This Bill Analysis reflects the contents of the bill as it was presented in committee.

HOUSE BILL 68: BRIGHT Futures Act.

2017-2018 General Assembly

Committee:	House Energy and Public Utilities. If favorable, re-refer to Commerce and Job Development	**Date:**	April 10, 2017
Introduced by:	Reps. Szoka, Saine, S. Martin, Brenden Jones	**Prepared by:**	Erika Churchill Staff Attorney
Analysis of:	PCS to First Edition H68-CSST-6		

OVERVIEW: The proposed committee substitute for House Bill 68 would:

- ***Clarify that cities may lease components of a wired or wireless network that are part of a public enterprise operated by the city;***
- ***Clearly establish that counties may construct and operate a communications network for internal governmental purposes;***
- ***Establish that counties and cities may lease components of a wired or wireless network, for a lease term of up to 25 years;***
- ***Establish that public-private partnerships may include capital improvement projects that include construction of components of a wired or wireless network in conjunction with or part of another construction project undertaken by a city or county;***
- ***Clarify that Rural Economic Development grants may be used for the purpose of constructing digital infrastructure needed to support components of a wired or wireless network;***
- ***Establishes several reporting requirements of various agencies.***

[As introduced, this bill was identical to S65, as introduced by Sen. Meredith, which is currently in Senate Rules and Operations of the Senate.]

CURRENT LAW AND BILL ANALYSIS:

- **COUNTIES AND CITIES AND COMMUNICATIONS NETWORKS.**

Generally, cities and counties may own and operate those services authorized by the General Assembly for cities and counties to provide. Cities are currently authorized to provide cable TV services as a public enterprise, and to provide communications services, within certain constraints. Exempt from these is the city owning and providing communications service for the city's internal governmental purposes.

Counties and cities generally dispose of real and personal property in accordance with the procedures established by Article 12 of Chapter 160A. Subject to certain limitations, a county or city can dispose of real or personal property belonging to the county or city by:

- Private negotiation and sale
- Advertisement for sealed bids
- Negotiated offer, advertisement, and upset bid
- Public auction
- Exchange with another unit of local government

With respect to the sale, lease or discontinuance of certain city-owned public enterprise, such as cable TV or gas systems, the city is required to hold a vote of the people prior to disposal of the property. With water systems, in particular, a vote of people may be held but is not required.

Section 1 would allow a unit of local government, when leasing property that is a component of a wired or wireless network, including property of a public enterprise, to do so for a term up to 25 years without treating the lease as a sale of the property under Article 12 of Chapter 160A of the General Statutes.
Section 2 would specify that a city leasing a component of a wired or wireless network within a public enterprise is not subject to the requirement of a vote of people prior to leasing the property of the public enterprise.
Section 3(a) would clarify that counties have the authority to own and provide communications service for the city's internal governmental purposes.
Section 3(b) would amend the statutory authority to enter into public-private partnerships to authorize cities and counties to undertake capital improvement projects for the benefit of a city or county that includes construction of components of a wired or wireless network in conjunction with, or part of, another construction project.

➢ **USES OF RURAL ECONOMIC DEVELOPMENT FUNDS.**

Currently, the Rural Economic Development Division administers economic development grants or loans awarded by the Rural Infrastructure Authority to units of local government to be used in specified programs. Part 2 of Article 10 of Chapter 143B.

Section 4 would specifically authorize funds from these grants or loans to also be used to construct the digital infrastructure needed to support components of a wired or wireless network for the provision of communications services to promote economic development.

➢ **ADDITIONAL REPORTING.**

Sections 5-8 establish additional reporting requirements of various agencies, as set out below, with respect to BRIGHT markets. BRIGHT markets are defined to mean broadband, retail online services, the internet of things, the power grid, health care, and training and education market segments.

- North Carolina Board of Science, Technology, and Innovation. Directs the Board to annually report on the impact that technology and innovation in the BRIGHT markets is having on economic growth and development in the State, including recommendations for increasing that impact, to the Governor, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division, the Secretary of Commerce, and certain nonprofits with which the Department of Commerce contracts.
- State Board of Community Colleges. Directs the Board to include in its annual report to the Joint Legislative Education Oversight Committee an assessment of how the Customized Training Program has been used to support companies in BRIGHT Market segments, including

recommendations on how efforts can be expanded or aligned with non-degree certification programs to increase employment in jobs in the NCWorks Online system.

- Direct the NCWorks Commission, in administering the "No Adult Left Behind" Initiative, to submit an annual report regarding BRIGHT Market segments to the Governor and Chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Chairs of the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division.
- Requires the Department of Commerce to supplement certain reports with additional evaluations and recommendations relating to BRIGHT Market segments.

EFFECTIVE DATE: July 1, 2017, and applies to contracts entered into on or after that date.