

On the Introduced bill, delete everything after the enacting clause and insert:

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

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

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

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

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

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

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

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

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

- (1) The exact location of the intended project;
- (2) The kind and amount of broadband infrastructure expected to be purchased for the project;

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

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

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

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

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

- (1) The provider currently provides or has begun construction to provide broadband service to a substantial portion of the proposed project area at speeds that meet the definition of broadband used by the commissioner in the grant process; or
- (2) The provider has committed to complete construction of broadband infrastructure and provide broadband service in a substantial portion of the proposed project area at speeds that meet the definition of broadband as used by the commissioner in the grant process, no later than eighteen months after the date grant awards are made under this section for the grant cycle under which the application was submitted.

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

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