

**As Introduced**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**H. B. No. 281**

**Representative Carfagna**

**Cosponsors: Representatives Brenner, Hill, LaTourette, Lipps, Seitz, Smith, R.,  
Thompson, Lepore-Hagan**

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**A BILL**

To enact sections 122.09, 122.091, 122.092, 1  
122.093, 122.095, 122.096, 122.097, 122.098, 2  
122.0910, 122.0911, 122.0912, 122.0913, 3  
122.0915, and 122.0916 of the Revised Code to 4  
establish the residential broadband expansion 5  
program within the Development Services Agency 6  
to award matching grants for last mile broadband 7  
expansion in municipal corporations and 8  
townships and to make an appropriation. 9

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

**Section 1.** That sections 122.09, 122.091, 122.092, 10  
122.093, 122.095, 122.096, 122.097, 122.098, 122.0910, 122.0911, 11  
122.0912, 122.0913, 122.0915, and 122.0916 of the Revised Code 12  
be enacted to read as follows: 13

**Sec. 122.09.** As used in sections 122.09 to 122.0916 of the 14  
Revised Code: 15

(A) "Broadband funding gap" means the difference between 16  
the total amount of money a broadband provider calculates is 17

necessary to construct the last mile of a specific broadband 18  
telecommunications network and the total amount of money that 19  
the provider has determined is the maximum amount of money that 20  
is cost effective for the provider to invest in last mile 21  
construction for that network. 22

(B) (1) "Broadband provider" means one of the following: 23

(a) A video service provider as defined in section 1332.21 24  
of the Revised Code; 25

(b) A telecommunications service provider that is capable 26  
of providing broadband service. 27

(2) "Broadband provider" does not include a publicly 28  
funded broadband network service provider. 29

(C) "Broadband service" means broadband telecommunications 30  
service capable of providing a minimum download speed of twenty- 31  
five megabits per second and a minimum upload speed of three 32  
megabits per second. 33

(D) "Eligible area" means a residential area within the 34  
boundaries of a municipal corporation or township that is 35  
without access to broadband service. 36

(E) "Last mile" means the last portion of a physical 37  
broadband telecommunications network that connects an eligible 38  
area to the broader telecommunications system. 39

(F) "Project sponsor" means a municipal corporation or 40  
township that is applying for, or participating in, the 41  
residential broadband expansion program established under 42  
sections 122.091 to 122.0916 of the Revised Code in order to 43  
provide broadband service to an eligible area. 44

(G) "Telecommunications service" has the same meaning as 45

in section 1332.21 of the Revised Code. 46

Sec. 122.091. The director of development services shall 47  
establish a residential broadband expansion program to provide 48  
funds to assist with residential broadband service expansion 49  
projects in eligible areas. Subject to the availability of funds 50  
authorized for this purpose, the development services agency 51  
shall provide grants to project sponsors that apply under the 52  
program to meet broadband funding gaps. 53

Sec. 122.092. A project sponsor may apply for funds under 54  
the residential broadband expansion program established under 55  
sections 122.091 to 122.095 of the Revised Code for the purpose 56  
of providing broadband service to eligible areas within the 57  
municipal corporation or township. 58

Sec. 122.093. (A) Each fiscal year, the development 59  
services agency shall fund applications for residential 60  
broadband expansion projects until program funds for that fiscal 61  
year are no longer available. Funding for applications shall be 62  
provided on a first-come, first-served basis in an amount that 63  
is equal to one-third of the total cost of the broadband funding 64  
gap for each project. The cumulative total of the grants for a 65  
biennium shall not exceed two million dollars. 66

(B) Any application pending at the end of the fiscal year 67  
shall be deemed denied, but may be refiled in a subsequent 68  
fiscal year provided that all information in the application is 69  
still current or has been updated. 70

Sec. 122.095. (A) Each fiscal year, the director of 71  
development services shall accept applications from project 72  
sponsors that are requesting funding under the residential 73  
broadband expansion program established under sections 122.091 74

to 122.095 of the Revised Code. To apply for a grant, a project 75  
sponsor shall submit an application to the director on a form 76  
prescribed by the director. The director shall review 77  
applications in the order that they are received and shall 78  
review each application within sixty days after receiving it. 79

(B) An application shall include, at a minimum, the 80  
following information: 81

(1) The location and description of the residential 82  
broadband expansion project; 83

(2) The amount of the broadband funding gap and the amount 84  
of funds requested; 85

(3) A copy of the ordinance or resolution enacted or 86  
adopted under section 122.0912 of the Revised Code by the 87  
legislative authority of the project sponsor; 88

(4) A copy of the resolution or memorandum of 89  
understanding adopted under section 122.0913 of the Revised Code 90  
by the board of county commissioners of the county in which the 91  
project is located; 92

(5) A copy of the agreement between the project sponsor 93  
and a broadband provider, or a written acknowledgment of the 94  
agreement, that confirms the provider's commitment to construct 95  
the broadband infrastructure in the eligible area of the project 96  
upon receipt of payment of the total amount of the broadband 97  
funding gap; 98

(6) Any other information, prescribed by rule, that the 99  
director determines is necessary. 100

**Sec. 122.096.** (A) A residential broadband expansion 101  
project under sections 122.09 to 122.0916 of the Revised Code 102

shall not proceed unless funding in an amount equal to the 103  
broadband funding gap has been approved. The broadband funding 104  
gap shall be funded as follows: 105

(1) One-third of the total amount shall be funded by the 106  
project sponsor with municipal corporation or township video 107  
service provider fees, as applicable, collected under section 108  
1332.32 of the Revised Code; 109

(2) One-third of the total amount shall be funded by 110  
matching funds from the county in which the project is located; 111

(3) One-third of the total amount shall be funded by a 112  
residential broadband expansion grant under sections 122.091 to 113  
122.095 of the Revised Code. 114

(B) The project sponsor's share described in division (A) 115  
(1) of this section shall be paid by one of the following 116  
methods: 117

(1) In a single lump sum payment; 118

(2) In two or more payments over a period of time. 119

(C) If the project sponsor pays its share over a period of 120  
time, payments shall be in the form of a deduction from the 121  
broadband provider's quarterly video service provider fee as 122  
specified in the agreement established between the provider and 123  
the project sponsor under section 122.098 of the Revised Code. 124

**Sec. 122.097.** Before submitting a residential broadband 125  
expansion program application to the development services agency 126  
pursuant to section 122.095 of the Revised Code, a project 127  
sponsor shall do the following: 128

(A) Identify the eligible area of the residential 129  
broadband expansion project for which the project sponsor will 130

<u>apply for matching funds;</u>	131
<u>(B) Contact one or more broadband providers to determine</u>	132
<u>if any provider is capable of providing broadband service to the</u>	133
<u>eligible area and willing to enter into an agreement with the</u>	134
<u>project sponsor to construct, install, and support the necessary</u>	135
<u>broadband infrastructure for the project;</u>	136
<u>(C) Determine, in conjunction with the providers, the</u>	137
<u>broadband funding gap for each provider interested in</u>	138
<u>participating in the project;</u>	139
<u>(D) Determine if the project sponsor collects or has</u>	140
<u>available sufficient video service provider fees to fund one-</u>	141
<u>third of the broadband funding gap for the project;</u>	142
<u>(E) Determine the availability of county matching funds</u>	143
<u>for the project.</u>	144
<b>Sec. 122.098.</b> <u>(A) A project sponsor shall review the</u>	145
<u>broadband funding gap for, and the broadband service</u>	146
<u>capabilities of, each broadband provider contacted under section</u>	147
<u>122.097 of the Revised Code and willing to participate in the</u>	148
<u>residential broadband expansion project proposed by the project</u>	149
<u>sponsor.</u>	150
<u>(B) After determining which provider would offer the best</u>	151
<u>service at the best price for the project, the project sponsor</u>	152
<u>may propose an agreement with the provider to construct,</u>	153
<u>install, and support last mile broadband service to the eligible</u>	154
<u>area. The terms of the agreement shall require that:</u>	155
<u>(1) The provider construct, install, and support last mile</u>	156
<u>broadband infrastructure to a specific eligible area of the</u>	157
<u>municipal corporation or township, as applicable;</u>	158

(2) The project sponsor remit to the provider a payment in 159  
the amount of the broadband funding gap applicable to the 160  
eligible area as determined under section 122.096 of the Revised 161  
Code; 162

(3) The project sponsor specify whether the sponsor's 163  
share of the payment will be paid as a lump sum or deducted from 164  
the provider's quarterly video service provider fee according to 165  
a schedule of deductions over a specified period of time. 166

**Sec. 122.0910.** An agreement under section 122.098 of the 167  
Revised Code is subject to the approval of the legislative 168  
authority of the project sponsor and contingent upon the 169  
distribution of funds approved for the project as provided in 170  
sections 122.095, 122.096, and 122.0912 of the Revised Code. 171

**Sec. 122.0911.** After establishing the terms of an 172  
agreement under section 122.098 of the Revised Code, the project 173  
sponsor shall develop a project plan, which, at a minimum, shall 174  
include the following: 175

(A) A specific description of the eligible area to receive 176  
broadband service under the project; 177

(B) The total amount of the broadband funding gap, 178  
including the amount of funds to be provided by the project 179  
sponsor, the state, and the county in which the project is 180  
located; 181

(C) A copy of the agreement with the broadband provider 182  
for the project; 183

(D) A copy of the residential broadband expansion program 184  
application submitted to the development services agency 185  
pursuant to section 122.095 of the Revised Code; 186

(E) A written proposal requesting county funds from the 187  
county in which the project is located. 188

**Sec. 122.0912.** Before a residential broadband expansion 189  
project under sections 122.09 to 122.0916 of the Revised Code 190  
may commence, the legislative authority of the project sponsor 191  
shall review the residential broadband expansion project 192  
agreement and plan. Within ninety days of receiving the 193  
agreement and plan, the legislative authority shall approve or 194  
reject the agreement and plan. To approve the agreement and 195  
plan, the legislative authority shall adopt an ordinance or 196  
resolution authorizing the project sponsor to do the following: 197

(A) Enter into the project agreement with the broadband 198  
provider; 199

(B) Submit the residential broadband expansion program 200  
application for the project to the development services agency; 201

(C) Submit the proposal requesting matching funds for the 202  
project to the appropriate county. 203

**Sec. 122.0913.** Upon approval of the legislative authority 204  
of a project sponsor for a residential broadband expansion 205  
project under sections 122.0910 and 122.0912 of the Revised 206  
Code, the project sponsor shall submit to the board of county 207  
commissioners of the county in which the project is located a 208  
proposal requesting county matching funds for the project. The 209  
request shall be for the amount equal to one-third of the 210  
project's broadband funding gap as determined in section 122.096 211  
of the Revised Code. 212

The board of county commissioners shall approve or reject 213  
a proposal for county matching funds for the project within 214  
ninety days of receiving the request. To approve the funding 215

request, the board shall adopt a resolution or a memorandum of 216  
understanding authorizing the distribution of the funds to the 217  
project sponsor. 218

**Sec. 122.0915.** The development services agency shall 219  
include the following residential broadband expansion program 220  
information in its annual report filed under section 121.18 of 221  
the Revised Code: 222

(A) The number of program applications received; 223

(B) The number of applications that received funding under 224  
the program; 225

(C) The number of miles of broadband infrastructure 226  
constructed in eligible areas; 227

(D) The number of new residences receiving broadband under 228  
the program. 229

**Sec. 122.0916.** The director of development services shall 230  
adopt rules for the residential broadband expansion program 231  
established under sections 122.09 to 122.0916 of the Revised 232  
Code. The rules shall establish an application form and 233  
application procedures for the program. The rules may include 234  
requirements for a program application in addition to the 235  
requirements described in section 122.095 of the Revised Code. 236

**Section 2.** All items in this section are hereby 237  
appropriated as designated out of any moneys in the state 238  
treasury to the credit of the designated fund. For all 239  
appropriations made in this act, those in the first column are 240  
for fiscal year 2018 and those in the second column are for 241  
fiscal year 2019. The appropriations made in this act are in 242  
addition to any other appropriations made for the FY 2018-FY 243  
2019 biennium. 244

DEV DEVELOPMENT SERVICES AGENCY			245
Dedicated Purpose Fund Group			246
5GT0 195550	Broadband Development Grants	\$0 \$2,000,000	247
TOTAL DPF Dedicated Purpose Fund Group		\$0 \$2,000,000	248
TOTAL ALL BUDGET FUND GROUPS		\$0 \$2,000,000	249

BROADBAND DEVELOPMENT GRANTS 250

The foregoing appropriation item 195550, Broadband 251  
Development Grants, shall be used to provide state matching 252  
funds for the residential broadband expansion program 253  
established in section 122.091 of the Revised Code. 254

On July 1, 2018, or as soon as possible thereafter, the 255  
Director of Budget and Management, in consultation with the 256  
Director of Development Services, shall identify within the 257  
Development Services Agency's budget \$2,000,000 in unexpended, 258  
unencumbered cash. When such funds have been identified, the 259  
Director of Budget and Management shall transfer \$2,000,000 cash 260  
from the identified sources to the Ohio Broadband Development 261  
Grant Fund (Fund 5GT0), which is hereby created. 262

**Section 3.** Within the limits set forth in this act, the 263  
Director of Budget and Management shall establish accounts 264  
indicating the source and amount of funds for each appropriation 265  
made in this act, and shall determine the form and manner in 266  
which appropriation accounts shall be maintained. Expenditures 267  
from appropriations contained in this act shall be accounted for 268  
as though made in the main operating appropriations act of the 269  
132nd General Assembly. 270

The appropriations made in this act are subject to all 271  
provisions of the main operating appropriations act of the 132nd 272

General Assembly that are generally applicable to such 273  
appropriations. 274