

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5523H.011
 Bill No.: HB 2886
 Subject: Internet and E-Mail; Utilities; Telecommunications
 Type: Original
 Date: March 2, 2026

Bill Summary: This proposal modifies provisions for the Broadband Grant Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

*Oversight has reflected the cost associated with the extension of the sunset from June 30, 2027, to June 30, 2030 and an expansion in eligible projects. Oversight assumes the cost could reach \$250,000 threshold.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§620.2450, 620.2451, 620.2454, and 620.2459 - Broadband Grant Program

Officials from the **Department of Economic Development (DED), Joint Committee on Administrative Rules, and Office of the Secretary of State** each assume the proposal will have no fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these respective agencies.

The **Oversight Division** state they are responsible for providing a Sunset Report pursuant to Section 23.253 RSMo; however, Oversight will be able to absorb the cost with the current budget authority.

Oversight notes §620.2459 extends the sunset date from June 30, 2027, to June 30, 2030.

Oversight notes that the proposed changes appear to expand eligibility requirements, thereby allowing additional projects to apply for grant funding under the revised qualification parameters.

Therefore, **Oversight** will reflect an unknown cost to General Revenue in the fiscal note, as the number of newly eligible applicants and the potential redistribution of recovered funds cannot be determined at this time.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Cost – (§§620.2450.1 & 620.2459) Extension of the Sunset p.3</u>	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost – (§§ 620.2450.1–3 & 620.2450.1-3) Expansion of eligible projects p.4</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

A direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill increases the speed requirements for the definitions of an "underserved area" and "unserved area" for the purposes of the Broadband Grant Program and specifies that access to low-Earthorbit satellites, fixed wireless, or cable is not considered access to broadband internet service.

The bill also requires that projects offering broadband internet speeds of 500 megabits per-second download and upload be given priority in grant awards. Also, any entity that was the second place finisher in any previous federal broadband funds application has the right of first refusal to accept defaulted funds recovered by the State.

Currently, if the Department of Economic Development determines that a broadband provider provides service, has begun construction on service, or has committed to service at a speed of 25 megabits per-second download and three megabits per-second upload, the Department cannot fund a different provider that challenges if the area is served. The bill increases the speed the original provider must provide to be considered served to 500 megabits per-second download and upload.

The Broadband Grant Program currently expires June 30, 2027. The bill extends the program through June 30, 2030.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Department of Revenue

L.R. No. 5523H.011

Bill No. HB 2886

Page 5 of 5

March 2, 2026

Joint Committee on Administrative Rules
Office of the Secretary of State
Oversight Division



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March 2, 2026



Jessica Harris
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March 2, 2026