

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H.B. 950
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10487-MQa-122

Short Title: Expand Broadband-Unserved/Underserved Areas. (Public)

Sponsors: Representative Gillespie.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH A BROADBAND DEPLOYMENT BID PROCESS TO CONNECT
3 UNSERVED AND UNDERSERVED HOUSEHOLDS IN AREAS OF A COUNTY THAT
4 ARE WITHIN ONE MILE OF EXISTING BROADBAND INFRASTRUCTURE.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.(a)** Definitions. – The following definitions apply in this act:

- 7 (1) Broadband service. – As defined in G.S. 143B-1374(a)(1).
8 (2) Department. – The Department of Information Technology.
9 (3) Eligible area. – A discrete area within a county that does not have access to
10 broadband service and that borders an area within the county that presently
11 has access to broadband service. An eligible area, or some portion of the
12 eligible area, must be within 1 mile of existing broadband infrastructure. The
13 term includes areas that have internet access that does not meet the definition
14 of broadband service. The term does not include any area where a provider
15 has been designated to receive funds through other State- or federally funded
16 programs designed specifically for broadband service deployment if the
17 funding is for deployment of terrestrial broadband service and the recipient of
18 that funding is in good standing with the grantor agency's requirements
19 regarding construction build-out and time lines as to project areas in this State.
20 (4) Qualified private provider. – A private provider of broadband service in this
21 State.
22 (5) Underserved households. – A household within an eligible area that has access
23 to internet service that does not meet the definition of broadband service.
24 (6) Unserved households. – A household within an eligible area that is presently
25 without access to broadband service.

26 **SECTION 1.(b)** Broadband Deployment Bid Proposals. – Counties may identify
27 eligible areas within the county to coordinate with a qualified private provider to expand
28 broadband service to unserved households. A county may initiate a bid process under
29 G.S. 143-129.8 with a qualified private provider to provide broadband service to an eligible area.
30 An award provided under Section 2 of this act shall apply to fifty percent (50%) of the total bid
31 amount. A county shall provide matching funds in accordance with subsection (d) of this section.
32 A qualified private provider shall, by application, provide at least the following information to
33 the county:

- 34 (1) Describe in detail the type and specifications for technology being proposed
35 for the project, including minimum download and minimum upload speeds
36 and the service delivery method.



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- 1 (2) Describe the infrastructure that will be used to provide services and whether
2 that infrastructure is owned by the provider or whether the infrastructure
3 would be leased or otherwise procured from another owner.
- 4 (3) An outline of the project time line, design, construction process, operations,
5 customer support services, and expansion potential of broadband and other
6 services, as well as any proposed data caps and justification that the data caps
7 are in the public interest and consistent with industry standards.
- 8 (4) Any other information the county deems relevant to evaluate bid proposals.

9 **SECTION 1.(c)** Broadband Deployment Agreements. – A county may select from
10 among bid proposals received a bid and enter into agreements with one or more qualified private
11 providers. An agreement under this section shall contain at least the following:

- 12 (1) Provider agrees to meet the minimum Federal Communications Commission
13 benchmarks for broadband service in the eligible area, as defined in this act.
- 14 (2) Provider agrees to a minimum ninety-nine percent (99%) network uptime for
15 broadband service.
- 16 (3) Provider agrees to maintain service in the eligible area for at least 10 years
17 from project completion.
- 18 (4) Provider agrees to provide broadband service, at a speed equal to or greater
19 than the speeds offered in the project area, for all county-owned facilities
20 within the project area, including any emergency services facilities at no
21 charge for a period of at least 10 years.

22 **SECTION 1.(d)** Bid Awards; County Infrastructure; Matching Requirements. – In
23 selecting among multiple bidders, a county shall prioritize bids where an eligible provider agrees
24 to provide a minimum of 1 gigabyte per second, symmetrical, within 48 months of project
25 completion and to projects that will provide higher broadband speeds to households in the project
26 area. A county shall provide colocation with its existing infrastructure for a project under this
27 section at no cost to the provider. Bid awards may be structured to allow for progress payments
28 to be made to a provider upon completion of benchmarks identified in the agreement. A county
29 awarding funds pursuant to this section shall be subject to a matching requirement, based upon
30 the most recent development tier rankings pursuant to G.S. 143B-437.08 and the most recent
31 audited financial report submitted to the Local Government Commission. The amount of county
32 match is as follows:

- 33 (1) Tier three counties. – A county that is a development tier three area shall
34 provide matching funds as follows:
 - 35 a. Fifty percent (50%) of the bid amount if the fund balance is greater
36 than forty percent (40%) of the county budget.
 - 37 b. Forty percent (40%) of the bid amount if the fund balance is greater
38 than thirty percent (30%) but no more than forty percent (40%) of the
39 county budget.
 - 40 c. Thirty percent (30%) of the bid amount if the fund balance is greater
41 than twenty percent (20%) but no more than thirty percent (30%) of
42 the county budget.
 - 43 d. Twenty percent (20%) of the bid amount if the fund balance is no more
44 than twenty percent (20%) of the county budget.
- 45 (2) Tier two counties. – A county that is a development tier two area shall provide
46 matching funds as follows:
 - 47 a. Forty percent (40%) of the bid amount if the fund balance is greater
48 than forty percent (40%) of the county budget.
 - 49 b. Thirty percent (30%) of the bid amount if the fund balance is greater
50 than thirty percent (30%) but no more than forty percent (40%) of the
51 county budget.

- 1 c. Twenty percent (20%) of the bid amount if the fund balance is greater
- 2 than twenty percent (20%) but no more than thirty percent (30%) of
- 3 the county budget.
- 4 d. Ten percent (10%) of the bid amount if the fund balance is no more
- 5 than twenty percent (20%) of the county budget.
- 6 (3) Tier one counties. – A county that is a development tier one area shall provide
- 7 matching funds as follows:
- 8 a. Thirty percent (30%) of the bid amount if the fund balance is greater
- 9 than forty percent (40%) of the county budget.
- 10 b. Twenty percent (20%) of the bid amount if the fund balance is greater
- 11 than thirty percent (30%) but no more than forty percent (40%) of the
- 12 county budget.
- 13 c. Ten percent (10%) of the bid amount if the fund balance is greater than
- 14 twenty percent (20%) but no more than thirty percent (30%) of the
- 15 county budget.
- 16 d. No match is required if the fund balance is no more than twenty
- 17 percent (20%) of the county budget.

18 **SECTION 2.(a)** County Broadband Deployment Fund. – The County Broadband
19 Deployment Fund (Fund) is established as a special revenue fund in the Office of State Budget
20 and Management. Moneys in the Fund may only be allocated pursuant to this subsection for use
21 in connection with bid award agreements entered into between a county and a qualified private
22 provider pursuant to Section 1 of this act. If the Office of State Budget and Management finds
23 that the criteria established in Section 1 of this act have been met, the Office shall allocate funds
24 to the county, minus the county matching requirement provided in Section 1(d) of this act. No
25 county may receive more than two million dollars (\$2,000,000) in monies from the Fund.

26 **SECTION 2.(b)** There is appropriated from the General Fund to the County
27 Broadband Deployment Fund, established in this section, the sum of twenty-five million dollars
28 (\$25,000,000) in nonrecurring funds for the 2021-2022 fiscal year to be allocated to counties in
29 accordance with this act.

30 **SECTION 3.** This act becomes effective July 1, 2021.