



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 20-1137

**REVISED
FISCAL NOTE**

(replaces fiscal note dated March 5, 2020)

Drafting Number: LLS 20-0288	Date: May 28, 2020
Prime Sponsors: Rep. McCluskie; Soper Sen. Donovan	Bill Status: Senate Appropriations
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Bill Topic: **BROADBAND GRANT CERT OF UNSERVED AREA REQUIREMENT**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill makes changes to the Broadband Deployment Board's application for grant funding and how the board assesses those applications. The bill increases state and local government workload on an ongoing basis.

Appropriation Summary: No appropriation is required. See State Appropriations section.

Fiscal Note Status: The revised fiscal note reflects the reengrossed bill and has been updated to reflect new information.

Summary of Legislation

The bill allows broadband grant applicants to submit a written certification with their application from a local entity that the area is an underserved area. Local entities include county or municipal governments. In order to provide a written certification, a local entity must provide public notice, notice to any incumbent provider, and hold a hearing on the issue, as well as collect, solicit, and review any quantitative data regarding broadband service in the area. The quantitative data will be collected, solicited, and reviewed in accordance with rules adopted by Department of Regulatory Agencies (DORA), in consultation with the Office of Information Technology (OIT) and the Broadband Deployment Board (board). The board must give substantial weight to a local entity's written certification.

Background

The 16-member board provides direction and oversight to ensure the goal of "universal access" by awarding grants for broadband development in under served areas of Colorado. Grants may only be awarded in areas where there is no competition for basic broadband services, as determined by the Public Utilities Commission. Grants cover up to 75 percent of project infrastructure costs and applicants must demonstrate that their projects represent new broadband deployment, including "last mile" service, and meet additional requirements. Grants may only be awarded to for-profit entities; except that a nonprofit telephone cooperative or a nonprofit rural electric association that existed on May 10, 2014, is also eligible. Under current law, applicants must also submit their application to certain local governments along with submitting their application to the board. Board expenses are paid out of the Broadband Administrative Fund.

State Expenditures

The bill increases workload for DORA and OIT, as discussed below.

Department of Regulatory Agencies. The bill will increase workload for the board to develop new methodologies and to determine a consistent and demonstrable application of the bill's requirements. The bill will also increase the amount of time and research related to each applications for a broadband grants. For informational purposes, the board receives approximately 40 applications per broadband application cycle. In addition, workload will increase for DORA and the board to adopt rules related to a local entity's collection, solicitation, and review of an quantitative data. The board estimates increased costs of over \$7,000 annually. This fiscal note assumes that these impacts can be absorbed within existing resources and if further resources are required that they will be addressed through the annual budget process.

Office of Information Technology. Workload will increase for OIT to consult with DORA and the board on rules related to a local entity's collection, solicitation, and review of an quantitative data. This workload can be accomplished within existing resources.

Local Government

The bill will increase expenditures and workload for local governments that choose to process and approve written certifications for applicants, as well as hold a public meeting related to broadband grant applicants. In addition, local government expenditures and workload will increase to collect, solicit, and review any relevant data concerning the unserved nature of the area seeking the broadband grant. These impacts will vary and have not been estimated.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed. The bill applies to applications submitted on or after the bill's effective date.

State Appropriations

In FY 2020-21, the bill includes a cash fund appropriation of \$5,294 and 0.1 FTE to the Department of Regulatory Agencies from the Broadband Administrative Fund. Pursuant to the revised fiscal note, the bill no longer requires this appropriation.

State and Local Government Contacts

Counties	Information Technology
Municipalities	Regulatory Agencies