

2024 Regular Session

HOUSE BILL NO. 700

BY REPRESENTATIVES DESHOTEL AND KNOX

UTILITIES: Provides relative to broadband

1 AN ACT

2 To amend and reenact R.S. 51:2370.32 and to enact R.S. 51:1363.1(A)(7) and 2370.33(E),  
3 Subpart C of Part VI-C of Chapter 39 of Title 51 of the Louisiana Revised Statutes  
4 of 1950, to be comprised of R.S. 51:2370.41, and Subpart D of Part VI-C of Chapter  
5 39 of Title 51 of the Louisiana Revised Statutes of 1950, to be comprised of R.S.  
6 51:2370.51, relative to broadband; to provide data for the office of broadband and  
7 connectivity; to provide for reimbursement for grantees; to provide for failure to  
8 perform protocols; to provide for the "Granting Unserved Municipalities Broadband  
9 Opportunities 3.0" program; to provide for the "Granting Unserved Municipalities  
10 Broadband Opportunities 4.0" program; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 51:2370.32 is hereby amended and reenacted and R.S.  
13 51:1361.1(A)(7) and 2370.33(E), Subpart C of Part VI-C of Chapter 39 of Title 51 of the  
14 Louisiana Revised Statutes of 1950, comprised of R.S. 51:2370.41, and Subpart D of Part  
15 VI-C of Chapter 39 of Title 51 of the Louisiana Revised Statutes of 1950, comprised of R.S.  
16 51:2370.51, are hereby enacted to read as follows:

17 §1363.1. Mapping areas for broadband service

18 A.

19 \* \* \*

20 (7) To expedite the construction of broadband projects throughout this state,  
21 the office has the authority to collect data from GUMBO 2.0, GUMBO 3.0, and

1 GUMBO 4.0 winners on the location of new broadband and existing utility  
 2 infrastructure. Data shall be provided to the office in a manner identified to all  
 3 participants, and may include but not be limited to water, sewer, gas, and voice and  
 4 data services.

5 \* \* \*

6 §2370.32. Reimbursement for grantees

7 ~~Reimbursements of eligible costs shall be made by percentage of total project~~  
 8 ~~costs expended: ten percent, thirty-five percent, sixty percent, eighty-five percent,~~  
 9 ~~and the final fifteen percent payment shall not be paid without an approved~~  
 10 ~~completion report. Invoice for final payment shall be submitted within ninety days~~  
 11 ~~of a completion date. All invoices are subject to audit for three years from the~~  
 12 ~~completion date.~~ GUMBO 2.0 awards will be made on a fixed-award subgrant basis,  
 13 following all requirements of NTIA's modifications to the Uniform Guidance as  
 14 provided by final rule, with an initial ten percent disbursement made upon final grant  
 15 issuance. The next ten percent of the subgrant award shall be provided based on  
 16 provider certification and the office's verification that ten percent of the eligible  
 17 locations have been reached. The remaining disbursements shall be given at the  
 18 thresholds of completion of thirty-five percent, sixty percent, eighty-five percent, and  
 19 the final one hundred percent provided only after verification of one hundred percent  
 20 deployment to eligible locations, all within the mandatory forty-eight months  
 21 maximum deployment timeline or another shorter timeline certified by the applicant.  
 22 The office will only disburse funds for completed deployments that comply with the  
 23 terms included in the successful application and will withhold funds for failure to do  
 24 so.

25 §2370.33. Failure to perform

26 \* \* \*

27 E. Any GUMBO 2.0 subgrantee also subject to deployment obligations  
 28 elsewhere in this state, including from programs such as the Rural Digital  
 29 Opportunity Fund, the Enhanced Alternative Connect America Model, the Rural

1        Development Broadband ReConnect Program, or any other similar program included  
2        in the BEAD deduplication process, shall make an enforceable commitment as part  
3        of its GUMBO 2.0 subgrant agreement not to default or otherwise fail to fulfill any  
4        such deployment obligation in this state. The penalty for breach of this commitment  
5        shall be, as reimbursement for funding that could have been awarded but for other  
6        federal program funding, payment to the state in the amount equal to the total  
7        investment cost of all defaulted locations, as measured by the Eligible Entity tool  
8        provided to the state by NTIA.

9        SUBPART C. GRANTING UNSERVED MUNICIPALITIES BROADBAND

10                                    OPPORTUNITIES 3.0

11        §2370.41. GUMBO 3.0

12                    In the event there are remaining GUMBO 2.0 funds after the obligation of  
13        infrastructure funds, the office shall run a grant program, nondeployment, that will  
14        allow eligible parties that shall include but are not limited to state agencies,  
15        nonprofits, for-profits, academic institutions, and planning commissions to utilize  
16        these funds to help address challenges in economic development, workforce  
17        development, healthcare, cybersecurity, agriculture, and other sectors and industries  
18        of importance to the state of Louisiana, as determined by approval of Volume 2 of  
19        Initial Proposal from the office and the Infrastructure and Jobs Act, or IJJA, the  
20        Broadband Equity, Access, and Deployment, or BEAD, Program, and the Notice of  
21        Funding Opportunity, or NOFO, with an obligation deadline of these funds to be  
22        completed no later than December 12, 2024. This program will be designated as  
23        "Granting Unserved Municipalities Broadband Opportunities 3.0" and the office  
24        shall have the authority to create appropriate rules and scoring criteria.

25        SUBPART D. GRANTING UNSERVED MUNICIPALITIES BROADBAND

26                                    OPPORTUNITIES 4.0

27        §2370.51. GUMBO 4.0

28                    The office shall have the authority to develop the rules, scoring criteria, and  
29        eligibility in the execution of the State's First Digital Opportunity Plan, pending

1        approval from the National Telecommunications and Information Administration,  
 2        a Sub-Agency of the United States Department of Commerce. Eligible parties shall  
 3        include but not be limited to state agencies, nonprofits, for-profits, academic  
 4        institutions, and planning commissions. This program will be designated as  
 5        "Granting Unserved Municipalities Broadband Opportunities 4.0".

6        Section 2. The funds for GUMBO 2.0 outlined in Subsection E of R.S. 51:2370.33  
 7 as enacted by Section 1 of this Act are to be obligated by December 12, 2024 and spent by  
 8 December 31, 2028.

9        Section 3. The funds for GUMBO 3.0 outlined in R.S. 51:2370.41 as enacted by  
 10 Section 1 of this Act are to be obligated by December 12, 2024 and to be spent by December  
 11 31, 2028.

12        Section 4. The funds for GUMBO 4.0 outlined in R.S. 51:2370.51 as enacted by  
 13 Section 1 of this Act are to be spent by March 1, 2029.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 700 Engrossed

2024 Regular Session

Deshotel

**Abstract:** Provides relative to broadband.

Present law provides for the mapping areas for broadband service.

Proposed law adds that to expedite the construction of broadband projects throughout this state, the office of broadband and connectivity (office) has the authority to collect data from GUMBO 2.0, GUMBO 3.0, and GUMBO 4.0 winners on the location of new broadband and existing utility infrastructure. Data shall be provided to the office in a manner identified to all participants, and may include but not be limited to water, sewer, gas, and voice and data services.

Present law provides that reimbursements of eligible costs shall be made by percentage of total project costs expended: 10%, 35%, 60%, 85%, and the final 15% payment shall not be paid without an approved completion report. Invoice for final payment shall be submitted within 90 days of a completion date. All invoices are subject to audit for three years from the completion date.

Proposed law deletes present law and adds that GUMBO 2.0 awards will be made on a fixed-award subgrant basis, following all requirements of NTIA's modifications to the Uniform Guidance as provided by final rule, with an initial 10% disbursement made upon final grant issuance. The next 10% of the subgrant award shall be provided based on provider certification and the office's verification that ten percent of the eligible locations have been reached. The remaining disbursements shall be given at the thresholds of

completion of 35%, 60%, 85%, and the final 100% provided only after verification of 100% deployment to eligible locations, all within the mandatory 48 months maximum deployment timeline or another shorter timeline certified by the applicant.

Proposed law provides that the office will only disburse funds for completed deployments that comply with the terms included in the successful application and will withhold funds for failure to do so.

Present law provides for if a grant recipient fails to perform.

Proposed law adds that any GUMBO 2.0 subgrantee also subject to deployment obligations elsewhere in this state, including from programs such as the Rural Digital Opportunity Fund, the Enhanced Alternative Connect America Model, the Rural Development Broadband ReConnect Program, or any other similar program included in the BEAD deduplication process, must make an enforceable commitment as part of its GUMBO 2.0 subgrant agreement not to default or otherwise fail to fulfill any such deployment obligation in this state.

Proposed law provides that the penalty for breach of this commitment shall be, as reimbursement for funding that could have been awarded but for other federal program funding, payment to the state in the amount equal to the total investment cost of all defaulted locations, as measured by the Eligible Entity tool provided to the state by NTIA.

Proposed law provides that in the event there are remaining GUMBO 2.0 funds after the obligation of infrastructure funds, the office shall run a grant program, non-deployment, that will allow eligible parties that include but are not limited to state agencies, non-profits, for-profits, academic institutions, and planning commissions to utilize these funds to help address challenges in economic development, workforce development, healthcare, cybersecurity, agriculture, and other sectors and industries of importance to the state of Louisiana, as determined by approval of Volume 2 of Initial Proposal from the office and the IJA, the BEAD Program, and the NOFO, with an obligation deadline of these funds to be completed no later than Dec. 12, 2024. This program will be designated as "Granting Unserved Municipalities Broadband Opportunities 3.0" and the office will receive the authority to create appropriate rules and scoring criteria.

Proposed law provides that the office shall have the authority to develop the rules, scoring criteria, and eligibility in the execution of the State's First Digital Opportunity Plan, pending approval from the National Telecommunications and Information Administration, a Sub-Agency of the United States Department of Commerce. Eligible parties shall include but not be limited to state agencies, nonprofits, for-profits, academic institutions, and planning commissions. This program will be designated as "Granting Unserved Municipalities Broadband Opportunities 4.0".

The funds for GUMBO 2.0 outlined in proposed law are to be obligated by Dec. 12, 2024 and spent by Dec. 31, 2028.

The funds for GUMBO 3.0 outlined in proposed law are to be obligated by Dec. 12, 2024 and to be spent by Dec. 31, 2028.

The funds for GUMBO 4.0 outlined in proposed law are to be spent by March 1, 2029.

(Amends R.S. 51:2370.32; Adds R.S. 51:1363.1(A)(7), 2370.33(E), 2370.41, and 2370.51)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Make technical changes.
2. Add that the office of broadband and connectivity has the authority to collect data from GUMBO 2.0, GUMBO 3.0, and GUMBO 4.0 winners on the location of new broadband and existing utility infrastructure.
3. Add that eligible parties for GUMBO 4.0 shall include but not be limited to state agencies, nonprofits, for-profits, academic institutions, and planning commissions.