

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2024 REGULAR SESSION**

**MEASURE**

2024 BR NUMBER 2346

HOUSE BILL NUMBER 267HCS1

**TITLE** AN ACT relating to providing for the authorization of the Office of Broadband Development to implement the federal Broadband Equity Access and Deployment (BEAD) Program and declaring an emergency.

**SPONSOR** Representative Jason Petrie

**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 \_\_\_\_\_

FISCAL ESTIMATES	2023-2024	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES	Indeterminable	Indeterminable	Indeterminable	Indeterminable
NET EFFECT	(Indeterminable)	(Indeterminable)	(Indeterminable)	(Indeterminable)

( ) indicates a decrease/negative

**PURPOSE OF MEASURE:** House Bill 267 HCS1 would authorize the Office of Broadband Development, an office within the Kentucky Infrastructure Authority (KIA), to utilize federal funds as part of the Broadband Equity Access and Deployment (BEAD) Program. The office would develop and submit Kentucky BEAD Grant Program funding requests to applicable federal entities; conduct a challenge process to identify locations eligible for funding; develop an application process and determine eligibility for prospective subgrantees; create rules for the review process and timelines for grant applications and challenges to said applications; evaluate subgrantee letters of credit, bonds, or other information to evaluate likelihood of project completion; coordinate with local entities; and oversee reporting and compliance consistent with federal laws.

This measure also establishes the BEAD fund in the State Treasury to be a trust and agency account. All moneys in the fund shall be allocated solely to providing moneys to grantees meeting federal requirements.

**FISCAL EXPLANATION:** While House Bill 267 HCS1 makes an authorization and gives instruction for the use of federal funds through the Kentucky BEAD Grant Program, until a dollar amount is appropriated by the General Assembly toward the BEAD fund, the fiscal impact to the state is indeterminable since the amount of the appropriation would determine the fiscal impact to the Office of Broadband Development in personnel and operating costs. The Office of Broadband Deployment would need additional staff to administer the BEAD Program. The costs would depend on the caseload for the program.

**DATA SOURCE(S):** LRC Budget Staff

**PREPARER:** Emma Mills **NOTE NUMBER:** 177 **REVIEW:** JB **DATE:** 3/19/2024