

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0562.02 Jennifer Berman x3286

HOUSE BILL 24-1336

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HOUSE SPONSORSHIP

Parenti,

SENATE SPONSORSHIP

Rodriguez,

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House Committees

Transportation, Housing & Local Government

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING THE DEPLOYMENT OF BROADBAND THROUGH GRANTS  
102 ADMINISTERED BY THE COLORADO BROADBAND OFFICE.

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

**Sunset Process - House Transportation, Housing, and Local Government Committee.** The "Connect Colorado to Enhance Economic Development, Telehealth, Education, and Safety Act" (act), which created the broadband deployment board (board) in the governor's office of information technology and tasked the board with awarding grant money from the high cost support mechanism (HCSM) for broadband

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words or numbers indicate deletions from existing law.

deployment in unserved areas of the state, is scheduled for repeal on September 1, 2024. The department of regulatory agencies, as part of its sunset process, reviewed the act and board and recommended that they be extended for 5 years. The bill, instead, repeals the act and board, transfers the function of awarding grant money from the HCSM to the Colorado broadband office (office), and authorizes the office to award grants for unserved and underserved areas of the state.

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

2           **SECTION 1.** In Colorado Revised Statutes, 24-34-104, **repeal**  
3 (25)(a)(VI) as follows:

4           **24-34-104. General assembly review of regulatory agencies**  
5 **and functions for repeal, continuation, or reestablishment - legislative**  
6 **declaration - repeal.** (25) (a) The following agencies, functions, or both,  
7 are scheduled for repeal on September 1, 2024:

8           ~~(VI) The functions of the broadband deployment board created in~~  
9 ~~section 24-37.5-119;~~

10           **SECTION 2.** In Colorado Revised Statutes, **repeal** 24-37.5-119.

11           **SECTION 3.** In Colorado Revised Statutes, **add** 24-37.5-905 as  
12 follows:

13           **24-37.5-905. Broadband deployment - grant program - high**  
14 **cost support mechanism money - broadband office administrative**  
15 **fund - creation - criteria - rules - reports - definitions.** (1) AS USED IN  
16 THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

17           (a) "BROADBAND" HAS THE MEANING SET FORTH IN SECTION  
18 40-15-102.

19           (b) "BROADBAND NETWORK" HAS THE MEANING SET FORTH IN  
20 SECTION 40-15-102.

21           (c) "COMMISSION" MEANS THE PUBLIC UTILITIES COMMISSION  
22 CREATED IN SECTION 40-2-101.

1 (d) "HCSM" MEANS THE HIGH COST SUPPORT MECHANISM  
2 CREATED PURSUANT TO SECTION 40-15-208.

3 (e) "MIDDLE MILE INFRASTRUCTURE" HAS THE MEANING SET  
4 FORTH IN 47 U.S.C. SEC. 1741 (a)(9), AS AMENDED.

5 (2)(a) THE BROADBAND OFFICE SHALL ADMINISTER A BROADBAND  
6 DEPLOYMENT GRANT PROGRAM IN ACCORDANCE WITH THIS SECTION. THE  
7 BROADBAND OFFICE SHALL DIRECT THE COMMISSION TO AUTHORIZE A  
8 THIRD-PARTY CONTRACTOR OF THE HCSM TO DISBURSE MONEY FROM THE  
9 HCSM FOR BROADBAND DEPLOYMENT GRANTS APPROVED BY THE  
10 BROADBAND OFFICE. THE COMMISSION SHALL AUTHORIZE DISBURSEMENTS  
11 OF MONEY FROM THE HCSM FOR BROADBAND DEPLOYMENT GRANTS ONLY  
12 AS DIRECTED BY THE BROADBAND OFFICE.

13 (b)(I) THE BROADBAND OFFICE MAY ALLOCATE MONEY FROM THE  
14 HCSM FOR THE DEPLOYMENT OF BROADBAND IN UNSERVED AND  
15 UNDERSERVED AREAS OF THE STATE PURSUANT TO THIS SECTION AND  
16 SECTION 40-15-208 THROUGH THE USE OF THE HCSM SURCHARGE AND  
17 SURCHARGE RATE IN EFFECT ON JANUARY 1, 2018. PURSUANT TO  
18 SECTIONS 40-15-207 AND 40-15-208, THE COMMISSION SHALL DETERMINE  
19 THE FUNDS AVAILABLE FOR BROADBAND DEPLOYMENT FROM THE HCSM  
20 MONEY. THE HCSM THIRD-PARTY CONTRACTOR SHALL MAINTAIN AND  
21 HOLD THE MONEY AVAILABLE FOR BROADBAND DEPLOYMENT IN A  
22 SEPARATE ACCOUNT FROM THE MONEY USED FOR BASIC VOICE SERVICE.  
23 MONEY HELD FOR BROADBAND DEPLOYMENT MUST NOT BE DISBURSED  
24 FOR BASIC VOICE SERVICE, AND MONEY HELD FOR BASIC VOICE SERVICE  
25 MUST NOT BE DISBURSED FOR BROADBAND DEPLOYMENT.

26 (II) TO MAXIMIZE THE EFFICACY OF THE GRANT PROGRAM, THE  
27 BROADBAND OFFICE MAY USE HCSM MONEY ALLOCATED FOR

1 BROADBAND DEPLOYMENT PURSUANT TO THIS SUBSECTION (2) AND  
2 SECTION 40-15-208 IN ORDER TO CONDUCT, OR CAUSE TO BE CONDUCTED,  
3 STUDIES TO ASSESS BROADBAND NEEDS IN THE STATE.

4 (3) UP TO FIVE PERCENT OF THE MONEY ALLOCATED FROM THE  
5 HCSM FOR BROADBAND DEPLOYMENT MAY BE USED TO COVER THE  
6 BROADBAND OFFICE'S DIRECT AND INDIRECT COSTS TO ADMINISTER THE  
7 GRANT PROGRAM, INCLUDING TO COVER STAFFING COSTS FOR THE GRANT  
8 PROGRAM. MONEY THAT IS ALLOCATED FOR SUCH PURPOSES IS CREDITED  
9 TO THE BROADBAND OFFICE ADMINISTRATIVE FUND, WHICH FUND IS  
10 CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF ALL MONEY  
11 ALLOCATED FROM THE HCSM FOR THE BROADBAND OFFICE'S  
12 ADMINISTRATION OF THE GRANT PROGRAM AND ALL MONEY THAT THE  
13 GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. THE  
14 MONEY IN THE FUND IS SUBJECT TO ANNUAL APPROPRIATION BY THE  
15 GENERAL ASSEMBLY FOR THE PURPOSES SET FORTH IN THIS SECTION. ALL  
16 INTEREST EARNED FROM THE INVESTMENT OF MONEY IN THE FUND IS  
17 CREDITED TO THE FUND. ALL MONEY NOT EXPENDED AT THE END OF A  
18 STATE FISCAL YEAR REMAINS IN THE FUND AND DOES NOT REVERT TO THE  
19 GENERAL FUND OR ANY OTHER FUND.

20 (4) ON OR BEFORE DECEMBER 31, 2024, THE BROADBAND OFFICE  
21 SHALL ESTABLISH GRANT PROGRAM CRITERIA AND GUIDELINES FOR  
22 AWARDING HCSM MONEY FOR NEW PROJECTS TO EXPAND BROADBAND  
23 ACCESS AND TO INCREASE BROADBAND AFFORDABILITY IN THE STATE,  
24 WHICH CRITERIA AND GUIDELINES MUST INCLUDE:

25 (a) THE ESTABLISHMENT OF A TWO-TIERED GRANT PROGRAM THAT  
26 PRIORITIZES FUNDING AS FOLLOWS:

27 (I) UP TO SIXTY PERCENT OF AVAILABLE GRANT MONEY MUST BE

1 USED TO FINANCE TIER ONE PROJECTS FOR MIDDLE MILE INFRASTRUCTURE;  
2 AND

3 (II) UP TO FORTY PERCENT OF AVAILABLE GRANT MONEY MUST BE  
4 USED TO FINANCE TIER TWO PROJECTS AND OTHERWISE UNDERFUNDED  
5 BROADBAND NEEDS, INCLUDING, BUT NOT LIMITED TO:

6 (A) POLE REPLACEMENTS AND ATTACHMENTS, LINE EXTENSIONS,  
7 LONG DROPS, NETWORK UPGRADES THAT STRENGTHEN CYBERSECURITY,  
8 AND NETWORK INFRASTRUCTURE, INCLUDING WIRELINE AND WIRELESS  
9 FACILITIES SUCH AS TOWERS AND SATELLITE INFRASTRUCTURE; AND

10 (B) DIGITAL EQUITY INITIATIVES TO HELP CLOSE THE DIGITAL  
11 DIVIDE IN THE STATE, INCLUDING INITIATIVES FOR BASIC INTERNET  
12 ACCESS, COMPUTER AND DEVICE DISTRIBUTION, DIGITAL LITERACY  
13 TRAINING, AND BROADBAND WORKFORCE DEVELOPMENT TRAINING;

14 (b) THE FOLLOWING MINIMUM REQUIREMENTS FOR PROJECTS THAT  
15 ARE AWARDED GRANT MONEY:

16 (I) SUPPORT FOR BROADBAND DEPLOYMENT IN UNSERVED OR  
17 UNDERSERVED AREAS;

18 (II) SPEED REQUIREMENTS;

19 (III) MATCHING FUNDING REQUIREMENTS;

20 (IV) APPLICANT ELIGIBILITY REQUIREMENTS;

21 (V) GENERALLY ACCEPTED INDUSTRY RELIABILITY AND  
22 PERFORMANCE STANDARDS;

23 (VI) TIMELINES FOR COMPLETION OF A PROJECT;

24 (VII) REASONABLE COST REQUIREMENTS FOR A PROJECT;

25 (VIII) COMPLIANCE STANDARDS; AND

26 (IX) REPORTING AND ACCOUNTABILITY REQUIREMENTS; AND

27 (c) THE FOLLOWING CRITERIA FOR REVIEWING AND PRIORITIZING

1 APPLICANTS' PROPOSED PROJECTS:

2 (I) THE PURPOSE AND PROJECT IMPACTS;

3 (II) THE GEOGRAPHIC DISTRIBUTION OF BROADBAND DEPLOYMENT;

4 (III) BROADBAND NETWORK REDUNDANCY, DIVERSITY, AND

5 LATENCY;

6 (IV) BROADBAND NETWORK SPEEDS;

7 (V) THE AMOUNT OF MATCHING MONEY AVAILABLE;

8 (VI) THE COST-EFFECTIVENESS OF THE PROJECT;

9 (VII) THE AMOUNT OF SUPPORT THE PROJECT WOULD PROVIDE FOR

10 LOW-INCOME HOUSEHOLDS; AND

11 (VIII) THE EXTENT TO WHICH THE PROJECT WOULD SUPPORT

12 CRITICALLY UNSERVED AREAS.

13 (5) IN ESTABLISHING THE GRANT PROGRAM, THE BROADBAND

14 OFFICE SHALL:

15 (a) SOLICIT INPUT FROM THE GENERAL PUBLIC AND VARIOUS

16 STAKEHOLDERS, INCLUDING AT LEAST THE FOLLOWING GROUPS OF

17 STAKEHOLDERS:

18 (I) INDUSTRY ASSOCIATIONS;

19 (II) LOCAL GOVERNMENTS;

20 (III) TRIBAL GOVERNMENTS;

21 (IV) OTHER STATE AGENCIES;

22 (V) FEDERAL AGENCIES;

23 (VI) BROADBAND CONSUMERS; AND

24 (VII) OTHER KEY STAKEHOLDERS THAT THE BROADBAND OFFICE

25 IDENTIFIES;

26 (b) CREATE A WORK GROUP TO HELP REVIEW GRANT APPLICATIONS

27 AND RECOMMEND PROJECTS FOR GRANT AWARDS;

1 (c) ESTABLISH A FORMAL APPEALS PROCESS FOR GRANT  
2 APPLICATIONS THAT ARE NOT AWARDED GRANTS. THE SOLE REMEDY FOR  
3 AN APPLICANT THAT PREVAILS ON APPEAL IS THE FINANCING OF THE  
4 APPLICANT'S PROPOSED PROJECT IN THE CURRENT OR NEXT FISCAL YEAR,  
5 SUBJECT TO THE AVAILABILITY OF MONEY IN THE HCSM.

6 (d) INCLUDE A FORMAL PROCESS BY WHICH THE BROADBAND  
7 OFFICE MAY CHALLENGE AN APPLICANT'S DATA INCLUDED IN THE  
8 APPLICATION TO PREVENT THE FINANCING OF PROJECTS THAT WOULD  
9 CAUSE OVERBUILD OR DUPLICATION OF FEDERAL OR OTHER STATE  
10 FUNDING; AND

11 (e) ESTABLISH A PROCESS FOR ENSURING THAT PROJECTS THAT ARE  
12 AWARDED GRANTS COMPLY WITH ALL STATE AND FEDERAL BROADBAND  
13 DEPLOYMENT REPORTING OBLIGATIONS.

14 (6) PURSUANT TO SECTION 24-37.5-106 (4), THE CHIEF  
15 INFORMATION OFFICER MAY PROMULGATE RULES TO IMPLEMENT THIS  
16 SECTION.

17 (7) THE BROADBAND OFFICE MAY CONTRACT WITH A THIRD PARTY  
18 TO PERFORM ADMINISTRATIVE FUNCTIONS RELATED TO ADMINISTERING  
19 THE GRANT PROGRAM.

20 (8) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), ON OR  
21 BEFORE JANUARY 1, 2025, AND ON OR BEFORE JANUARY 1 OF EACH YEAR  
22 THEREAFTER, THE BROADBAND OFFICE SHALL SUBMIT AN ANNUAL REPORT  
23 TO THE JOINT BUDGET COMMITTEE AND THE JOINT TECHNOLOGY  
24 COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, SUMMARIZING FOR THE  
25 PREVIOUS CALENDAR YEAR:

26 (a) THE BROADBAND OFFICE'S GRANT ACTIVITIES; AND

27 (b) HCSM EXPENDITURES MADE FOR BROADBAND DEPLOYMENT.

1           **SECTION 4.** In Colorado Revised Statutes, 6-26-101, **amend** (1)  
2 and (3) as follows:

3           **6-26-101. Complaints to federal trade commission - attorney**  
4 **general to provide guidance.** (1) The attorney general or the attorney  
5 general's designee, in collaboration with the COLORADO broadband  
6 ~~deployment board~~ OFFICE created in section ~~24-37.5-119~~ 24-37.5-903 (1),  
7 shall develop written guidance for consumers seeking to file a complaint  
8 with the federal trade commission to allege that an internet service  
9 provider, as defined in section 40-15-209 (4)(b), has engaged in any  
10 practice that violates federal law regarding interference with the open  
11 internet.

12           (3) The attorney general, in collaboration with the COLORADO  
13 broadband ~~deployment board~~ OFFICE, shall update the written guidance  
14 as needed.

15           **SECTION 5.** In Colorado Revised Statutes, 24-72-202, **repeal**  
16 (6)(b)(XV) as follows:

17           **24-72-202. Definitions.** As used in this part 2, unless the context  
18 otherwise requires:

19           (6) (b) "Public records" does not include:

20           (XV) ~~Granular coverage data, as defined in and submitted to the~~  
21 ~~office of information technology pursuant to section 24-37.5-119 (9)(m);~~

22           **SECTION 6.** In Colorado Revised Statutes, 40-15-208, **amend**  
23 (2)(a)(I)(B) as follows:

24           **40-15-208. High cost support mechanism - Colorado high cost**  
25 **administration fund - creation - purpose - operation - rules - report**  
26 **- repeal.** (2) (a) (I) The commission is hereby authorized to establish a  
27 mechanism for the support of universal service, also referred to in this



1 section as the "high cost support mechanism", which must operate in  
2 accordance with rules adopted by the commission. The primary purpose  
3 of the high cost support mechanism is to provide financial assistance as  
4 a support mechanism to:

5 (B) Provide access to broadband service in unserved AND  
6 UNDERSERVED areas pursuant to this section and section ~~24-37.5-119~~  
7 24-37.5-905 only.

8 **SECTION 7.** In Colorado Revised Statutes, 40-15-209, **amend**  
9 (1) introductory portion, (2)(a), and (2)(c) as follows:

10 **40-15-209. Net neutrality conditions for internet service**  
11 **providers to receive high cost support mechanism money -**  
12 **definitions.** (1) Except as provided in subsection (3) of this section, an  
13 internet service provider that is otherwise eligible to receive money  
14 through a grant from the COLORADO broadband ~~deployment board~~ OFFICE  
15 pursuant to section ~~24-37.5-119~~ 24-37.5-905 or through any state fund  
16 established to help finance broadband deployment is not eligible to  
17 receive that money if the internet service provider:

18 (2) (a) If the commission learns from the COLORADO broadband  
19 ~~deployment board~~ OFFICE that a federal agency has issued a final order or  
20 entered into a settlement or consent decree regarding, or a court of  
21 competent jurisdiction has issued a final judgment against, an internet  
22 service provider and that the ~~board~~ OFFICE has determined from the order,  
23 decree, or judgment that the internet service provider has engaged in  
24 conduct specified in subsection (1) of this section, the commission shall  
25 issue a written order to the internet service provider requiring the internet  
26 service provider to fully refund any money that the internet service  
27 provider received in the twenty-four months preceding the ~~board's~~

1 OFFICE'S determination from the high cost support mechanism pursuant  
2 to a grant awarded by the COLORADO broadband ~~deployment board~~  
3 OFFICE under section ~~24-37.5-119~~ 24-37.5-905.

4 (c) The third-party contractor that maintains the high cost support  
5 mechanism shall allocate any money refunded to the high cost support  
6 mechanism pursuant to this subsection (2) to the high cost support  
7 mechanism account dedicated to broadband deployment, which account  
8 is described in section ~~24-37.5-119(3)~~ 24-37.5-905.

9 **SECTION 8.** In Colorado Revised Statutes, 40-15-502, **amend**  
10 (5)(a) as follows:

11 **40-15-502. Expressions of state policy. (5) Universal service**  
12 **support mechanisms.** (a) In order to accomplish the goals of universal  
13 basic service, universal access to advanced service under section  
14 ~~24-37.5-119~~ 24-37.5-905, and any revision of the definition of basic  
15 service under subsection (2) of this section, the commission shall create  
16 a system of support mechanisms to assist in the provision of basic service  
17 and advanced service in high-cost areas. The commission shall fund these  
18 support mechanisms equitably and on a nondiscriminatory, competitively  
19 neutral basis through assessments, which may include a rate element, on  
20 all telecommunications providers in Colorado. A provider's eligibility to  
21 receive support for basic service under the support mechanisms is  
22 conditioned upon the provider's offering basic service throughout an  
23 entire support area.

24 **SECTION 9. Act subject to petition - effective date.** This act  
25 takes effect September 1, 2024; except that, if a referendum petition is  
26 filed pursuant to section 1 (3) of article V of the state constitution against  
27 this act or an item, section, or part of this act within the ninety-day period

1 after final adjournment of the general assembly, then the act, item,  
2 section, or part will not take effect unless approved by the people at the  
3 general election to be held in November 2024 and, in such case, will take  
4 effect on the date of the official declaration of the vote thereon by the  
5 governor.