Bill as Introduced

11Mar2020... 1011h

HB 1111 - AS AMENDED BY THE HOUSE

2020 SESSION

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20-2051 10/06

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stablishing a commission to study the transition of equipment, lines, and	ne removal of unused utility po l cables to new utility poles.	oles following
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Iunicipal and County Government		
h V	e transition of equipment, lines, and ep. Grote, Rock. 24; Rep. K. Murr oodcock, Carr. 2; Sen. Sherman, Dis	tablishing a commission to study the removal of unused utility point the transition of equipment, lines, and cables to new utility poles. ep. Grote, Rock. 24; Rep. K. Murray, Rock. 24; Rep. Cannon, St Yoodcock, Carr. 2; Sen. Sherman, Dist 24 Cunicipal and County Government

AMENDED ANALYSIS

This bill establishes a commission to study the removal of unused utility poles following the transition of equipment, lines, and cables to new utility poles.

Explanation:Matter added to current law appears in bold italics.Matter removed from current law appears [in brackets and struckthrough.]Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 1111 - AS AMENDED BY THE HOUSE

11Mar2020... 1011h

20-2051 10/06

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty

AN ACT establishing a commission to study the removal of unused utility poles following the transition of equipment, lines, and cables to new utility poles.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Section; Commission to Study the Removal of Unused Utility Poles Following the 1 Transition of Equipment, Lines, and Cables to New Utility Poles. Amend RSA 231 by inserting after 2 section 182 the following new section: 3 231:182-a Commission to Study the Removal of Unused Utility Poles Following the Transition of 4 Equipment, Lines, and Cables to New Utility Poles. $\mathbf{5}$ I. There is established a commission to study the removal of unused utility poles following 6 the transition of equipment, lines, and cables to new utility poles. 7 (a) The members of the commission shall be as follows: 8 (1) Two members of the house of representatives, appointed by the speaker of the 9 house of representatives. 10 (2) One member of the senate, appointed by the president of the senate. 11 (3) The commissioner of the department of transportation, or designee. 12 (4) The chairperson of the public utilities commission, or designee 13 (5) One member appointed by the New Hampshire Municipal Association. 14 (6) Additional members from the following entities, appointed by the governor, as 15 follows: 16 Two members representing different companies owning poles in New 17 (A) Hampshire who are members of the New Hampshire Telephone Association (NHTA). 18 (B) One member from a New Hampshire electric cooperative. 19 (C) One member from an investor-owned New Hampshire electric utility. 20 (D) One member each from a competitive telephone utility and a provider of $\mathbf{21}$ cellular telephone service, which are currently attached to poles in New Hampshire. 22 (E) One member representing the New England Cable & Telecommunications 23 Association, Inc. (NECTA). $\mathbf{24}$ (b) Legislative members of the commission shall receive mileage at the legislative rate 25when attending to the duties of the commission. 26 II. The commission's study shall include, but not be limited to, examining the rules of the 27 public utilities commission in PUC 1300 - Utility Pole Attachments, with emphasis on relevant 28 sections of PUC 1303.06 on Notification, PUC 1303.07 on Installation and Maintenance, and PUC 29 1303.12 on Make Ready Work Timetables, and how to update the relevant laws and rules as 30

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necessary and make recommendations for enforcement of timely transition of equipment and
 removal of unused utility poles.

3 III. The commission may solicit input from any person or entity the commission deems 4 relevant to its study.

5 IV. The members of the commission shall elect a chairperson from among the members. The 6 first meeting of the commission shall be called by the first-named house member. The first meeting. 7 of the commission shall be held within 45 days of the effective date of this section. Six members of 8 the commission shall constitute a quorum.

9 V. The commission shall submit a report including its findings and any recommendations for
10 proposed legislation on or before December 1, 2020 to the speaker of the house of representatives,
11 the president of the senate, the house clerk, the senate clerk, the governor, and the state library.

12 2 Repeal. RSA 231:182-a, relative to a commission to study the transition of equipment and 13 removal or replacement of telephone and electric poles, is repealed.

14 3 Effective Date.

15 I. Section 2 of this act shall take effect December 1, 2020.

16 II. The remainder of this act shall take effect upon its passage.

HB 1111 - AS AMENDED BY THE SENATE

11Mar2020... 1011h 06/16/2020 1479s

2020 SESSION

20-2051 10/06

HOUSE BILL 1111

AN ACT relative to municipal broadband infrastructure bonds and establishing communications districts.

SPONSORS: Rep. Grote, Rock. 24; Rep. K. Murray, Rock. 24; Rep. Cannon, Straf. 18; Rep. Woodcock, Carr. 2; Sen. Sherman, Dist 24

COMMITTEE: Municipal and County Government

AMENDED ANALYSIS

This bill allows municipalities to determine locations within the municipality unserved by a broadband provider. This bill also provides for the establishment of communication districts.

Explanation:Matter added to current law appears in bold italics.Matter removed from current law appears [in-brackets and struckthrough.]Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 1111 - AS AMENDED BY THE SENATE.

11Mar2020... 1011h 06/16/2020 1479s

20-2051 10/06

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty

AN ACT

relative to municipal broadband infrastructure bonds and establishing communications districts.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Municipal Finance Act; Broadband Infrastructure Bonds. Amend RSA 33:3-g, I to read as 2 follows:

I. A municipality may issue bonds for the purpose of financing the development, construction, reconstruction, *renovation*, [and] improvement, and acquisition of broadband infrastructure in any locations within a municipality unserved by broadband as defined in RSA 38:38, I(c). Without limiting the foregoing, broadband infrastructure may be the subject of publicprivate partnerships established in accordance with the provisions of RSA 33:3.

8 2 Municipal Finance Act; Broadband Infrastructure Bonds. Amend RSA 33:3-g, III to read as 9 follows:

III. A municipality shall not issue bonds for the purpose of financing the development, 10 construction, reconstruction, renovation, improvement, and acquisition of broadband infrastructure 11 in any location within a municipality unserved by broadband as defined in RSA 38:38, I(c) unless a 12 request for information has been issued, at a minimum, to all providers serving the issuing 13 community and such providers have been given 2 months to respond to the request. The request for 14 information may include, but is not limited to, information identifying locations within a 15municipality [unserved] served by broadband as defined in RSA 38:38, I(c). After completing, 16 issuing, and receiving responses to such request for information, a municipality may issue a request 17 for proposals for the purpose of engaging in a public-private partnership pursuant to RSA 33:3 or 18 RSA 33-B for the deployment of broadband infrastructure, as defined in RSA 38:38, I(e), and the 19 provision of broadband service as defined in RSA 38:38, I(f). A municipality may select a proposal 20 based on criteria including, but not limited to, provider ability to deploy, manage, and maintain a $\mathbf{21}$ broadband network[-which-meets-or exceeds the anticipated-needs of the community]. А 22 municipality may determine that no provider has met the criteria included in the request for 23 proposals and may issue bonds for purposes pursuant to RSA 33:3 and RSA 33-B, including but not 24 limited to, open networks. If a broadband provider does not respond to a request for $\mathbf{25}$ information pursuant to this paragraph, the locations served by that broadband provider 26 shall be considered unserved, unless those locations are served by a broadband provider 27 who responded to that municipality's request for information. 28

29

IV. Any request for information issued pursuant to this section after December 31,

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2020 shall conform with a model request for information issued by the New Hampshire 1 department of business and economic affairs. 2

3 New Paragraph; Broadband Access. Amend RSA 38:38 by inserting after paragraph II the 3 following new paragraph: 4

III. If a broadband provider does not respond to a request for information issued pursuant to 5 sections RSA 33:3-g, III and RSA 33:3-g, IV, the locations served by that broadband provider shall be 6 considered unserved unless those locations are served by a broadband provider who responded to 7 8 that municipality's request for information.

The general court recognizes that towns require 9 Communications Districts; Purpose. 4 communications infrastructure and service to retain and attract residents and businesses and many 10 rural towns, individually, lack the resources and population to attract infrastructure suppliers and 11 Communications districts allow municipalities to join together by formal 12 service providers. agreement to create a separate authority for communications. A district may be established for the 13 purposes of contracting and bonding the creation or maintenance of communications infrastructure 14 and for contracting with service providers. Districts may define an agreement that allows revenue 15 bonds and/or taxpayer-funded bonds, as well as other funding as described in 53-G:3, XI. 16

17

5 Municipal Revenue Bonds; Definitions; Municipality. Amend RSA 33-B:1, V to read as follows:

V. "Municipality" means a city, town, [or] village district, or communications district 18 19 formed under RSA 53-G.

20

28

29

31

6 Broadband Infrastructure Bonds. Amend RSA 33:3-g, I to read as follows:

I. A municipality or communications district formed under RSA 53-G may issue bonds $\mathbf{21}$ for the purpose of financing the development, construction, reconstruction, and improvement of 22 broadband infrastructure in any locations within a municipality unserved by broadband as defined 23 in RSA 38:38, I(c). Without limiting the foregoing, broadband infrastructure may be the subject of 24 public-private partnerships established in accordance with the provisions of RSA 33:3. 25

7 New Chapter: Communications Districts. Amend RSA by inserting after chapter 53-F the 26 $\mathbf{27}$ following new chapter:

CHAPTER 53-G

COMMUNICATIONS DISTRICTS

30 53-G:1 Definitions. In this chapter:

I. "Board" means the governing board of the district.

II. "District" means a communications district of 2 or more municipalities established under 32 33 this chapter.

III. "Equipment and infrastructure" means any and all parts of any communications system, 34 owned, leased, or otherwise contracted by the district, whether using wires, cables, fiber optics, 35 wireless, other technologies, or a combination thereof, and used for the purpose of transporting or 36 storing information, in whatever forms, directions, and media, together with any improvements 37

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thereto constructed or acquired after the effective date of this chapter, and all other facilities, equipment, and appurtenances necessary or appropriate to such system. "Equipment and infrastructure" shall not apply to communications facilities, or portions of any communications facilities, intended for use by, and solely used by, a district member and its own officers and employees in the operation of municipal departments or systems of which such communications are merely an ancillary component.

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IV. "Governing body" means "governing body" as defined in RSA 21:48.

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V. "Legislative body" means "legislative body" as defined in RSA 21:47.

9 VI. "Long-term contract" means a contract for communications services, or an equipment or 10 infrastructure lease for 5 years or more.

11 VII. "Member" means any city, town, unincorporated town, or unorganized place that elects 12 to form or join a communications district under this chapter.

13

VIII. "Municipality" means any city, town, unincorporated town, or unorganized place.

14 IX. "Person" means any individual, partnership, company, corporation, firm, governmental 15 unit or agency, or any other legal entity.

16

53-G:2 Communications District Planning Committee; Formation and Responsibilities.

I. The governing bodies of 2 or more municipalities may at their discretion, and shall upon a vote of their respective legislative bodies, create a special unpaid committee to be known as a communications district planning committee, consisting of at least 2 persons from each municipality appointed by the respective governing bodies. The committee shall elect a chairperson, clerk, and treasurer. Members may be reimbursed by the committee for costs of performing duties directly related to the committee.

II. The committee may accept funds from any public or private source and may expend money for planning purposes which may include, but not be limited to, engaging legal counsel, accountants, engineers, contractors, consultants, and other advisors, paying for member expenses, or organizational and secretarial assistance. The committee shall report in a timely fashion to each governing body the sources and amounts of such funds. Each municipality represented on the committee may appropriate funds to the committee.

III. The committee shall study the advisability of establishing a communications district by examining the types of equipment and infrastructure that would be needed; the methods of organizing, operating, and financing such a district; and the potential benefits and disadvantages to member municipalities. The committee may consider specific sites inside or outside the proposed district for equipment location or which municipalities may have equipment or infrastructure, or both, located within them.

IV. If the committee determines that the formation of a district is desirable, it shall prepare a proposed district agreement in accordance with RSA 53-G:4 and hold a public information session in each municipality which is named in the district agreement as a site. Copies of the proposed

HB 1111 - AS AMENDED BY THE SENATE - Page 4 -

agreement and of RSA 53-G shall be made available at and prior to any hearing. Notice of any hearing shall be published in one or more newspapers of general circulation in the proposed district or posted on the website of each member municipality and posted in one public place in each member municipality, and sent to the governing bodies of participating municipalities.

V. After the public hearing and information session, the committee may amend the contents 5 of the proposed agreement and shall send it for review to the attorney general. The attorney general 6 shall approve any proposed agreement unless it is in improper form or is incompatible with the 7 requirements of this chapter and the laws of this state. The attorney general shall inform the 8 governing bodies and the planning committee in writing of any specific respects in which the 9 proposed agreement fails to meet the requirements of law. Approval by the attorney general shall be 10 required for any district agreement to be legally valid. Failure by the attorney general to disapprove 11 an agreement within 30 days of its submission shall constitute approval. 12

13 VI. The committee may revise the proposed district agreement as it deems necessary and 14 shall resubmit it to the attorney general. A public hearing shall be held in at least one of the 15 participating municipalities if the agreement is substantially revised. The committee may give final 16 approval to a proposed agreement after approval by the attorney general.

17 VII. The committee shall report its findings and recommendations, along with any proposed
18 district agreement, to the governing bodies of the participating municipalities.

53-G:3 Communications District Agreements. The business affairs and actions of a district shall
 be conducted and governed pursuant to the terms, conditions, and provisions of its district
 agreement. The agreement shall include but not be limited to the following:

22

25

I. A list of the municipalities included in the district.

23 II. Provisions for the sharing of planning, construction, operating, and maintenance of 24 equipment, infrastructure, and services, if any.

III. The method of selection and method of removal of representatives to the district

governing board, whether by legislative or governing bodies; the number of representatives; the terms of office of the representatives; rules of procedure concerning the method of conducting the board's business; and, except as provided otherwise by law, the powers, duties, and authorities of the district governing board officers.

30

IV. A description of equipment, infrastructure, and sites, if applicable.

31 V. The terms by which other municipalities may be admitted to the district or a member 32 municipality may withdraw from the district before or after debt has been incurred.

VI. The method by which the district agreement may be amended including conditions under
which an amendment shall be approved by the governing or legislative bodies of member
municipalities.

36 VII. The procedure for dissolution of the communications district before or after debt has
 37 been incurred.

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VIII. Provisions for varied levels of participation by member municipalities in equipment 1 and infrastructure, if applicable. 2

IX. The procedure for the preparation and adoption of the annual budget, including the 3 apportionment of district expenses and a schedule of payments, if applicable, and other procedures 4 relative to governing the district's fiscal affairs in accordance with RSA 53-G:9. 5

6

X. The procedure, if any, for establishing the district when not all of the legislative bodies vote to approve the district agreement, as provided in RSA 53-G:4, II.

7 8

XI. The funding sources that are acceptable to the district such as: federal, state, regional broadband and economic development grants or loans, general obligation bonds, revenue bonds, 9 private investment or loans, subscriber fees, and member contributions.

11

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53-G:4 Vote on Establishing District.

I. The governing bodies shall cause the question of accepting any proposed agreement to be 12presented for determination by vote of the respective legislative bodies. In municipalities that hold 13 town meetings, the proposed agreement shall be voted on at the next annual town meeting or at a 14 special town meeting called for such purpose. In all other municipalities, the legislative bodies shall 15 vote on the proposed agreement within 60 days of the governing bodies' receipt of the proposed 16 agreement, as approved by the attorney general under RSA 53-G:2, V. The question to be voted on 17 shall be: "Shall the (insert name of municipality) accept the provisions of RSA 53-G:1-RSA 53-G:11 18 providing for the establishment of a communications district, together with the municipalities of 19 _ in accordance with the provisions of the proposed agreement filed with the (insert 20 appropriate office for governing body)?" $\mathbf{21}$

Approval by a legislative body shall be by simple majority. If all of the legislative bodies vote in the 22 affirmative, the proposed communications district shall thereby be established in accordance with 23 the terms of the proposed agreement. Otherwise, the district shall not be established, except as 24 25 specified in paragraph II.

II. The proposed agreement may contain a provision for the establishment of the district 26 when more than one but not all of the legislative bodies vote in the affirmative. Such provision need $\mathbf{27}$ not require any additional votes by the legislative bodies in order to establish the district, but it may 28 not include in the district any municipality, the legislative body of which did not approve the 29 30 proposed agreement.

53-G:5 Corporate Body; Powers. A communications district established under this chapter shall 31 be a body politic and corporate and a political subdivision and public instrumentality of the state 32 carrying out a public purpose and an essential governmental function with the following powers, 33 which are subject to the provisions and limitations of the district agreement: 34

I. To adopt a name and a corporate seal. The engraved or printed facsimile of the seal 35 appearing on a bond or note of the district shall have the same legal effect as if it were impressed 36 37 thereon.

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- Page 6 -

II. To receive federal or state grants and loans, revenue from subscribers, access fees from 1 subscribers, access to broadband infrastructure bonds, revenue bonds, pledge revenues, and accept 2 member contributions or private investment. 3

4

III. To adopt a budget in accordance with 53-G:9.

5

IV. To establish and adjust fees.

V. To establish public/private partnerships and enter into broadband agreements with 6 Internet service providers as necessary to build and operate the network. $\mathbf{7}$

8

VI. To provide or contract for communications infrastructure and services for its district members, including the residential and business locations located therein and provide for 9 communications infrastructure and services for such other residential and business locations as its 10 equipment, infrastructure, and obligations may allow, provided such other locations are in a 11 municipality that is contiguous with the town limits of a district member. 12

13

VII. To cause to be operated, or contract for the construction, ownership, management, financing, and operation of a communications plant for the delivery of communications services. 14

VIII. To sue and be sued, but only to the same extent and upon the same conditions that a 15 16 municipality may be sued.

IX. To hold, deal with, mortgage, pledge, encumber, purchase, acquire, lease, sell, convey, 17 and otherwise dispose of real and personal property of all kinds in furtherance of the purposes of the 18 district, subject to any and all operating agreements. 19

X. Each communications district shall have the power, by vote of the members, to borrow 20 money and issue its notes or bonds in accordance with RSA 33, subject to the following: 21

22

(a) In the case of broadband infrastructure bonds, under RSA 33:3-g.

(b) In the case of revenue bonds, under RSA 33-B, when the board, at a regular or 23 special meeting called for such purpose, determines by resolution passed by a vote of a majority of 24 members present and voting that the public interest or necessity demands communications plant $\mathbf{25}$ improvements, or a long-term contract, and that the cost of the same will be too great to be paid out 26 of the ordinary annual income and revenue of the district, the board may pledge communications 27plant net revenues and enter into long-term contracts to provide for such improvements. In this $\mathbf{28}$ chapter, a "long term contract" means an agreement in which the district incurs direct or conditional 29 obligations for which the costs are too great to be paid out of the ordinary annual income and 30 revenues of the district, in the judgment of the board. In this chapter, the term "communications 31 plant improvements" includes improvements that may be used for the benefit of the public, whether 32 or not publicly owned or operated. The pledge of communications plant net revenues and other 33 obligations allowed by law may be authorized for any purpose permitted by this chapter, or any other 34

35 applicable statutes.

36

XI. To receive and disburse funds for any district purpose.

37

XII. To incur temporary debt in anticipation of revenue to be received.

XIII. To engage legal counsel, accountants, engineers, contractors, consultants, agents, and 1 2 other advisors.

XIV. To enter into contracts with any person consistent with the authority that a district 3 has under this chapter. 4

XV. To utilize powers delegated to the district through the district agreement by member -5 municipalities to enact bylaws and regulations concerning communications. 6

XVI. To insure against liability and other risks, and otherwise to obtain all insurance $\overline{7}$ deemed by the governing board to be necessary or appropriate to the district and its operations. 8

9

XVII. To guarantee obligations and to give indemnities to third parties, when in the best 10 interests of and for the benefit of the district.

XVIII. To make contracts, leases, or other agreements with any member municipality within 11 which equipment or infrastructure, or both, is or is to be located. Such contracts, leases, or other 12 agreements may provide for benefits, privileges, payments, or other considerations for such host 13 member municipality which, with respect to that equipment or infrastructure, or both, are different 14 from and not otherwise available to the other member municipalities. The governing body of each 15 member municipality shall be given written notice of the general purposes of the long-term contract, 16 a summary of the terms of the long-term contract, and a copy of the long-term contract within 7 days 17 18 after the authorization.

19

53-G:6 Governing Board.

I. The powers, duties, and liabilities of a district shall be vested in and exercised by a 20 governing board organized in accordance with the district agreement. The governing board shall $\mathbf{21}$ authorize and govern all actions of a district, and the governing board's actions which are consistent 22 with the district agreement and this chapter are binding on member municipalities without any 23 additional action by the governing or legislative bodies of those municipalities. A majority of 24 governing board members shall constitute a quorum. A simple majority of the voting authority 25 present shall be sufficient to approve an action by the committee except as otherwise provided in the 26 27 district agreement.

II. The board shall choose a chairperson by ballot from its membership. It shall appoint a 28 secretary and a treasurer, who may be the same person, but who need not be members of the 29 committee, and such other officers as may be provided for in the district agreement. The treasurer 30 shall receive and take charge of all money belonging to the district and shall pay any debt of the 31district which has been approved by the committee. The treasurer may, by vote of the committee, be 32 compensated for his or her services. Proceedings of the committee shall be held in accordance with 33 RSA 91-A. 34

III. The committee shall send to the member municipalities, by January 31 of each year, a 35 report on the general activities and affairs of the district, including a detailed financial report. 36

53-G:7 Admission of Additional District Members. The board may authorize the inclusion of 37

HB 1111 - AS AMENDED BY THE SENATE - Page 8 -

additional district members in the multi-town communications district upon such terms and 1 conditions as it in its sole discretion shall deem to be fair, reasonable, and in the best interests of the $\mathbf{2}$ district. The legislative body of any nonmember municipality which desires to be admitted to the 3 district shall make application for admission to the board. The board shall determine the financial 4 and operational effects that are likely to occur if such municipality is admitted and thereafter either 5 grant or deny authority for admission of the petitioning municipality. If the board grants such 6 authority, it shall also specify any terms and conditions, including financial obligations, upon which $\mathbf{7}$ such admission is predicated. Upon resolution of the board, such applicant municipality shall 8 9 become a district member.

53-G:8 Member Withdrawal. A district member may vote to withdraw in the same manner as 10 the vote for admission to the district. If a majority of the voters of a district member present and 11 voting at a meeting duly warned for such purpose votes to withdraw from the district, the vote shall 12be certified by the clerk of that municipality and presented to the board. Thereafter, the board shall 13give notice to the remaining district members of the vote to withdraw and shall hold a meeting to 14 determine if it is in the best interest of the district to continue to exist. Representatives of the 15district members shall be given an opportunity to be heard at such meeting together with any other 16 interested persons. After such a meeting, the board may declare the district dissolved or it may 17 declare that the district shall continue to exist despite the withdrawal of such member. The 18 membership of the withdrawing municipality shall terminate after the vote to withdraw. 19

53-G:9 Adoption of Budget. Annually, the governing board shall determine the amounts necessary to be raised to maintain and operate the district during the next calendar year, and the amounts required for payment of debt and interest incurred by the district that will be due in the next year. The committee shall prepare a budget no later than December 31. The committee shall give at least 7 days' notice of the budget hearing by publication of the budget in a newspaper of general circulation within the district, and by posting a copy of the budget in a public place in each municipality in the district. After the hearing the committee shall adopt a budget.

53-G:10 Audits. The governing board shall hire a certified public accountant or a public $\mathbf{27}$ accountant licensed by the state under RSA 309-B:5 to conduct a financial audit, in accordance with 28generally accepted governmental auditing standards as adopted by the United States General 29 Accounting Office and applicable state statutes, to be completed within 6 months after the close of 30 each fiscal year. Upon completion of an audit, the governing board shall review and vote on 31 acceptance of the audit and send a copy of the audited financial statements, the auditor's opinion on 32 those statements, a report on internal control, a report on compliance, and any other auditor reports 33 to the governing body of each of the member municipalities and to the department of revenue 34 administration. At least every 2 years, the governing board shall vote on whether to contract for a 35 performance audit of the district in accordance with the generally accepted governmental auditing 36 standards. Upon completion of a performance audit, the committee shall review and vote on 37

HB 1111 - AS AMENDED BY THE SENATE - Page 9 -

acceptance of the audit and send a copy of the resulting materials to the governing body of each of
 the member municipalities and to the department of revenue administration.

53-G:11 Severability. If any portion of this chapter or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provisions or applications, and to this end the provisions of this chapter are severable.

7 hb111

8 Effective Date.

8 9

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I. Sections 1-3 of this act shall take effect 60 days after its passage.

II. The remainder of this act shall take effect upon its passage.

CHAPTER 28 HB 1111 - FINAL VERSION

11Mar2020... 1011h 06/16/2020 1479s 30Jun2020... 1628EBA

2020 SESSION

20-2051 10/06

HOUSE BILL 1111

AN ACT relative to municipal broadband infrastructure bonds and establishing communications districts.

SPONSORS: Rep. Grote, Rock. 24; Rep. K. Murray, Rock. 24; Rep. Cannon, Straf. 18; Rep. Woodcock, Carr. 2; Sen. Sherman, Dist 24

COMMITTEE: Municipal and County Government

AMENDED ANALYSIS

This bill allows municipalities to determine locations within the municipality unserved by a broadband provider. This bill also provides for the establishment of communication districts.

Explanation:

Matter added to current law appears in **bold italics**. Matter removed from current law appears [in brackets and struckthrough.] Matter which is either (a) all new or (b) repealed and reenacted appears in regular type. 11Mar2020... 1011h 06/16/2020 1479s 30Jun2020... 1628EBA

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty

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CHAPTER 28 HB 1111 - FINAL VERSION - Page 2 -

who responded to that municipality's request for information. 1

IV. Any request for information issued pursuant to this section after December 31, 2 2020 shall conform with a model request for information issued by the New Hampshire 3 department of business and economic affairs. 4

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- 23

28:6 Broadband Infrastructure Bonds. Amend RSA 33:3-g, I to read as follows:

I. A municipality or communications district formed under RSA 53-G may issue bonds 24 for the purpose of financing the development, construction, reconstruction, and improvement of 25broadband infrastructure in any locations within a municipality unserved by broadband as defined 26 in RSA 38:38, I(c). Without limiting the foregoing, broadband infrastructure may be the subject of $\mathbf{27}$ public-private partnerships established in accordance with the provisions of RSA 33:3. 28

28:7 New Chapter; Communications Districts. Amend RSA by inserting after chapter 53-F the 29 30 following new chapter:

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- 32

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CHAPTER 53-G

COMMUNICATIONS DISTRICTS

53-G:1 Definitions. In this chapter: 33

I. "Board" means the governing board of the district.

II. "District" means a communications district of 2 or more municipalities established under 35 36 this chapter.

III. "Equipment and infrastructure" means any and all parts of any communications system, 37

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owned, leased, or otherwise contracted by the district, whether using wires, cables, fiber optics, 1 wireless, other technologies, or a combination thereof, and used for the purpose of transporting or 2 storing information, in whatever forms, directions, and media, together with any improvements 3 thereto constructed or acquired after the effective date of this chapter, and all other facilities, 4 equipment, and appurtenances necessary or appropriate to such system. "Equipment and 5 infrastructure" shall not apply to communications facilities, or portions of any communications 6 facilities, intended for use by, and solely used by, a district member and its own officers and 7 employees in the operation of municipal departments or systems of which such communications are 8 merely an ancillary component. 9

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IV. "Governing body" means "governing body" as defined in RSA 21:48.

11

V. "Legislative body" means "legislative body" as defined in RSA 21:47.

12 VI. "Long-term contract" means a contract for communications services, or an equipment or
 13 infrastructure lease for 5 years or more.

14 VII. "Member" means any city, town, unincorporated town, or unorganized place that elects
15 to form or join a communications district under this chapter.

16

VIII. "Municipality" means any city, town, unincorporated town, or unorganized place.

17 IX. "Person" means any individual, partnership, company, corporation, firm, governmental
18 unit or agency, or any other legal entity.

19

53-G:2 Communications District Planning Committee; Formation and Responsibilities.

I. The governing bodies of 2 or more municipalities may at their discretion, and shall upon a vote of their respective legislative bodies, create a special unpaid committee to be known as a communications district planning committee, consisting of at least 2 persons from each municipality appointed by the respective governing bodies. The committee shall elect a chairperson, clerk, and treasurer. Members may be reimbursed by the committee for costs of performing duties directly related to the committee.

II. The committee may accept funds from any public or private source and may expend money for planning purposes which may include, but not be limited to, engaging legal counsel, accountants, engineers, contractors, consultants, and other advisors, paying for member expenses, or organizational and secretarial assistance. The committee shall report in a timely fashion to each governing body the sources and amounts of such funds. Each municipality represented on the committee may appropriate funds to the committee.

32 III. The committee shall study the advisability of establishing a communications district by 33 examining the types of equipment and infrastructure that would be needed; the methods of 34 organizing, operating, and financing such a district; and the potential benefits and disadvantages to 35 member municipalities. The committee may consider specific sites inside or outside the proposed 36 district for equipment location or which municipalities may have equipment or infrastructure, or 37 both, located within them.

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IV. If the committee determines that the formation of a district is desirable, it shall prepare a proposed district agreement in accordance with RSA 53-G:4 and hold a public information session in each municipality which is named in the district agreement as a site. Copies of the proposed agreement and of RSA 53-G shall be made available at and prior to any hearing. Notice of any hearing shall be published in one or more newspapers of general circulation in the proposed district or posted on the website of each member municipality and posted in one public place in each member municipality, and sent to the governing bodies of participating municipalities.

V. After the public hearing and information session, the committee may amend the contents 8 of the proposed agreement and shall send it for review to the attorney general. The attorney general 9 shall approve any proposed agreement unless it is in improper form or is incompatible with the 10 requirements of this chapter and the laws of this state. The attorney general shall inform the 11 governing bodies and the planning committee in writing of any specific respects in which the 12proposed agreement fails to meet the requirements of law. Approval by the attorney general shall be 13 required for any district agreement to be legally valid. Failure by the attorney general to disapprove 14 an agreement within 30 days of its submission shall constitute approval. 15

VI. The committee may revise the proposed district agreement as it deems necessary and shall resubmit it to the attorney general. A public hearing shall be held in at least one of the participating municipalities if the agreement is substantially revised. The committee may give final approval to a proposed agreement after approval by the attorney general.

VII. The committee shall report its findings and recommendations, along with any proposed
 district agreement, to the governing bodies of the participating municipalities.

53-G:3 Communications District Agreements. The business affairs and actions of a district shall be conducted and governed pursuant to the terms, conditions, and provisions of its district agreement. The agreement shall include but not be limited to the following:

25

I. A list of the municipalities included in the district.

26 II. Provisions for the sharing of planning, construction, operating, and maintenance of 27 equipment, infrastructure, and services, if any.

28

III. The method of selection and method of removal of representatives to the district

governing board, whether by legislative or governing bodies; the number of representatives; the terms of office of the representatives; rules of procedure concerning the method of conducting the board's business; and, except as provided otherwise by law, the powers, duties, and authorities of the district governing board officers.

33

IV. A description of equipment, infrastructure, and sites, if applicable.

V. The terms by which other municipalities may be admitted to the district or a member municipality may withdraw from the district before or after debt has been incurred.

36 VI. The method by which the district agreement may be amended including conditions under 37 which an amendment shall be approved by the governing or legislative bodies of member

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1 municipalities.

2 VII. The procedure for dissolution of the communications district before or after debt has 3 been incurred.

4 VIII. Provisions for varied levels of participation by member municipalities in equipment 5 and infrastructure, if applicable.

6 IX. The procedure for the preparation and adoption of the annual budget, including the 7 apportionment of district expenses and a schedule of payments, if applicable, and other procedures 8 relative to governing the district's fiscal affairs in accordance with RSA 53-G:9.

9 X. The procedure, if any, for establishing the district when not all of the legislative bodies 10 vote to approve the district agreement, as provided in RSA 53-G:4, II.

11 XI. The funding sources that are acceptable to the district such as: federal, state, regional 12 broadband and economic development grants or loans, general obligation bonds, revenue bonds, 13 private investment or loans, subscriber fees, and member contributions.

14 53-G:4 Vote on Establishing District.

I. The governing bodies shall cause the question of accepting any proposed agreement to be 15 presented for determination by vote of the respective legislative bodies. In municipalities that hold 16 town meetings, the proposed agreement shall be voted on at the next annual town meeting or at a 17 special town meeting called for such purpose. In all other municipalities, the legislative bodies shall 18 vote on the proposed agreement within 60 days of the governing bodies' receipt of the proposed 19 agreement, as approved by the attorney general under RSA 53-G:2, V. The question to be voted on 20 shall be: "Shall the (insert name of municipality) accept the provisions of RSA 53-G:1-RSA 53-G:11 $\mathbf{21}$ providing for the establishment of a communications district, together with the municipalities of $\mathbf{22}$ in accordance with the provisions of the proposed agreement filed with the (insert $\mathbf{23}$

24 appropriate office for governing body)?"

Approval by a legislative body shall be by simple majority. If all of the legislative bodies vote in the affirmative, the proposed communications district shall thereby be established in accordance with the terms of the proposed agreement. Otherwise, the district shall not be established, except as specified in paragraph II.

II. The proposed agreement may contain a provision for the establishment of the district when more than one but not all of the legislative bodies vote in the affirmative. Such provision need not require any additional votes by the legislative bodies in order to establish the district, but it may not include in the district any municipality, the legislative body of which did not approve the proposed agreement.

53-G:5 Corporate Body; Powers. A communications district established under this chapter shall be a body politic and corporate and a political subdivision and public instrumentality of the state carrying out a public purpose and an essential governmental function with the following powers, which are subject to the provisions and limitations of the district agreement:

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I. To adopt a name and a corporate seal. The engraved or printed facsimile of the seal 1 appearing on a bond or note of the district shall have the same legal effect as if it were impressed 2 3 thereon.

II. To receive federal or state grants and loans, revenue from subscribers, access fees from 4 subscribers, access to broadband infrastructure bonds, revenue bonds, pledge revenues, and accept 5 6 member contributions or private investment.

7

III. To adopt a budget in accordance with 53-G:9.

8

IV. To establish and adjust fees.

V. To establish public/private partnerships and enter into broadband agreements with 9 Internet service providers as necessary to build and operate the network. 10

VI. To provide or contract for communications infrastructure and services for its district 11 members, including the residential and business locations located therein and provide for 12communications infrastructure and services for such other residential and business locations as its 13 equipment, infrastructure, and obligations may allow, provided such other locations are in a 14 municipality that is contiguous with the town limits of a district member. 15

16

VII. To cause to be operated, or contract for the construction, ownership, management, financing, and operation of a communications plant for the delivery of communications services. 17

VIII. To sue and be sued, but only to the same extent and upon the same conditions that a 18 municipality may be sued. 19

20

IX. To hold, deal with, mortgage, pledge, encumber, purchase, acquire, lease, sell, convey, and otherwise dispose of real and personal property of all kinds in furtherance of the purposes of the $\mathbf{21}$ district, subject to any and all operating agreements. $\mathbf{22}$

X. Each communications district shall have the power, by vote of the members, to borrow 23 money and issue its notes or bonds in accordance with RSA 33, subject to the following: 24

25

(a) In the case of broadband infrastructure bonds, under RSA 33:3-g.

(b) In the case of revenue bonds, under RSA 33-B, when the board, at a regular or 26 special meeting called for such purpose, determines by resolution passed by a vote of a majority of 27 members present and voting that the public interest or necessity demands communications plant 28 improvements, or a long-term contract, and that the cost of the same will be too great to be paid out 29 of the ordinary annual income and revenue of the district, the board may pledge communications 30 plant net revenues and enter into long-term contracts to provide for such improvements. In this 31chapter, a "long term contract" means an agreement in which the district incurs direct or conditional 32 obligations for which the costs are too great to be paid out of the ordinary annual income and 33 revenues of the district, in the judgment of the board. In this chapter, the term "communications 34 plant improvements" includes improvements that may be used for the benefit of the public, whether 35 or not publicly owned or operated. The pledge of communications plant net revenues and other 36 obligations allowed by law may be authorized for any purpose permitted by this chapter, or any other 37

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1 applicable statutes.

2 3 XI. To receive and disburse funds for any district purpose.

XII. To incur temporary debt in anticipation of revenue to be received.

4 XIII. To engage legal counsel, accountants, engineers, contractors, consultants, agents, and 5 other advisors.

6 XIV. To enter into contracts with any person consistent with the authority that a district 7 has under this chapter.

8 XV. To utilize powers delegated to the district through the district agreement by member 9 municipalities to enact bylaws and regulations concerning communications.

10 XVI. To insure against liability and other risks, and otherwise to obtain all insurance 11 deemed by the governing board to be necessary or appropriate to the district and its operations.

12 XVII. To guarantee obligations and to give indemnities to third parties, when in the best 13 interests of and for the benefit of the district.

XVIII. To make contracts, leases, or other agreements with any member municipality within 14 which equipment or infrastructure, or both, is or is to be located. Such contracts, leases, or other 15agreements may provide for benefits, privileges, payments, or other considerations for such host 16 member municipality which, with respect to that equipment or infrastructure, or both, are different 17 from and not otherwise available to the other member municipalities. The governing body of each 18 member municipality shall be given written notice of the general purposes of the long-term contract, 19 a summary of the terms of the long-term contract, and a copy of the long-term contract within 7 days 20 21 after the authorization.

22

53-G:6 Governing Board.

I. The powers, duties, and liabilities of a district shall be vested in and exercised by a 23 24 governing board organized in accordance with the district agreement. The governing board shall authorize and govern all actions of a district, and the governing board's actions which are consistent 25 with the district agreement and this chapter are binding on member municipalities without any 26 additional action by the governing or legislative bodies of those municipalities. A majority of 27 governing board members shall constitute a quorum. A simple majority of the voting authority 28 present shall be sufficient to approve an action by the committee except as otherwise provided in the 29 30 district agreement.

II. The board shall choose a chairperson by ballot from its membership. It shall appoint a secretary and a treasurer, who may be the same person, but who need not be members of the committee, and such other officers as may be provided for in the district agreement. The treasurer shall receive and take charge of all money belonging to the district and shall pay any debt of the district which has been approved by the committee. The treasurer may, by vote of the committee, be compensated for his or her services. Proceedings of the committee shall be held in accordance with RSA 91-A.

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1 III. The committee shall send to the member municipalities, by January 31 of each year, a 2 report on the general activities and affairs of the district, including a detailed financial report.

53-G:7 Admission of Additional District Members. The board may authorize the inclusion of 3 additional district members in the multi-town communications district upon such terms and 4 conditions as it in its sole discretion shall deem to be fair, reasonable, and in the best interests of the 5 district. The legislative body of any nonmember municipality which desires to be admitted to the 6 district shall make application for admission to the board. The board shall determine the financial 7 and operational effects that are likely to occur if such municipality is admitted and thereafter either 8 grant or deny authority for admission of the petitioning municipality. If the board grants such 9 authority, it shall also specify any terms and conditions, including financial obligations, upon which 10 such admission is predicated. Upon resolution of the board, such applicant municipality shall 11 12 become a district member.

53-G:8 Member Withdrawal. A district member may vote to withdraw in the same manner as 13 the vote for admission to the district. If a majority of the voters of a district member present and 14 voting at a meeting duly warned for such purpose votes to withdraw from the district, the vote shall 15be certified by the clerk of that municipality and presented to the board. Thereafter, the board shall 16 give notice to the remaining district members of the vote to withdraw and shall hold a meeting to 17 determine if it is in the best interest of the district to continue to exist. Representatives of the 18 district members shall be given an opportunity to be heard at such meeting together with any other 19 interested persons. After such a meeting, the board may declare the district dissolved or it may 20 declare that the district shall continue to exist despite the withdrawal of such member. The 21 membership of the withdrawing municipality shall terminate after the vote to withdraw. 22

53-G:9 Adoption of Budget. Annually, the governing board shall determine the amounts necessary to be raised to maintain and operate the district during the next calendar year, and the amounts required for payment of debt and interest incurred by the district that will be due in the next year. The committee shall prepare a budget no later than December 31. The committee shall give at least 7 days' notice of the budget hearing by publication of the budget in a newspaper of general circulation within the district, and by posting a copy of the budget in a public place in each municipality in the district. After the hearing the committee shall adopt a budget.

53-G:10 Audits. The governing board shall hire a certified public accountant or a public 30 accountant licensed by the state under RSA 309-B:5 to conduct a financial audit, in accordance with 31 generally accepted governmental auditing standards as adopted by the United States General 32Accounting Office and applicable state statutes, to be completed within 6 months after the close of 33 each fiscal year. Upon completion of an audit, the governing board shall review and vote on 34 acceptance of the audit and send a copy of the audited financial statements, the auditor's opinion on 35 those statements, a report on internal control, a report on compliance, and any other auditor reports 36 to the governing body of each of the member municipalities and to the department of revenue 37

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administration. At least every 2 years, the governing board shall vote on whether to contract for a performance audit of the district in accordance with the generally accepted governmental auditing standards. Upon completion of a performance audit, the committee shall review and vote on acceptance of the audit and send a copy of the resulting materials to the governing body of each of the member municipalities and to the department of revenue administration.

53-G:11 Severability. If any portion of this chapter or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provisions or applications, and to this end the provisions of this chapter are severable.

10 hb111

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11 28:8 Effective Date.

I. Sections 1-3 of this act shall take effect 60 days after its passage.

II. The remainder of this act shall take effect upon its passage.

Approved: July 22, 2020

Effective Date:

I. Sections 1-3 shall take effect September 20, 2020.

II. Remainder shall take effect July 22, 2020.

Amendments

Sen. Kahn, Dist 10 Sen. Bradley, Dist 3 Sen. Dietsch, Dist 9 June 3, 2020 2020-1339s 10/08

Amendment to HB 1111

1	Amend the title of the bill by replacing it with the following:	

2

5.4

3 AN ACT relative to municipal broadband infrastructure bonds and establishing 4 communications districts. 5

6 Amend the bill by replacing all after the enacting clause with the following:

7

8 1 Municipal Finance Act; Broadband Infrastructure Bonds. Amend RSA 33:3-g, I to read as 9 follows:

10 I. A municipality may issue bonds for the purpose of financing the development, 11 construction, reconstruction, *renovation*, [and] improvement, and acquisition of broadband 12 infrastructure in any locations within a municipality unserved by broadband as defined in RSA 13 38:38, I(c). Without limiting the foregoing, broadband infrastructure may be the subject of public-14 private partnerships established in accordance with the provisions of RSA 33:3.

2 Municipal Finance Act; Broadband Infrastructure Bonds. Amend RSA 33:3-g, III to read as
 follows:

III. A municipality shall not issue bonds for the purpose of financing the development, 17 construction, reconstruction, renovation, improvement, and acquisition of broadband infrastructure 18 in any location within a municipality unserved by broadband as defined in RSA 38:38, I(c) unless a 19 request for information has been issued, at a minimum, to all providers serving the issuing 20 community and such providers have been given 2 months to respond to the request. The request for 21 22 information may include, but is not limited to, information identifying locations within a municipality [unserved] served by broadband as defined in RSA 38:38, I(c). After completing, 23 issuing, and receiving responses to such request for information, a municipality may issue a request 24 for proposals for the purpose of engaging in a public-private partnership pursuant to RSA 33:3 or 25RSA 33-B for the deployment of broadband infrastructure, as defined in RSA 38:38, I(e), and the 26 provision of broadband service as defined in RSA 38:38, I(f). A municipality may select a proposal 27 28 based on criteria including, but not limited to, provider ability to deploy, manage, and maintain a 29broadband network[-which meets or exceeds the anticipated needs of the community]. Α 30 municipality may determine that no provider has met the criteria included in the request for proposals and may issue bonds for purposes pursuant to RSA 33:3 and RSA 33-B, including but not 31

1 limited to, open networks. If a broadband provider does not respond to a request for 2 information pursuant to this paragraph, the locations served by that broadband provider 3 shall be considered unserved, unless those locations are served by a broadband provider 4 who responded to that municipality's request for information.

5 IV. Any request for information issued by a municipality pursuant to this section 6 after December 31, 2020 shall conform to a model request for information as adopted in 7 rules of the commissioner of the department of business and economic affairs under RSA 8 541-A.

9 3 New Paragraph; Broadband Access. Amend RSA 38:38 by inserting after paragraph II the 10 following new paragraph:

11 III. If a broadband provider does not respond to a request for information issued pursuant to 12 sections RSA 33:3-g, III and RSA 33:3-g, IV, the locations served by that broadband provider shall be 13 considered unserved unless those locations are served by a broadband provider who responded to 14 that municipality's request for information.

15Communications Districts; Purpose. The general court recognizes that towns require 4 16 communications infrastructure and service to retain and attract residents and businesses and many 17 rural towns, individually, lack the resources and population to attract infrastructure suppliers and 18 service providers. Communications districts allow municipalities to join together by formal 19 agreement to create a separate authority for communications. A district may be established for the 20purposes of contracting and bonding the creation or maintenance of communications infrastructure $\mathbf{21}$ and for contracting with service providers. Districts may define an agreement that allows revenue 22 bonds and/or taxpayer-funded bonds, as well as other funding as described in 53-G:3, XI.

5 Municipal Revenue Bonds; Definitions; Municipality. Amend RSA 33-B:1, V to read as follows:

V. "Municipality" means a city, town, [er] village district, or communications district
 formed under RSA 53-G.

 $\mathbf{27}$

6 Broadband Infrastructure Bonds. Amend RSA 33:3-g, I to read as follows:

I. A municipality or communications district formed under RSA 53-G may issue bonds for the purpose of financing the development, construction, reconstruction, and improvement of broadband infrastructure in any locations within a municipality unserved by broadband as defined in RSA 38:38, I(c). Without limiting the foregoing, broadband infrastructure may be the subject of public-private partnerships established in accordance with the provisions of RSA 33:3.

7 New Chapter; Communications Districts. Amend RSA by inserting after chapter 53-F the
 following new chapter:

CHAPTER 53-G COMMUNICATIONS DISTRICTS

35

36

37

53-G:1 Definitions. In this chapter:

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1

I. "Board" means the governing board of the district.

2 II. "District" means a communications district of 2 or more municipalities established under 3 this chapter.

III. "Equipment and infrastructure" means any and all parts of any communications system. 4 5 owned, leased, or otherwise contracted by the district, whether using wires, cables, fiber optics, 6 wireless, other technologies, or a combination thereof, and used for the purpose of transporting or 7 storing information, in whatever forms, directions, and media, together with any improvements 8 thereto constructed or acquired after the effective date of this chapter, and all other facilities, equipment, and appurtenances necessary or appropriate to such system. "Equipment and 9 infrastructure" shall not apply to communications facilities, or portions of any communications 10 facilities, intended for use by, and solely used by, a district member and its own officers and 11 12 employees in the operation of municipal departments or systems of which such communications are 13 merely an ancillary component.

14 15 IV. "Governing body" means "governing body" as defined in RSA 21:48.

V. "Legislative body" means "legislative body" as defined in RSA 21:47.

VI. "Long-term contract" means a contract for communications services, or an equipment or 16 17 infrastructure lease for 5 years or more.

18 VII. "Member" means any city, town, unincorporated town, or unorganized place that elects 19 to form or join a communications district under this chapter.

 $\mathbf{20}$

VIII. "Municipality" means any city, town, unincorporated town, or unorganized place.

IX. "Person" means any individual, partnership, company, corporation, firm, governmental $\mathbf{21}$ $\mathbf{22}$ unit or agency, or any other legal entity.

23

53-G:2 Communications District Planning Committee; Formation and Responsibilities.

I. The governing bodies of 2 or more municipalities may at their discretion, and shall upon a $\mathbf{24}$ vote of their respective legislative bodies, create a special unpaid committee to be known as a 25communications district planning committee, consisting of at least 2 persons from each municipality 26 appointed by the respective governing bodies. The committee shall elect a chairperson, clerk, and 27 $\mathbf{28}$ treasurer. Members may be reimbursed by the committee for costs of performing duties directly 29 related to the committee.

II. The committee may accept funds from any public or private source and may expend 30 money for planning purposes which may include, but not be limited to, engaging legal counsel, 31 accountants, engineers, contractors, consultants, and other advisors, paying for member expenses, or 32organizational and secretarial assistance. The committee shall report in a timely fashion to each 33 governing body the sources and amounts of such funds. Each municipality represented on the 34 committee may appropriate funds to the committee. 35

III. The committee shall study the advisability of establishing a communications district by 36 examining the types of equipment and infrastructure that would be needed; the methods of 37

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organizing, operating, and financing such a district; and the potential benefits and disadvantages to
member municipalities. The committee may consider specific sites inside or outside the proposed
district for equipment location or which municipalities may have equipment or infrastructure, or
both, located within them.

5 IV. If the committee determines that the formation of a district is desirable, it shall prepare 6 a proposed district agreement in accordance with RSA 53-G:4 and hold a public information session 7 in each municipality which is named in the district agreement as a site. Copies of the proposed 8 agreement and of RSA 53-G shall be made available at and prior to any hearing. Notice of any 9 hearing shall be published in one or more newspapers of general circulation in the proposed district 10 or posted on the website of each member municipality and posted in one public place in each member 11 municipality, and sent to the governing bodies of participating municipalities.

V. After the public hearing and information session, the committee may amend the contents 12 of the proposed agreement and shall send it for review to the attorney general. The attorney general 13shall approve any proposed agreement unless it is in improper form or is incompatible with the 14 requirements of this chapter and the laws of this state. The attorney general shall inform the 15governing bodies and the planning committee in writing of any specific respects in which the 16 proposed agreement fails to meet the requirements of law. Approval by the attorney general shall be 17 required for any district agreement to be legally valid. Failure by the attorney general to disapprove 18 19 an agreement within 30 days of its submission shall constitute approval.

VI. The committee may revise the proposed district agreement as it deems necessary and shall resubmit it to the attorney general. A public hearing shall be held in at least one of the participating municipalities if the agreement is substantially revised. The committee may give final approval to a proposed agreement after approval by the attorney general.

VII. The committee shall report its findings and recommendations, along with any proposed
 district agreement, to the governing bodies of the participating municipalities.

53-G:3 Communications District Agreements. The business affairs and actions of a district shall be conducted and governed pursuant to the terms, conditions, and provisions of its district agreement. The agreement shall include but not be limited to the following:

29

I. A list of the municipalities included in the district.

30 II. Provisions for the sharing of planning, construction, operating, and maintenance of 31 equipment, infrastructure, and services, if any.

32 III. The method of selection and method of removal of representatives to the district 33 governing board, whether by legislative or governing bodies; the number of representatives; the 34 terms of office of the representatives; rules of procedure concerning the method of conducting the 35 board's business; and, except as provided otherwise by law, the powers, duties, and authorities of the 36 district governing board officers.

- 37
- IV. A description of equipment, infrastructure, and sites, if applicable.

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1 V. The terms by which other municipalities may be admitted to the district or a member 2 municipality may withdraw from the district before or after debt has been incurred.

3 VI. The method by which the district agreement may be amended including conditions 4 under which an amendment shall be approved by the governing or legislative bodies of member 5 municipalities.

6 VII. The procedure for dissolution of the communications district before or after debt has 7 been incurred.

8 VIII. Provisions for varied levels of participation by member municipalities in equipment 9 and infrastructure, if applicable.

10 IX. The procedure for the preparation and adoption of the annual budget, including the 11 apportionment of district expenses and a schedule of payments, if applicable, and other procedures 12 relative to governing the district's fiscal affairs in accordance with RSA 53-G:9.

X. The procedure, if any, for establishing the district when not all of the legislative bodies
 vote to approve the district agreement, as provided in RSA 53-G:4, II.

15 XI. The funding sources that are acceptable to the district such as: federal, state, regional 16 broadband and economic development grants or loans, general obligation bonds, revenue bonds, 17 private investment or loans, subscriber fees, and member contributions.

18 53-G:4 Vote on Establishing District.

I. The governing bodies shall cause the question of accepting any proposed agreement to be 19 presented for determination by vote of the respective legislative bodies. In municipalities that hold 20 town meetings, the proposed agreement shall be voted on at the next annual town meeting or at a 21 special town meeting called for such purpose. In all other municipalities, the legislative bodies shall $\mathbf{22}$ vote on the proposed agreement within 60 days of the governing bodies' receipt of the proposed $\mathbf{23}$ agreement, as approved by the attorney general under RSA 53-G:2, V. The question to be voted on $\mathbf{24}$ shall be: "Shall the (insert name of municipality) accept the provisions of RSA 53-G:1-RSA 53-G:11 25 providing for the establishment of a communications district, together with the municipalities of 26 in accordance with the provisions of the proposed agreement filed with the (insert 27 28 appropriate office for governing body)?"

Approval by a legislative body shall be by simple majority. If all of the legislative bodies vote in the affirmative, the proposed communications district shall thereby be established in accordance with the terms of the proposed agreement. Otherwise, the district shall not be established, except as specified in paragraph II.

33 II. The proposed agreement may contain a provision for the establishment of the district 34 when more than one but not all of the legislative bodies vote in the affirmative. Such provision need 35 not require any additional votes by the legislative bodies in order to establish the district, but it may 36 not include in the district any municipality, the legislative body of which did not approve the 37 proposed agreement.

Amendment to HB 1111 - Page 6 -

53-G:5 Corporate Body; Powers. A communications district established under this chapter shall 1 be a body politic and corporate and a political subdivision and public instrumentality of the state $\mathbf{2}$ carrying out a public purpose and an essential governmental function with the following powers, 3 which are subject to the provisions and limitations of the district agreement: 4

5

6 $\mathbf{7}$

I. To adopt a name and a corporate seal. The engraved or printed facsimile of the seal appearing on a bond or note of the district shall have the same legal effect as if it were impressed thereon.

II. To receive federal or state grants and loans, revenue from subscribers, access fees from 8 subscribers, access to broadband infrastructure bonds, revenue bonds, pledge revenues, and accept 9 10 member contributions or private investment.

11

III. To adopt a budget in accordance with 53-G:9.

12

IV. To establish and adjust fees.

To establish public/private partnerships and enter into broadband agreements with V. 13 Internet service providers as necessary to build and operate the network. 14

VI. To provide or contract for communications infrastructure and services for its district 15 members, including the residential and business locations located therein and provide for 16 communications infrastructure and services for such other residential and business locations as its 17equipment, infrastructure, and obligations may allow, provided such other locations are in a 18 19 municipality that is contiguous with the town limits of a district member.

 $\mathbf{20}$

VII. To cause to be operated, or contract for the construction, ownership, management, financing, and operation of a communications plant for the delivery of communications services. 21

VIII. To sue and be sued, but only to the same extent and upon the same conditions that a 22 23 municipality may be sued.

IX. To hold, deal with, mortgage, pledge, encumber, purchase, acquire, lease, sell, convey, $\mathbf{24}$ and otherwise dispose of real and personal property of all kinds in furtherance of the purposes of the 25district, subject to any and all operating agreements. $\mathbf{26}$

X. Each communications district shall have the power, by vote of the members, to borrow $\mathbf{27}$ money and issue its notes or bonds in accordance with RSA 33, subject to the following: $\mathbf{28}$

29

(a) In the case of broadband infrastructure bonds, under RSA 33:3-g.

(b) In the case of revenue bonds, under RSA 33-B, when the board, at a regular or 30 special meeting called for such purpose, determines by resolution passed by a vote of a majority of 31 members present and voting that the public interest or necessity demands communications plant 32improvements, or a long-term contract, and that the cost of the same will be too great to be paid out 33 of the ordinary annual income and revenue of the district, the board may pledge communications 34 plant net revenues and enter into long-term contracts to provide for such improvements. In this 35 chapter, a "long term contract" means an agreement in which the district incurs direct or conditional 36 obligations for which the costs are too great to be paid out of the ordinary annual income and 37

Amendment to HB 1111 - Page 7 -

revenues of the district, in the judgment of the board. In this chapter, the term "communications plant improvements" includes improvements that may be used for the benefit of the public, whether or not publicly owned or operated. The pledge of communications plant net revenues and other obligations allowed by law may be authorized for any purpose permitted by this chapter, or any other applicable statutes.

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XI. To receive and disburse funds for any district purpose.

XII. To incur temporary debt in anticipation of revenue to be received.

8 XIII. To engage legal counsel, accountants, engineers, contractors, consultants, agents, and 9 other advisors.

10 XIV. To enter into contracts with any person consistent with the authority that a district 11 has under this chapter.

12 XV. To utilize powers delegated to the district through the district agreement by member 13 municipalities to enact bylaws and regulations concerning communications.

14 XVI. To insure against liability and other risks, and otherwise to obtain all insurance 15 deemed by the governing board to be necessary or appropriate to the district and its operations.

16 XVII. To guarantee obligations and to give indemnities to third parties, when in the best 17 interests of and for the benefit of the district.

XVIII. To make contracts, leases, or other agreements with any member municipality within 18 which equipment or infrastructure, or both, is or is to be located. Such contracts, leases, or other 19 agreements may provide for benefits, privileges, payments, or other considerations for such host 20 member municipality which, with respect to that equipment or infrastructure, or both, are different $\mathbf{21}$ from and not otherwise available to the other member municipalities. The governing body of each 22 member municipality shall be given written notice of the general purposes of the long-term contract, 23a summary of the terms of the long-term contract, and a copy of the long-term contract within 7 days $\mathbf{24}$ after the authorization. $\mathbf{25}$

26 53-G:6 Governing Board.

I. The powers, duties, and liabilities of a district shall be vested in and exercised by a 27 governing board organized in accordance with the district agreement. The governing board shall $\mathbf{28}$ authorize and govern all actions of a district, and the governing board's actions which are consistent 29 with the district agreement and this chapter are binding on member municipalities without any 30 additional action by the governing or legislative bodies of those municipalities. A majority of 31governing board members shall constitute a quorum. A simple majority of the voting authority 32 present shall be sufficient to approve an action by the committee except as otherwise provided in the 33 34 district agreement.

35 II. The board shall choose a chairperson by ballot from its membership. It shall appoint a 36 secretary and a treasurer, who may be the same person, but who need not be members of the 37 committee, and such other officers as may be provided for in the district agreement. The treasurer

Amendment to HB 1111 - Page 8 -

1 shall receive and take charge of all money belonging to the district and shall pay any debt of the 2 district which has been approved by the committee. The treasurer may, by vote of the committee, be 3 compensated for his or her services. Proceedings of the committee shall be held in accordance with 4 RSA 91-A.

5 III. The committee shall send to the member municipalities, by January 31 of each year, a 6 report on the general activities and affairs of the district, including a detailed financial report.

7 53-G:7 Admission of Additional District Members. The board may authorize the inclusion of additional district members in the multi-town communications district upon such terms and 8 conditions as it in its sole discretion shall deem to be fair, reasonable, and in the best interests of the 9 district. The legislative body of any nonmember municipality which desires to be admitted to the 10 district shall make application for admission to the board. The board shall determine the financial 11 and operational effects that are likely to occur if such municipality is admitted and thereafter either 12 grant or deny authority for admission of the petitioning municipality. If the board grants such 13 authority, it shall also specify any terms and conditions, including financial obligations, upon which 14 such admission is predicated. Upon resolution of the board, such applicant municipality shall 15 16 become a district member.

53-G:8 Member Withdrawal. A district member may vote to withdraw in the same manner as 17 the vote for admission to the district. If a majority of the voters of a district member present and 18 voting at a meeting duly warned for such purpose votes to withdraw from the district, the vote shall 19 be certified by the clerk of that municipality and presented to the board. Thereafter, the board shall 20 give notice to the remaining district members of the vote to withdraw and shall hold a meeting to $\mathbf{21}$ determine if it is in the best interest of the district to continue to exist. Representatives of the 22 district members shall be given an opportunity to be heard at such meeting together with any other 23 interested persons. After such a meeting, the board may declare the district dissolved or it may 24 declare that the district shall continue to exist despite the withdrawal of such member. The 25membership of the withdrawing municipality shall terminate after the vote to withdraw. 26

53-G:9 Adoption of Budget. Annually, the governing board shall determine the amounts necessary to be raised to maintain and operate the district during the next calendar year, and the amounts required for payment of debt and interest incurred by the district that will be due in the next year. The committee shall prepare a budget no later than December 31. The committee shall give at least 7 days' notice of the budget hearing by publication of the budget in a newspaper of general circulation within the district, and by posting a copy of the budget in a public place in each municipality in the district. After the hearing the committee shall adopt a budget.

53-G:10 Audits. The governing board shall hire a certified public accountant or a public accountant licensed by the state under RSA 309-B:5 to conduct a financial audit, in accordance with generally accepted governmental auditing standards as adopted by the United States General Accounting Office and applicable state statutes, to be completed within 6 months after the close of

Amendment to HB 1111 - Page 9 -

each fiscal year. Upon completion of an audit, the governing board shall review and vote on 1 2 acceptance of the audit and send a copy of the audited financial statements, the auditor's opinion on those statements, a report on internal control, a report on compliance, and any other auditor reports 3 to the governing body of each of the member municipalities and to the department of revenue 4 5 administration. At least every 2 years, the governing board shall vote on whether to contract for a 6 performance audit of the district in accordance with the generally accepted governmental auditing Upon completion of a performance audit, the committee shall review and vote on $\mathbf{7}$ standards. 8 acceptance of the audit and send a copy of the resulting materials to the governing body of each of 9 the member municipalities and to the department of revenue administration.

10 53-G:11 Severability. If any portion of this chapter or the application thereof to any person or 11 circumstances is held invalid, such invalidity shall not affect other provisions or applications of the 12 chapter which can be given effect without the invalid provisions or applications, and to this end the 13 provisions of this chapter are severable.

14 hb111

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15 8 Effective Date.

I. Sections 1-3 of this act shall take effect 60 days after its passage.

II. The remainder of this act shall take effect upon its passage.

Amendment to HB 1111 - Page 10 -

2020-1339s

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AMENDED ANALYSIS

This bill allows municipalities to determine locations within the municipality unserved by a broadband provider. This bill also provides for the establishment of communication districts.

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Election Law and Municipal Affairs June 11, 2020 2020-1479s 10/05

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Amendment to HB 1111

1 Amend the title of the bill by replacing it with the following: 2 establishing infrastructure bonds and broadband municipal 3 AN ACT relative to communications districts. 4 5 Amend the bill by replacing all after the enacting clause with the following: 6 $\mathbf{7}$ 1 Municipal Finance Act; Broadband Infrastructure Bonds. Amend RSA 33:3-g, I to read as 8 follows: 9 A municipality may issue bonds for the purpose of financing the development, 10 I. construction, reconstruction, renovation, [and] improvement, and acquisition of broadband 11 infrastructure in any locations within a municipality unserved by broadband as defined in RSA 12 38:38, I(c). Without limiting the foregoing, broadband infrastructure may be the subject of public-13 private partnerships established in accordance with the provisions of RSA 33:3. 14 2 Municipal Finance Act; Broadband Infrastructure Bonds. Amend RSA 33:3-g, III to read as 15 16 follows: III. A municipality shall not issue bonds for the purpose of financing the development, 17 construction, reconstruction, renovation, improvement, and acquisition of broadband infrastructure 18 in any location within a municipality unserved by broadband as defined in RSA 38:38, I(c) unless a 19 request for information has been issued, at a minimum, to all providers serving the issuing 20community and such providers have been given 2 months to respond to the request. The request for 21 information may include, but is not limited to, information identifying locations within a 22municipality [unserved] served by broadband as defined in RSA 38:38, I(c). After completing, 23 issuing, and receiving responses to such request for information, a municipality may issue a request $\mathbf{24}$

for proposals for the purpose of engaging in a public-private partnership pursuant to RSA 33:3 or 25RSA 33-B for the deployment of broadband infrastructure, as defined in RSA 38:38, I(e), and the $\mathbf{26}$ provision of broadband service as defined in RSA 38:38, I(f). A municipality may select a proposal 27 based on criteria including, but not limited to, provider ability to deploy, manage, and maintain a 28 broadband network[-which meets or exceeds the anticipated needs of the community]. Α 29 municipality may determine that no provider has met the criteria included in the request for 30 proposals and may issue bonds for purposes pursuant to RSA 33:3 and RSA 33-B, including but not 31 limited to, open networks. If a broadband provider does not respond to a request for 32

information pursuant to this paragraph, the locations served by that broadband provider 1 2 shall be considered unserved, unless those locations are served by a broadband provider who responded to that municipality's request for information. 3

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IV. Any request for information issued pursuant to this section after December 31, 2020 shall conform with a model request for information issued by the New Hampshire 5 department of business and economic affairs. 6

3 New Paragraph; Broadband Access. Amend RSA 38:38 by inserting after paragraph II the 7 8 following new paragraph:

9 III. If a broadband provider does not respond to a request for information issued pursuant to sections RSA 33:3-g, III and RSA 33:3-g, IV, the locations served by that broadband provider shall be 10 considered unserved unless those locations are served by a broadband provider who responded to 11 12 that municipality's request for information.

The general court recognizes that towns require 13 4 Communications Districts; Purpose. communications infrastructure and service to retain and attract residents and businesses and many 14 rural towns, individually, lack the resources and population to attract infrastructure suppliers and 15 Communications districts allow municipalities to join together by formal 16 service providers. agreement to create a separate authority for communications. A district may be established for the 17 purposes of contracting and bonding the creation or maintenance of communications infrastructure 18 and for contracting with service providers. Districts may define an agreement that allows revenue 19 20 bonds and/or taxpayer-funded bonds, as well as other funding as described in 53-G:3, XI.

5 Municipal Revenue Bonds; Definitions; Municipality. Amend RSA 33-B:1, V to read as 21 22 follows:

 $\mathbf{23}$

V. "Municipality" means a city, town, [or] village district, or communications district 24 formed under RSA 53-G.

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6 Broadband Infrastructure Bonds. Amend RSA 33:3-g, I to read as follows:

I. A municipality or communications district formed under RSA 53-G may issue bonds 26 for the purpose of financing the development, construction, reconstruction, and improvement of $\mathbf{27}$ 28 broadband infrastructure in any locations within a municipality unserved by broadband as defined in RSA 38:38, I(c). Without limiting the foregoing, broadband infrastructure may be the subject of 29 public-private partnerships established in accordance with the provisions of RSA 33:3. 30

7 New Chapter: Communications Districts. Amend RSA by inserting after chapter 53-F the 31 32 following new chapter:

> CHAPTER 53-G COMMUNICATIONS DISTRICTS

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53-G:1 Definitions. In this chapter:

I. "Board" means the governing board of the district.

1 II. "District" means a communications district of 2 or more municipalities established under 2 this chapter.

III. "Equipment and infrastructure" means any and all parts of any communications system, 3 owned, leased, or otherwise contracted by the district, whether using wires, cables, fiber optics, 4 wireless, other technologies, or a combination thereof, and used for the purpose of transporting or 5 storing information, in whatever forms, directions, and media, together with any improvements 6 thereto constructed or acquired after the effective date of this chapter, and all other facilities, 7 "Equipment and 8 equipment, and appurtenances necessary or appropriate to such system. infrastructure" shall not apply to communications facilities, or portions of any communications 9 facilities, intended for use by, and solely used by, a district member and its own officers and 10 employees in the operation of municipal departments or systems of which such communications are 11 merely an ancillary component. 12

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IV. "Governing body" means "governing body" as defined in RSA 21:48.

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V. "Legislative body" means "legislative body" as defined in RSA 21:47.

VI. "Long-term contract" means a contract for communications services, or an equipment or
 infrastructure lease for 5 years or more.

17 VII. "Member" means any city, town, unincorporated town, or unorganized place that elects
18 to form or join a communications district under this chapter.

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VIII. "Municipality" means any city, town, unincorporated town, or unorganized place.

20 IX. "Person" means any individual, partnership, company, corporation, firm, governmental 21 unit or agency, or any other legal entity.

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53-G:2 Communications District Planning Committee; Formation and Responsibilities.

I. The governing bodies of 2 or more municipalities may at their discretion, and shall upon a vote of their respective legislative bodies, create a special unpaid committee to be known as a communications district planning committee, consisting of at least 2 persons from each municipality appointed by the respective governing bodies. The committee shall elect a chairperson, clerk, and treasurer. Members may be reimbursed by the committee for costs of performing duties directly related to the committee.

II. The committee may accept funds from any public or private source and may expend money for planning purposes which may include, but not be limited to, engaging legal counsel, accountants, engineers, contractors, consultants, and other advisors, paying for member expenses, or organizational and secretarial assistance. The committee shall report in a timely fashion to each governing body the sources and amounts of such funds. Each municipality represented on the committee may appropriate funds to the committee.

35 III. The committee shall study the advisability of establishing a communications district by 36 examining the types of equipment and infrastructure that would be needed; the methods of 37 organizing, operating, and financing such a district; and the potential benefits and disadvantages to member municipalities. The committee may consider specific sites inside or outside the proposed
 district for equipment location or which municipalities may have equipment or infrastructure, or
 both, located within them.

IV. If the committee determines that the formation of a district is desirable, it shall prepare a proposed district agreement in accordance with RSA 53-G:4 and hold a public information session in each municipality which is named in the district agreement as a site. Copies of the proposed agreement and of RSA 53-G shall be made available at and prior to any hearing. Notice of any hearing shall be published in one or more newspapers of general circulation in the proposed district or posted on the website of each member municipality and posted in one public place in each member municipality, and sent to the governing bodies of participating municipalities.

V. After the public hearing and information session, the committee may amend the contents 11 12of the proposed agreement and shall send it for review to the attorney general. The attorney general 13 shall approve any proposed agreement unless it is in improper form or is incompatible with the requirements of this chapter and the laws of this state. The attorney general shall inform the 14 governing bodies and the planning committee in writing of any specific respects in which the 15 proposed agreement fails to meet the requirements of law. Approval by the attorney general shall be 16 17 required for any district agreement to be legally valid. Failure by the attorney general to disapprove 18 an agreement within 30 days of its submission shall constitute approval.

VI. The committee may revise the proposed district agreement as it deems necessary and shall resubmit it to the attorney general. A public hearing shall be held in at least one of the participating municipalities if the agreement is substantially revised. The committee may give final approval to a proposed agreement after approval by the attorney general.

VII. The committee shall report its findings and recommendations, along with any proposed
district agreement, to the governing bodies of the participating municipalities.

53-G:3 Communications District Agreements. The business affairs and actions of a district shall
be conducted and governed pursuant to the terms, conditions, and provisions of its district
agreement. The agreement shall include but not be limited to the following:

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I. A list of the municipalities included in the district.

II. Provisions for the sharing of planning, construction, operating, and maintenance of
 equipment, infrastructure, and services, if any.

III. The method of selection and method of removal of representatives to the district

32 governing board, whether by legislative or governing bodies; the number of representatives; the 33 terms of office of the representatives; rules of procedure concerning the method of conducting the 34 board's business; and, except as provided otherwise by law, the powers, duties, and authorities of the 35 district governing board officers.

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IV. A description of equipment, infrastructure, and sites, if applicable.

Amendment to HB 1111 - Page 5 -

1 V. The terms by which other municipalities may be admitted to the district or a member 2 municipality may withdraw from the district before or after debt has been incurred.

3 VI. The method by which the district agreement may be amended including conditions 4 under which an amendment shall be approved by the governing or legislative bodies of member 5 municipalities.

6 VII. The procedure for dissolution of the communications district before or after debt has 7 been incurred.

8 VIII. Provisions for varied levels of participation by member municipalities in equipment 9 and infrastructure, if applicable.

10 IX. The procedure for the preparation and adoption of the annual budget, including the 11 apportionment of district expenses and a schedule of payments, if applicable, and other procedures 12 relative to governing the district's fiscal affairs in accordance with RSA 53-G:9.

X. The procedure, if any, for establishing the district when not all of the legislative bodies
vote to approve the district agreement, as provided in RSA 53-G:4, II.

15 XI. The funding sources that are acceptable to the district such as: federal, state, regional 16 broadband and economic development grants or loans, general obligation bonds, revenue bonds, 17 private investment or loans, subscriber fees, and member contributions.

18 53-G:4 Vote on Establishing District.

19 I. The governing bodies shall cause the question of accepting any proposed agreement to be presented for determination by vote of the respective legislative bodies. In municipalities that hold 20 town meetings, the proposed agreement shall be voted on at the next annual town meeting or at a 21 $\mathbf{22}$ special town meeting called for such purpose. In all other municipalities, the legislative bodies shall vote on the proposed agreement within 60 days of the governing bodies' receipt of the proposed 23 agreement, as approved by the attorney general under RSA 53-G:2, V. The question to be voted on 24 shall be: "Shall the (insert name of municipality) accept the provisions of RSA 53-G:1-RSA 53-G:11 25 providing for the establishment of a communications district, together with the municipalities of 26 $\mathbf{27}$ _ in accordance with the provisions of the proposed agreement filed with the (insert $\mathbf{28}$ appropriate office for governing body)?"

Approval by a legislative body shall be by simple majority. If all of the legislative bodies vote in the affirmative, the proposed communications district shall thereby be established in accordance with the terms of the proposed agreement. Otherwise, the district shall not be established, except as specified in paragraph II.

33 II. The proposed agreement may contain a provision for the establishment of the district 34 when more than one but not all of the legislative bodies vote in the affirmative. Such provision need 35 not require any additional votes by the legislative bodies in order to establish the district, but it may 36 not include in the district any municipality, the legislative body of which did not approve the 37 proposed agreement.

Amendment to HB 1111 - Page 6 -

1 53-G:5 Corporate Body; Powers. A communications district established under this chapter shall 2 be a body politic and corporate and a political subdivision and public instrumentality of the state 3 carrying out a public purpose and an essential governmental function with the following powers, 4 which are subject to the provisions and limitations of the district agreement:

I. To adopt a name and a corporate seal. The engraved or printed facsimile of the seal appearing on a bond or note of the district shall have the same legal effect as if it were impressed thereon.

8 II. To receive federal or state grants and loans, revenue from subscribers, access fees from 9 subscribers, access to broadband infrastructure bonds, revenue bonds, pledge revenues, and accept 10 member contributions or private investment.

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III. To adopt a budget in accordance with 53-G:9.

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IV. To establish and adjust fees.

13 V. To establish public/private partnerships and enter into broadband agreements with 14 Internet service providers as necessary to build and operate the network.

15 VI. To provide or contract for communications infrastructure and services for its district 16 members, including the residential and business locations located therein and provide for 17 communications infrastructure and services for such other residential and business locations as its 18 equipment, infrastructure, and obligations may allow, provided such other locations are in a 19 municipality that is contiguous with the town limits of a district member.

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VII. To cause to be operated, or contract for the construction, ownership, management. $\mathbf{21}$ financing, and operation of a communications plant for the delivery of communications services.

22 VIII. To sue and be sued, but only to the same extent and upon the same conditions that a 23 municipality may be sued.

24 IX. To hold, deal with, mortgage, pledge, encumber, purchase, acquire, lease, sell, convey, 25 and otherwise dispose of real and personal property of all kinds in furtherance of the purposes of the 26 district, subject to any and all operating agreements.

 $\mathbf{27}$ X. Each communications district shall have the power, by vote of the members, to borrow 28 money and issue its notes or bonds in accordance with RSA 33, subject to the following:

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(a) In the case of broadband infrastructure bonds, under RSA 33:3-g.

30 (b) In the case of revenue bonds, under RSA 33-B, when the board, at a regular or $\mathbf{31}$ special meeting called for such purpose, determines by resolution passed by a vote of a majority of 32members present and voting that the public interest or necessity demands communications plant 33 improvements, or a long-term contract, and that the cost of the same will be too great to be paid out of the ordinary annual income and revenue of the district, the board may pledge communications 34 35 plant net revenues and enter into long-term contracts to provide for such improvements. In this chapter, a "long term contract" means an agreement in which the district incurs direct or conditional 36 37 obligations for which the costs are too great to be paid out of the ordinary annual income and

Amendment to HB 1111 - Page 7 -

1 revenues of the district, in the judgment of the board. In this chapter, the term "communications 2 plant improvements" includes improvements that may be used for the benefit of the public, whether 3 or not publicly owned or operated. The pledge of communications plant net revenues and other 4 obligations allowed by law may be authorized for any purpose permitted by this chapter, or any 5 other applicable statutes.

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XI. To receive and disburse funds for any district purpose.

7

XII. To incur temporary debt in anticipation of revenue to be received.

8 XIII. To engage legal counsel, accountants, engineers, contractors, consultants, agents, and 9 other advisors.

10 XIV. To enter into contracts with any person consistent with the authority that a district 11 has under this chapter.

12 XV. To utilize powers delegated to the district through the district agreement by member 13 municipalities to enact bylaws and regulations concerning communications.

14 XVI. To insure against liability and other risks, and otherwise to obtain all insurance 15 deemed by the governing board to be necessary or appropriate to the district and its operations.

16 XVII. To guarantee obligations and to give indemnities to third parties, when in the best 17 interests of and for the benefit of the district.

XVIII. To make contracts, leases, or other agreements with any member municipality within 18 which equipment or infrastructure, or both, is or is to be located. Such contracts, leases, or other 19 agreements may provide for benefits, privileges, payments, or other considerations for such host 20 member municipality which, with respect to that equipment or infrastructure, or both, are different 21 from and not otherwise available to the other member municipalities. The governing body of each $\mathbf{22}$ 23 member municipality shall be given written notice of the general purposes of the long-term contract, a summary of the terms of the long-term contract, and a copy of the long-term contract within 7 days 24 25after the authorization.

26

53-G:6 Governing Board.

I. The powers, duties, and liabilities of a district shall be vested in and exercised by a 27 governing board organized in accordance with the district agreement. The governing board shall 28 authorize and govern all actions of a district, and the governing board's actions which are consistent 29 with the district agreement and this chapter are binding on member municipalities without any 30 additional action by the governing or legislative bodies of those municipalities. A majority of 31 governing board members shall constitute a quorum. A simple majority of the voting authority 32 present shall be sufficient to approve an action by the committee except as otherwise provided in the 33 district agreement. 34

35 II. The board shall choose a chairperson by ballot from its membership. It shall appoint a 36 secretary and a treasurer, who may be the same person, but who need not be members of the 37 committee, and such other officers as may be provided for in the district agreement. The treasurer shall receive and take charge of all money belonging to the district and shall pay any debt of the
district which has been approved by the committee. The treasurer may, by vote of the committee, be
compensated for his or her services. Proceedings of the committee shall be held in accordance with
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5 6 III. The committee shall send to the member municipalities, by January 31 of each year, a report on the general activities and affairs of the district, including a detailed financial report.

 $\mathbf{7}$ 53-G:7 Admission of Additional District Members. The board may authorize the inclusion of 8 additional district members in the multi-town communications district upon such terms and 9 conditions as it in its sole discretion shall deem to be fair, reasonable, and in the best interests of the 10 district. The legislative body of any nonmember municipality which desires to be admitted to the 11 district shall make application for admission to the board. The board shall determine the financial 12 and operational effects that are likely to occur if such municipality is admitted and thereafter either 13 grant or deny authority for admission of the petitioning municipality. If the board grants such 14 authority, it shall also specify any terms and conditions, including financial obligations, upon which 15 such admission is predicated. Upon resolution of the board, such applicant municipality shall 16 become a district member.

17 53-G:8 Member Withdrawal. A district member may vote to withdraw in the same manner as 18 the vote for admission to the district. If a majority of the voters of a district member present and 19 voting at a meeting duly warned for such purpose votes to withdraw from the district, the vote shall be certified by the clerk of that municipality and presented to the board. Thereafter, the board shall 20 21 give notice to the remaining district members of the vote to withdraw and shall hold a meeting to determine if it is in the best interest of the district to continue to exist. Representatives of the $\mathbf{22}$ 23 district members shall be given an opportunity to be heard at such meeting together with any other 24 interested persons. After such a meeting, the board may declare the district dissolved or it may 25 declare that the district shall continue to exist despite the withdrawal of such member. The 26 membership of the withdrawing municipality shall terminate after the vote to withdraw.

53-G:9 Adoption of Budget. Annually, the governing board shall determine the amounts necessary to be raised to maintain and operate the district during the next calendar year, and the amounts required for payment of debt and interest incurred by the district that will be due in the next year. The committee shall prepare a budget no later than December 31. The committee shall give at least 7 days' notice of the budget hearing by publication of the budget in a newspaper of general circulation within the district, and by posting a copy of the budget in a public place in each municipality in the district. After the hearing the committee shall adopt a budget.

53-G:10 Audits. The governing board shall hire a certified public accountant or a public accountant licensed by the state under RSA 309-B:5 to conduct a financial audit, in accordance with generally accepted governmental auditing standards as adopted by the United States General Accounting Office and applicable state statutes, to be completed within 6 months after the close of

Amendment to HB 1111 - Page 9 -

each fiscal year. Upon completion of an audit, the governing board shall review and vote on 1 2 acceptance of the audit and send a copy of the audited financial statements, the auditor's opinion on those statements, a report on internal control, a report on compliance, and any other auditor reports 3 to the governing body of each of the member municipalities and to the department of revenue 4 administration. At least every 2 years, the governing board shall vote on whether to contract for a 5 performance audit of the district in accordance with the generally accepted governmental auditing 6 Upon completion of a performance audit, the committee shall review and vote on 7 standards. acceptance of the audit and send a copy of the resulting materials to the governing body of each of 8 the member municipalities and to the department of revenue administration. - 9

10 53-G:11 Severability. If any portion of this chapter or the application thereof to any person or 11 circumstances is held invalid, such invalidity shall not affect other provisions or applications of the 12 chapter which can be given effect without the invalid provisions or applications, and to this end the 13 provisions of this chapter are severable.

14 hb111

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15 8 Effective Date.

- I. Sections 1-3 of this act shall take effect 60 days after its passage.
- 17 II. The remainder of this act shall take effect upon its passage.

Amendment to HB 1111 - Page 10 -

2020-1479s

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AMENDED ANALYSIS

This bill allows municipalities to determine locations within the municipality unserved by a broadband provider. This bill also provides for the establishment of communication districts.

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Committee Minutes

SENATE CALENDAR NOTICE **Election Law and Municipal Affairs**

Sen Melanie Levesque, Chair Sen Tom Sherman, Vice Chair Sen Jon Morgan, Member Sen Regina Birdsell, Member Sen James Gray, Member

Date: June 5, 2020

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HEARINGS

Thursday (Day) Election Law and Municipal Affairs (Name of Committee)			06/11/2020 (Date)	
			(Place)	(Time)
			1:00 p.m.	HB 1111
1:05 p.m.		commission to s	oosed Amendment #1339s, t tudy the removal of unused upment, lines, and cables to	utility poles following the
1:35 p.m.	· HB 1129	· relative to notic	e requirements for certain m	nunicipal public hearings.
1:40 p.m.			oosed Amendment #1352s, t ents for certain municipal p	

Committee members will receive secure Zoom invitations via email.

Members of the public may attend using the following links:

1. To sign-in and/or speak in support or opposition, please register in advance by using this link: https://www.zoom.us/webinar/register/WN_UHPWI_mSR4q7lP_4RClwXA

2. To submit your testimony to the committee, please send all documents via email to remotesenate@leg.state.nh.us

3. To listen via telephone: Dial(for higher quality, dial a number based on your current location): 1-301-715-8592, or 1-312-626-6799 or 1-929-205-6099, or 1-253-215-8782, or 1-346-248-7799, or 1-669-900-

6833

4. Or iPhone one-tap: 13126266799,,93941719223# or +19292056099,,93941719223#

5. Webinar ID: <u>939 4171 9223</u>

6. To view/listen to this hearing on YouTube, use this link:

https://www.youtube.com/channel/UCjBZdtrjRnQdmg-2MPMiWrA

The following email will be monitored throughout the meeting by someone who can assist with and alert the committee to any technical issues: remotesenate@leg.state.nh.us or call (603-271-3043).

EXECUTIVE SESSION MAY FOLLOW

<u>Sponsors</u> : HB 1111			
Rep. Grote	Rep. K. Murray	Rep. Cannon	Rep. Woodcock
Sen. Sherman HB 1111			
Rep. Grote	Rep. K. Murray	Rep. Cannon	Rep. Woodcock
Sen. Sherman	. ,	• •	
HB 1129 Rep. Coursin	Rep. Barnes	Rep. Ladd	Rep. Gilman
Rep. Dutzy	Kep. Builles	Rop, Eudo	rop. onnian
HB 1129	Der Derre	Den Iedd	Den Ollman
Rep. Coursin Rep. Dutzy	Rep. Barnes	Rep. Ladd	Rep. Gilman

Tricia Melillo 271-3077

<u>Melanie Levesque</u> Chairman

Senate Election Law and Municipal Affairs Committee Tricia Melillo 271-3077

HB 1111, establishing a commission to study the removal of unused utility poles following the transition of equipment, lines, and cables to new utility poles

Hearing Date: June 11, 2020

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Members of the Committee Present: Senators Levesque, Sherman, Morgan, Birdsell and Gray

Members of the Committee Absent : None

Bill Analysis: This bill allows municipalities to determine locations within the municipality unserved by a broadband provider. This bill also provides for the establishment of communication districts.

Sponsors:		
Rep. Grote	Rep. K. Murray	Rep. Cannon
Rep. Woodcock	Sen. Sherman	

Who supports the bill: Senator Jay Kahn, Representative Dave Luneau Kir Harris, Kathleen Lord, Dana Pinney

Who opposes the bill: Maura Weston

Who is neutral on the bill: Nick Norman, Chris Rand, Newton Kershaw III, Mike Bunie, Ray Tetu

Summary of testimony presented in support:

Senator Birdsell introduced the bill for Representative Grote

• This bill establishes a commission to study the removal of unused utility poles following the transition of equipment, lines, and cables to new utility poles.

Summary of testimony presented in opposition: None

Neutral Information Presented: None

TJM

Date Hearing Report completed: June 12, 2020

Senate Election Law and Municipal Affairs Committee Tricia Melillo 271-3077

Amendment 2020-1339s, relative to municipal broadband infrastructure bonds and establishing communications districts.

Hearing Date: June 11, 2020

Members of the Committee Present: Senators Levesque, Sherman, Morgan, Birdsell and Gray

Members of the Committee Absent : None

Bill Analysis: This bill allows municipalities to determine locations within the municipality unserved by a broadband provider. This bill also provides for the establishment of communication districts.

Sponsors:		
Rep. Grote	Rep. K. Murray	Rep. Cannon
Rep. Woodcock	Sen. Sherman	_

Who supports the bill: Senator Jay Kahn, Senator Jeanne Dietsch, Representative Dave Luneau, Kir Harris, Kathleen Lord, Ellen Scarponi, Dana Pinney

Who opposes the bill: Maura Weston

Who is neutral on the bill: Nick Norman, Newton Kershaw III, Chris Rand, Mike Bunie, Ray Tetu

Summary of testimony presented in support:

Senator Jay Kahn

- This committee heard three bills related to broadband expansion in February.
- Since then, six additional towns have voted to raise funds for the expansion of broadband.
- There were two amendments to those bills and the committee asked if they could meet with stakeholders to negotiate and the result is this amendment.
- The changes are minimal and mostly in section two of this amendment.
- This section addresses the matter of responsiveness to the RFIs that the towns issue and that the failure to respond should not prohibit the towns from going forward with expansion.
- One change that he requests be made by the committee is in section two and roman numeral IV.
- The language refers to RSA 541-A and that was not the original intent.
- On behalf of all the stakeholders he proposed new language that will correct the error.
- The reason for the model request for information is that if you are a provider, you are not sure what information you need to provide to the town. A model RFI will create a consistent process easier for providers to respond to.
- Senator Levesque asked what happens if a town wants to sever the relationship with the district after the costs have been agreed on and construction started.
 - Senator Kahn replied that Senator Dietsch would be able to answer that as it relates to the communication districts section.
- Senator Gray asked for clarification of where Senator Kahn would the language changed.
 - After discussion it was confirmed that the language change Senator Kahn suggested should go on his amendment #1339s, page 2, line 5, roman IV and is a replace all.

Senator Jeanne Dietsch

- She is speaking to the telecommunications district portion of the amendment.
- This legislation will allow towns to combine and raise money, they can bond or borrow as they choose, for broadband expansion.
- The process is similar to a sewer district.
- The purpose is to let them share resources so that they can fund broadband that they could not fund on their own.
- It is up to the municipalities that combine to make the rules for severing the relationship.
- By getting broadband to rural towns it makes the houses in those town more valuable.
- Broadband impacts the economy, in business, in schooling and it impacts housing and people's ability to live and work in NH.
- This is a bipartisan bill with many stakeholders coming together for the benefit of those who still do not have broadband.

Summary of testimony presented in opposition:

Maura Weston – NE Cable and Telecommunications Association

- In New Hampshire, their members are Atlantic Broadband, Charter and Comcast.
- NECTA members are very much committed to expanding internet access to individuals and families who need it most, including low income families and those now taking classes at home.
- They have gone to great lengths to support those needs by providing 60 days of free broadband and opening up numerous Wi Fi hot spots.
- For years, their industry has had low income internet programs and with that commitment in mind they offer remarks today.
- They appreciated working with Senators Kahn and Bradley and the stakeholders on the negotiated amendment coming out of SB 559 and SB 459.
- Senator Kahn's suggested change gets them closer to what they negotiated.
- They would still like the inclusion of the provider list that was to be maintained by the EA (?) to facilitate the RFI process and engage providers.
- In the second portion of the bill, relative to communication districts, NECTA believes that allowing towns to pool resources does not alleviate density issues nor make un-viable places, viable.
- As drafted, this amendment allows one type of provider which is a government owned and operated one.
- In the language of the amendment it does not require that communications districts serve the places that are unserved.
- They believe the focus should be on serving the areas that are unserved.
- The history of government owned networks is riddled with inefficiencies and failures.
- Some supports have said that they could work with private providers, but the way this is drafted, the intent is clear that this is to facilitate districts that own and operate their own networks.
- They feel that the approach included in this does not reflect the reality of current broadband deployment or the economics of building broadband to sparsely populated areas.
- NECTA members face competition everywhere they serve and embrace it, but a government sanctioned competitor is a different story.
- She hopes that the committee will recognize that communication districts are not the solution to expanding broadband.
- Senator Levesque asked where she sees in the legislation that providers like NECTA are not allowed to participate.
 - Ms. Weston replied that they see that communication districts, the way they are planned in this bill are meant to be owners and operators of competitive systems. She added that they have long supported public/private partnerships, but they believe that this bill allows for overbuilding and allows communication districts to access taxpayer dollars

and other types of funding. This brings a government owned network into the competitive marketplace and it is not a level playing field.

- Senator Levesque asked if she is saying they are not able to compete.
 - Ms. Weston replied that is not what she is saying. They like competition but government owned networks have significant advantages by being able to use taxpayer dollars. They think it is risky and is not the best approach for New Hampshire.
- Senator Dietsch replying to Ms. Weston's objections stated that the purpose of this amendment is to let towns combine, not to run a network, but in order to create a separate district, much like a sewer district. The bonds that come out of the district do not go back to the municipalities. This plan is based on a model that Carol Monroe has used extensively and successfully in VT. The process is that a group of investors or a group of towns get a grant for initial funding. This entity is run as if it is a separate corporation, whose purpose is to expand broadband into the most rural areas. Once it becomes successful and the revenues are flowing in, it puts together a business plan and a payback plan and then it joins the revenue market, not the municipal market. This has been proven successful. The districts in Vermont have been very successful and have received very good revenue. It is possible for them to use non-taxable bonds, like SB 170 but it never goes back to the town. If the entity fails, the infrastructure itself would be the asset for the bonds, the town is not guaranteeing the bonds. In no way will the communications district be operating their own network they will contract with a provider.
 - Ms. Weston replied that 53G: 5 clearly allows the municipalities to own and operate the communication district and stated that the problem they are trying to solve is reaching the unserved and no where is there a requirement that these communication districts serve the unserved.

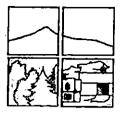
Neutral Information Presented:

Chris Rand - President, NH Telephone Association

- They take no position as a whole on the amendment but there are parts of it that they do not understand.
- There was a section removed that dealt with a central location for all the data.
- He believes HB 1111 will slow down the progress made with SB 170.
- Decisions for these districts have to go before the town and most do not have their meetings until the spring.
- It is his understanding that the money from the Cares Act needs to be used by the end of the year, so he does not see how it is possible to spend those dollars on this.
- Some of their members feel this amendment may have unintended consequences.
- Senator Levesque asked if he saw in the amendment that it states that towns may call a special meeting for this purpose.
 - o Mr. Rand stated that he did not see that.
- Senator Levesque stated she wanted to point out that it is not a roadblock because towns have the ability to meet sooner, and a lot of towns want to meet on this and actually have broadband committees.

TJM Date Hearing Report completed: June 12, 2020

Testimony



Southwest Region Planning Commission 37 Ashuelot Street, Keene, NH 03431 603-357-0557 Voice 603-357-7440 Fax

June 8, 2020

The Honorable Melanie Levesque, Chair Senate Election Law and Municipal Affairs Committee Legislative Office Building, Room 102 Concord, NH 03301

RE: Amendment 1339s to HB 1111

Dear Chairman Levesque and Members of the Committee:

Please accept this correspondence as an update to my previous letter dated June 2, 2020 on SBs 457, 459 and 559. I am writing on behalf of the Monadnock Broadband Group (MBG) in reference to Amendment 1339s to HB 1111. MBG serves as an informal coalition of municipal officials, practitioners and other stakeholders with interest in understanding and coordinating relative to broadband issues in Southwest NH. Southwest Region Planning Commission provides logistical support to MBG in conducting meetings and related activities, and through this correspondence, we attempt to capture MBG's sentiments. MBG has reviewed and discussed these bills during recent meetings and believe they have merit for reasons indicated below.

Establishing communications districts

- Enabling legislation for the formation of communication districts could facilitate the coordination of effective multi-municipal broadband design solutions in NH, particularly in rural areas.
- There are number of towns which have begun moving forward with individual solutions such as the use of municipal bonding to attract/support a provider. However, other communities are still looking for a solution to broadband connectivity and communications districts would provide one more opportunity for doing so.
- If broadband deployment happens on a town-by-town basis, it will likely take many years before the state achieves universal service if it does at all.
- Communication districts can increase competitiveness in a market by creating another option.
- Rural communities will benefit from aggregating their demand precisely what communications districts will allow for.
- Neighboring states have more options for improving broadband connectivity than NH and communication districts are sometimes a part of the picture; from a competitive standpoint, it's important for NH to keep pace.

- NH is ready for communication districts; municipal administrators and funders (like the NH Municipal Bond Bank) are already familiar with the mechanics (including the organizational structure and funding) of multi-municipal water and sewer systems.
- MBG members are already talking with neighboring communities about the broadband issues they have in common and communication districts will add to the strategies available in working together toward effective solutions.

<u>Relative to determining access to broadband/Relative to municipal broadband infrastructure</u> <u>bonds</u>

• It is understood that some providers are less responsive to requests for information which can leave municipalities in an awkward position. Clarity on the relationship between nonresponsiveness on the part of a provider relative to an area being served or unserved will prove beneficial to municipalities.

Thank you for this opportunity to provide comment. Please contact me if you have questions.

Sincerely,

Henry Underwood GIS Specialist/Planner

Tricia Melillo

From:	Margaret Byrnes <mbyrnes@nhmunicipal.org></mbyrnes@nhmunicipal.org>
Sent:	Wednesday, June 10, 2020 5:01 PM
To:	Alan Raff; Melanie Levesque; Regina Birdsell; James Gray; Tom Sherman; Jon Morgan
Cc:	Tricia Melillo; Jeanne Dietsch
Subject:	NHMA Testimony: HB 1111 (SB 457)
Importance:	High

Dear Chairperson Levesque and Members of the Senate Election Law and Municipal Affairs Committee:

I am writing to express the New Hampshire Municipal Association's support for SB 457 as amended, which is now contained in HB 1111.

As I testified to at the hearing on SB 457 on March 9, rural and small municipalities are struggling with providing broadband access. This bill, which NHMA helped draft along with Senator Dietsch and other stakeholders, would allow regional cooperation to improve access to broadband, by authorizing two or more municipalities to form a communications district.

In working with stakeholders to draft this legislation, we considered whether towns could use already existing RSA Chapter 53-A, which allows political subdivisions to form intergovernmental agreements. However, the primary reason municipalities would want to form a district is to have the option to acquire bonds and to accept grants, particularly federal funds that can assist in startup costs. In order to do this, the municipalities would need to be recognized as a properly formed district (i.e., a political subdivision). Current law does not provide municipalities this option, underscoring the importance of passing HB 1111 (SB 457).

There are significant safeguards in the legislation to ensure that the district is formed with careful thought and authorization of the voters/legislative body in each municipality. In a nutshell, the process begins with the formation of a planning committee to research the necessity and efficacy of forming a communications district. If the committee recommends that a district be formed, a proposed communications district plan must be created and then filed with and approved by the attorney general. Only then does the question of forming the district go to the voters of the respective municipalities. Additionally, if the district wishes to acquire general obligation bonds to fund some or all of the communication districts infrastructure construction or other projects, the bonds would need to be approved by the legislative bodies of the municipalities in the district.

In multiple areas of the state, municipalities have already been exploring options for improving broadband and access. Many would be ready to proceed with formation of a district as soon as this legislation is effective. Because town meeting/legislative body votes are necessary to form the district, delaying this bill until next year's legislative session would put these efforts on hold. The COVID-19 pandemic has only underscored the need for access to broadband and technology, so we urge the committee to vote to recommend Ought to Pass on HB 1111.

I am happy to answer any questions the committee may have. Thank you for your consideration.

Margaret

Margaret M.L. Byrnes Executive Director <u>NH Municipal Association</u> 25 Triangle Park Drive June 11, 2020

To: Senators of the Election Law and Municipal Affairs Committee

From: Carole D Monroe, Municipal Broadband Outreach, ValleyNet Inc. Board Chair; Dublin Select Board member and Dublin Broadband Committee.

RE: Amendment 1339s to House Bill SB 1111 – Provides for the establishment of Communication Districts and Correction to broadband infrastructure bonding legislation.

My name is Carole Monroe. I am the Chair of the Board of ValleyNet. ValleyNet is the Construction management and operations company of East Central Vermont Telecommunications District, better known as ECFiber. ECFiber is a district of 27 towns in east-central Vermont. The region is very rural from the base of the Green Mountains to the Connecticut River not unlike many of the unserved areas of New Hampshire. This organization began in 2011 and became a District in 2016. It has built out over 1,100 miles of network and has in excess of 4500 customers. It has been cash flow positive and EBITDA positive since 2015.

This Amendment to House Bill 1111 will allow for the establishment of communication districts in the State of New Hampshire. Access to powerful broadband is necessary to retain and attract residents and businesses. As a result of the State quarantine efforts for COVID-19 it has become abundantly clear that our rural area are grossly underserved. Many of our rural towns, standing on their own, lack the resources and population to attract infrastructure suppliers and service providers. A Communication District enables two or more towns to bond together to aggregate demand. A mix of rural and more densely populated towns create the needed critical mass to attract providers and funders. The District approach is an inclusive approach, where the smallest, most rural towns, those with the most need, can be served, leaving no town behind.

The amendment to HB-1111 lays out a practical approach for the formation of a Communication District beginning with a committee structure. The Committee studies the need for a District and drafts the proposed agreement with ample opportunity for Town input and approval and for the approval by the Office of the Attorney General. After the establishment of a District, the District will be in a position to examine the various broadband infrastructure and operating models to determine one that best fits the needs of the District. The Committee will also review and recommend funding opportunities available to build network infrastructure bringing universal broadband to the member towns.

Those involved in investment instruments, municipal revenue bonding, and municipal general obligation bonds are familiar with the "district" approach having provided funding to water, solid waste, and sewer districts in our communities. The Communication District process and the language in HB-1111 closely resembles those RSAs that govern other types of municipal districts.

This amendment to HB-1111 is enabling legislation. Providing broadband to the many New Hampshire unserved regions is essential for economic growth and stability. If we address this issue one town at a time it will take years to remedy the situation. A district approach to providing universal access will accelerate the process. A Communication District is one more tool in the toolbox to move broadband access in the rural areas of our State into the 21st century.

This amendment also strengthens the language in the municipal bond legislation regarding requiring carriers to respond to a municipalities Request for Information (RFI) as to where the carrier provides broadband access in excess of 25 Mbps Down and 3 Mbps up (the FCC standard for broadband). This information is important so that new infrastructure can be built in unserved areas and avoid those areas already served.

I encourage you to vote for this legislation.

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If you have any questions, please feel free to email me at <u>carole.monroe@Valley.net</u> or call 603-831-4909.

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First Name	Last Name	Role	Action on [B]11113	Action on Amendment to HB
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Jay	EKahn 3	Elected Official	Support not	Support and
			speaking	speaking
Elliott	Berry	Lobbyist/Advocate	Viewing/Listening	Viewing/Listening
			only	only
Nick	Norman	Lobbyist/Advocate	Neutral not	Neutral not speaking
			speaking	
Elissa	Margolin	Lobbyist/Advocate	Viewing/Listening	Viewing/Listening
	_		only	only
Kir	Harris	Member of the	Support not	Support not speaking
		public	speaking	
Chris.	Randa	Member of the	Neutral not	Neutral and speaking
		public	speaking	
Matt	Menning	Member of the	Viewing/Listening	Viewing/Listening
		public	only	only
Kathleen	Lord	Member of the	Support not	Support not speaking
		public	speaking	
Cordell	Johnston	Lobbyist/Advocate	Viewing/Listening	Viewing/Listening
!			only	only
Maurana	Weston	Lobbyist/Advocate	Oppose and	Oppose and speaking
			speaking	
Chris	Schleyer	Member of the	Viewing/Listening	Viewing/Listening
		public	only	only
Newton	Kershaw III	Member of the	Neutral not	Neutral not speaking
		public	speaking	
Matthew	Vlangas	Member of the	Viewing/Listening	Viewing/Listening
		public	only	only
Carol	Miller	Staff member of	Viewing/Listening	Viewing/Listening
		another NH	only	only
		agency		
Ellen	Scarponi	Lobbyist/Advocate	Viewing/Listening	Support not speaking
			only	
Kimberly	Heald	Member of the	Viewing/Listening	Viewing/Listening
· ·		public	only	only
Mike	Bunie	Member of the	Neutral not	Neutral not speaking
		public	speaking	
ТАММУ	TETU	Member of the	Viewing/Listening	Viewing/Listening
		public	only	only
Dana	Pinney	Member of the	Support not	Support not speaking
		public	speaking	
Ray	Tetu	Member of the	Neutral not	Neutral not speaking
,		public	speaking	
Dave	Luneau	Elected Official	Support not	Support not speaking
0010			speaking]

First Name	Last Name	Role	Action on HB 1111	Action on Amendment to HE 1111
leanne	Qietsch 👂	Elected Official	Viewing/Listening only	Support and speaking
Molly	Lynch	Staff member of another NH agency	Viewing/Listening only	Viewing/Listening only
Diane	Martin	Staff member of another NH agency	Viewing/Listening only	Viewing/Listening only
Michael	Ortlieb			
John	Tuthill			

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Voting Sheets

Senate Election Law & Municipal Affairs Committee EXECUTIVE SESSION RECORD 2020 Session

			Bill# HB [11]
Hearing date: $\frac{1}{2}$			
Executive Session date:	/11/20		
Motion of:	OTP		Vote:
Committee Member Sen. Levesque, Chair Sen. Sherman, Vice Chair Sen. Morgan Sen. Birdsell Sen. Gray	Present	Made by	Second Yes No
Motion of: A	3395		Vote:5-O
Committee Member Sen. Levesque, Chair Sen. Sherman, Vice Chair Sen. Morgan Sen. Birdsell Sen. Gray	Present	Made by	Second Yes No
Motion of:(O+P/	Ά	Vote:5-0
Committee Member Sen. Levesque, Chair Sen. Sherman, Vice Chair Sen. Morgan Sen. Birdsell Sen. Gray	Present	Made by	Second Yes No
Reported out by: <u>Sen</u> Notes: <u>JK</u> <u>Amend</u>	. heu	esqu	Le la
Notes: <u>JK_Amend</u>	New	lange	age
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Committee Report

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STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Thursday, June 11, 2020

THE COMMITTEE ON Election Law and Municipal Affairs

to which was referred HB 1111

AN ACT establishing a commission to study the removal of unused utility poles following the transition of equipment, lines, and cables to new utility poles

Having considered the same, the committee recommends that the Bill

OUGHT TO PASS WITH AMENDMENT

BY A VOTE OF: 5-0

AMENDMENT # 1479s

Senator Melanie Levesque For the Committee

Tricia Melillo 271-3077

General Court of New Hampshire - Bill Status System

Docket of HB1111

Docket Abbreviations

Bill Title: (Second New Title) relative to municipal broadband infrastructure bonds and establishing communications districts.

Official Docket of HB1111.:

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20	•	Bill_Status
		issues: remotesenate@leg.state.nh.us or call (603-271-3043). SC 22
6/11/2020	S	Committee Report: Ought to Pass with Amendment #2020-1479s , 06/16/2020; SC 23
6/16/2020	S	Committee Amendment #2020-1479s , AA, VV; 06/16/2020; SJ 8
6/16/2020	· S	Ought to Pass with Amendment 2020-1479s, RC 24Y-0N, MA; OT3rdg; 06/16/2020; SJ 8
6/30/2020	Н	House Concurs with Senate Amendment (Rep. Carson): MA DV 248-6-06/30/2020
7/9/2020	S	Enrolled Bill Amendment #2020-1628e Adopted, VV, (In recess of 06/29/2020); SJ 9
7/10/2020	н	Enrolled Bill Amendment #2020-1628: AA VV 06/30/2020
7/16/2020	S	Enrolled (In recess 06/29/2020); SJ 9
7/16/2020	Н	Enrolied 06/30/2020 HJ 10
7/22/2020	Н	Signed by Governor Sununu 07/22/2020; Chapter 28; I. Sec 1-3 Eff: 9/20/2020 II. Rem. Eff: 7/22/2020

NH House

NH Senate

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Other Referrals

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	Senate Inventory Checklist for Archives
Bill Nu	mber: <u>HB 1111</u> Senate Committee: <u>EIMA</u>
	nclude all documents in the order listed below and indicate the documents which have been I with an "X" beside
X	Final docket found on Bill Status
Bill He	aring Documents: {Legislative Aides}
\boldsymbol{X}	Bill version as it came to the committee
<u>k</u> k k k	All Calendar Notices
$\underline{\lambda}$	Hearing Sign-up sheet(s)
\mathbf{X}	Prepared testimony, presentations, & other submissions handed in at the public hearing
X	Hearing Report
N/A	Revised/Amended Fiscal Notes provided by the Senate Clerk's Office
Comm	ittee Action Documents; {Legislative Aides}
All ame	ndments considered in committee (including those not adopted):
·	<u>X</u> - amendment # <u>13395</u> amendment #
	<u>X</u> - amendment # <u>1479</u> amendment #
X	Executive Session Sheet
\mathbf{X}	Committee Report
Floor.	Action Documents: {Clerk's Office}
All floo	r amendments considered by the body during session (only if they are offered to the senate):
	• amendment # amendment #
	amendment # amendment #
Post F	loor Action: (if applicable) {Clerk's Office}
	Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):
4	Enrolled Bill Amendment(s) 1628EBA
	Governor's Veto Message
<u>All av</u>	uilable versions of the bill: {Clerk's Office}
	$\cancel{\cancel{\times}}$ as amended by the senate $\cancel{\cancel{\times}}$ as amended by the house $\cancel{\cancel{\times}}$ final version
Comp	eted Committee Report File Delivered to the Senate Clerk's Office By:
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Comm	ittee Aide Date

Senate Clerk's Office <u>A</u>

July 7, 2020 2020-1628-EBA 11/01

Enrolled Bill Amendment to HB 1111

The Committee on Enrolled Bills to which was referred HB 1111

AN ACT relative to municipal broadband infrastructure bonds and establishing communications districts.

Having considered the same, report the same with the following amendment, and the recommendation that the bill as amended ought to pass.

FOR THE COMMITTEE

Explanation to Enrolled Bill Amendment to HB 1111

This enrolled bill amendment makes a technical correction.

Enrolled Bill Amendment to HB 1111

Amend RSA 33:3-g, I as inserted by section 1 of the bill by replacing it with the following:

I. A municipality or communications district formed under RSA 53-G may issue bonds for the purpose of financing the development, construction, reconstruction, *renovation*, [and] improvement, and acquisition of broadband infrastructure in any locations within a municipality unserved by broadband as defined in RSA 38:38, I(c). Without limiting the foregoing, broadband infrastructure may be the subject of public-private partnerships established in accordance with the provisions of RSA 33:3.