



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 442

PRINTERS NO. 928

PRIME SPONSOR: Phillips-Hill

AS AMENDED BY: A05336

COST / (SAVINGS)

FUND	FY 2022/23	FY 2023/24
General Fund	See fiscal impact	See fiscal impact

SUMMARY: Amends the act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code, to provide for an inventory of Commonwealth-owned assets for the development of fixed broadband services in unserved areas, to establish a restricted account for providing for underserved areas of this Commonwealth, and to provide funding restrictions to state-related universities that receive payments from nonpreferred appropriations.

ANALYSIS: SB 442 Amends the act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code, by creating Article I-K relating to state-owned assets, county owned assets and broadband services. This bill requires that the Department of General Services (DGS) create inventories and surveys of real estate structures and asset information on possible uses of those assets for fixed broadband services or mobile broadband services in underserved areas (areas demonstrated to have limited access to broadband services) and unserved areas (areas lacking access to broadband services). This information shall be utilized by the department or a designee when analyzing resources available in providing broadband services in such areas.

Such agencies having responsibilities for these assets may lease or convey a license or other interest in the asset to a qualified provider in order to permit the use of the asset by the qualified provider for deployment of fixed or mobile broadband service with underserved or unserved areas, subject to demonstration of compliance with structural and permitting requirements to be overseen by DGS.

A county may prepare and periodically update an inventory of county-owned assets that are available and may be utilized to provide broadband service and may transmit that to DGS for incorporation into their analysis.

This bill also creates a restricted account in the General Fund with a continuing appropriation for the purpose of deploying high-speed broadband services to underserved and unserved areas. The funding for this comes from all revenue generated from the foregoing leases, licenses or other interests authorized by this act, all revenue generated from the contract entered into by DGS and a wireless infrastructure program manager entered into on August 23, 2019, under contract

4400021522 and all revenue generated from any other contract or agreement entered into between DGS and a wireless infrastructure program manager for the following purposes:

- 1) Analysis and marketing of Commonwealth-owned assets and a neutral host system for revenue generating purposes
- 2) Managing the occupancy, revenues, and expenses with such assets
- 3) Construction or facilitation of the construction of new telecommunications equipment whether on existing structures or not.
- 4) Retrofitting or upgrading existing telecommunications equipment, whether on existing towers and buildings or not.
- 5) Entering into site occupancy agreements for assets and telecommunication equipment with service providers to facilitate the deployment of broadband services.

The department or its designee shall identify an appropriate timeline of no more than 90 days for approval of site occupancy agreements and shall adopt guidelines for qualifications of broadband providers and negotiating or finalizing site occupancy.

The Pennsylvania State Police shall have jurisdiction over the Statewide Mobile Radio and Microwave system described in the Capital Budget Project Itemization Act for 1996-1997 and proceeds from the lease or licensing of those assets shall be used for the purpose of maintaining and improving that system.

This bill does not apply to the PA State Police or the Historical and Museum Commission.

Additionally, this legislation adds Article XVII-F.1 to add the following funding restrictions to state-related universities that receive payments from nonpreferred appropriations:

- 1) The payment shall be made on a monthly basis.
- 2) The payment must be based on cost incurred by the institution allocated over the 2022-2023 fiscal year.
- 3) The institution must not engage in research or experimentation using fetal tissue obtained from an elective abortion.
- 4) Not later than 30 days prior to the date the payment is made, a financial officer of the institution must submit all of the following to the Secretary of Education, the State Treasurer, the Secretary of the Senate and the Chief Clerk of the House of Representatives:
 - i. An estimate of costs under paragraph (2).
 - ii. A statement that the institution is in compliance with paragraph (3).

Effective date: Immediately, with Article XVII-F.1 retroactive to July 1, 2022.

FISCAL IMPACT: According to DGS, based on current agreements that they have in place to utilize state assets for the placement of broadband infrastructure, the enactment of this legislation will divert approximately \$37,000 annually from the General Fund to the new restricted account

established in the legislation. As the buildout of broadband continues to expand in future years, additional revenues will accrue to the new restricted account.

The requirement in the legislation for DGS to create inventories and surveys of real estate structures and asset information for possible broadband use in underserved and unserved areas will not create additional costs to DGS since they already survey and catalog this information as part of their normal course of business.

The provisions contained in Article XVII-F.1 will have no adverse impact on Commonwealth funds.

PREPARED BY: Thomas Gwinn
House Appropriations Committee (R)

DATE: July 6, 2022

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.