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BILL ANALYSIS

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Senate Bill 1253 (as introduced 5-25-04)
Sponsor: Senator Tony Stamas
Committee: Technology and Energy

Date Completed: 6-2-04

CONTENT

The bill would amend the Michigan Broadband Development Authority Act to retain the requirement that minimum amounts of seed capital money be targeted to underserved areas; and require the Public Service Commission, rather than the Authority, to identify areas having the greatest need for broadband development.

Under the Act, the Authority was required to establish a seed capital loan program to make capital loans to people planning to apply to the Authority for financing of broadband infrastructure. The Act required the Authority to designate a minimum of \$500,000 to be targeted to rural underserved areas and \$500,000 to be targeted to urban underserved areas during the initial two years of operations. The bill would delete the reference to the initial two years of operations.

The Act defines "underserved areas" as geographical areas of this State identified by the Authority as having the greatest need for broadband development. Under the bill, after notice and hearing, the PSC would have to issue an order identifying the areas in greatest need for broadband development, by December 31, 2004.

The bill is tie-barred to a House bill that has not yet been introduced.

MCL 484.3207

Legislative Analyst: Julie Koval

FISCAL IMPACT

By requiring the PSC to identify the areas of greatest need, the bill would add to the statutory duties of the Commission. The fiscal impact would be minimal, although staff time would be diverted from other responsibilities.

Fiscal Analyst: Maria Tyszkiewicz

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.