

# MAINE STATE LEGISLATURE

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# 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

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Legislative Document

No. 140

H.P. 98

House of Representatives, January 19, 2017

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**An Act To Authorize a General Fund Bond Issue To Support  
Entrepreneurial Activity, Attract Business and Enhance  
Demographic In-migration by Investing in High-speed Broadband  
Infrastructure and To Amend the Law Governing the Municipal  
Gigabit Broadband Network Access Fund**

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Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

Handwritten signature of Robert B. Hunt in cursive.

ROBERT B. HUNT  
Clerk

Presented by Representative HIGGINS of Dover-Foxcroft.  
Cosponsored by Senator BELLOWS of Kennebec and  
Representatives: BERRY of Bowdoinham, FOLEY of Wells, GROHMAN of Biddeford,  
McCREA of Fort Fairfield, STEWART of Presque Isle, Senators: DION of Cumberland,  
MAKER of Washington, WOODSOME of York.

1 **Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in  
2 accordance with the Constitution of Maine, Article IX, Section 14 to authorize the  
3 issuance of bonds on behalf of the State of Maine to provide funds as described in this  
4 Act,

5 **Be it enacted by the People of the State of Maine as follows:**

6 **PART A**

7 **Sec. A-1. Authorization of bonds.** The Treasurer of State is authorized, under  
8 the direction of the Governor, to issue bonds in the name and on behalf of the State in an  
9 amount not exceeding \$10,000,000 for the purposes described in section 5 of this Part.  
10 The bonds are a pledge of the full faith and credit of the State. The bonds may not run for  
11 a period longer than 10 years from the date of the original issue of the bonds.

12 **Sec. A-2. Records of bonds issued; Treasurer of State.** The Treasurer of  
13 State shall ensure that an account of each bond is kept showing the number of the bond,  
14 the name of the successful bidder to whom sold, the amount received for the bond, the  
15 date of sale and the date when payable.

16 **Sec. A-3. Sale; how negotiated; proceeds appropriated.** The Treasurer of  
17 State may negotiate the sale of the bonds by direction of the Governor, but no bond may  
18 be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the  
19 bonds, which must be held by the Treasurer of State and paid by the Treasurer of State  
20 upon warrants drawn by the State Controller, are appropriated solely for the purposes set  
21 forth in this Part. Any unencumbered balances remaining at the completion of the project  
22 in this Part lapse to the Office of the Treasurer of State to be used for the retirement of  
23 general obligation bonds.

24 **Sec. A-4. Interest and debt retirement.** The Treasurer of State shall pay  
25 interest due or accruing on any bonds issued under this Part and all sums coming due for  
26 payment of bonds at maturity.

27 **Sec. A-5. Disbursement of bond proceeds from General Fund bond issue.**  
28 The proceeds of the sale of the bonds authorized under this Part must be expended as  
29 designated in the following schedule under the direction and supervision of the agencies  
30 and entities set forth in this section.

31  
32 **CONNECTME AUTHORITY**

33 Provides funds to the Municipal Gigabit Broadband Network Access Fund to be used  
34 for grants to municipalities for high-speed broadband infrastructure development and  
35 improvement.

36 Total \$10,000,000



1 9211-A. Such grants must be used solely for open-access nondiscriminatory broadband  
2 infrastructure in unserved or underserved areas. A grant applicant may include a proposal  
3 that uses a public-private partnership arrangement with an existing Internet service  
4 provider.

5 **Sec. B-2. Contingent effective date.** This Part takes effect only if the General  
6 Fund bond issue proposed in Part A of this Act is approved by the voters of this State.

7 **PART C**

8 **Sec. C-1. 35-A MRSA §9211-A, sub-§4,** as enacted by PL 2015, c. 323, §1, is  
9 amended to read:

10 **4. Implementation grants.** To the extent funds are available, the authority shall  
11 award implementation grants to achieve the purpose of the fund as described in  
12 subsection 3 as follows.

13 A. An implementation grant to an applicant may not exceed \$200,000 for each  
14 municipality served by an eligible project selected for funding.

15 B. An implementation grant may be awarded only to an applicant that has  
16 demonstrated to the satisfaction of the authority that it has ~~participated in a~~ met the  
17 planning grant process as requirements described in ~~subsections~~ subsection 5,  
18 paragraph B and subsections 6 and 7.

19 C. Municipalities selected for funding must be required to provide a 25% cash  
20 match. Municipalities selected for funding that have satisfied paragraph B without  
21 planning grant funding from the authority may deduct the equivalent of municipal  
22 funds expended for the purpose of broadband infrastructure planning from the 25%  
23 cash match requirement.

24 **Sec. C-2. 35-A MRSA §9211-A, sub-§6, ¶¶D and E,** as enacted by PL 2015,  
25 c. 323, §1, are amended to read:

26 D. One or more potential network designs, cost estimates, operating models and  
27 potential business models, based on input from broadband providers operating within  
28 the municipality, municipalities or region and any other parties that submit a network  
29 design solution, to address any broadband gaps identified in the analysis described in  
30 paragraph C; ~~and~~

31 E. An assessment of all existing municipal procedures, policies, rules and ordinances  
32 that may have the effect of delaying or increasing the cost of broadband infrastructure  
33 deployment; ~~and~~

34 **Sec. C-3. 35-A MRSA §9211-A, sub-§6, ¶F** is enacted to read:

35 F. A summary of how the network will be built, operated and maintained once  
36 implemented, including a postconstruction plan generally describing the intended  
37 continued operation and maintenance of the newly built infrastructure.

38 **Sec. C-4. Contingent effective date.** This Part takes effect only if the General  
39 Fund bond issue proposed in Part A of this Act is approved by the voters of this State.

## SUMMARY

1  
2 Part A of this bill authorizes a General Fund bond issue, in the amount of  
3 \$10,000,000, to be allocated to the Municipal Gigabit Broadband Network Access Fund  
4 and distributed by the ConnectME Authority through implementation grants in order to  
5 expand high-speed broadband Internet infrastructure in unserved and underserved areas.

6 Part B of the bill limits the use of the funds under Part A to implementation grants  
7 awarded from the Municipal Gigabit Broadband Network Access Fund and requires the  
8 grants to be expended on open-access nondiscriminatory broadband infrastructure in  
9 unserved or underserved areas.

10 Part C of the bill amends the laws establishing the Municipal Gigabit Broadband  
11 Network Access Fund to require planning grant applicants to plan for postconstruction  
12 operation and maintenance. Part C clarifies that a municipality may be eligible for  
13 ConnectME Authority implementation grant funds without relying on planning grant  
14 funds from the authority if the municipality meets certain statutory planning  
15 requirements. Part C also clarifies that municipally financed planning expenditures may  
16 be deducted from the 25% cash match requirement of the implementation grant. The  
17 changes made in Part C are contingent on the ratification of the bond issue in Part A by  
18 the voters of the State.