



# HOUSE BILL 197: Broadband Changes/DIT.

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

2023-2024 General Assembly

<b>Committee:</b>	House Energy and Public Utilities. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	June 27, 2023
<b>Introduced by:</b>	Rep. Johnson	<b>Prepared by:</b>	Matthew Meinig Staff Attorney
<b>Analysis of:</b>	PCS to Second Edition H197-CSMQa-4		

**OVERVIEW:** *The Proposed Committee Substitute for House Bill 197 would make various changes to the laws that relate to broadband deployment and the Department of Information Technology.*

**CURRENT LAW:** Section 38.5 of S.L. 2021-180, as subsequently amended, provides for grant funding for internet service providers, local government entities, and nonprofits for the provision and installation of infrastructure for the provision of broadband service to underserved households in this State.

Section 38.4 of S.L. 2021-180, as subsequently amended, appropriates and outlines use guidelines for grant funding through the Department of Information Technology for broadband infrastructure, and authorizes the use of a portion of certain funds for planning and administration of proposals and applications for funding or grants under federal programs, whereas other funds received under those programs remain unexpended until appropriated by the General Assembly.

G.S. 143B-1337 establishes the Information Technology Strategy Board (Board). The Board is made up of 13 members and is chaired by the State Chief Information Officer. The Board is responsible for advising the State CIO on information technology policies and procedures with regard to the State Information Technology Plan and assists in establishing parameters for information technology project planning and management for State information technology projects.

**BILL ANALYSIS:** Section 1.1 of the PCS would amend Section 38.5 of S.L. 2021-180, as subsequently amended, to add unserved and underserved businesses, State facilities, and community anchor institutions within the stated purpose for grant funding.

Section 1.2 of the PCS would amend Section 38.4 of S.L. 2021-180, as subsequently amended, to clarify that any Digital Equity planning funds may be used for the purpose of administration and proposals for federal funding and grant applications and would reduce the allowable amount of federal funds the Department of Information Technology may use for planning and administration.

Section 2.1 of the PCS would make changes to the Information Technology Strategy Board (Board) in G.S. 143B-1337, by making the chair of the Board elected for a one-year term from a majority vote of its members. The State Chief Information Officer and employees of the Department of Information Technology would not be eligible to serve as chair. Language is also added to clarify that the Board's powers and duties do not extend to broadband mapping or other broadband programs administered by the Department.

Section 3.1 of the PCS would direct the Department of Information Technology to develop a formal challenge process for broadband grant programs administered by the Department that would conform and

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not conflict with published federal regulations and guidelines for broadband grants issued from federal funding. The Department of Information Technology is directed to report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the challenge process no later than December 1, 2023.

**EFFECTIVE DATE:** This act would become effective when it becomes law.

*\* Howard Marsilio, counsel to the House Committee on State Government, substantially contributed to this summary.*