



128th MAINE LEGISLATURE

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Legislative Document

No. 140

H.P. 98

House of Representatives, January 19, 2017

**An Act To Authorize a General Fund Bond Issue To Support
Entrepreneurial Activity, Attract Business and Enhance
Demographic In-migration by Investing in High-speed Broadband
Infrastructure and To Amend the Law Governing the Municipal
Gigabit Broadband Network Access Fund**

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative HIGGINS of Dover-Foxcroft.
Cosponsored by Senator BELLOWS of Kennebec and
Representatives: BERRY of Bowdoinham, FOLEY of Wells, GROHMAN of Biddeford,
McCREA of Fort Fairfield, STEWART of Presque Isle, Senators: DION of Cumberland,
MAKER of Washington, WOODSOME of York.

1 **Sec. A-6. Contingent upon ratification of bond issue.** Sections 1 to 5 do not
2 become effective unless the people of the State ratify the issuance of the bonds as set
3 forth in this Part.

4 **Sec. A-7. Appropriation balances at year-end.** At the end of each fiscal year,
5 all unencumbered appropriation balances representing state money carry forward. Bond
6 proceeds that have not been expended within 10 years after the date of the sale of the
7 bonds lapse to the Office of the Treasurer of State to be used for the retirement of general
8 obligation bonds.

9 **Sec. A-8. Bonds authorized but not issued.** Any bonds authorized but not
10 issued within 5 years of ratification of this Part are deauthorized and may not be issued,
11 except that the Legislature may, within 2 years after the expiration of that 5-year period,
12 extend the period for issuing any remaining unissued bonds for an additional amount of
13 time not to exceed 5 years.

14 **Sec. A-9. Referendum for ratification; submission at election; form of**
15 **question; effective date.** This Part must be submitted to the legal voters of the State at
16 a statewide election held in the month of November following passage of this Act. The
17 municipal officers of this State shall notify the inhabitants of their respective cities, towns
18 and plantations to meet, in the manner prescribed by law for holding a statewide election,
19 to vote on the acceptance or rejection of this Part by voting on the following question:

20 "Do you favor a \$10,000,000 bond issue to financially assist
21 municipalities and multimunicipal regions in unserved and underserved
22 areas in the expansion and enhancement of high-speed broadband
23 Internet infrastructure?"

24 The legal voters of each city, town and plantation shall vote by ballot on this question
25 and designate their choice by a cross or check mark placed within a corresponding square
26 below the word "Yes" or "No." The ballots must be received, sorted, counted and
27 declared in open ward, town and plantation meetings and returns made to the Secretary of
28 State in the same manner as votes for members of the Legislature. The Governor shall
29 review the returns. If a majority of the legal votes are cast in favor of this Part, the
30 Governor shall proclaim the result without delay and this Part becomes effective 30 days
31 after the date of the proclamation.

32 The Secretary of State shall prepare and furnish to each city, town and plantation all
33 ballots, returns and copies of this Part necessary to carry out the purposes of this
34 referendum.

35 **PART B**

36 **Sec. B-1. Bond funding.** The ConnectME Authority, established in the Maine
37 Revised Statutes, Title 35-A, section 9203, shall use funds provided pursuant to the
38 General Fund bond issue authorized in Part A of this Act to support entrepreneurial
39 activity, attract business and enhance demographic in-migration by investing in
40 high-speed broadband infrastructure solely through implementation grants awarded from
41 the Municipal Gigabit Broadband Network Access Fund pursuant to Title 35-A, section

1 9211-A. Such grants must be used solely for open-access nondiscriminatory broadband
2 infrastructure in unserved or underserved areas. A grant applicant may include a proposal
3 that uses a public-private partnership arrangement with an existing Internet service
4 provider.

5 **Sec. B-2. Contingent effective date.** This Part takes effect only if the General
6 Fund bond issue proposed in Part A of this Act is approved by the voters of this State.

7 **PART C**

8 **Sec. C-1. 35-A MRSA §9211-A, sub-§4,** as enacted by PL 2015, c. 323, §1, is
9 amended to read:

10 **4. Implementation grants.** To the extent funds are available, the authority shall
11 award implementation grants to achieve the purpose of the fund as described in
12 subsection 3 as follows.

13 A. An implementation grant to an applicant may not exceed \$200,000 for each
14 municipality served by an eligible project selected for funding.

15 B. An implementation grant may be awarded only to an applicant that has
16 demonstrated to the satisfaction of the authority that it has ~~participated in a~~ met the
17 planning grant process as requirements described in ~~subsections~~ subsection 5,
18 paragraph B and subsections 6 and 7.

19 C. Municipalities selected for funding must be required to provide a 25% cash
20 match. Municipalities selected for funding that have satisfied paragraph B without
21 planning grant funding from the authority may deduct the equivalent of municipal
22 funds expended for the purpose of broadband infrastructure planning from the 25%
23 cash match requirement.

24 **Sec. C-2. 35-A MRSA §9211-A, sub-§6, ¶¶D and E,** as enacted by PL 2015,
25 c. 323, §1, are amended to read:

26 D. One or more potential network designs, cost estimates, operating models and
27 potential business models, based on input from broadband providers operating within
28 the municipality, municipalities or region and any other parties that submit a network
29 design solution, to address any broadband gaps identified in the analysis described in
30 paragraph C; ~~and~~

31 E. An assessment of all existing municipal procedures, policies, rules and ordinances
32 that may have the effect of delaying or increasing the cost of broadband infrastructure
33 deployment; ~~and~~

34 **Sec. C-3. 35-A MRSA §9211-A, sub-§6, ¶F** is enacted to read:

35 F. A summary of how the network will be built, operated and maintained once
36 implemented, including a postconstruction plan generally describing the intended
37 continued operation and maintenance of the newly built infrastructure.

38 **Sec. C-4. Contingent effective date.** This Part takes effect only if the General
39 Fund bond issue proposed in Part A of this Act is approved by the voters of this State.

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SUMMARY

2 Part A of this bill authorizes a General Fund bond issue, in the amount of
3 \$10,000,000, to be allocated to the Municipal Gigabit Broadband Network Access Fund
4 and distributed by the ConnectME Authority through implementation grants in order to
5 expand high-speed broadband Internet infrastructure in unserved and underserved areas.

6 Part B of the bill limits the use of the funds under Part A to implementation grants
7 awarded from the Municipal Gigabit Broadband Network Access Fund and requires the
8 grants to be expended on open-access nondiscriminatory broadband infrastructure in
9 unserved or underserved areas.

10 Part C of the bill amends the laws establishing the Municipal Gigabit Broadband
11 Network Access Fund to require planning grant applicants to plan for postconstruction
12 operation and maintenance. Part C clarifies that a municipality may be eligible for
13 ConnectME Authority implementation grant funds without relying on planning grant
14 funds from the authority if the municipality meets certain statutory planning
15 requirements. Part C also clarifies that municipally financed planning expenditures may
16 be deducted from the 25% cash match requirement of the implementation grant. The
17 changes made in Part C are contingent on the ratification of the bond issue in Part A by
18 the voters of the State.