

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 17-1226.01 Jennifer Berman x3286

SENATE BILL 17-306

SENATE SPONSORSHIP

Lambert, Lundberg, Moreno

HOUSE SPONSORSHIP

Hamner, Young, Rankin

Senate Committees
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING A DIRECT TRANSFER OF MONEY FROM THE HIGH COST**
102 **SUPPORT MECHANISM TO BROADBAND DEPLOYMENT GRANT**
103 **APPLICANTS WITH PROPOSED BROADBAND DEPLOYMENT**
104 **PROJECTS THAT HAVE BEEN APPROVED BY THE BROADBAND**
105 **DEPLOYMENT BOARD FOR A GRANT AWARD, AND, IN**
106 **CONNECTION THEREWITH, REQUIRING SEGREGATION OF FUNDS**
107 **FOR BASIC VOICE SERVICE FROM FUNDS FOR BROADBAND**
108 **DEPLOYMENT.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

SENATE
2nd Reading Unamended
May 5, 2017

<http://leg.colorado.gov>.)

The bill updates language regarding the use of money from the high cost support mechanism (HCSM) for broadband deployment grant applications approved by the broadband deployment board to have money transferred directly from the HCSM to approved broadband deployment grant applicants. The public utilities commission is directed to determine the amount of HCSM money available for broadband deployment and related administrative costs, and the bill requires that amount to be held in a separate account.

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

SECTION 1. In Colorado Revised Statutes, 40-15-509.5, **amend** (3), (4)(a), and (8) introductory portion as follows:

40-15-509.5. Broadband service - report - broadband deployment board - broadband administrative fund - creation - repeal. (3) The commission may allocate the Colorado high cost support mechanism, established under section 40-15-208 and referred to in this section as the "HCSM", for the deployment of broadband service in unserved areas of the state pursuant to this section only. The commission may fund the deployment of broadband service in unserved areas of the state through use of the HCSM surcharge and surcharge rate in effect on May 10, 2014. Pursuant to subsection (4) of this section and consistent with ~~section 40-15-208 (2)(a)(III)~~ **SECTIONS 40-15-207 AND 40-15-208**, the commission ~~may transfer to the~~ **SHALL DETERMINE FUNDS AVAILABLE FOR broadband deployment board AND THE ADMINISTRATION OF THE BOARD only the moneys FROM THE HCSM MONEY that it determines are** IS no longer required by the HCSM to support universal basic service through an effective competition determination. ~~After each transfer to the broadband deployment board, the commission shall use the moneys remaining in the HCSM to support basic service~~ **THE MONEY AVAILABLE**

1 FOR BROADBAND DEPLOYMENT SHALL BE MAINTAINED BY THE HCSM
2 THIRD-PARTY CONTRACTOR AND HELD IN A SEPARATE ACCOUNT FROM
3 MONEY USED FOR BASIC VOICE SERVICE. MONEY HELD FOR BROADBAND
4 DEPLOYMENT SHALL NOT BE DISBURSED FOR BASIC VOICE SERVICE, AND
5 MONEY HELD FOR BASIC VOICE SERVICE SHALL NOT BE DISBURSED FOR
6 BROADBAND DEPLOYMENT. THE COMMISSION SHALL ONLY DISBURSE
7 MONEY FOR BROADBAND DEPLOYMENT GRANTS FROM THE HCSM AS
8 DIRECTED BY THE BOARD. Nothing in this section increases any surcharge
9 rate charged to help fund the HCSM.

10 (4) (a) There is hereby created in the state treasury the broadband
11 ADMINISTRATIVE fund, referred to in this section as the "fund". The fund
12 consists of all money allocated from the HCSM ~~to provide access to~~
13 ~~broadband services through broadband networks in unserved areas~~
14 ~~pursuant to section 40-15-208 (2)(a)(I)(B), which money shall be~~
15 ~~transferred to the fund between July 1 and August 31 of each year, FOR~~
16 THE ADMINISTRATION OF THE BOARD and all money that the general
17 assembly may appropriate to the fund. ~~The money in the fund allocated~~
18 ~~from the HCSM is continuously appropriated to the broadband~~
19 ~~deployment board, created in subsection (5) of this section, for the~~
20 ~~purposes set forth in this section. Any other~~ THE money in the fund is
21 subject to annual appropriation by the general assembly for the purposes
22 set forth in this section. All interest earned from the investment of money
23 in the fund is credited to the fund. All money not expended at the end of
24 the fiscal year remains in the fund and does not revert to the general fund
25 or any other fund.

26 (8) The board shall ~~award moneys from the fund, and, in~~
27 ~~connection therewith~~ DIRECT THE COMMISSION TO TRANSFER MONEY, IN

1 A MANNER CONSISTENT WITH THIS SECTION, FROM THE ACCOUNT FOR
2 BROADBAND DEPLOYMENT ESTABLISHED IN THE HCSM TO APPROVED
3 GRANT APPLICANTS. THE BOARD shall develop criteria for awarding
4 ~~moneys from the fund~~ MONEY for new projects expanding broadband
5 networks into unserved areas, including:

6 **SECTION 2. Safety clause.** The general assembly hereby finds,
7 determines, and declares that this act is necessary for the immediate
8 preservation of the public peace, health, and safety.