

Multiple Agency Fiscal Note Summary

Bill Number: 1982 HB	Title: Broadband loans & grants
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.
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Prepared by: Myra Baldini, OFM	Phone: (360) 688-8208	Date Published: Final 1/ 8/2024
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Individual State Agency Fiscal Note

Bill Number: 1982 HB	Title: Broadband loans & grants	Agency: 103-Department of Commerce
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

Non-zero but indeterminate cost and/or savings. Please see discussion.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☒ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Emily Poole	Phone: 360-786-7106	Date: 01/03/2024
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 01/05/2024
Agency Approval: Pouth Ing	Phone: 360-725-2715	Date: 01/05/2024
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 01/08/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 2 amends RCW 43.160.020 to add a definition of broadband, which means a network of deployed telecommunications equipment and technologies necessary to provide high speed-internet access and other advanced telecommunications services.

Section 3 adds a new section to RCW 43.160 to codify the Community Economic Revitalization Board (CERB) Rural Broadband Program alongside existing CERB statute. This includes the authority to make high-speed, open access broadband grants and loans to local governments and federally recognized Indian tribes in rural and underserved communities to aid economic or community development.

Section 3(2) CERB must provide a funding application, but may not provide funding to projects with the primary purpose to promote retail shopping development or expansion or for backbone infrastructure solely to create a competitive network. CERB Broadband investments encourage, foster, develop and improve broadband to (1) drive job growth and creation, promote innovation, and expand markets for local businesses (2) serve the ongoing needs of the local education system, healthcare system, public safety system, industries, businesses, governmental operations, and resident needs. Tribal funding applications must be approved by tribe's governing body, and local government funding applications must be approved by the local government and supported by the local associated development organization or local workforce development council.

Provides for de minimis general system improvements if they are critical to the project, and project prioritization, including the demonstration of a projects' value to the community, economic feasibility, local match and participation, a technology-neutral approach to provide internet access, inclusion of the project in applicable state plans, and a project's readiness to proceed to construction.

Section 3(3) requires an official representing the applicant must be present during board deliberations.

Section 3(4) prior to an award, the applicant must demonstrate that no other reasonably similar funding is available in a timely manner.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

There is no fiscal impact to the department. Since 2018, CERB has operated the broadband program as a capital budget proviso, and would not require additional staff resources to incorporate it into existing CERB statute.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*
NONE

III. D - Expenditures By Program (optional)
NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. C - Capital Budget Breakout
Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

While there is no operating impact to the program, the overall capital budget impact is indeterminate. The proposed legislation would add the CERB Rural Broadband Program to existing CERB programming and would be funded from CERB capital appropriations. The distribution of broadband funding requests and awards compared to requests and awards that support communities to plan for and finance public infrastructure in support of private business development is not known. It is also unknown whether the proposed legislation would result in additional budget authority to provide funding for rural broadband infrastructure.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1982 HB	Title: Broadband loans & grants
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: All cities.
- ☒ Counties: All counties.
- ☒ Special Districts: All special districts.
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☒ Key variables cannot be estimated with certainty at this time: The number of local governments that will apply for grant or loan funds and the amount applied for.

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 669-3002	Date: 01/05/2024
Leg. Committee Contact: Emily Poole	Phone: 360-786-7106	Date: 01/03/2024
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/05/2024
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 01/05/2024

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

Section 1 adds a new section which states the bill's intent to establish an open-access broadband networks grant and loan program for local governments and federally recognized Indian tribes within the department of commerce.

Section 2 amends RCW 43.160.020 to include a definition of "broadband" to mean a network of deployed telecommunications equipment and technologies necessary to provide high-speed internet access and other advanced telecommunications services.

Section 3 adds a new section to chapter 43.160 which authorizes the community economic revitalization board to make loans and grants for the purpose of financing the cost of building broadband service infrastructure. This section also includes project eligibility and evaluation criteria for the broadband program.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This legislation would have an indeterminate expenditure impact on local governments.

Local governments which apply for grants or loans would incur costs associated with the application process, including staff time, legal consultation, and city council or county commissioners' approval. These costs cannot be estimated at this time.

Expenditures by cities, counties, or special purpose districts under this legislation would be equivalent to funds received under the established grants or loans to provide internet access to communities for which access was previously cost-prohibitive. However, it is unknown how much funding would be made available for these grants or loans in the biennial budget, how much funding would be specified for each individual project, nor how many grants or loans would go to cities, how many grants or loans would go to counties, and how many grants or loans would go to special purpose districts.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This legislation would have an indeterminate revenue impact on local governments.

The legislation would result in indeterminate revenue for cities, counties and special purpose districts. Cities, counties, and special purpose districts would be eligible to apply for a competitive grant or loan. These funds would also be open to federally recognized Indian tribes. There is no information available to predict whether local governments would receive a grant or loan, nor which jurisdictions. If the award went to local governments, revenue would increase by the grant or loan amount.