

As Introduced

132nd General Assembly

Regular Session

2017-2018

S. B. No. 225

Senators Schiavoni, Eklund

**Cosponsors: Senators Skindell, Yuko, Thomas, Sykes, Brown, Lehner, Williams,
Hoagland, O'Brien, Tavares**

A BILL

To amend section 184.10 and to enact sections 1
122.97, 122.971, 122.972, 122.973, 122.974, 2
122.975, 122.976, 122.977, and 122.978 of the 3
Revised Code to create the Ohio Broadband 4
Development Grant Program and to make an 5
appropriation. 6

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 184.10 be amended and sections 7
122.97, 122.971, 122.972, 122.973, 122.974, 122.975, 122.976, 8
122.977, and 122.978 of the Revised Code be enacted to read as 9
follows: 10

Sec. 122.97. As used in sections 122.97 to 122.978 of the 11
Revised Code: 12

(A) "Broadband service" means advanced telecommunications 13
capability that meets the benchmarks of the federal 14
communications commission's latest annual broadband progress 15
report, as issued pursuant to section 706 of the 16
Telecommunications Act of 1996, Pub. L. 104-104, 110 Stat. 56. 17

(B) "Last-mile infrastructure" means broadband infrastructure that connects a broadband service provider's network to the end user customer's on-premise telecommunications equipment. 18
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(C) "Middle-mile infrastructure" means broadband infrastructure that connects a broadband service provider's core network infrastructure to last-mile infrastructure. 22
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(D) "Political subdivision" has the same meaning as in section 122.9511 of the Revised Code. 25
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(E) "Unserved area" means an area that does not have broadband service according to the latest state broadband map. 27
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Sec. 122.971. The director of development services shall establish the Ohio broadband development grant program to provide funds to extend broadband service to unserved areas of the state. The program shall incorporate the state's policy to provide incentives for competing providers of telecommunications service to provide advanced, high-quality telecommunications service to citizens throughout the state, as set forth in division (A) (2) of section 4927.02 of the Revised Code. 29
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Sec. 122.972. Recipients of a grant under the Ohio broadband development grant program shall use the funds for the construction of broadband infrastructure to serve unserved areas. Construction shall include the acquisition and installation of middle-mile or last-mile infrastructure. Construction may also include any of the following: grant-project planning, obtaining construction permits, construction of facilities, purchasing equipment, and installation and testing of the broadband service. 37
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Sec. 122.973. The following may apply for a grant under 46

<u>the Ohio broadband development grant program:</u>	47
<u>(A) Private businesses;</u>	48
<u>(B) Political subdivisions;</u>	49
<u>(C) Nonprofit entities organized to provide</u> <u>telecommunications services;</u>	50 51
<u>(D) Co-ops organized to provide phone and internet</u> <u>services.</u>	52 53
<u>Sec. 122.974. To apply for a grant under the Ohio</u>	54
<u>broadband development grant program, an eligible applicant, as</u>	55
<u>described in section 122.973 of the Revised Code, shall submit</u>	56
<u>an application to the director of development services on a form</u>	57
<u>prescribed by the director. The application shall include all of</u>	58
<u>the following information:</u>	59
<u>(A) The location of the project;</u>	60
<u>(B) The kind and amount of broadband infrastructure to be</u> <u>purchased for the project;</u>	61 62
<u>(C) Evidence regarding the unserved nature of the</u> <u>community in which the project is to be located;</u>	63 64
<u>(D) The number of households that will have access to</u> <u>broadband service as a result of the project, or whose broadband</u> <u>service will be upgraded as a result of the project;</u>	65 66 67
<u>(E) Significant community institutions that will benefit</u> <u>from the project;</u>	68 69
<u>(F) Evidence of community support for the project;</u>	70
<u>(G) The total cost of the project;</u>	71
<u>(H) Sources of funding or in-kind contributions for the</u>	72

project that will supplement any grant award; 73

(I) If the applicant is a political subdivision, evidence 74
that not later than six weeks before submission of the 75
application, the applicant contacted, in writing, all broadband 76
service providers providing broadband service in the proposed 77
project area, as depicted by the latest state broadband map, to 78
ask for each provider's plan to upgrade, within twenty-four 79
months of the date that contact is made, broadband service in 80
the project area to minimum upload and minimum download speeds 81
that meet or exceed the benchmark upload and download speeds 82
specified in the latest annual broadband progress report issued 83
by the federal communications commission referenced in division 84
(A) of section 122.97 of the Revised Code; 85

(J) Evidence of any responses by broadband service 86
providers to the inquiries described in division (I) of this 87
section; 88

(K) Any additional information requested by the director. 89

Sec. 122.975. (A) The director of development services 90
shall evaluate applications and award grants under the Ohio 91
broadband development grant program. The director shall give 92
priority to applications that do any or all of the following: 93

(1) Offer new or substantially upgraded broadband service 94
to important community institutions, including, but not limited 95
to, libraries, educational institutions, public safety 96
facilities, and healthcare facilities; 97

(2) Facilitate the use of telemedicine and electronic 98
health records; 99

(3) Serve economically distressed areas of the state, as 100
measured by indices of unemployment, poverty, or population loss 101

<u>that are significantly greater than the statewide average;</u>	102
<u>(4) Provide technical support and train residents,</u>	103
<u>businesses, and institutions in the community served by the</u>	104
<u>project to utilize broadband service;</u>	105
<u>(5) Include a plan to promote the newly available</u>	106
<u>broadband services in the community;</u>	107
<u>(6) Provide evidence of strong support for the project</u>	108
<u>from citizens, government, businesses, and institutions in the</u>	109
<u>community;</u>	110
<u>(7) Provide access to broadband service to a greater</u>	111
<u>number of unserved households and businesses;</u>	112
<u>(8) Leverage greater amounts of funding for the project</u>	113
<u>from public and private sources, including federal programs that</u>	114
<u>provide financial support for the deployment of new broadband</u>	115
<u>infrastructure;</u>	116
<u>(9) Provide for the implementation of open access networks</u>	117
<u>that offer wholesale access to network infrastructure or</u>	118
<u>services;</u>	119
<u>(10) Encourage the development of new or existing</u>	120
<u>industries through the use of broadband service.</u>	121
<u>(B) The director shall endeavor to award grants under this</u>	122
<u>section to qualified applicants in geographically dispersed</u>	123
<u>regions of the state.</u>	124
<u>(C) The director may deny a grant application if any</u>	125
<u>broadband service provider's written response described in</u>	126
<u>division (J) of section 122.974 of the Revised Code credibly</u>	127
<u>demonstrates that either of the following apply:</u>	128

(1) The provider currently provides or has begun construction to provide broadband service in the project area at minimum upload and minimum download speeds that meet or exceed the benchmark upload and download speeds specified in the latest annual broadband progress report issued by the federal communications commission referenced in division (A) of section 122.97 of the Revised Code. 129
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(2) The provider credibly commits to complete construction and provide broadband service in the proposed project area at minimum upload and minimum download speeds that meet or exceed the benchmark upload and download speeds specified in the latest annual broadband progress report issued by the federal communications commission referenced in division (A) of section 122.97 of the Revised Code within twenty-four months of the date the contact is made. 136
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Sec. 122.976. Grant amounts awarded under section 122.975 of the Revised Code shall not exceed the lesser of: 144
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(A) Fifty per cent of the total project cost; or 146

(B) Five million dollars. 147

Sec. 122.977. If a recipient of a grant awarded under section 122.975 of the Revised Code does not spend all of the funds awarded to the recipient, the director of development services may, in the director's sole discretion, reallocate the unspent funds to other grant applicants, provided that the reallocation does not result in the total amount awarded to any single applicant exceeding the limit set forth in section 122.976 of the Revised Code. 148
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Sec. 122.978. The director of development services shall adopt rules under Chapter 119. of the Revised Code necessary to 156
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implement sections 122.97 to 122.977 of the Revised Code. The 158
rules shall include procedures governing the application and 159
grant-award processes. 160

Sec. 184.10. As used in sections 184.10 to 184.20 of the 161
Revised Code: 162

(A) "In-state entity" includes individuals, public and 163
private entities, agencies, and institutions, private companies 164
or organizations, partnerships, business trusts, or other 165
business entities or ventures, or research organizations, 166
whether for profit or not for profit, that have substantial 167
presence in Ohio. 168

(B) "Research and development projects" means projects or 169
activities in support of Ohio industry, commerce, and business, 170
which include, without limitation, research and product 171
innovation, development, and commercialization through efforts 172
by, and may include collaboration among, Ohio business and 173
industry, state and local public entities and agencies, public 174
and private institutions, research organizations, or other in- 175
state entities specifically formed for the sole purpose of both 176
investing in and providing direct management support to any one 177
or combination of any of the foregoing entities or any other in- 178
state entities. Those projects and activities also include 179
projects and activities supporting any and all matters related 180
to research and development purposes including: attracting 181
researchers and research teams by endowing chairs or otherwise; 182
developing and commercializing products and processes; 183
promoting, developing, and securing intellectual property 184
matters and rights such as copyrights and patents; promoting, 185
developing, and securing property interests, including time 186
sharing arrangements; ~~and~~ promoting, developing, and securing 187

financial rights and matters such as royalties, licensing, and 188
other financial gain or sharing resulting from research and 189
development; and evaluating and overseeing the expansion of 190
broadband service to unserved areas of the state under sections 191
122.97 to 122.978 of the Revised Code. 192

Section 2. That existing section 184.10 of the Revised 193
Code is hereby repealed. 194

Section 3. All items in this section are hereby 195
appropriated as designated out of any moneys in the state 196
treasury to the credit of the designated fund. For all 197
appropriations made in this act, those in the first column are 198
for fiscal year 2018 and those in the second column are for 199
fiscal year 2019. The appropriations made in this act are in 200
addition to any other appropriations made for the FY 2018-FY 201
2019 biennium. 202

DEV DEVELOPMENT SERVICES AGENCY 203

Bond Research and Development Fund Group 204

7011	195605	Broadband Development	\$50,000,000	\$50,000,000	205
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Grants 206

TOTAL BRD Bond Research and Development 207

Fund Group			\$50,000,000	\$50,000,000	208
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TOTAL ALL BUDGET FUND GROUPS			\$50,000,000	\$50,000,000	209
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BROADBAND DEVELOPMENT GRANTS 210

The foregoing appropriation item 195605, Broadband 211
Development Grants, shall be used to award grants under the Ohio 212
Broadband Development Grant Program as described in sections 213
122.97 to 122.978 of the Revised Code. 214

Of the foregoing appropriation item 195605, Broadband 215
Development Grants, \$1,000,000 in each fiscal year shall be used 216
to contract with one or more independent organizations that have 217
experience working with Ohio broadband providers for the purpose 218
of (1) collecting broadband deployment data from Ohio broadband 219
providers; (2) verifying the data's accuracy through on-the- 220
ground testing; (3) creating annual state and county broadband 221
maps that show the availability of broadband service at various 222
upload speeds throughout the state; (4) analyzing the data to 223
help inform future investments in broadband infrastructure; (5) 224
conducting business and residential surveys that measure 225
broadband adoption and use in the state; and (6) engaging 226
communities and facilitating local technology planning to 227
provide evidence of local support for grant projects and 228
potential economic impacts of grant projects. 229

Section 4. Within the limits set forth in this act, the 230
Director of Budget and Management shall establish accounts 231
indicating the source and amount of funds for each appropriation 232
made in this act and shall determine the form and manner in 233
which appropriation accounts shall be maintained. Expenditures 234
from appropriations contained in this act shall be accounted for 235
as though made in Am. Sub. H.B. 49 of the 132nd General 236
Assembly. 237

The appropriations made in this act are subject to all 238
provisions of Am. Sub. H.B. 49 of the 132nd General Assembly 239
that are generally applicable to such appropriations. 240