



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 4288 (Substitute H-4 as reported with amendment)
Sponsor: Representative Michele Hoytenga
House Committee: Communications and Technology
Ways and Means
Senate Committee: Energy and Technology

CONTENT

The bill would enact the "Broadband Expansion Act of Michigan" to do the following:

- Require Department of Technology, Management, and Budget (DTMB) to implement the Broadband Expansion Act of Michigan Grant Program, within 60 days after receiving an appropriation or Federal funding to do so.
- Require the DTMB to use money from the grant program to award grants for projects that extended broadband service into unserved areas in the State and for administration costs.
- Prohibit the DTMB from awarding money to a governmental entity or educational institution, to own, purchase, construct, or operate a communications network.
- Prohibit an applicant from receiving a grant for the same project or geographic area for which the applicant had obtained Federal, State, or local government funding.
- Limit an award to not more than \$5.0 million for any one project or applicant.
- Require an award to be issued by a competitive grant process that would have to be technology neutral and result in awards based on the criteria specified in the Act.
- Prioritize funding projects that demonstrated collaboration to achieve community investment and economic development goals of the affected area, among other things.
- Require an applicant for a grant to provide specified information, such as location of the project and the kind and amount of broadband infrastructure to be purchased.
- Require the DTMB to make grant award recommendations and specify criteria that the DTMB would have to prioritize in making the recommendations.
- Require the DTMB to establish a comment period of at least 60 days after the date of the award recommendations were published.
- Prescribe semiannual reporting requirements for an applicant that received a grant.

The bill is tie-barred to House Bill 4268.

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill would have a negative fiscal impact on the DTMB and no fiscal impact on local units of government. The Conference Report for fiscal year 2020-21 includes the language of House Bill 4288 and provides one-time \$14,305,000 General Fund/General Purpose for the Connecting Michigan Communities Broadband Grant Program. The DTMB estimates that personnel and contractual support related to the Program would cost approximately \$385,000 per year. The Program would require additional appropriations after the existing funds were spent on grants and administration.

Date Completed: 10-1-20

Fiscal Analyst: Elizabeth Raczkowski

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Bill Analysis @ www.senate.michigan.gov/sfa

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