

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

**REENGROSSED**

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

LLS NO. 17-1226.01 Jennifer Berman x3286

**SENATE BILL 17-306**

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**SENATE SPONSORSHIP**

**Lambert, Lundberg, Moreno**

**HOUSE SPONSORSHIP**

**Hamner, Young, Rankin**

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**Senate Committees**  
Appropriations

**House Committees**

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**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.**

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**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  
3rd Reading Unamended  
May 8, 2017

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.

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

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

4 **40-15-509.5. Broadband service - report - broadband**  
5 **deployment board - broadband administrative fund - creation -**  
6 **repeal.** (3) The commission may allocate the Colorado high cost support  
7 mechanism, established under section 40-15-208 and referred to in this  
8 section as the "HCSM", for the deployment of broadband service in  
9 unserved areas of the state pursuant to this section only. The commission  
10 may fund the deployment of broadband service in unserved areas of the  
11 state through use of the HCSM surcharge and surcharge rate in effect on  
12 May 10, 2014. Pursuant to subsection (4) of this section and consistent  
13 with ~~section 40-15-208 (2)(a)(III)~~ SECTIONS 40-15-207 AND 40-15-208,  
14 the commission ~~may transfer to the~~ SHALL DETERMINE FUNDS AVAILABLE  
15 FOR broadband deployment ~~board~~ AND THE ADMINISTRATION OF THE  
16 BOARD ~~only the moneys~~ FROM THE HCSM MONEY that it determines ~~are~~  
17 IS no longer required by the HCSM to support universal basic service  
18 through an effective competition determination. ~~After each transfer to the~~  
19 ~~broadband deployment board, the commission shall use the moneys~~  
20 ~~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.