AN ACT relating to broadband service.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 154.15-010 is amended to read as follows:

As used in this subchapter:

(1) "Authority" means the Kentucky Communications Network Authority;

(2) "Board" means the Board of the Kentucky Communications Network Authority;

(3) "Broadband service" means any wireline or fixed wireless technology having a capacity to transmit data from or to the Internet with a minimum speed of twenty-five (25) megabits per second downstream and three (3) megabits per second upstream;

(4) "Eligible entity" means any nonpublic entity authorized to provide broadband service in Kentucky;

(5) "Executive director" means the executive director of the Kentucky Communications Network Authority;

(6) "Network" or "KentuckyWired" means the Commonwealth's open-access broadband network;

(7) "Partnership" means the public-private partnership entered into between the Commonwealth and a private entity or entities for the purpose of creating, running, and maintaining the network;

(8) "Unserved area" means a geographical area without access to broadband service on the effective date of this Act or any time thereafter; and

(9) "Wholesale network access" means any lease or sale of excess network capacity by the authority or any entity in partnership with the authority to any public or private entity.

Section 2. KRS 154.15-020 is amended to read as follows:

(1) The Kentucky Communications Network Authority is established and shall be attached to the Office of the Governor. The authority shall be headed by an
executive director who shall be hired by the board and approved by the Governor.

(2) Notwithstanding KRS 42.726, the duties of the authority shall be to:

(a) Oversee and maintain KentuckyWired, the Commonwealth's open-access broadband network;

(b) Manage the master agreement establishing the public-private partnership between the Commonwealth and its private industry partner or partners. The purpose of the agreement is to design, engineer, build, operate, maintain, and upgrade the network;

(c) Provide network connectivity to public agencies;

(d) Offer wholesale network access to eligible entities to utilize excess capacity on the network only in unserved areas;

(e) Manage other aspects of the network and its utilization through the executive director and with oversight and input from the board established in KRS 154.15-030 and the advisory group established in this section;

(f) Promulgate administrative regulations pursuant to KRS Chapter 13A necessary to implement the purposes of this subchapter;

(g) Enter into contracts with public and private entities to carry out its duties and responsibilities. A contract or other agreement involving the acquisition or disposition of a property interest by the Commonwealth shall be signed by the secretary of the Finance and Administration Cabinet. KRS Chapters 45A and 56 may require the secretary's signature on other contracts or agreements;

(h) Provide program management services ensuring the financial viability of the master agreement and related contracts and agreements, including grant administration, contract compliance and oversight, community planning support, and constituent services;

(i) Seek out, secure, and manage funding sources for the network; and

(j) Create an advisory group, including major stakeholders, to provide input and
feedback on issues important to the user community and to the long-term sustainability of the project and the network. The advisory group shall be administratively attached to and managed by the authority. The advisory group shall include but not be limited to representatives of:

1. The Department of Education;
2. The Council on Postsecondary Education;
3. The Cabinet for Economic Development;
4. The Cabinet for Health and Family Services;
5. The Transportation Cabinet;
6. The Justice and Public Safety Cabinet;
7. The Finance and Administration Cabinet;
8. The Administrative Office of the Courts;
9. The Legislative Research Commission;
10. Institutions of higher education;
11. Local government entities;
12. Libraries;
13. Public health care institutions or agencies;
14. Kentucky Educational Television; and
15. Others whose input will benefit the network.

With the approval of the board, the executive director may hire additional officers and other personnel necessary for the proper functioning of the authority, fix their salaries, and prescribe their duties. The executive director and persons employed by the authority shall not be subject to the provisions of KRS Chapter 18A.

With the approval of the board, the executive director may make, execute, and effectuate contracts, leveraging future revenues from provision of government-to-government services and sale or lease of excess capacity, to incur debt in the name of the authority and enter into financing agreements.
with the Commonwealth, agencies of the Commonwealth, lending
institutions, investors, or investing entities.

(b) The total amount of debt or financing under this subsection shall not exceed
one hundred ten million dollars ($110,000,000), and shall not leverage any
future revenues committed to the repayment of any other debt, or expected to
be used for the repayment of any other debt, as of the time the debt or
financing is entered into.

(c) Any proposed debt or financing under this subsection shall be submitted to the
Capital Projects and Bond Oversight Committee for review at least fourteen
(14) days prior to the committee meeting.

(d) If any debt or financing is incurred under this subsection, the authority shall
provide to the Legislative Research Commission:

1. Within thirty (30) days of entering into a debt or financing agreement, a
   copy of the agreement; and

2. On January 1, April 1, July 1, and October 1 of each year that the debt or
   financing is outstanding:
   a. The amount of principal and interest remaining on the debt or
      financing;
   b. The use to which the capital gained from the debt or financing has
      been put; and
   c. Any amendments, if any, to the original debt or financing
      instruments or agreements.