INTRODUCED BY CAUSER, DUNBAR, BENNINGHOFF, CONKLIN, SCHLEGEL
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OWLETT, PICKETT, PYLE, RAPP, ROEBUCK, RYAN, SNYDER, STRUZZI,
WHEELEN AND ZIMMERMAN, MARCH 13, 2020

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, MARCH 13, 2020

AN ACT

Amending Title 64 (Public Authorities and Quasi-Public
Corporations) of the Pennsylvania Consolidated Statutes, in
Commonwealth Financing Authority, providing for Unserved
High-Speed Broadband Funding Program; establishing the
Unserved High-Speed Broadband Funding Program Account; making
an appropriation; and making a related repeal.

The General Assembly of the Commonwealth of Pennsylvania

hereby enacts as follows:

Section 1. Title 64 of the Pennsylvania Consolidated
Statutes is amended by adding a section to read:

§ 1559. Unserved High-Speed Broadband Funding Program.

(a) Establishment.--There is a program established to be

known as the Unserved High-Speed Broadband Funding Program. The

program shall provide financial assistance in the form of grants

for projects located within this Commonwealth that support the

delivery of high-speed broadband service to unserved areas.

(b) Eligible applicants.--The following entities may apply

for grants under the program:

(1) A nongovernmental entity with the technical,
managerial and financial expertise to design, build and
operate a high-speed broadband service infrastructure within
this Commonwealth.

(2) A rural electric cooperative or local development
district established under the act of December 7, 1994
(P.L.845, No.120), known as the Local Development District
Act, located within this Commonwealth.

(c) Funding sources.--The following apply:

(1) A nongovernmental entity must use the entity's
private capital to finance a minimum of 25% of a project.

(2) State or local government grants, loans or subsidies
received by a nongovernmental entity to finance a project
shall not be counted toward the capital investment
requirement under paragraph (1).

(3) In addition to any grant award under the program, a
nongovernmental entity may use money from a Federal, State or
local government grant or loan program to finance a project
if the nongovernmental entity satisfies the capital
investment requirement under paragraph (1).

(d) Ineligible projects.--Projects proposed to be managed or
operated by a Federal, State or local government entity are
ineligible to receive grant funding under the program.

(e) Applications for grants.--The following apply:

(1) The authority shall establish an annual application
period during which applications for grant funding under the
program may be submitted. The annual application period shall
be no fewer than 90 days and no longer than 150 days.

(2) An application shall be submitted to the authority
on a form prescribed by the board. An application shall
include the following information:
(i) Evidence demonstrating the applicant's experience and ability in building, operating and managing a high-speed broadband service infrastructure that serves households and businesses.

(ii) A description of the project area, including a list of census blocks covered by the proposed deployment. If a census block included in an application is partially served by a provider of high-speed broadband service, the application must clearly describe the portions of the census block that are already served and the portions which constitute an unserved area.

(iii) A certification that none of the grant money provided by the program for the project will be used to extend or deploy a high-speed broadband service infrastructure to areas with access to high-speed broadband service at the time of grant application submission.

(iv) A description of the high-speed broadband service infrastructure that is proposed to be deployed, including facilities, equipment and network capabilities and minimum speed thresholds.

(v) The number of households and businesses that would have new or improved access to high-speed broadband service as a result of the grant award.

(vi) The total cost of the project and the proposed completion date of the project.

(vii) The amount of private capital pledged to finance the project and a certification that no portion of the private capital pledged is derived from any Federal, State or local government grant or loan program.
(viii) Evidence demonstrating the economic and commercial feasibility of the project.

(ix) Evidence that the project does not result in overbuild.

(x) A list of all government authorizations, permits and other required approvals to deploy a high-speed broadband service infrastructure and a timetable for the applicant's acquisition of the approvals.

(xi) Any other information required by the authority.

(f) Criteria.—The following apply:

(1) The board shall give preference to projects that have already been awarded Federal money or have Federal money allocated for projects within this Commonwealth, including money allocated from the Federal Communication Commission's Connect America Fund or the Rural Digital Opportunity Fund or money from the Federal Appalachian Regional Commission.

(2) The board shall give preference to projects that will serve areas with no Internet access as opposed to areas with slower Internet access.

(3) Specific criteria to be considered when weighing or scoring an application are as follows:

(i) The size and scope of the unserved area to be deployed.

(ii) The experience, technical ability and financial capability of the applicant to successfully deploy a high-speed broadband service infrastructure and provide high-speed broadband service.

(iii) The extent to which Federal, State or local government funding support is necessary to deploy a high-
speed broadband service infrastructure in an economically feasible manner in a project area.

(iv) The proportion of the private capital provided by the applicant to finance a project.

(v) The high-speed broadband service speed thresholds proposed in the application and the scalability of the high-speed broadband service infrastructure proposed to be deployed to provide high-speed broadband service to households and businesses.

(vi) An affidavit that no project grant awards will be used to overbuild an area that is already served with high-speed broadband service.

(g) Requirements.—The following apply:

(1) The requirements for the administration of the program shall be as follows:

(i) An application for a grant under this section must be received by a deadline, which shall be established by the authority.

(ii) The authority shall execute a grant agreement between the board and a grant recipient before the payment of a grant award.

(iii) A grant recipient shall maintain full and accurate records for the project.

(iv) A grant recipient shall submit to the authority copies of all canceled checks or other records verifying expenditures of grant money.

(v) A grant recipient shall submit to the authority a final report of the project, including any information as required by the board.

(2) The authority may establish additional requirements.
for the program as the authority deems necessary to administer the program.

(h) Restrictions and limitations.--The following apply:

   (1) A grant recipient may not commence work on a project before receiving authority approval of the grant under subsection (e). Commencement of work prior to receiving authority approval will result in a project application being ineligible for funding consideration.

   (2) A grant recipient may not make a substantial change to an approved project without first obtaining authority consent in writing.

   (3) Any unused portion of a grant award shall be returned to the authority.

   (4) Grant money may only be used for new projects approved by the board.

   (5) Grant money may not be used for any of the following:

      (i) Paying fees for securing financing.

      (ii) Paying interest on borrowed money.

      (iii) Refinancing existing debt.

      (iv) Paying for lobbying services.

      (v) Paying fines.

      (vi) Application preparation fees.

   (6) The authority may establish additional restrictions and limitations as the authority deems necessary to administer the program.

   (i) Account.--The following apply:

      (1) The authority shall establish the Unserved High-Speed Broadband Funding Program Account.

      (2) The purpose of the account is to award grants under
(3) The following are the sources of the account:

(i) Appropriations, including Federal money.

(ii) Return on the money in the account.

(4) Money in the account is continuously appropriated to the account. This appropriation shall not lapse at the end of a fiscal year.

(j) Guidelines.—Within 180 days of the effective date of this section, the board shall adopt guidelines to implement this section. The guidelines shall include provisions for submission, review and approval of applications, award of grants and administration of projects funded under the program, including a provision for reasonable oversight and reporting to ensure that project grant awards are used as intended.

(k) Appropriation.—The sum of $5,000,000 is hereby appropriated from the General Fund for the 2020-2021 fiscal year for transfer to the authority for use for the program.

(l) Definitions.—The following words and phrases when used in this section shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Account." The Unserved High-Speed Broadband Funding Program Account established under subsection (i).

"High-speed broadband service." The greater of the following:

(1) Wireless, wireline or fixed wireless technology having the capacity to transmit data from or to the Internet at minimum speeds of at least 25 megabits per second downstream and three megabits per second upstream.

(2) Minimum speeds adopted by the Federal Communications Commission.
"High-speed broadband service infrastructure." The signal transmission facilities and associated network equipment proposed to be deployed in a project area used for the provision of high-speed broadband service.

"Overbuild." The deployment of high-speed broadband service infrastructure in an area where high-speed broadband service infrastructure has been deployed and high-speed broadband services are offered to the public at the time of submitting a grant application for the program. The term shall not include the incidental overlap of wireless coverage where applicable.

"Program." The Unserved High-Speed Broadband Funding Program established under subsection (a).

"Project." The proposed deployment of high-speed broadband service infrastructure in an unserved area of this Commonwealth as set forth in an application for grant funding authorized under this section.

"Unserved area." A project area without access to high-speed broadband service.

Section 2. The Department of Revenue may not award a tax credit under Article XVIII-E of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, after June 30, 2020. Repeals are as follows:

(1) The General Assembly declares that the repeal under paragraph (2) is necessary to effectuate the addition of 64 Pa.C.S. § 1559.

(2) Sections 1804-E and 1805-E of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are repealed.

Section 3. This act shall take effect July 1, 2020, or immediately, whichever is later.