

2020 South Dakota Legislature

House Bill 1271**AMENDMENT 1271A FOR THE INTRODUCED BILL**

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

1 **An Act to establish certain provisions regarding the rural broadband fund.**

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 **Section 1.** That a NEW SECTION be added:

4 **1-53-48. Rural broadband grant purposes--Limitations.**

5 Any expenditures made by the Governor's Office of Economic Development for the
6 purpose of making grants to broadband providers shall be subject to this Act. Grants shall
7 be for capital expenditures relative to constructing or upgrading broadband service in
8 unserved or underserved areas of South Dakota, for no more than one million five hundred
9 thousand dollars, and for no more than fifty percent of the funding for any single proposed
10 project.

11 **Section 2.** That a NEW SECTION be added:

12 **1-53-49. Rural broadband grants--Procedures--Authority.**

13 The commissioner shall develop and publish administrative procedures regarding
14 the application and grant award process including any quantitative weighting scheme or
15 scoring system to be used to evaluate or rank applications. The commissioner shall act as
16 fiscal agent for any grants and shall be responsible for receiving and reviewing grant
17 applications and awarding grants under this section. Any grant agreement shall provide
18 that the commissioner may seek a refund of all or part of a grant if a broadband service
19 provider does not substantially fulfill a commitment pursuant to a grant made under this
20 Act.

21 **Section 3.** That a NEW SECTION be added:

1 **1-53-50. Rural broadband grant application--Contents.**

2 An application for a grant under this section shall contain the following information:

- 3 (1) The exact location of the intended project;
4 (2) The kind and amount of broadband infrastructure expected to be purchased for the
5 project;
6 (3) Evidence regarding the unserved or underserved nature of the community in which
7 the project is to be located;
8 (4) The number of households and businesses passed that will gain access to
9 broadband service, or whose broadband service will be upgraded, as a result of the
10 project;
11 (5) Significant community institutions, if any, that will benefit from the proposed
12 project;
13 (6) Evidence of community and business support for the project;
14 (7) The total cost of the project;
15 (8) Sources and levels of any other public funding or in-kind contributions for the
16 project; and
17 (9) Identification of any existing providers of fixed location broadband or other internet
18 service providers in the project area.

19 **Section 4.** That a NEW SECTION be added:

20 **1-53-51. Geographic broadband service area--Publication--Application**
21 **challenge--contents of challenge.**

22 Within three days of the close of the grant application process, the office shall
23 publish on its website the proposed geographic broadband service area and the proposed
24 broadband service speeds for each application submitted.

25 An existing broadband service provider in or proximate to a proposed project area
26 may, within ten days of publication of the information under this section, submit in writing
27 a challenge to an application to the commissioner. A challenge shall contain information
28 demonstrating that:

- 29 (1) The provider currently provides or has begun construction to provide broadband
30 service to a substantial portion of the proposed project area at speeds that meet
31 the definition of broadband used by the commissioner in the grant process; or
32 (2) The provider has committed to complete construction of broadband infrastructure
33 and provide broadband service in a substantial portion of the proposed project area
34 at speeds that meet the definition of broadband as used by the commissioner in

1 the grant process, no later than eighteen months after the date grant awards are
2 made under this section for the grant cycle under which the application was
3 submitted.

4 The commissioner shall evaluate the information submitted in a provider's
5 challenge under this section and may cancel or modify an award if the original award and
6 project would result in substantial overbuilding of an existing providers territory or planned
7 expansion or upgrade.