



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2348

PRINTERS NO. 3454

PRIME SPONSOR: Causer

COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund	\$0	See Fiscal Impact

SUMMARY: House Bill 2348, printer's number 3454, amends Title 64 providing for the Unserved High-Speed Broadband Funding Program. This legislation would take effect on July 1, 2020 or immediately, whichever is later.

ANALYSIS: This legislation creates the Unserved High-Speed Broadband Funding Program, which will be administered by the Commonwealth Financing Authority (CFA).

Eligible applicants for the program include nongovernmental entities with the ability to build and operate a high-speed broadband service within the Commonwealth, or a rural electric cooperative or local development district as established under the Local Development District Act. Nongovernmental entities must use private capital to finance a minimum of 25% of a project.

The CFA shall establish an application period between 90 days and 150 days. Applications shall be submitted to the CFA on a form prescribed by the board, along with detailed information about a proposed project. Preference shall be given to projects that have already been awarded federal money for projects within the Commonwealth, and to areas that have no internet access.

Grant recipients may not make substantial changes to an approved plan without first obtaining authority consent in writing, and any unused revenue shall be returned to the authority. Grant money may not be used to pay fees for financing, paying interest on borrowed money, refinancing existing debt, paying for lobbying services, paying fines, or paying application preparation fees.

FISCAL IMPACT: The bill appropriates \$5 million to the Unserved High-Speed Broadband Funding Program Account from the General Fund for the 2020-2021 fiscal year. Furthermore, the Mobile Telecommunications Broadband Investment Tax Credit is eliminated for 2020-2021 and thereafter, which had an annual cap of \$5 million.

PREPARED BY: Casey Martin
Lisa Taglang
House Appropriations Committee (R)

DATE: June 10, 2020

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