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4

A Bill

HOUSE BILL 1918

5 By: Representative Hawks
6

For An Act To Be Entitled

8 AN ACT TO CREATE BROADBAND IMPROVEMENT DISTRICTS; AND
9 FOR OTHER PURPOSES.

Subtitle

12 TO CREATE BROADBAND IMPROVEMENT
13 DISTRICTS.
14

15
16
17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
18

19 SECTION 1. Arkansas Code Title 14, Chapter 88, Subchapter 2, is
20 amended to add an additional section to read as follows:

21 14-88-213. Broadband internet service.

22 (a) A municipal improvement district may enter into a partnership as
23 provided by § 14-96-201 et seq. to:

24 (1) Contract for, or provide, promote, and support broadband
25 internet service through, a public-private partnership under § 14-96-201 et
26 seq.; and

27 (2) Finance public capital facilities or projects that include
28 broadband internet service.

29 (b) A municipal improvement district in existence on and after January
30 1, 2021, may conduct any of the activities under subsection (a) of this
31 section using the notice and voting procedures under § 14-88-203.
32

33 SECTION 2. Arkansas Code § 14-92-219, concerning the purposes for
34 which a suburban improvement district may be organized, is amended to add an
35 additional subdivision to read as follows:

36 (12)(A) To enter into a partnership as provided by § 14-96-201



1 et seq. to do the following:

2 (i) Contract for, or provide, promote, and support
 3 broadband internet service through, a public-private partnership under § 14-
 4 96-201 et seq.; and

5 (ii) Finance public capital facilities or projects
 6 that include broadband internet service.

7 (B) A suburban improvement district created after March
 8 16, 1981, and in existence on and after January 1, 2021, may conduct any of
 9 the activities under subdivision (12)(A) of this section using the notice and
 10 voting procedures for the creation of a suburban improvement district under
 11 this subchapter.

12 (C) A suburban improvement district created before March
 13 16, 1981, may conduct any of the activities under subdivision (12)(A) of this
 14 section using the notice and voting procedures for the creation of a suburban
 15 improvement district that were used before March 16, 1981.

16
 17 SECTION 3. Arkansas Code § 14-93-110, concerning the reasons for which
 18 a property owners' improvement district is organized, is amended to add an
 19 additional subdivision to read as follows:

20 (9)(A) To enter into a partnership as provided by § 14-96-201 et
 21 seq. to do the following:

22 (i) Contract for, or provide, promote, and support
 23 broadband internet service through, a public-private partnership under § 14-
 24 96-201 et seq.; and

25 (ii) Finance public capital facilities or projects
 26 that include broadband internet service.

27 (B) A district in existence on and after January 1, 2021,
 28 may conduct any of the activities under subdivision (9)(A) of this section
 29 using the notice and voting procedures for the creation of a district under
 30 this chapter.

31
 32 SECTION 4. Arkansas Code § 14-94-105, concerning the purposes for
 33 which a municipal property owners' improvement district is organized, is
 34 amended to add an additional subsection to read as follows:

35 (f)(1) A district may enter into a partnership as provided by § 14-96-
 36 201 et seq. to:

1 (A) Contract for, or provide, promote, and support
 2 broadband internet service through, a public-private partnership under § 14-
 3 96-201 et seq.; and

4 (B) Finance public capital facilities or projects that
 5 include broadband internet service.

6 (2) A district in existence on and after January 1, 2021, may
 7 conduct any of the activities under subdivision (f)(1) of this section using
 8 the notice and voting procedures under this chapter.

9
 10 SECTION 5. Arkansas Code Title 14, is amended to add an additional
 11 chapter to read as follows:

12 CHAPTER 96

13
 14 BROADBAND IMPROVEMENT DISTRICTS

15
 16 Subchapter 1 – General Provisions

17 [Reserved.]

18
 19 Subchapter 2 – Broadband Improvement Districts Generally

20
 21 14-96-201. Definitions.

22 As used in this subchapter:

23 (1) “Broadband improvement district” means an improvement
 24 district established for the purpose of providing or aiding in the
 25 development and maintenance of broadband internet service and deemed a
 26 special-purpose unit of local government under 41 C.F.R. § 105-50.001-4;

27 (2) “Broadband internet service” means the provision of
 28 regulated or nonregulated connectivity to a high-speed, high-capacity
 29 transmission medium that can carry signals from multiple independent network
 30 carriers over electric power lines, communication lines, antennas, and
 31 related facilities, whether above or below ground;

32 (3) “Broadband system” means the infrastructure, materials,
 33 equipment, and other facilities installed to facilitate the provision of
 34 broadband internet service;

35 (4) “Party” means:

36 (A) A municipal improvement district formed under § 14-88-

1 201 et seq.;

2 (B) A suburban improvement district formed under § 14-92-

3 201 et seq.;

4 (C) A property owners' improvement district formed under
 5 the Property Owners' Improvement District Law, § 14-93-101 et seq.;

6 (D) A municipal property owners' improvement district
 7 formed under the Municipal Property Owner's Improvement District Law, § 14-
 8 94-101 et seq.;

9 (E) A horizontal property regime or property owners'
 10 association formed under the Horizontal Property Act, § 18-13-101 et seq.; or

11 (F) A rural development authority formed under the Rural
 12 Development Authority Act, § 14-188-101 et seq.;

13 (5) "Private actor" means a cooperative, corporation, general
 14 partnership, limited liability company, limited partnership, joint
 15 venture, business trust, public benefit corporation, nonprofit entity, or
 16 other private business entity that is experienced in the construction,
 17 financing, implementation, maintenance, or operation of the facilities to be
 18 acquired or constructed; and

19 (6) "Public-private partnership" means a partnership between a
 20 party and a private actor.

21
 22 14-96-202. Establishment of broadband improvement district – Powers
 23 and duties.

24 (a) Without limiting the powers, privileges, or authority that may be
 25 jointly or cooperatively exercised under current law, any party may enter
 26 into an agreement with a private actor as provided by this subchapter to
 27 establish a broadband improvement district to:

28 (1) Contract for, or provide, promote, and support broadband
 29 internet service through, a public-private partnership under this subchapter;
 30 and

31 (2) Finance public capital facilities or projects that include
 32 broadband internet service.

33 (b) A broadband improvement district:

34 (1)(A) May enter into a negotiated agreement with a private
 35 actor in which the private actor will construct, finance, implement,
 36 maintain, and operate a broadband system necessary to provide broadband

1 internet service and will provide the broadband internet service.

2 (B) Upon entering an agreement under subdivision (b)(1)(A)
3 of this section, the private actor shall be responsible for:

4 (i) The construction, financing, implementation, and
5 operation of the broadband system;

6 (ii) The maintenance, repair, renewal, relocation,
7 or removal of broadband system infrastructure, materials, equipment, and
8 other facilities installed to facilitate the provision of broadband internet
9 service;

10 (iii) Additional installation or construction of new
11 broadband system infrastructure, materials, equipment, and other facilities
12 necessary to ensure the continuance of providing broadband internet service;

13 (iv) The maintenance, repair, renewal, relocation,
14 renovation, or removal of any existing public capital facilities or projects
15 that include broadband internet service;

16 (v) The additional installation or construction of
17 public capital facilities or projects necessary to ensure the continuance of
18 providing broadband internet service;

19 (vi) Providing high speed and high capacity
20 broadband internet service;

21 (vii) Responding to requests from broadband internet
22 service customers; and

23 (viii) Maintaining the quality of the infrastructure
24 and equipment that is provided and owned by the private actor;

25 (2) May finance a broadband system necessary to provide
26 broadband internet service through a public-private partnership as provided
27 by this subchapter if a private actor is the entity providing the broadband
28 internet service;

29 (3) May engage in negotiations with a private actor before,
30 during, and after construction, financing, and implementation of the
31 broadband system and while broadband internet service is being provided in
32 the area; and

33 (4) May receive federal, state, county, or municipal funding
34 through grants, transfers, appropriations, and other legal forms of payment
35 to accomplish the purposes of this section.

36 (c) A party may receive federal, state, county, or municipal funding

1 through grants, transfers, appropriations, and other legal forms of payment
 2 to accomplish the purposes of this section.

3 (d) A party in existence on and after January 1, 2021, may conduct any
 4 of the activities in this section using the notice and voting procedures that
 5 are necessary to create the party under the law applicable to that party.

6 (e) Without limiting the powers, privileges, or authority that may be
 7 jointly or cooperatively exercised under current law, a party may enter into
 8 a partnership agreement with a governmental entity experienced in the
 9 provision of broadband services upon such terms and conditions as the parties
 10 may agree to:

11 (1) Contract for, or provide, promote, and support broadband
 12 internet service; and

13 (2) Finance public capital facilities or projects that include
 14 broadband internet service.

15 (f) A partnership under this section may include a municipality as an
 16 additional party.

17
 18 SECTION 6. Arkansas Code § 14-188-109, concerning the powers and
 19 responsibilities of a rural development authority, is amended to add an
 20 additional subdivision to read as follows:

21 (9)(A) To enter into a partnership as provided by § 14-96-201 et
 22 seq. to do the following:

23 (i) Contract for, or provide, promote, and support
 24 broadband internet service through, a public-private partnership under § 14-
 25 96-201 et seq.; and

26 (ii) Finance public capital facilities or projects
 27 that include broadband internet service.

28 (B) A rural development authority in existence on and
 29 after January 1, 2021, may conduct any of the activities under subdivision
 30 (9)(A) of this section using the notice and voting procedures for the
 31 creation of a rural development authority under this chapter.

32
 33 SECTION 7. Arkansas Code § 14-217-103(7), concerning the definition of
 34 a consolidated utility system, is amended to read as follows:

35 (7) “Consolidated utility system”, “consolidated system”, or
 36 “system” means any system of public utilities together with any facilities

1 related to or necessary or appropriate to the construction, operation, or
 2 maintenance ~~consisting~~ of any two (2) or more of the following if
 3 consolidated or combined:

4 (A) ~~A combined water system and sewer system; or~~

5 (B) A sewer system;

6 (C) ~~An electric system consolidated or combined with a~~
 7 ~~water system or with a sewer system; or~~

8 (D) A broadband system;

9
 10 SECTION 8. Arkansas Code § 14-217-103, concerning definitions, is
 11 amended to add additional subdivisions to read as follows:

12 (18) “Broadband system” means the infrastructure, materials,
 13 equipment, and other facilities installed to facilitate the provision of
 14 broadband internet service; and

15 (19) “Broadband internet service” means the provision of
 16 regulated or nonregulated connectivity to a high-speed, high-capacity
 17 transmission medium that can carry signals from multiple independent network
 18 carriers over electric power lines and related facilities, whether above or
 19 below ground.

20
 21 SECTION 9. Arkansas Code § 18-13-108, concerning the administration
 22 and bylaws of a horizontal property regime, is amended to add an additional
 23 subsection to read as follows:

24 (c)(1) A horizontal property regime may enter into a partnership as
 25 provided by § 14-96-201 et seq. to:

26 (A) Contract for, or provide, promote, and support
 27 broadband internet service through, a public-private partnership under § 14-
 28 96-201 et seq.; and

29 (B) Finance public capital facilities or projects that
 30 include broadband internet service.

31 (2) A horizontal property regime in existence on and after
 32 January 1, 2021, may conduct any of the activities in subdivision (c)(1) of
 33 this section using the procedures to adopt decisions under the bylaws of the
 34 horizontal property regime.