WEST VIRGINIA LEGISLATURE

2019 REGULAR SESSION

Introduced

House Bill 3050

FISCAL
NOTE

BY DELEGATES HANSHAW (MR. SPEAKER), MILEY,

HOWELL, HOUSEHOLDER, PACK, BOGGS, HAMRICK,

STORCH, WILSON AND BYRD

[Introduced February 12, 2019; Referred

to the Committee on the Judiciary.]

1   A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,

2   designated §11-13EE-1, §11-13EE-2, §11-13EE-3, §11-13EE-4, and §11-13EE-5, all

3   relating to establishing the West Virginia Municipal Broadband Expansion Act; providing

4   legislative findings and purpose; defining terms; providing rule-making authority; providing

5   for customer tax rebate and tax credit incentives; setting standards for service providers;

6   and establishing equipment value.

Be it enacted by the Legislature of West Virginia:

ARTICLE 13EE. WEST VIRGINIA MUNICIPAL BROADBAND EXPANSION ACT.

§11-13EE-1. Short Title.

1   This article may be cited as the "West Virginia Municipal Broadband Expansion Act".

§11-13EE-2. Legislative Findings and Purpose.

1   The Legislature finds that the encouragement of new investment in broadband

2   connectivity in this state is in the public interest and promotes the general welfare of the people

3   of this state.

§11-13EE-3. Definitions.

1   For the purposes of this article:

2   (1) "1G" means one gigabit per second download speed or greater;

3   (2) "10G" means 10 gigabits per second download speed or greater;

4   (3) "Council" means the West Virginia Broadband Enhancement Council as established

5   pursuant to §31G-1-3 of this code;

6   (4) "Municipality" is a word of art and shall mean and include any Class I, Class II and

7   Class III city and any Class IV town or village, heretofore or hereafter incorporated as a municipal

8   corporation under the laws of this state;

9   (5) "Qualifying Service" means service to all of the residences and public and private

10   entities within a municipality with either 1G or 10G service, and uptime of at least 99 percent per

11   year, all as determined and verified by the Council; and

12   (6) "Salvage value" means five percent of original cost.

11-13EE-4. Standards.

1   (a) The Council shall establish by legislative rule pursuant to §29A-3-1 *et seq.* of this code,

2 an application and criteria, consistent with the provisions of this article, by which a broadband

3 service provider may apply to provide qualifying service to a municipality. The Council shall

4 identify the first applicant to meet the criteria per municipality to which the provisions of this article

5 shall apply.

6   (b) Applicants selected by the Council for Class I municipalities shall provide qualifying

7 service rated at 10G. The sales and use tax paid by customers for qualifying service which meets

8 the speed rating in the municipality shall be rebated to the provider in an amount equal to 50

9 percent of the sales and use tax paid for a period of five years commencing on January 1 of the

10 year following verification by the Council for those sales made to customers within the municipality

11 for which the qualifying service applies: *Provided*, That the service offered meets the requirements

12 for qualifying service.

13   (c) Applicants selected by the Council for Class II municipalities shall provide qualifying

14 service rated at 10G. The sales and use tax paid by the customers for qualifying service which

15 meets the speed rating in the municipality shall be rebated to the provider in full for a period of

16 five years commencing on January 1 of the year following verification by the Council for those

17 sales made to customers within the municipality for which the qualifying service applies: *Provided*,

18 That the service offered meets the requirements for qualifying service.

19   (d) Applicants selected by the Council for Class III municipalities shall provide qualifying

20 service rated at 1G. The sales and use tax paid by the customers for qualifying service which

21 meets the speed rating in the municipality, shall be rebated to the provider in full for a period of

22 five years commencing on January 1 of the year following verification by the Council for those

23 sales made to customers within the municipality for which the qualifying service applies: *Provided*,

24 That the service offered meets the requirements for qualifying service: *Provided, however,* That

25   if the provider provides qualifying service rated at 10G, the provider shall also be entitled to a tax

26   credit equal to the amount of the sales and use taxes collected.

27   (e) Applicants selected by the Council for Class IV municipalities shall provide qualifying

28   service rated at 1G. The sales and use tax paid by the customers for qualifying service which

29   meets the speed rating in the municipality, the provider is entitled to a tax credit equal to the

30   amount of the sales and use tax collected, and the sales and use tax shall also be rebated to the

31   provider in full for a period of 10 years commencing on January 1 of the year following verification

32   by the Council for those sales made to customers within the municipality for which the qualifying

33   service applies: *Provided,* That the service offered meets the requirements for qualifying service:

34   *Provided, however,* That if the provider provides qualifying service rated at 10G, the provider shall

35   also be entitled to the tax rebate and to extend the tax credit for a period of 10 additional years.

§11-13EE-5. Connection Equipment.

1   Headend, terminal, and interconnection equipment owned, maintained, or leased by a

2   service provider selected by the Council under the provisions of this article shall be valued at

3   salvage value.

NOTE: The purpose of this bill is to establish the West Virginia Municipal Broadband Expansion Act to encourage new investment in broadband capabilities in this state.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.