



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 224 (Substitute S-2 as reported)
Sponsor: Senator Gerald Van Woerkom
Committee: Agriculture, Forestry and Tourism

CONTENT

The bill would amend the Michigan Broadband Development Authority Act to provide that at least 55% of the loans issued by the Authority during a fiscal year would have to go to rural underserved areas, unless the Authority did not receive enough qualified rural loan applications to meet the 55% requirement. "Rural" would mean a county with a population under 70,000.

The bill also would require the Authority, by March 1 each year, to file with both houses of the Legislature a report providing detailed information on the expenditures and the recipients of loans. The report would have to include information regarding the selection process and the criteria the Authority used in determining that an area was underserved.

The Act defines "underserved areas" as geographical areas of the State identified by the Authority as having the greatest need for broadband development. In identifying underserved areas, the Authority must consider an area's economic conditions, including family income, affordability of access, lack of options available, low percentage of residents subscribing, and any other criteria considered important by the Authority.

MCL 484.3207

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would not affect the amount of funding available for loans issued by the Authority. It would direct that a minimum 55% of the loans issued by the Authority during a fiscal year be allocated for rural underserved areas, if the Authority received a sufficient number of qualified fiscal applications.

Date Completed: 5-26-05

Fiscal Analyst: Bill Bowerman