

HOUSE BILL No. 2925

By Committee on Utilities

2-14

9 AN ACT concerning telecommunications; imposing certain require-
10 ments on telecommunications public utilities and providing penalties
11 for failure to comply; providing for issuance of bonds and other fi-
12 nancing for certain broadband facilities; providing for certain property
13 tax exemptions for certain broad band facilities.
14

15 *Be it enacted by the Legislature of the State of Kansas:*

16 Section 1. (a) As used in this section, terms have the meanings pro-
17 vided in K.S.A. 66-1,187, and amendments thereto.

18 (b) A telecommunications public utility which offers a telecommu-
19 nications service to any customer in the state of Kansas shall offer and
20 make available the same or a comparable service to all such utilities' cus-
21 tomers in Kansas not later than five years after the effective date of this
22 act or five years after the utility first offers the service to a customer in
23 this state, whichever is later. Any telecommunications public utility which
24 fails to offer and make available any service as required by this subsection
25 shall be liable for the penalty provided pursuant to K.S.A. 66-177, and
26 amendments thereto, for each violation. In determining the amount of
27 any such penalties, the commission may assess an amount sufficient to
28 permit alternative service providers to offer and make the telecommu-
29 nications service available to such customers.

30 Sec. 2. (a) For the purpose of financing the construction and instal-
31 lation of qualifying broadband facilities, the Kansas development finance
32 authority is hereby authorized to issue revenue bonds pursuant to the
33 Kansas development finance authority act, K.S.A. 74-8901 et seq., and
34 amendments thereto, in amounts sufficient to pay the costs of such con-
35 struction and installation, including any required interest on the bonds
36 during construction and installation, plus all amounts required for the
37 costs of bond issuance, costs of credit enhancement or other financial
38 contracts, capitalized interest and any required reserves on the bonds.
39 The bonds, and interest thereon, issued pursuant to this section shall be
40 payable from revenues pledged to the Kansas development finance au-
41 thority for such purpose, which may include revenues derived from sales
42 of broadband service provided by such facilities.

43 (b) The provisions of subsection (a) of K.S.A. 74-8905, and amend-

1 ments thereto, shall not prohibit the issuance of bonds by the Kansas
2 development finance authority for the purposes of this section and any
3 such issuance of bonds is exempt from the provisions of subsection (a) of
4 K.S.A. 74-8905, and amendments thereto, which would operate to pre-
5 clude such issuance.

6 (c) Revenue bonds, including refunding revenue bonds, issued under
7 this section shall not constitute an indebtedness of the state of Kansas,
8 nor shall they constitute indebtedness within the meaning of any consti-
9 tutional or statutory provision limiting the incurring of indebtedness.

10 (d) Revenue bonds, including refunding revenue bonds, issued here-
11 under and the income derived therefrom are and shall be exempt from
12 all state, county and municipal taxation in the state of Kansas, except
13 Kansas estate taxes.

14 (e) As used in this section:

15 (1) "Qualifying broadband facilities" means facilities required to pro-
16 vide broadband service, as certified by the state corporation commission,
17 in qualifying areas of the state.

18 (2) "Broadband service" means service which provides upstream,
19 from customer to provider, or downstream, from provider to customer,
20 transmission of digital signals at rates equal to or greater than 256 kilobits
21 per second. "Broadband service" does not include service provided by
22 satellite.

23 (3) "Qualifying areas of the state" means areas of the state where at
24 least 80% of residences and businesses do not have access to broadband
25 service, as certified by the state corporation commission.

26 Sec. 3. (a) The following described property, to the extent herein
27 specified, shall be exempt from all property taxes levied under the laws
28 of the state of Kansas: New qualifying broadband facility property.

29 (b) The provisions of subsection (a) shall apply from and after pur-
30 chase or commencement of construction or installation of such property.

31 (c) The provisions of this section shall apply to all taxable years com-
32 mencing after December 31, 2006, and before January 1, 2010.

33 (d) As used in this section:

34 (1) "New qualifying broadband facilities" means facilities which are
35 constructed or installed after December 1, 2006, and which are required
36 to provide broadband service, as certified by the state corporation com-
37 mission, in qualifying areas of the state.

38 (2) "Broadband service" means service which provides upstream,
39 from customer to provider, or downstream, from provider to customer,
40 transmission of digital signals at rates equal to or greater than 256 kilobits
41 per second. "Broadband service" does not include service provided by
42 satellite.

43 (3) "Qualifying areas of the state" means areas of the state where at

1 least 80% of residences and businesses do not have access to broadband
2 service, as certified by the state corporation commission.
3 Sec. 4. This act shall take effect and be in force from and after its
4 publication in the statute book.