



February 23, 2024

ENGROSSED HOUSE BILL No. 1277

DIGEST OF HB 1277 (Updated February 22, 2024 11:52 am - DI 119)

Citations Affected: IC 4-4.

Synopsis: State administration of federal BEAD program. Specifies that the existing Indiana statute concerning the awarding of grants by the office of community and rural affairs for certain eligible broadband projects does not apply to subgrants awarded by the Indiana broadband office (office) under the federal Broadband Equity, Access, and Deployment (BEAD) Program (program). Establishes a new Indiana (Continued next page)

Effective: Upon passage.

**Soliday, Zimmerman, Pierce M,
Hall**

(SENATE SPONSOR — KOCH)

January 9, 2024, read first time and referred to Committee on Utilities, Energy and Telecommunications.

January 18, 2024, amended, reported — Do Pass.

January 22, 2024, read second time, ordered engrossed. Engrossed.

January 23, 2024, read third time, passed. Yeas 94, nays 0.

SENATE ACTION

February 5, 2024, read first time and referred to Committee on Utilities.

February 22, 2024, amended, reported favorably — Do Pass.

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Digest Continued

Code chapter governing the administration of the program by the office. Requires the office to administer the program in Indiana in compliance with all mandatory provisions set forth in: (1) the federal Infrastructure Investment and Jobs Act (Act); and (2) the BEAD Notice of Funding Opportunity (BEAD NOFO); with respect to the program. Provides that before awarding a subgrant to an eligible broadband service provider during any round of funding under the program, the office shall submit to the budget committee for review the proposed amount and terms of the subgrant. Provides that in awarding subgrants for the deployment of a broadband network using program funds, the office may not exclude cooperatives, nonprofit organizations, public-private partnerships, private companies, public or private utilities, public utility districts, or local governments from eligibility for those funds, as set forth in the Act. Provides that the final proposal submitted by the office to the National Telecommunications Information Administration (NTIA) with respect to the program must include the specifications for the required low cost broadband service option that are set forth in the office's initial proposal, as submitted to and approved by NTIA.

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February 23, 2024

Second Regular Session of the 123rd General Assembly (2024)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1277

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-4-38.5-1, AS ADDED BY P.L.189-2019,
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 1. (a) This chapter applies to grants awarded
4 from the fund after July 31, 2019.

5 (b) **This chapter does not apply to subgrants awarded by the**
6 **Indiana broadband office under the federal Broadband Equity,**
7 **Access, and Deployment Program established under 47 U.S.C.**
8 **1702(b).**

9 SECTION 2. IC 4-4-38.5-11, AS AMENDED BY P.L.158-2021,
10 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 UPON PASSAGE]: Sec. 11. (a) The rural broadband fund is
12 established for the purpose of:

13 (1) awarding grants under:
14 (A) this chapter after July 31, 2019; and
15 (B) IC 4-4-38 before August 1, 2019;
16 (2) providing financial assistance under the program established
17 by the office under section 10.5 of this chapter for expenses

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- 1 described in section 10.5(b) of this chapter incurred before July
 2 1, 2025;
- 3 (3) providing funding for the creation and annual maintenance of
 4 the public broadband portal created and administered by the
 5 office under IC 4-4-41-8; and
- 6 (4) awarding grants under the Indiana broadband connectivity
 7 program under IC 4-4-41.
- 8 (b) The office shall administer the fund.
- 9 (c) The fund consists of:
- 10 (1) money appropriated by the general assembly;
- 11 (2) money received by the office from federal grants or programs
 12 for broadband infrastructure, **other than money received by the**
 13 **state under the federal Broadband Equity, Access, and**
 14 **Deployment Program established under 47 U.S.C. 1702(b);**
 15 and
- 16 (3) donations, gifts, and money received from any other source,
 17 including transfers from other funds or accounts.
- 18 (d) The treasurer of state shall invest the money in the fund not
 19 currently needed to meet the obligations of the fund in the same
 20 manner as other public funds may be invested.
- 21 (e) Money in the fund at the end of a state fiscal year does not revert
 22 to the state general fund but remains in the fund to be used exclusively
 23 for the purposes of this chapter and IC 4-4-38.
- 24 SECTION 3. IC 4-4-38.6 IS ADDED TO THE INDIANA CODE
 25 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 26 UPON PASSAGE]:
- 27 **Chapter 38.6. State Administration of Federal Broadband**
 28 **Equity, Access, and Deployment Program**
- 29 **Sec. 1. As used in this chapter, "act" refers to the federal**
 30 **Infrastructure Investment and Jobs Act (P.L. 117-58), including**
 31 **regulations and guidance issued under that act.**
- 32 **Sec. 2. (a) As used in this chapter, "BEAD NOFO" refers to the**
 33 **Notice of Funding Opportunity for the federal Broadband Equity,**
 34 **Access, and Deployment Program, as issued by NTIA on May 12,**
 35 **2022, pursuant to 47 U.S.C. 1702(e)(1)(A)(i).**
- 36 **(b) The term includes any additional guidance issued by NTIA**
 37 **with respect to the program after the issuance of the notice**
 38 **described in subsection (a).**
- 39 **Sec. 3. As used in this chapter, "final proposal" refers to the**
 40 **office's final proposal (as described in 47 U.S.C. 1702(e)(4))**
 41 **submitted to NTIA.**
- 42 **Sec. 4. As used in this chapter, "initial proposal" refers to the**



1 office's initial proposal (as described in 47 U.S.C. 1702(e)(3))
2 submitted to and approved by NTIA.

3 Sec. 5. As used in this chapter, "NTIA" refers to the National
4 Telecommunications Information Administration, United States
5 Department of Commerce.

6 Sec. 6. As used in this chapter, "office" refers to the Indiana
7 broadband office in its capacity as an eligible entity (as defined in
8 47 U.S.C. 1702(a)(2)(F)) under the act.

9 Sec. 7. As used in this chapter, "program" refers to the federal
10 Broadband Equity, Access, and Deployment Program established
11 under 47 U.S.C. 1702(b).

12 Sec. 8. As used in this chapter, "subgrantee" has the meaning
13 set forth in 47 U.S.C. 1702(a)(2)(N).

14 Sec. 9. (a) Subject to subsection (b), and to the extent not
15 preempted by federal law, the office shall administer the program
16 in Indiana in compliance with the following:

17 (1) All mandatory provisions set forth in the act with respect
18 to the program.

19 (2) All mandatory provisions set forth in the BEAD NOFO
20 with respect to the program.

21 (3) Before awarding a subgrant to an eligible broadband
22 service provider during any round of funding under the
23 program, the office shall submit to the budget committee for
24 review the proposed amount and terms of the subgrant.

25 (4) In awarding subgrants for the deployment of a broadband
26 network using program funds, the office may not exclude
27 cooperatives, nonprofit organizations, public-private
28 partnerships, private companies, public or private utilities,
29 public utility districts, or local governments from eligibility
30 for those funds, as set forth in 47 U.S.C. 1702(h)(1)(A)(iii).

31 (b) The final proposal submitted by the office to NTIA must
32 include the specifications for the required low cost broadband
33 service option that are set forth in the office's initial proposal, as
34 submitted to and approved by NTIA.

35 Sec. 10. To the extent that this chapter conflicts with a provision
36 of any other Indiana law, this chapter prevails.

37 SECTION 4. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Utilities, Energy and Telecommunications, to which was referred House Bill 1277, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 5, delete "Except for section 4 of this chapter, this" and insert "**This**".

Page 1, delete lines 9 through 17.

Page 2, delete lines 1 through 14.

Page 3, delete lines 20 through 21.

Page 3, line 22, delete "4." and insert "**3**".

Page 3, line 25, delete "5." and insert "**4**".

Page 3, line 28, delete "6." and insert "**5**".

Page 3, line 31, delete "7." and insert "**6**".

Page 3, line 34, delete "8." and insert "**7**".

Page 3, line 37, delete "9." and insert "**8**".

Page 3, line 37, delete "means an eligible" and insert "**has the meaning set forth in 47 U.S.C. 1702(a)(2)(N)**".

Page 3, delete lines 38 through 40.

Page 3, line 41, delete "10. (a) Subject to subsections (b) and (c)," and insert "**9. (a) Subject to subsection (b)**".

Page 4, between lines 9 and 10, begin a new line block indented and insert:

"(4) In awarding subgrants for the deployment of a broadband network using program funds, the office may not exclude cooperatives, nonprofit organizations, public-private partnerships, private companies, public or private universities, public utility districts, or local governments from eligibility for those funds, as set forth in 47 U.S.C. 1702(h)(1)(A)(iii)."

Page 4, delete lines 10 through 15.

Page 4, line 16, delete "(c)" and insert "**(b)**".

Page 4, line 17, delete "following:" and insert "**specifications for the required low cost broadband service option that are set forth in the office's initial proposal, as submitted to and approved by NTIA**".

Page 4, delete lines 18 through 22.

Page 4, line 23, delete "11." and insert "**10**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

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(Reference is to HB 1277 as introduced.)

SOLIDAY

Committee Vote: yeas 11, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Utilities, to which was referred House Bill No. 1277, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, line 29, delete "universities," and insert "**utilities**,"
and when so amended that said bill do pass.

(Reference is to HB 1277 as printed January 18, 2024.)

KOCH, Chairperson

Committee Vote: Yeas 8, Nays 0.

