

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2021 REGULAR SESSION**

MEASURE

2021 BR NUMBER 1430

HOUSE BILL NUMBER 320/HCS 1

TITLE AN ACT relating to taxation.

SPONSOR Representative Brandon Reed

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Kentucky Infrastructure Authority

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED Broadband Deployment Fund

FISCAL ESTIMATES	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES		Up to \$100,000,000	
NET EFFECT		Up to (\$100,000,000)	

() indicates a decrease/negative

PURPOSE OF MEASURE: Section 1 of HB 320 HCS1 allows a distribution cooperative to facilitate the operation of an affiliate engaged exclusively in the provision of broadband service to unserved or underserved households and businesses. Section 2 of HB 320 HCS1 appropriates General Fund to the broadband deployment fund to finance the construction of broadband infrastructure for unserved and underserved areas.

FISCAL EXPLANATION: Section 1 has no fiscal impact. Section 2 of HB 320 HCS1 appropriates \$100,000,000 of General Fund to the Broadband Deployment Fund in FY22. The \$100,000,000 is scheduled to be allocated the Broadband Deployment Fund in three phases during FY22: \$20,000,000 in the second quarter, \$40,000,000 in the third quarter, and \$40,000,000 in the fourth quarter. The bill states that the allocations for the third and fourth quarters shall not be allocated until all funds from the previous quarter's allocation are awarded. The fiscal impact of the HB 320 PHS 1 could be up to \$100,000,000 of General Fund in FY22, depending on the demand for the funds and the efficiency with which funds will be awarded to qualifying projects.

DATA SOURCE(S): LRC staff

PREPARER: Nick Peak **NOTE NUMBER:** 91 **REVIEW:** JAB **DATE:** 3/4/2021