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2 93rd General Assembly  
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4

As Engrossed: H4/19/21

# A Bill

HOUSE BILL 1924

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

10 TO CREATE BROADBAND IMPROVEMENT  
11 DISTRICTS.  
12

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
14  
15

16 SECTION 1. Arkansas Code Title 14, Chapter 88, Subchapter 2, is  
17 amended to add an additional section to read as follows:  
18

19 14-88-213. Broadband internet service.

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

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

24 (2) Finance public capital facilities or projects that include  
25 broadband internet service.

26 (b) A municipal improvement district in existence on and after January  
27 1, 2021, may conduct any of the activities under subsection (a) of this  
28 section using the notice and voting procedures under § 14-88-203.  
29

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

34 (12)(A) To enter into a partnership as provided by § 14-96-201  
35 et seq. to do the following:  
36



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

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

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

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

15  
16 SECTION 3. Arkansas Code § 14-93-110, concerning the reasons for which  
17 a property owners' improvement district is organized, is amended to add an  
18 additional subdivision to read as follows:

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

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

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

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

30  
31 SECTION 4. Arkansas Code § 14-94-105, concerning the purposes for  
32 which a municipal property owners' improvement district is organized, is  
33 amended to add an additional subsection to read as follows:

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

36 (A) Contract for, or provide, promote, and support

1 broadband internet service through, a partnership under § 14-96-201 et seq.;  
2 and

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

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

8  
9 SECTION 5. Arkansas Code Title 14, is amended to add an additional  
10 chapter to read as follows:

11 CHAPTER 96

12  
13 BROADBAND IMPROVEMENT DISTRICTS

14  
15 Subchapter 1 – General Provisions

16 [Reserved.]

17  
18 Subchapter 2 – Broadband Improvement Districts Generally

19  
20 14-96-201. Definitions.

21 As used in this subchapter:

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

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

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

34 (4) “Party” means:

35 (A) A municipal improvement district formed under § 14-88-  
36 201 et seq.;

1 (B) A suburban improvement district formed under § 14-92-  
2 201 et seq.;

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

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

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

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

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

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

20  
21 14-96-202. Establishment of broadband improvement district – Powers  
22 and duties.

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

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

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

32 (b) A broadband improvement district:

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

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

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

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

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

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

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

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

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

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

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

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

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

35                   (c) A party may receive federal, state, county, or municipal funding  
36 through grants, transfers, appropriations, and other legal forms of payment

1 to accomplish the purposes of this section.

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

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

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

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

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

16  
17 SECTION 6. Arkansas Code § 14-188-109, concerning the powers and  
18 responsibilities of a rural development authority, 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 partnership under § 14-96-201 et seq.;  
24 and

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

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

31  
32 SECTION 7. Arkansas Code § 14-217-103(7), concerning the definition of  
33 a consolidated utility system, is amended to read as follows:

34 (7) "Consolidated utility system", "consolidated system", or  
35 "system" means any system of public utilities together with any facilities  
36 related to or necessary or appropriate to the construction, operation, or

1 maintenance ~~consisting~~ of an electric system and any two (2) or more of the  
2 following if consolidated or combined:

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

4 (B) A sewer system; or

5 (C) A broadband system;

6  
7 SECTION 8. Arkansas Code § 14-217-103, concerning definitions, is  
8 amended to add additional subdivisions to read as follows:

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

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

17  
18 SECTION 9. Arkansas Code § 18-13-108, concerning the administration  
19 and bylaws of a horizontal property regime, is amended to add an additional  
20 subsection to read as follows:

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

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

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

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

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33  
34 /s/Hawks