



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 2438

PRINTERS NO. 4545

PRIME SPONSOR: Owlett

### COST / (SAVINGS)

FUND	FY 2020/21	FY 2021/22
General Fund	\$0	\$0

**SUMMARY:** House Bill 2438, Printer's Number 4545, amends Title 68 providing for broadband services over existing easements and existing infrastructure.

**ANALYSIS:** This bill amends Title 68 (Real and Personal Property) to add a new chapter called "Broadband Services" that provides new definitions and for the ability of electric cooperative corporations or an affiliate to use existing infrastructure facilities to deploy fiber optic lines for broadband through an existing easement owned, held or used by the cooperative corporation. An electric cooperative corporation may only supply retail broadband services through one or more affiliates.

House Bill 2438 clarifies that the attachment of broadband facilities to existing infrastructure and easements of a rural electric cooperative's affiliate do not constitute a change to the physical use of the easement or interfere with, impair any property rights, or place additional burdens on the property.

This is only extended to affiliates of the electric cooperative, not to the cooperative itself to minimize any cross-subsidization of the costs. It also permits a telecommunications company, cable operator or internet supplier to use the easement at terms and conditions no less favorable than those offered to an affiliate of an electric cooperative. It does not permit existing facilities and easements to be expanded. The bill does not apply to new poles or structures within an existing easement, only existing infrastructure that can meet applicable safety standards and maintains structural integrity.

The bill also provides a five-year grace period for existing attachment agreement rates and prevents the comingling of funds derived from telecommunications and electric service. Rural electric providers may provide loans, investments or leases with an affiliate providing telecommunications service.

This legislation would take effect in 60 days upon enactment.

**FISCAL IMPACT:** Enactment of this legislation will have no impact on Commonwealth funds.

**PREPARED BY:** Jeffrey Clukey  
House Appropriations Committee (R)

**DATE:** October 21, 2020

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*