



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 835

PRINTERS NO. 2112

PRIME SPONSOR: Langerholc

COST / (SAVINGS)

FUND	FY 2020/21	FY 2021/22
General Fund	See fiscal impact	See fiscal impact

SUMMARY: Senate Bill 835, printer's number 2112, provides for the funding of high-speed broadband service infrastructure deployment in unserved areas of this Commonwealth and establishes the Unserved High-speed Broadband Funding Program. This act shall take effect immediately upon passage.

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 and must contain 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. The CFA is permitted to require further information and establish additional requirements or restrictions upon revenue as necessary.

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.

The bill also repeals sections 1804-E and 1805-E of the Tax Reform Code, eliminating the Mobile Telecommunications Broadband Tax Credit Program.

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.

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House Appropriations Committee (R)

DATE: November 17, 2020

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