrastructure as specified in the bill and to join or participate in public-private partnerships to effectuate the construction of vertical real estate and towers;

(5) Allows any two or more political subdivisions to form a broadband infrastructure improvement district which shall have power to contract with broadband service providers and expand service using grants, loans, bonds, and user fees. This authority is in addition to municipal authority under Section 71.1000, RSMo. The formation of a district is subject to local election as specified in the bill, but districts shall not have the power to tax or levy upon property. The requirements for membership and governance of the district governing board are specified in the bill. The board of a district may allow the inclusion of a private entity, as defined in the bill, in the district. The board must specify certain terms and conditions if it grants inclusion of a private entity in the district. A private entity may finance the expansion of Internet service if the financing method does not negatively impact the cost of service provided to the residents, customers, or rate-payers;

(6) Requires applicants for the Broadband Grant Program, in addition to other required information, to provide a map showing the highest broadband speeds available within the applicant's area of service. The map must include enough detail for the Department of Economic Development to determine the speeds available at individual addresses, but public information will be aggregated and shall not reveal individual names;

(7) Modifies the provisions of the grant program to expand broadband Internet access in unserved and underserved areas of the state. It also adds a definition for "project" and modifies the definition of "underserved area", which is now defined as a project area without access to wireline or fixed wireless broadband

Internet service of speeds of the higher of 100 Mbps download and 100 Mbps upload or the minimum speed established by the Federal Communications Commission. The definition of "unserved area" is also modified to mean a project area without access to wireline or fixed wireless broadband Internet services of speeds of at least 25 Mbps download and 3 Mbps upload. Grants awarded under the program must prioritize projects providing speeds of the higher of 100 Mbps download and 100 Mbps upload that is scalable to higher speeds or the minimum acceptable speed established by the Federal Communications Commission;

(8) Requires the Department to implement by rulemaking a program to increase high-speed Internet access in unserved and underserved areas. Discretion in implementation is authorized, but priority is place on those with no Internet access whatsoever; and

(9) Grants the state Office of Broadband Development to engage in site inspections of broadband providers who receive grants or loans for projects. Inspection authority lasts until a project is complete and operational.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that the goal is to provide efficient broadband coverage for Missouri using models from other states and by modifying existing broadband funding mechanisms.

Testifying for the bill were Representative Riggs; Economic Development Corporation of Kansas City, Mo; Lumen; At&T; Missouri Association of Municipal Utilities; Microsoft Corporation; Health Forward Foundation; and AARP Missouri.

OPPOSERS: Those who oppose the bill provided written testimony.

Testifying against the bill was Arnie C. AC Dienoff.

This bill is similar to HB 1384 (2021).

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.